

BizLink Holding Inc. and Subsidiaries

**Consolidated Financial Statements for the
Years Ended December 31, 2020 and 2019 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, 2020 and 2019, 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, 2020 and 2019, 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, 2020. 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.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2020 are 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 2020, operating revenue from customers with positive growth rate whose sales are significant accounted for 18% of the consolidated operating revenue. Furthermore, the Group's largest customer is accounted for 22% of the consolidated operating revenue and is significant for BizLink. Therefore, we identified revenue recognition related to the actual occurrence of the sales transaction from the largest customer and customers whose sales are significant and with positive growth rate 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, the customers' receipts of delivery and hub warehouse pull reports in order to verify the occurrence of the transactions.

Impairment of Property, Plant and Equipment, Right-of-Use Assets, Intangible Assets and Goodwill from Acquisition of the Speedy Group and Home Appliances Division

In 2020 and 2017, BizLink acquired the Speedy Group and Leoni AG Electrical Appliance Assemblies business group (hereafter, "BizLink Home Appliances Division"). As of the acquisition date, BizLink has obtained property, plant and equipment, right-of-use assets, intangible assets and goodwill in a total amount of NT\$2,477,562 thousand. As of December 31, 2020, the carrying amounts of property, plant and equipment, right-of-use assets, intangible assets and goodwill of the Speedy Group and BizLink Home Appliances Divisions were NT\$1,058,950 thousand, NT\$265,332 thousand, NT\$886,950 thousand and NT\$730,307 thousand, respectively.

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

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

In response, we performed the following audit procedures:

1. We obtained evaluation reports issued by the Group to assess the process and basis of management's forecasted sales growth rate and profit margins for future operating cash flows and the current operating conditions, historical trends, industry-specific situation, etc., and we verified that they were updated in due course.
2. We appointed a valuation specialist from our firm to assist us, and the valuation specialist evaluated that the weighted average cost of capital used by management, including the risk-free interest rates, volatility and risk premiums, was comparable with those of the Speedy Group and BizLink Home Appliances Division's present and industry-specific situation, and we re-performed and verified the calculation.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 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, 2021

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, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

ASSETS	2020		2019	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 5,360,003	24	\$ 9,020,132	38
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	43,277	-	14,382	-
Financial assets for hedging - current (Notes 4, 24 and 34)	10,641	-	4,055	-
Notes receivable from unrelated parties (Notes 4, 9 and 25)	6,968	-	34,151	-
Trade receivables from unrelated parties (Notes 4, 9 and 25)	5,235,100	23	4,836,085	20
Other receivables (Notes 4 and 9)	92,295	-	114,355	1
Current tax assets (Notes 4 and 27)	40,762	-	67,646	-
Inventories (Notes 4 and 10)	4,649,474	21	4,077,127	17
Prepayments (Note 18)	314,832	1	220,202	1
Other financial assets - current (Notes 18 and 36)	111,546	1	10,976	-
Other current assets (Note 18)	2,206	-	2,686	-
Total current assets	<u>15,867,104</u>	<u>70</u>	<u>18,401,797</u>	<u>77</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (FVTPL) - non-current (Notes 4 and 7)	17,088	-	-	-
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	308,606	1	468,220	2
Investments accounted for using equity method (Notes 4 and 12)	90,527	1	97,316	-
Property, plant and equipment (Notes 4, 13 and 36)	3,224,081	14	2,505,708	10
Right-of-use assets (Notes 4, 14 and 35)	763,231	3	1,028,822	4
Investment properties (Notes 4, 15 and 36)	189,588	1	198,845	1
Goodwill (Notes 4, 5 and 16)	730,307	3	373,867	2
Other intangible assets (Notes 4 and 17)	1,016,656	5	337,376	1
Deferred tax assets (Notes 4 and 27)	270,291	1	176,291	1
Other financial assets - non-current (Notes 4, 18 and 36)	64,982	-	177,274	1
Other non-current assets (Notes 4, 18 and 35)	174,728	1	247,592	1
Total non-current assets	<u>6,850,085</u>	<u>30</u>	<u>5,611,311</u>	<u>23</u>
TOTAL	<u>\$ 22,717,189</u>	<u>100</u>	<u>\$ 24,013,108</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 36)	\$ 259,833	1	\$ 64,500	-
Financial liabilities at FVTPL - current (Notes 4 and 7)	51	-	8,394	-
Contract liabilities - current (Notes 4 and 25)	15,586	-	20,202	-
Notes payable (Note 21)	269,354	1	308,767	1
Trade payables to unrelated parties (Note 21)	3,501,322	16	3,371,163	14
Trade payables to related parties (Note 35)	5	-	-	-
Lease liabilities - current (Notes 4, 14 and 35)	265,656	1	253,578	1
Other payables to unrelated parties (Note 22)	1,372,585	6	1,243,287	5
Other payables to related parties (Note 35)	220	-	-	-
Current tax liabilities (Notes 4 and 27)	131,983	1	71,638	1
Current portion of long-term borrowings and bonds payable (Notes 19, 20 and 36)	55,719	-	2,391,131	10
Other current liabilities (Note 22)	3,348	-	2,646	-
Total current liabilities	<u>5,875,662</u>	<u>26</u>	<u>7,735,306</u>	<u>32</u>
NON-CURRENT LIABILITIES				
Lease liabilities - non-current (Notes 4, 14 and 35)	343,868	2	606,049	3
Bonds payable (Notes 4 and 20)	2,739,430	12	2,824,912	12
Long-term borrowings (Notes 19 and 36)	385,162	2	451,012	2
Deferred tax liabilities (Notes 4 and 27)	68,446	-	106,907	-
Net defined benefit liabilities - non-current (Notes 4 and 23)	10,718	-	10,336	-
Other non-current liabilities (Note 22)	16,378	-	22,160	-
Total non-current liabilities	<u>3,564,002</u>	<u>16</u>	<u>4,021,376</u>	<u>17</u>
Total liabilities	<u>9,439,664</u>	<u>42</u>	<u>11,756,682</u>	<u>49</u>
EQUITY ATTRIBUTABLE TO OWNERS OF BizLink (Note 24)				
Capital stock				
Common stock	1,305,694	6	1,305,174	5
Capital surplus	7,342,311	32	7,320,086	31
Retained earnings				
Legal reserve	811,469	4	627,070	2
Special reserve	967,925	4	646,210	3
Unappropriated earnings	3,641,209	16	3,276,915	14
Total retained earnings	5,420,603	24	4,550,195	19
Other equity	(831,267)	(4)	(967,925)	(4)
Total equity attributable to owners of the BizLink	13,237,341	58	12,207,530	51
NON-CONTROLLING INTERESTS (Notes 24 and 31)	40,184	-	48,896	-
Total equity	<u>13,277,525</u>	<u>58</u>	<u>12,256,426</u>	<u>51</u>
TOTAL	<u>\$ 22,717,189</u>	<u>100</u>	<u>\$ 24,013,108</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, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 25 and 35)				
Sales	\$ 22,537,767	100	\$ 23,092,145	100
OPERATING COSTS (Notes 10, 26 and 35)				
Cost of goods sold	<u>16,827,443</u>	<u>75</u>	<u>17,466,558</u>	<u>76</u>
GROSS PROFIT	<u>5,710,324</u>	<u>25</u>	<u>5,625,587</u>	<u>24</u>
OPERATING EXPENSES (Notes 26 and 35)				
Selling and marketing expenses	961,164	4	1,010,221	4
General and administrative expenses	1,667,900	7	1,632,404	7
Research and development expenses	651,167	3	576,147	3
Expected credit loss reversed (Notes 4 and 9)	<u>(14,935)</u>	<u>-</u>	<u>(3,210)</u>	<u>-</u>
Total operating expenses	<u>3,265,296</u>	<u>14</u>	<u>3,215,562</u>	<u>14</u>
PROFIT FROM OPERATIONS	<u>2,445,028</u>	<u>11</u>	<u>2,410,025</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 26)	55,411	-	48,224	-
Other income (Notes 4, 14 and 26)	244,112	1	86,020	-
Other gains and losses (Notes 4 and 26)	(341,898)	(1)	(93,382)	-
Finance costs (Notes 19, 20, 26 and 35)	(125,449)	(1)	(103,037)	-
Share of loss of associates (Notes 4 and 12)	<u>(21,962)</u>	<u>-</u>	<u>(12,822)</u>	<u>-</u>
Total non-operating income and expenses	<u>(189,786)</u>	<u>(1)</u>	<u>(74,997)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX FROM OPERATIONS	2,255,242	10	2,335,028	10
INCOME TAX EXPENSE (Notes 4 and 27)	<u>434,946</u>	<u>2</u>	<u>497,388</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>1,820,296</u>	<u>8</u>	<u>1,837,640</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 23)	(110)	-	(2,571)	-
Unrealized gain on investments in equity instruments at FVTOCI (Notes 4 and 24)	134,136	1	78,598	-
Gain on hedging instruments subject to basis adjustments (Notes 4 and 24)	36,949	-	7,705	-

(Continued)

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
Exchange differences on translation to the presentation currency (Notes 4 and 24)	\$ (628,753)	(3)	\$ (541,840)	(2)
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4, 24 and 27)	<u>(714)</u>	<u>-</u>	<u>(1,631)</u>	<u>-</u>
	<u>(458,492)</u>	<u>(2)</u>	<u>(459,739)</u>	<u>(2)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation foreign operations (Notes 4 and 24)	<u>850,581</u>	<u>4</u>	<u>134,117</u>	<u>1</u>
Other comprehensive income (loss) for the year, net of income tax	<u>392,089</u>	<u>2</u>	<u>(325,622)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,212,385</u>	<u>10</u>	<u>\$ 1,512,018</u>	<u>7</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of BizLink	\$ 1,828,336	8	\$ 1,843,989	8
Non-controlling interests	<u>(8,040)</u>	<u>-</u>	<u>(6,349)</u>	<u>-</u>
	<u>\$ 1,820,296</u>	<u>8</u>	<u>\$ 1,837,640</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of BizLink	\$ 2,221,097	10	\$ 1,519,997	7
Non-controlling interest	<u>(8,712)</u>	<u>-</u>	<u>(7,979)</u>	<u>-</u>
	<u>\$ 2,212,385</u>	<u>10</u>	<u>\$ 1,512,018</u>	<u>7</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 14.01</u>		<u>\$ 15.54</u>	
Diluted	<u>\$ 13.28</u>		<u>\$ 14.72</u>	

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

(Concluded)

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the BizLink											
	Capital Stock Ordinary Shares	Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity				Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings		Gain or Loss on the Effective Cash Flow Hedging Instruments	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Others	Total		
BALANCE AT JANUARY 1, 2019	\$ 1,185,174	\$ 4,893,638	\$ 487,839	\$ 604,558	\$ 2,506,543	\$ (682,785)	\$ (2,572)	\$ 39,148	\$ (25,588)	\$ 9,005,955	\$ 54,796	\$ 9,060,751
Appropriation of the 2018 earnings (Note 24)												
Legal reserve	-	-	139,231	-	(139,231)	-	-	-	-	-	-	-
Special reserve	-	-	-	41,652	(41,652)	-	-	-	-	-	-	-
Cash dividends distributed by BizLink	-	-	-	-	(888,881)	-	-	-	-	(888,881)	-	(888,881)
Change in percentage of ownership interests in subsidiaries (Notes 24 and 31)	-	(502)	-	-	(1,577)	-	-	-	-	(2,079)	2,079	-
Equity component of convertible bonds (Notes 20, 24 and 32)	-	140,307	-	-	-	-	-	-	-	140,307	-	140,307
Repurchase of convertible bonds (Notes 20 and 24)	-	(17,056)	-	-	-	-	-	-	-	(17,056)	-	(17,056)
Issuance of ordinary shares for cash in participation of Global Depositary Receipt (GDR) (Note 24)	120,000	2,303,699	-	-	-	-	-	-	-	2,423,699	-	2,423,699
Share-based payment arrangements (Notes 24, 26 and 29)	-	-	-	-	-	-	-	-	25,588	25,588	-	25,588
Net profit (loss) for the year ended December 31, 2019	-	-	-	-	1,843,989	-	-	-	-	1,843,989	(6,349)	1,837,640
Other comprehensive (loss) income for the year ended December 31, 2019 (Note 24)	-	-	-	-	(2,276)	(406,093)	5,779	78,598	-	(323,992)	(1,630)	(325,622)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	1,841,713	(406,093)	5,779	78,598	-	1,519,997	(7,979)	1,512,018
BALANCE AT DECEMBER 31, 2019	1,305,174	7,320,086	627,070	646,210	3,276,915	(1,088,878)	3,207	117,746	-	12,207,530	48,896	12,256,426
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

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, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,255,242	\$ 2,335,028
Adjustments for:		
Depreciation expense	692,308	657,532
Amortization expense	149,291	116,578
Expected credit loss reversed on trade receivables	(14,935)	(3,210)
Net gain on fair value change of financial assets and liabilities designated as at FVTPL	(177,096)	(7,594)
Finance costs	125,449	103,037
Interest income	(55,411)	(48,224)
Dividend income	(12,749)	-
Compensation cost of employee share options	11,051	25,588
Share of loss of associates	21,962	12,822
Loss on disposal of property, plant and equipment	819	8,755
Loss on disposal of intangible assets	95	236
Impairment loss recognized on non-financial assets	129,179	178,512
Net loss on foreign currency exchange	63,535	10,527
Loss on redemption of convertible bonds	167,869	20,364
Gain on lease modification	(1,874)	-
Changes in operating assets and liabilities		
Decrease in financial assets mandatorily classified as at FVTPL	149,018	43,309
Decrease in notes receivable	26,432	34,497
(Increase) decrease in trade receivables	(499,504)	101,255
Decrease (increase) in other receivables	21,793	(12,270)
(Increase) decrease in inventories	(787,892)	210,468
Increase in prepayments	(98,449)	(48,891)
Decrease (increase) in other current assets	360	(814)
Decrease in financial liabilities held for trading	(29,103)	(55,625)
Decrease in contract liabilities	(6,056)	(1,821)
(Decrease) increase in notes payable	(24,866)	183,981
Increase (decrease) in trade payables	233,319	(379,421)
Increase in trade payables to related parties	5	-
Increase in other payables	61,943	186,506
Increase in other payables to related parties	220	-
(Decrease) increase in deferred revenue	(8,022)	884
Increase in net defined benefit liabilities	77	3,559
Increase in other current liabilities	868	420
(Decrease) increase in other operating liabilities	(2,717)	66
Cash generated from operations	2,392,161	3,676,054
Interest received	55,411	48,224
Interest paid	(49,318)	(56,043)
Income tax paid	(526,727)	(607,732)
Net cash generated from operating activities	1,871,527	3,060,503

(Continued)

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at FVTOCI	\$ (61,494)	\$ (17,500)
Proceeds from sale of financial assets at FVTOCI	339,780	-
Acquisitions of associates accounted for using equity method	(36,000)	(100,201)
Net cash outflow on acquisition of subsidiaries	(1,408,782)	(7,783)
Acquisition of right-of use assets	-	(174,446)
Payments for property, plant and equipment	(759,861)	(710,585)
Proceeds from disposal of property, plant and equipment	16,071	29,848
Payments for intangible assets	(35,458)	(45,036)
Increase in refundable deposits	(6,346)	(25,035)
Decrease in refundable deposits	3,429	2,246
Increase in other financial assets	(108,029)	(923)
Decrease in other financial assets	120,708	12,090
Increase in prepayments for equipment	(112,745)	(172,007)
Dividends received	<u>12,749</u>	<u>-</u>
Net cash used in investing activities	<u>(2,035,978)</u>	<u>(1,209,332)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of convertible bonds	-	3,031,000
Payments for transaction costs attributable to issue of debt instruments	-	(26,558)
Redemption of convertible bonds	(2,574,057)	(526,412)
Proceeds from issuance of common stock for cash	-	2,423,699
Proceeds from short-term borrowings	189,949	-
Proceeds of long term borrowings	-	92,173
Repayments of long-term borrowings	(13,914)	-
Proceeds from guarantee deposits received	3,011	447
Repayment of the principal portion of lease liabilities	(256,467)	(227,674)
Dividends paid to owners of BizLink	<u>(1,174,657)</u>	<u>(888,881)</u>
Net cash (used in) generated from financing activities	<u>(3,826,135)</u>	<u>3,877,794</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>330,457</u>	<u>(269,105)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(3,660,129)	5,459,860
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>9,020,132</u>	<u>3,560,272</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,360,003</u>	<u>\$ 9,020,132</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, 2020 AND 2019 (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 dollars since BizLink’s stocks are listed on the Taiwan Stock Exchange.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements of BizLink and its subsidiaries, collectively referred to as the “Group”, were approved by BizLink’s board of directors on March 24, 2021.

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 2021

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform - Phase 2”	January 1, 2021

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 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 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 6)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 7)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

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

Note 2: The amendments to IFRS 9 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 3: 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 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

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

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: 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.

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.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

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

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

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

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

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

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

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

g. Inventories

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

h. Investment in associates

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

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

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

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

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

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

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

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

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

i. Property, plant and equipment

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

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

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

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

j. Investment properties

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

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

Depreciation is recognized using the straight-line method.

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

k. Goodwill

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

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

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

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

1. 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 34.

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

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

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

- Financial liabilities at FVTPL

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

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses/any interest paid on such financial liabilities is recognized in finance costs; any remeasurement gains or losses on such financial liabilities are recognized in other gains or losses. The fair value determination method is described in Note 34.

b) Derecognition of financial liabilities

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

4) Convertible bonds

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

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

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

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

5) Derivative financial instruments

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

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

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

o. Hedge accounting

The Group designates certain hedging instruments, which include derivatives and embedded derivatives in respect of cash flow hedges. 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, 2021, 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.

Restricted shares for employees

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

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

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

u. Taxation

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

1) Current tax

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

Key Sources of Estimation Uncertainty

Impairment of property, plant and equipment, right-of-use asset, and intangible assets and goodwill from the Speedy Group and home appliances division acquisition

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2020	2019
Cash on hand	\$ 1,058	\$ 1,040
Checking accounts and demand deposits	3,423,656	6,145,573
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	1,928,411	2,871,001
Bank acceptances	<u>6,878</u>	<u>2,518</u>
	<u>\$ 5,360,003</u>	<u>\$ 9,020,132</u>

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

	December 31	
	2020	2019
Demand deposits	0%-2.03%	0%-2.38%

7. FINANCIAL INSTRUMENTS AT FVTPL

	December 31	
	2020	2019
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	\$ 39,574	\$ 11,393
Convertible bond options (Note 20)	2,269	747
Non-derivative financial assets		
Foreign listed stocks	<u>1,434</u>	<u>2,242</u>
	<u>\$ 43,277</u>	<u>\$ 14,382</u>

(Continued)

	December 31	
	2020	2019
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily at FVTPL		
Non-derivative financial assets		
Fund beneficiary certificates	\$ 17,088	\$ -
<u>Financial liabilities at FVTPL - current</u>		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	\$ 51	\$ -
Convertible bond options (Note 20)	-	8,394
	<u>\$ 51</u>	<u>\$ 8,394</u>
		(Concluded)

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

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>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
<u>December 31, 2019</u>			
Sell	USD/RMB	2020.01-2020.06	USD35,671/RMB251,694
Sell	EUR/RMB	2020.01-2020.12	EUR4,925/RMB39,250

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

Investment in Equity Instruments at FVTOCI

	December 31	
	2020	2019
<u>Non-current</u>		
Domestic and foreign equity instruments		
Unlisted stocks	\$ 308,606	\$ 253,609
Listed stocks	-	214,611
	<u>\$ 308,606</u>	<u>\$ 468,220</u>

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

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

In 2020, the Group acquired domestic and foreign unlisted stocks and domestic listed stocks 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 2020, the Group sold domestic listed stocks 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	
	2020	2019
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ 6,968	\$ 34,151
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 6,968</u>	<u>\$ 34,151</u>
Notes receivable - operating	<u>\$ 6,968</u>	<u>\$ 34,151</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 5,255,871	\$ 4,879,021
Less: Allowance for impairment loss	<u>(20,771)</u>	<u>(42,936)</u>
	<u>\$ 5,235,100</u>	<u>\$ 4,836,085</u>
<u>Other receivables</u>		
Tax refund receivable	\$ 67,363	\$ 77,692
Others	<u>24,932</u>	<u>36,663</u>
	<u>\$ 92,295</u>	<u>\$ 114,355</u>

a. Notes receivable

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

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

The aging of receivables was as follows:

	December 31	
	2020	2019
Up to 60 days	\$ 5,352	\$ 18,952
61 to 90 days	972	10,807
91 to 120 days	60	285
121 to 365 days	<u>584</u>	<u>4,107</u>
	<u>\$ 6,968</u>	<u>\$ 34,151</u>

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

b. Trade receivables

At amortized cost

The Group provides 0 to 120 days 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, 2020

		Past Due					
	Not Past Due	Less than and Including 60 Days	61 to 90 Days	91 to 120 Days	121 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.00%-0.14%	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)	<u>(918)</u>	<u>(345)</u>	<u>(638)</u>	<u>(202)</u>	<u>(2,276)</u>	<u>(16,392)</u>	<u>(20,771)</u>
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>

December 31, 2019

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

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

	For the Year Ended December 31	
	2020	2019
Balance at January 1	\$ 42,936	\$ 49,026
Less: Impairment losses reversed	(14,935)	(3,210)
Less: Amounts written off	(6,407)	(1,751)
Acquisitions through business combination	391	-
Foreign exchange translation gains and losses	<u>(1,214)</u>	<u>(1,129)</u>
Balance at December 31	<u>\$ 20,771</u>	<u>\$ 42,936</u>

c. Other receivables

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

10. INVENTORIES

	December 31	
	2020	2019
Raw materials	\$ 1,958,536	\$ 1,255,199
Work in progress	330,358	264,976
Finished goods and merchandise	<u>2,360,580</u>	<u>2,556,952</u>
	<u>\$ 4,649,474</u>	<u>\$ 4,077,127</u>

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

	December 31	
	2020	2019
Cost of inventories sold	\$ 16,639,173	\$ 17,397,151
Inventory write-downs	120,779	69,407
Unallocated production overhead (Note)	<u>67,491</u>	<u>-</u>
	<u>\$ 16,827,443</u>	<u>\$ 17,466,558</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		
			2020	2019	
BizLink Holding Inc.	BizLink Technology Inc.	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	a
	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, (2) international trade, and (3) financial center for BizLink's Asian operations.	100.00	100.00	
	Zellwood International Corp.	Various investment activities.	100.00	100.00	
	BizLink Technology (S.E.A.) Sdn. Bhd.	(1) Design, manufacture and sale of cable assemblies, power cords, and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	
	Adel Enterprises Corp.	(1) Wholesale and retail of cable assemblies, connectors, and power cords, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	
	BizLink Tech Inc.	(1) Design, manufacture, and sale of cable assemblies, (2) wholesale and retail of computer peripheral products and electronic materials, (3) production of fiberfill moldings, and (4) international business trade.	100.00	100.00	
	Accell Corp.	(1) Wholesale and retail of brand name connectors, cables and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) its own brand name.	100.00	100.00	
	BizLink Technology (Ireland) Ltd.	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	
	BizLink Japan	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	
	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	100.00	
	BizLink Technology (Belgium) NV	(1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade.	100.00	100.00	
	BizLink Technology (Slovakia) S.R.O.	(1) Manufacture and assembly of cable harnesses for electrical appliance, and (2) wholesale and retail of cable assemblies and power cords.	100.00	100.00	
	BizLink Technology SRB D.O.O.	(1) Manufacture and assembly of connectors and cable assemblies, and (2) wholesale and retail of cable assemblies, connectors and power cords.	100.00	90.00	b and d
	Speedy Industrial Supplies Pte Ltd	Manufacture and sale of cable assemblies, power cords, PCBA assemblies, sheet metal fabrication and box build assemblies.	100.00	-	c
BizLink Technology Inc.	Bobi. LLC	Various leasing activities.	100.00	100.00	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			December 31		
			2020	2019	
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	
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 Corp. (Samoa)	Various investment activities.	100.00	100.00	
	BizLink (Kun Shan) Co., Ltd.	Design, manufacture and sale of cable assemblies, connectors and power cords.	100.00	100.00	
	Teralux Technology Co., Ltd.	Research, manufacture and retail of optical and optoelectronic device technology	-	100.00	e
Bizconn International Corp. (Samoa)	Bizconn International Corp. (China)	Design, manufacture, sale and assembly of connectors, tooling and cable assemblies.	100.00	100.00	
Adel Enterprise Corp.	BizLink Electronics (Xiamen) Co., Ltd.	Manufacture and assembly of power cords and cables.	100.00	100.00	
	Asia Wick Ltd.	Various investment activities.	100.00	100.00	
Asia Wick Ltd.	TongYing Electronics (Shen Zhen) Ltd.	Manufacture of wire extrusions and cable assemblies.	100.00	100.00	
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	
		(1) Manufacture and assembly of connectors and cable assemblies, and (2) wholesale and retail of cable assemblies, connectors and power cords.	-	10.00	b and d
BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O.	(1) Manufacture of smart instrumentational sensors, instrumentational connectors and instrumentational functional materials, (2) sale of own products, and (3) import and export business.	100.00	100.00	
EA Cable Assemblies (Hong Kong) Co., Limited	BizLink Technology (Chang Zhou) Limited	(1) Manufacture of smart instrumentational sensors, instrumentational connectors, and instrumentational functional materials, (2) sale of own products, and (3) import and export business.	100.00	100.00	
	BizLink Technology (Xiamen) Limited	(1) Manufacture of smart instrumentational sensors, instrumentational connectors, and instrumentational functional materials, (2) sale of own products, and (3) import and export business.	100.00	100.00	
Speedy Industrial Supplies Pte Ltd	SIS Speedy Industrial Supplies Sdn. Bhd.	Manufacture and sale of cable assemblies, power cords, PCBA assemblies, sheet metal fabrication and box build assemblies.	100.00	-	c

(Concluded)

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

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

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

Note d: In July 2020, BizLink 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 e: Teralux Technology Co., Ltd. was liquidated in December 2020.

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

	December 31	
	2020	2019
Associates that are not individually material	\$ <u>90,527</u>	\$ <u>97,316</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	
	2020	2019
Siriustek Inc.	40.00%	40.00%
AquaOptics Corp.	44.00%	22.78%
ProOptics International Corp.	21.35%	21.35%

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

Name of Associates	December 31	
	2020	2019
Siriustek Inc.	40.00%	40.00%
AquaOptics Corp.	44.00%	22.78%
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 March 2019, the Group subscribed stocks of AquaOptics Corp. through a private placement for cash of \$30,000 thousand; after the subscription, the Group's percentage of ownership in AquaOptics was 22.78% and the Group was able to exercise significant influence over AquaOptics Corp. Included in the cost of investment in associates was goodwill of \$12,394 thousand recognized from the acquisition of AquaOptics Corp. Later in February 2020, the Group participated in the cash capital increase and subscribed stocks of AquaOptics of \$36,000 thousand, which increased the Group's percentage of ownership from 22.78% to 44.00%. The changes of investments in associates and joint ventures accounted for using equity method decreased the retained earnings by \$8,958 thousand for insufficient capital surplus.

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

In June 2020, 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, 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 was recognized as impairment loss in other gains and losses.

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

Investments were 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 year ended December 31, 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	
	2020	2019
The Group's stock of:		
Loss from continuing operations	<u>\$ (21,962)</u>	<u>\$ (12,822)</u>
Total comprehensive loss for the year	<u>\$ (21,962)</u>	<u>\$ (12,822)</u>

13. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2020	2019
Assets used by the Group	<u>\$ 3,224,081</u>	<u>\$ 2,505,708</u>

Assets Used by the Group

	Freehold Land	Buildings	Machinery and Equipment	Transportation	Other Equipment	Property under Construction	Total
<u>Cost</u>							
Balance at January 1, 2020	\$ 348,715	\$ 900,452	\$ 2,590,726	\$ 21,221	\$ 760,076	\$ 32,170	\$ 4,653,360
Additions	6,067	65,032	255,550	1,129	245,036	312,046	884,860
Disposals	-	(14,538)	(76,212)	(523)	(14,764)	-	(106,037)
Reclassifications (a)	-	133,398	90,485	-	7,636	(42,203)	189,316
Acquisitions through business combinations	-	47,137	97,844	4,356	80,532	-	229,869
Effects of foreign currency exchange differences	(6,109)	(13,933)	33,726	99	13,947	5,753	33,483
Balance at December 31, 2020	<u>\$ 348,673</u>	<u>\$ 1,117,548</u>	<u>\$ 2,992,119</u>	<u>\$ 26,282</u>	<u>\$ 1,092,463</u>	<u>\$ 307,766</u>	<u>\$ 5,884,851</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2020	\$ -	\$ 275,573	\$ 1,424,301	\$ 12,547	\$ 435,231	\$ -	\$ 2,147,652
Disposals	-	(14,029)	(62,026)	(471)	(12,621)	-	(89,147)
Reclassifications	-	-	488	-	(488)	-	-
Depreciation expense	-	42,507	257,763	2,579	108,849	-	411,698
Acquisitions through business combinations	-	10,563	82,818	2,371	64,157	-	159,909
Effects of foreign currency exchange differences	-	(181)	23,815	20	7,004	-	30,658
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ 314,433</u>	<u>\$ 1,727,159</u>	<u>\$ 17,046</u>	<u>\$ 602,132</u>	<u>\$ -</u>	<u>\$ 2,660,770</u>
Carrying amount at December 31, 2020	<u>\$ 348,673</u>	<u>\$ 803,115</u>	<u>\$ 1,264,960</u>	<u>\$ 9,236</u>	<u>\$ 490,331</u>	<u>\$ 307,766</u>	<u>\$ 3,224,081</u>

(Continued)

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

(Concluded)

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

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

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

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

14. LEASE ARRANGEMENTS

- Right-of-use assets

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Carrying amount</u>		
Land	\$ 202,810	\$ 202,459
Buildings	542,258	802,395
Transportation equipment	13,282	16,884
Other equipment	<u>4,881</u>	<u>7,084</u>
	<u>\$ 763,231</u>	<u>\$ 1,028,822</u>

	For the Year Ended December 31	
	2020	2019
Additions to right-of-use assets	\$ 18,899	\$ 493,692
Depreciation charge for right-of-use assets		
Land	\$ 4,769	\$ 2,382
Buildings	260,679	250,539
Transportation equipment	9,105	11,122
Other equipment	2,412	1,972
	<u>\$ 276,965</u>	<u>\$ 266,015</u>
Income from the subleasing of right-of-use assets (presented in other income)	\$ (12,505)	\$ (11,546)

b. Lease liabilities

	December 31	
	2020	2019
<u>Carrying amount</u>		
Current	\$ 265,656	\$ 253,578
Non-current	\$ 343,868	\$ 606,049

Range of discount rate for lease liabilities was as follows:

	December 31	
	2020	2019
Buildings	2.69%-9.88%	2.69%-6.76%
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 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend.

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

	December 31	
	2020	2019
Year 1	\$ 8,881	\$ 6,793
Year 2	3,484	5,763
Year 3	<u>-</u>	<u>2,624</u>
	<u>\$ 12,365</u>	<u>\$ 15,180</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.

	2020	2019
Expenses relating to short-term leases	<u>\$ 13,012</u>	<u>\$ 28,863</u>
Expenses relating to low-value asset leases	<u>\$ 4,921</u>	<u>\$ 1,172</u>
Total cash outflow for leases	<u>\$ (309,706)</u>	<u>\$ (473,065)</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, 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>

(Continued)

	Freehold Land	Buildings	Total
<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>
<u>Cost</u>			
Balance at January 1, 2019	\$ 92,754	\$ 153,836	\$ 246,590
Effect of foreign currency exchange differences	<u>(996)</u>	<u>(2,463)</u>	<u>(3,459)</u>
Balance at December 31, 2019	<u>\$ 91,758</u>	<u>\$ 151,373</u>	<u>\$ 243,131</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2019	\$ -	\$ 41,203	\$ 41,203
Depreciation expense	-	3,763	3,763
Effect of foreign currency exchange differences	<u>-</u>	<u>(680)</u>	<u>(680)</u>
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ 44,286</u>	<u>\$ 44,286</u>
Carrying amount at December 31, 2019	<u>\$ 91,758</u>	<u>\$ 107,087</u>	<u>\$ 198,845</u> (Concluded)

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

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

	December 31	
	2020	2019
Year 1	\$ 16,554	\$ 19,191
Year 2	1,736	14,781
Year 3	<u>400</u>	<u>-</u>
	<u>\$ 18,690</u>	<u>\$ 33,972</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	
	2020	2019
Fair value	<u>\$ 306,605</u>	<u>\$ 304,151</u>

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

16. GOODWILL

	For the Year Ended December 31	
	2020	2019
<u>Cost</u>		
Balance at January 1	\$ 375,836	\$ 393,855
Acquisitions through business combinations (Note 30)	337,295	-
Disposal subsidiaries	(1,961)	-
Effects of foreign currency exchange difference	<u>19,137</u>	<u>(18,019)</u>
Balance at December 31	<u>\$ 730,307</u>	<u>\$ 375,836</u>
<u>Accumulated impairment losses</u>		
Balance at January 1	\$ 1,969	\$ -
Impairment losses recognized	-	2,030
Disposal subsidiaries	(1,961)	-
Effects of foreign currency exchange difference	<u>(8)</u>	<u>(61)</u>
Balance at December 31	<u>\$ -</u>	<u>\$ 1,969</u>
Carrying amount at January 1	<u>\$ 373,867</u>	<u>\$ 393,855</u>
Carrying amount at December 31	<u>\$ 730,307</u>	<u>\$ 373,867</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 \$389,789 thousand on December 31, 2020). Any excess of the cost of acquisition and the net fair value of the obtained identifiable assets and liabilities is recognized as goodwill on the acquisition date with provisional prices determined based on the purchase pricing allocation report. The Group will conduct impairment tests on goodwill related to the identified cash generating units regularly in accordance with the recoverable amount based on a discounted cash flow analysis.

In July 2018, the board of directors resolved to acquire Teralux Technology Co., Ltd. and recognized goodwill of RMB461 thousand. Any excess of the cost of acquisition and the net fair value of the obtained identifiable assets and liabilities is recognized as goodwill on the acquisition date with provisional prices determined based on the purchase pricing allocation report. The Group conducted impairment tests on goodwill in 2019 and recognized \$2,030 thousand 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 \$340,518 thousand on December 31, 2020). Any excess of the cost of acquisition and the net fair value of the obtained identifiable assets and liabilities is recognized as goodwill on the acquisition date with prices determined based on the purchase pricing allocation report.

17. OTHER INTANGIBLE ASSETS

	Patent	Computer Software	Trademark	Customer Relationships	Core Technology	Total
<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 (a)	-	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>\$ -</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>\$ -</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>\$ -</u>	<u>\$ 501,567</u>	<u>\$ 372,969</u>	<u>\$ 1,016,656</u>
<u>Cost</u>						
Balance at January 1, 2019	\$ 62,415	\$ 310,607	\$ 63	\$ 215,576	\$ 211,852	\$ 800,513
Additions	-	17,217	-	-	27,819	45,036
Reclassification (b)	-	457	-	-	-	457
Disposals	-	(688)	(63)	-	-	(751)
Effect of foreign currency exchange differences	(2,092)	(11,010)	-	(8,272)	(8,712)	(30,086)
Balance at December 31, 2019	<u>\$ 60,323</u>	<u>\$ 316,583</u>	<u>\$ -</u>	<u>\$ 207,304</u>	<u>\$ 230,959</u>	<u>\$ 815,169</u>

(Continued)

	Patent	Computer Software	Trademark	Customer Relationships	Core Technology	Total
Accumulated depreciation and impairment						
Balance at January 1, 2019	\$ 20,634	\$ 149,881	\$ 63	\$ 48,237	\$ 53,585	\$ 272,400
Amortization expense	9,432	40,280	-	30,504	36,362	116,578
Disposals	-	(452)	(63)	-	-	(515)
Impairment losses recognized	29,679	-	-	35,702	41,694	107,075
Effect of foreign currency exchange differences	(2,083)	(6,847)	-	(4,112)	(4,703)	(17,745)
Balance at December 31, 2019	<u>\$ 57,662</u>	<u>\$ 182,862</u>	<u>\$ -</u>	<u>\$ 110,331</u>	<u>\$ 126,938</u>	<u>\$ 477,793</u>
Carrying amount at December 31, 2019	<u>\$ 2,661</u>	<u>\$ 133,721</u>	<u>\$ -</u>	<u>\$ 96,973</u>	<u>\$ 104,021</u>	<u>\$ 337,376</u>

(Concluded)

- Reclassifications from other non-current assets - prepayments for equipment to other intangible assets amounted to \$400 thousand for the year ended December 31, 2020.
- Reclassifications from other non-current assets - prepayments for equipment to other intangible assets amounted to \$457 thousand for the year ended December 31, 2019.

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

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

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

	For the Year Ended December 31	
	2020	2019
An analysis of amortization by function		
Operating costs	\$ 35,112	\$ 34,428
Selling and marketing expenses	69,227	37,369
General and administrative expenses	39,869	40,822
Research and development expenses	<u>5,083</u>	<u>3,959</u>
	<u>\$ 149,291</u>	<u>\$ 116,578</u>

18. OTHER ASSETS

	December 31	
	2020	2019
<u>Current</u>		
Prepayments	\$ 314,832	\$ 220,202
Others	<u>2,206</u>	<u>2,686</u>
	<u>\$ 317,038</u>	<u>\$ 222,888</u>
<u>Other financial assets - current</u>		
Time deposit with original maturities of more than 3 months	\$ 28,480	\$ 2,371
Pledged bank demand and time deposits (Note 36)	<u>83,066</u>	<u>8,605</u>
	<u>\$ 111,546</u>	<u>\$ 10,976</u>
<u>Non-current</u>		
Prepayments for equipment	\$ 95,346	\$ 175,420
Refundable deposits (Note 35)	<u>79,382</u>	<u>72,172</u>
	<u>\$ 174,728</u>	<u>\$ 247,592</u>
<u>Other financial assets - non-current</u>		
Time deposit with original maturity of more than 1 year	\$ -	\$ 10,220
Pledged bank demand and time deposits (Note 36)	<u>64,982</u>	<u>167,054</u>
	<u>\$ 64,982</u>	<u>\$ 177,274</u>

19. BORROWINGS

a. Short-term borrowings

	December 31	
	2020	2019
<u>Secured borrowings (Note 36)</u>		
Bank loans	\$ 14,240	\$ 64,500
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u>245,593</u>	<u>-</u>
	<u>\$ 259,833</u>	<u>\$ 64,500</u>

The ranges of interest rates on bank loans were 0.7%-2.96% and 0.96%-1.15% per annum as of December 31, 2020 and 2019, respectively.

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

	December 31	
	2020	2019
<u>Secured borrowings (Note 36)</u>		
Bank loans	\$ 440,881	\$ 464,665
Less: Current portion (due in one year)	<u>(55,719)</u>	<u>(13,653)</u>
Long-term borrowings	<u>\$ 385,162</u>	<u>\$ 451,012</u>

In February 2016 and May 2014, the long-term secured borrowings were provided with collateral in the form of freehold land and buildings valued at \$237,980 thousand and US\$5,800 thousand, respectively. Such loans are due in January 2026 and July 2024, respectively. As of December 31, 2020 and 2019, the annual effective interest rate ranges were 1.04%-4.19%, and 1.24%-4.19%, respectively, per annum.

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

As of March 7, 2019, the long-term borrowing of MYR14,000 thousand was provided by HSBC Bank with BizLink Technology (S.E.A.) Sdn. Bhd. in purchase of land and buildings. Land and buildings purchased are also used as the collateral for the borrowing. The annual effective interest rate is 3.14% with the payment terms due in October 2029.

20. BONDS PAYABLE

	December 31	
	2020	2019
Overseas unsecured bonds	\$ 2,836,608	\$ 5,486,340
Less: Unamortized bond discount	(97,178)	(283,950)
Less: Current portion	<u>-</u>	<u>(2,377,478)</u>
	<u>\$ 2,739,430</u>	<u>\$ 2,824,912</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 conversion price as of December 31, 2019 was NT\$297.72 per share.

4) Bondholders' put right

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

5) Redemption

- a) BizLink may redeem the bonds in whole, but not in part, at their early redemption amount if more than 90% in principal amount of the bonds has already been converted or redeemed or repurchased and cancelled.
 - b) BizLink may redeem the bonds in whole, but not in part, at their early redemption amount if the Group has become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or Republic of China (R.O.C.).
 - c) From two years to the day after the issue date to the maturity date, if the closing price for 20 transaction days of 30 consecutive business days of BizLink's common stock on the TWSE (converted into U.S. dollars at the spot exchange rate) is greater than the early redemption price applicable on the day decided by the convertible ratio exceeds 130%, then BizLink may redeem the bonds in whole or part at the early redemption amount.
- 6) The option and liability portions are accounted for separately, which are respectively included in financial assets at FVTPL - current, financial liabilities at FVTPL - current, bonds payable and capital surplus - options.
- 7) For the years ended December 31, 2020 and 2019, amortization of discounts on bonds payable included in finance costs were \$6,971 thousand and \$43,334 thousand, respectively.

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

Liability component as of January 1, 2019	\$ 2,891,598
Amortized interest	43,334
Repurchase of convertible bonds	(489,146)
Effect of foreign exchange rate	<u>(68,308)</u>
Liability component as of December 31, 2019	2,377,478
Amortized interest	6,971
Repurchase 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) As of December 31, 2019, the Group has repurchased 68 units of corporate bonds from the capital market in the amount of US\$17,463 thousand. Accordingly, the redemption decreased bonds payable, financial assets at FVTPL and capital surplus - share premiums by \$489,146 thousand, \$154 thousand and \$29,772 thousand, respectively. The difference between the amount allocated to the liability and equity component and the carrying amount led to redemption losses of \$20,364 and \$12,716 thousand, which were recognized in other gain and loss and capital surplus - treasury share, respectively.
- 9) The bondholders can request BizLink to redeem their bonds in whole or in part at two years after the issued date. On December 31, 2019, bonds payable were reclassified to current bonds payable in the amount of \$2,377,478 thousand.
- 10) 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 carrying amount 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, 2020 was NT\$234.56 per share.

4) Bondholders' put rights

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

5) Redemption

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

- 7) For the year ended December 31, 2020, the amount of converted convertible bonds of NT\$12,193 thousand (US\$400 thousands) was reclassified to common stock of NT\$520 thousand and capital surplus - conversion of bonds NT\$11,673 thousand. Bonds payable discount, financial liabilities at FVTPL - current and capital surplus - stock option on conversion date in the amounts of NT\$(491) thousand, NT\$(8) thousand and NT\$561 thousand, respectively, were also reclassified to capital surplus - conversion of bonds. For the year ended December 31, amortization of discount on bonds payable of NT\$69,160 thousand and NT\$3,660 thousands were included in the finance costs.

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 December 31, 2019	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	<u>\$ 2,739,430</u>

21. NOTES PAYABLE AND TRADE PAYABLES

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Notes payable</u>		
Operating	<u>\$ 269,354</u>	<u>\$ 308,767</u>
<u>Trade payables</u>		
Operating	<u>\$ 3,501,322</u>	<u>\$ 3,371,163</u>

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

22. OTHER LIABILITIES

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Current</u>		
Other payables		
Salaries or bonuses (includes employee compensations and remuneration of directors)	\$ 831,558	\$ 800,755
Welfare funds	41,704	36,808
Payable for taxes	42,969	40,228
Payable for professional fees	17,690	43,268
		(Continued)

	December 31	
	2020	2019
Payable for shipping	\$ 65,072	\$ 34,250
Payable for equipments (Note 32)	145,773	20,774
Payable for investment (Note 30)	8,544	-
Others	<u>219,275</u>	<u>267,204</u>
	<u>\$ 1,372,585</u>	<u>\$ 1,243,287</u>
Other liabilities		
Receipts under custody	\$ 2,103	\$ 1,426
Others	<u>1,245</u>	<u>1,220</u>
	<u>\$ 3,348</u>	<u>\$ 2,646</u>
<u>Non-current</u>		
Other liabilities		
Guarantee deposits	\$ 10,420	\$ 7,914
Deferred revenue - government grants	2,841	11,128
Others	<u>3,117</u>	<u>3,118</u>
	<u>\$ 16,378</u>	<u>\$ 22,160</u>
		(Concluded)

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

b. Defined benefit plans

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

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

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

	December 31	
	2020	2019
Present value of defined benefit obligation	\$ 19,883	\$ 18,893
Fair value of plan assets	<u>(9,165)</u>	<u>(8,557)</u>
Net defined benefit liabilities	<u>\$ 10,718</u>	<u>\$ 10,336</u>

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

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

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Actuarial loss - 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> (Concluded)

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	
	2020	2019
Discount rate (s)	0.375%-1.00%	0.625%-1.00%
Expected rate (s) of salary increase	0%-2.25%	2.25%-2.50%

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	
	2020	2019
Discount rate(s)		
0.25% increase	<u>\$ (474)</u>	<u>\$ (488)</u>
0.25% decrease	<u>\$ 536</u>	<u>\$ 566</u>
Expected rate(s) of salary increase		
0.25% increase	<u>\$ 219</u>	<u>\$ 228</u>
0.25% decrease	<u>\$ (215)</u>	<u>\$ (222)</u>

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	
	2020	2019
The expected contributions to the plan for the next year	<u>\$ 223</u>	<u>\$ 222</u>
The average duration of the defined benefit obligation	7.6-13.03 years	8.3-13.93 years

24. EQUITY

a. Capital stock

1) Common stock

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

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

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

	Number of Stocks (In Thousands of Stocks)	Capital stock
Balance at December 31, 2019	118,517	\$ 1,185,174
Issue of common stock for cash	<u>12,000</u>	<u>120,000</u>
Balance at December 31, 2019	130,517	1,305,174
Convertible bonds converted to ordinary shares	<u>52</u>	<u>520</u>
Balance at December 31, 2020	<u><u>130,569</u></u>	<u><u>\$ 1,305,694</u></u>

b. Capital surplus

	December 31	
	2020	2019
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to capital stock (1)</u>		
Stock premiums	\$ 3,943,843	\$ 3,943,843
Conversion of bonds	<u>3,022,244</u>	<u>3,010,509</u>
	<u><u>\$ 6,966,087</u></u>	<u><u>\$ 6,954,352</u></u>
<u>May be used to offset a deficit only</u>		
Conversion of employee stock options (2)	\$ 68,087	\$ 68,087
Others - expired stock option (2)	144,624	4,619
Treasury share transactions	<u>12,716</u>	<u>12,716</u>
	<u><u>\$ 225,427</u></u>	<u><u>\$ 85,422</u></u>
<u>May not be used for any purpose</u>		
Employee restricted stocks	\$ 11,051	\$ -
Stock warrants	<u>139,746</u>	<u>280,312</u>
	<u><u>\$ 150,797</u></u>	<u><u>\$ 280,312</u></u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital stock (limited to a certain percentage of the Group's capital surplus and once a year).
- 2) Such capital surplus arises from when employee share options are exercised or expired, capital surplus - options are transferred to capital surplus - stock premiums or capital surplus - others, respectively: And when the bondholder redeem the convertible bonds, capital surplus - stock warrants are transferred to capital surplus - others.

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

	Stock Premiums	Treasury Stocks	Conversion of Employee Share Options	Conversion of Bonds	Share Warrants	Employee Restricted Stocks	Employee Share Options	Others - Expired Share Options	Changes in Percentage of Ownership Interests in Subsidiaries	Total
Balance at January 1, 2019	\$ 1,557,069	\$ -	\$ 68,087	\$ 3,010,509	\$ 169,777	\$ 83,075	\$ -	\$ 4,619	\$ 502	\$ 4,893,638
Issue of common stock for cash	2,303,699	-	-	-	-	-	-	-	-	2,303,699
Repurchase of convertible bonds	-	12,716	-	-	(29,772)	-	-	-	-	(17,056)
Equity component of convertible bonds	-	-	-	-	140,307	-	-	-	-	140,307
Vested employee restricted stocks	83,075	-	-	-	-	(83,075)	-	-	-	-
Change in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(502)	(502)
Balance at December 31, 2019	3,943,843	12,716	68,087	3,010,509	280,312	-	-	4,619	-	7,320,086
Redemption of convertible bonds	-	-	-	-	(140,005)	-	-	140,005	-	-
Convertible bonds converted to common stocks	-	-	-	11,735	(561)	-	-	-	-	11,174
Employee share options	-	-	-	-	-	-	11,051	-	-	11,051
Balance at December 31, 2020	<u>\$ 3,943,843</u>	<u>\$ 12,716</u>	<u>\$ 68,087</u>	<u>\$ 3,022,244</u>	<u>\$ 139,746</u>	<u>\$ -</u>	<u>\$ 11,051</u>	<u>\$ 144,624</u>	<u>\$ -</u>	<u>\$ 7,342,311</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 shareholders' meeting. Under the dividend policy by the Articles, the Company may distribute profit in accordance with a proposal for distribution of profit prepared by the Directors and approved by the members by an ordinary resolution at any general meeting. The Directors shall prepare such proposal as follows: (1) The proposal shall begin with BizLink's annual net income and offset its losses in previous years that have not been previously offset, and then set aside a legal capital reserve at 10% of the profits left over, until the accumulated legal capital reserve equals the total capital of BizLink, (2) then BizLink shall set aside a special capital reserve, if one is required, in accordance with the applicable public company rules or as requested by the authorities in charge. Any balance left over may be distributed as dividends (including cash dividends or stock dividends) or bonuses in accordance with the statutes and the applicable public company rules and after taking into consideration financial, business and operational factors with the amount of profits distributed at not lower than 10% of profit after tax of the then current year and the amount of cash dividends distributed thereupon shall not be less than 10% of the profit proposed to be distributed of the then current year.

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

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

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

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

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

The issuance of cash dividend has been approved by the BizLink's board of directors on March 27, 2020, and was reported to the stockholders' meeting on June 19, 2020.

The appropriation of earnings for 2020 were proposed by BizLink's board of directors on March 24, 2021. The appropriation and dividends per share were as follows:

	For the Year Ended December 31, 2020
Legal reserve	\$ 204,506
Special reserve	\$ 136,658
Cash dividends	\$ 1,098,278
Cash dividends per share (NT\$)	\$ 8.2505

Except for the cash dividend, other appropriations are subject to resolution in the stockholders' meeting to be held on June 17, 2021. The total amount of the cash dividend is US\$38,604 thousand (US\$0.29 per share), and the exchange rate is based on the average of the spot buying and selling exchange rate of Bank of Taiwan as of March 19, 2021. 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	
	2020	2019
Balance at January 1	\$ (1,088,878)	\$ (682,785)
Exchange differences on translation of the financial statements of foreign operations	849,042	135,747
Exchange differences on translation to presentation currency	(626,542)	(541,840)
Balance at December 31	\$ (866,378)	\$ (1,088,878)

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

	For the Year Ended December 31	
	2020	2019
Balance at January 1	\$ 117,746	\$ 39,148
Recognized during the period		
Unrealized gain (loss)		
Equity instruments	134,136	78,598
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>(225,688)</u>	<u>-</u>
Balance at December 31	<u>\$ 26,194</u>	<u>\$ 117,746</u>

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

	For the Year Ended December 31	
	2020	2019
Balance at January 1	\$ 3,207	\$ (2,572)
Recognized during the period		
Gain (loss) on changes in fair value of hedging instruments		
Raw material price risk - copper futures contract	23,087	16,796
Foreign currency risk - foreign exchange forward contracts	13,862	-
Transferred to initial carrying amount of hedged items		
Raw material price risk - copper futures contract	(16,554)	(9,091)
Foreign currency risk - foreign exchange forward contracts	(13,862)	-
Related income tax	<u>(823)</u>	<u>(1,926)</u>
Balance at December 31	<u>\$ 8,917</u>	<u>\$ 3,207</u>

4) Unearned benefit

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

	For the Year Ended December 31	
	2020	2019
Balance at January 1	\$ -	\$ (25,588)
Share-based payment expenses recognized	<u>-</u>	<u>25,588</u>
Balance at December 31	<u>\$ -</u>	<u>\$ -</u>

e. Non-controlling interests

	For the Year Ended December 31	
	2020	2019
Balance at January 1	\$ 48,896	\$ 54,796
Share in loss for the period	(8,040)	(6,349)
Other comprehensive income in the period		
Exchange differences on translation of the financial statements of foreign operations	1,539	(1,630)
Exchange differences	(2,211)	-
Change in additional paid-in capital from share subscription not base on original ownership of OW Holding Inc. (Note 31)	<u>-</u>	<u>2,079</u>
Balance at December 31	<u>\$ 40,184</u>	<u>\$ 48,896</u>

25. REVENUE

	For the Year Ended December 31	
	2020	2019
Revenue from contracts with customers		
Revenue from the sale of goods	<u>\$ 22,537,767</u>	<u>\$ 23,092,145</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, 2020	December 31, 2019	January 1, 2019
Notes receivable and trade receivables (Note 9)	<u>\$ 5,242,068</u>	<u>\$ 4,870,236</u>	<u>\$ 5,138,490</u>
Contract liabilities - current			
Sales of goods	<u>\$ 15,586</u>	<u>\$ 20,202</u>	<u>\$ 22,507</u>

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

	For the Year Ended December 31	
	2020	2019
From the beginning contract liabilities		
Sale of goods	<u>\$ 20,202</u>	<u>\$ 22,507</u>

c. Sales details of customer contracts

Sales details are disclosed in Note 41.

26. NET PROFIT (LOSS) FROM OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2020	2019
Bank deposits	\$ 54,159	\$ 45,992
Other financial asset - current	885	19
Other financial asset - non-current	<u>367</u>	<u>2,213</u>
	<u>\$ 55,411</u>	<u>\$ 48,224</u>

b. Other income

	For the Year Ended December 31	
	2020	2019
Rental income		
Operating rental income		
Investment properties (Note 15)	\$ 21,220	\$ 20,890
Others (Note 14)	12,505	11,546
Dividend revenue		
Financial assets at FVTOCI	12,749	-
Government grants revenue	142,429	41,442
Others	<u>55,209</u>	<u>12,142</u>
	<u>\$ 244,112</u>	<u>\$ 86,020</u>

c. Other gains and losses

	For the Year Ended December 31	
	2020	2019
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	\$ 197,977	\$ 53,433
Financial liabilities held for trading	(20,881)	(45,839)
Loss on disposal of property, plant and equipment	(819)	(8,755)
Loss on disposal of intangible assets	(95)	(236)
Loss on impairment of other intangible assets	-	(107,075)
Loss on impairment of goodwill	-	(2,030)
Loss on impairment of investment for using for equity method	(8,400)	-
Loss on redemption of convertible bonds	(167,869)	(20,364)
Net foreign exchange (losses)/		
gains	(344,379)	47,828
Gain from lease modification	1,874	-
Others	<u>694</u>	<u>(10,344)</u>
	<u>\$ (341,898)</u>	<u>\$ (93,382)</u>

d. Finance costs

	For the Year Ended December 31	
	2020	2019
Interest on bank loans	\$ (14,012)	\$ (15,133)
Interest on convertible bonds	(76,131)	(46,994)
Interest on lease liabilities	<u>(35,306)</u>	<u>(40,910)</u>
	<u>\$ (125,449)</u>	<u>\$ (103,037)</u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2020	2019
An analysis of depreciation by function		
Operating costs	\$ 473,348	\$ 494,696
Operating expenses	<u>218,960</u>	<u>162,836</u>
	<u>\$ 692,308</u>	<u>\$ 657,532</u>
An analysis of amortization by function		
Operating costs	\$ 35,112	\$ 34,428
Operating expenses	<u>114,179</u>	<u>82,150</u>
	<u>\$ 149,291</u>	<u>\$ 116,578</u>

f. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2020	2019
Direct operating expenses from properties rental income	<u>\$ 3,645</u>	<u>\$ 3,763</u>

g. Employee benefits expense

	For the Year Ended December 31	
	2020	2019
Short-term benefits	<u>\$ 4,067,392</u>	<u>\$ 3,755,191</u>
Post-employment benefits (Note 23)		
Defined contribution plans	113,412	159,644
Defined benefit plans	<u>296</u>	<u>3,777</u>
	<u>113,708</u>	<u>163,421</u>
Stock-based payments	11,051	25,588
Other employee benefits	<u>329,539</u>	<u>379,577</u>
Total employee benefits expense	<u>\$ 4,521,690</u>	<u>\$ 4,323,777</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 2,630,257	\$ 2,453,486
Operating expenses	<u>1,891,433</u>	<u>1,870,291</u>
	<u>\$ 4,521,690</u>	<u>\$ 4,323,777</u>

h. Employees' compensation and remuneration of directors

BizLink accrued employees' compensation at the rates of no less than 1% and no higher than 5%, and remuneration to directors at no higher than 3% of net profit before income tax. The employees' compensation and remuneration of directors for the years ended December 31, 2020 and 2019, which have been approved by BizLink's board of directors on March 24, 2021 and March 17, 2020, respectively, were as follows:

Accrual rate

	<u>For the Year Ended December 31</u>	
	2020	2019
Employees' compensation	3.64%	4.28%
Remuneration of directors	0.38%	0.37%

Amount

	<u>For the Year Ended December 31</u>	
	2020	2019
Employees' compensation	\$ 85,540	\$ 104,895
Remuneration of directors	8,971	8,994

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

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

Information for the employees' compensation and remuneration of directors resolved by BizLink's board of directors in 2020 and 2019 were available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain on losses on foreign currency exchange

	<u>For the Year Ended December 31</u>	
	2020	2019
Foreign exchange gains	\$ 12,001,963	\$ 6,854,683
Foreign exchange losses	<u>(12,346,342)</u>	<u>(6,806,855)</u>
	<u>\$ (344,379)</u>	<u>\$ 47,828</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	
	2020	2019
Current tax		
In respect of the current year	\$ 586,320	\$ 493,006
Income tax on unappropriated earnings		
Adjustments for prior periods	<u>(9,491)</u>	<u>(21,868)</u>
	<u>576,829</u>	<u>471,138</u>
Deferred tax		
In respect of the current year	<u>(141,883)</u>	<u>26,250</u>
Income tax expense recognized in profit or loss	<u>\$ 434,946</u>	<u>\$ 497,388</u>

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

	For the Year Ended December 31	
	2020	2019
Profit before tax from operations	<u>\$ 2,255,242</u>	<u>\$ 2,335,028</u>
Income tax expense calculated at the statutory rate	\$ 391,433	\$ 486,747
Nondeductible expenses in determining taxable income	7,630	16,448
Tax-exempt income	(3,196)	(170)
Additional income tax under the Alternative Minimum Tax Act	809	1,545
Unrecognized loss carryforwards/deductible temporary differences	77,098	41,584
Deductible research expense in current period	(29,337)	(26,898)
Adjustments for prior years' tax		
Adjustments to prior years' tax	<u>(9,491)</u>	<u>(21,868)</u>
Income tax expense recognized in profit or loss	<u>\$ 434,946</u>	<u>\$ 497,388</u>

The applicable tax rate for the years ended December 31, 2020 and 2019 used above are the R.O.C. corporate tax rates of 20%. The applicable tax rate used by subsidiaries in China is 25% except for BizLink (Kun Shan) Co., Ltd., OptiWorks (Kunshan) Limited, Bizconn International Corp. (China), Xiang Yao Electronics (Shen Zhen) Co., Ltd. and BizLink Technology (Chang Zhou) Limited for the years ended December 31, 2020 and 2019, and Tong Ying Electronics (Shen Zhen) Co., Ltd. for the years ended December 31, 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, 2020 and 2019 used by the subsidiaries in the US are 21% for federal tax and 8.84% for California state tax. The applicable tax rate for the years ended December 31, 2020 and 2019 used by the subsidiaries in Ireland is 12.5% according to local law. The applicable tax rate for the years ended December 31, 2020 and 2019 used by the subsidiaries in Slovakia is 21% according to local law. The applicable tax rate for the year ended December 31, 2020 used by subsidiaries in Singapore is 17% according to local law. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2020	2019
<u>Deferred tax</u>		
In respect of the current year		
Actuarial gains and losses on defined benefit plan	\$ (109)	\$ (295)
Cash flow hedges	<u>823</u>	<u>1,926</u>
Total income tax recognized in other comprehensive income	<u>\$ 714</u>	<u>\$ 1,631</u>

c. Current tax assets and liabilities

	December 31	
	2020	2019
Current tax assets		
Tax refund receivable	<u>\$ 40,762</u>	<u>\$ 67,646</u>
Current tax liabilities		
Income tax payable	<u>\$ 131,983</u>	<u>\$ 71,638</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, 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>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>(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>(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>

For the Year Ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen- sive Income	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Property, plant and equipment	\$ 4,608	\$ (4,536)	\$ -	\$ (72)	\$ -
Right-of-use assets	-	878	-	(36)	842
Payable for annual leave	18,495	5,427	-	(619)	23,303
Write-down of inventories	29,640	12,617	-	(1,243)	41,014
Defined benefit obligation	567	294	295	-	1,156
Unrealized profit	71,054	9,151	-	(1,976)	78,229
Allowance for impaired loss	6,638	(1,021)	-	(128)	5,489
Cash flow hedged	868	-	(869)	1	-
Others	<u>24,197</u>	<u>2,786</u>	<u>-</u>	<u>(725)</u>	<u>26,258</u>
	<u>\$ 156,067</u>	<u>\$ 25,596</u>	<u>\$ (574)</u>	<u>\$ (4,798)</u>	<u>\$ 176,291</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Property, plant and equipment	\$ 9,950	\$ 4,752	\$ -	\$ (438)	\$ 14,264
Unappropriated earnings of subsidiaries	45,005	45,256	-	(2,365)	87,896
Cash flow hedged	-	-	1,057	(43)	1,014
Others	<u>1,932</u>	<u>1,838</u>	<u>-</u>	<u>(37)</u>	<u>3,733</u>
	<u>\$ 56,887</u>	<u>\$ 51,846</u>	<u>\$ 1,057</u>	<u>\$ (2,883)</u>	<u>\$ 106,907</u>

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

	December 31	
	2020	2019
Loss carryforwards		
Expiry in 2020	\$ -	\$ 1,008
Expiry in 2024	-	102
Expiry in 2025	769	-
Expiry in 2027	84	-
Expiry in 2028	2,155	-
Expiry in 2030	22,508	-
No expiry date	<u>72,975</u>	<u>61,758</u>
	<u>\$ 98,491</u>	<u>\$ 62,868</u>
Investment credits	<u>\$ 9,983</u>	<u>\$ 10,509</u>
Deductible temporary differences	<u>\$ -</u>	<u>\$ 28,661</u>

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

As of December 31, 2020, investment tax credits comprised:

Tax Credit Source	Remaining Creditable Amount	Expiry Year
Research and development expenditures	\$ 5,219	2021
	3,249	2022
	<u>1,515</u>	2023
	<u>\$ 9,983</u>	

Loss carryforwards as of December 31, 2020 were comprised of:

Unused Amount	Expiry Year
\$ 703	2021
-	2024
769	2025
84	2027
2,155	2028
22,508	2030
<u>108,407</u>	No expiry date
<u>\$ 134,626</u>	

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

As of December 31, 2020 and 2019, the taxable temporary differences associated with investment in subsidiaries and branch for which no deferred tax liabilities have been recognized were \$4,975,500 thousand and \$3,666,713 thousand, respectively.

- h. Income tax assessment

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

28. EARNINGS PER SHARE

	Unit: NT\$ Per Share	
	For the Year Ended December 31	
	2020	2019
Basic earnings per share		
Net income	<u>\$ 1,828,336</u>	<u>\$ 1,843,989</u>
Weighted average number of ordinary shares in computation of basic earnings per thousand share	<u>130,533</u>	<u>118,626</u>
Basic earnings per share	<u>\$ 14.01</u>	<u>\$ 15.54</u>

(Continued)

	For the Year Ended December 31	
	2020	2019
Diluted earnings per share		
Net income	\$ 1,828,336	\$ 1,843,989
Effect of potentially dilutive ordinary shares:		
Interest on convertible bonds (after tax)	55,517	43,334
Gain on valuation of converted bonds	(10,637)	(7,419)
Loss on repurchase of converted bonds	<u>-</u>	<u>20,364</u>
Earnings used in the computation of diluted earnings per thousand share from continuing operation	<u>\$ 1,873,216</u>	<u>\$ 1,900,268</u>
Weighted average number of ordinary shares in computation of basic earnings per thousand share	130,533	118,626
Effect of potentially dilutive ordinary shares		
Convertible bonds	9,940	9,399
Employees' compensation or bonuses issued to employees	494	527
Employee restricted stocks	88	-
Employee share options	<u>-</u>	<u>516</u>
Weighted average number of ordinary shares in computation of diluted earnings per thousand share	<u>141,055</u>	<u>129,068</u>
Diluted earnings per share	<u>\$ 13.28</u>	<u>\$ 14.72</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 bonuses would be settled in stocks and the resulting potential stocks were included in the weighted average number of stocks outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential stocks is included in the computation of diluted earnings per share until the board resolves the number of stocks to be distributed to employees at their meeting 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

Restricted Stocks

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

- Employees who acquire the restricted stocks but have not met the vesting conditions cannot sell, pledge, transfer, donate or in any other way dispose of these stocks except through inheritance.
- The handling or execution of the related proposal, statements, voting rights and other equity-related matters are delegated to trust custody agencies.

- c. Employees who acquire the restricted stocks but have not met the vesting conditions have other rights the same as the holders of the issued ordinary shares of the Group.
- d. The stocks should be held in a stock trust. The restricted stocks should be held in a trust after being issued and non-refundable before meeting the vesting conditions.

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

The restricted stocks issued by BizLink has expired in November 2019. Compensation costs of \$25,588 thousand was recognized for the year ended December 31, 2019.

Employees Share Options

On March 13, 2020, the Company approved an employee share options for employees with a total amount of 1,170,000 units, and each option is eligible to subscribe for one ordinary share when exercised. The grant is limited to 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 shares equity.

Information on outstanding employee share options is as follows:

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

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

	December 31, 2020
Range of exercise price (\$)	\$ 163.50
Weighted average remaining contractual life (in years)	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 (\$)	163.5
Exercise price (\$)	163.5
Expected volatility	40%
Expected life (in years)	6
Expected dividends yield	-
Risk-free interest rate	0.4234%-0.4721%

The compensation cost for employee share options granted was \$11,051 thousand for the year ended December 31, 2020.

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. (referred 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 asset	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
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>

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 acquisition of the Speedy Group mainly represents the control premium included in the cost of the combination. In addition, the consideration paid for the combination 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
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 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 that the fair values of the intangible assets, right-of-use 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 right-of-use assets and property, plant and equipment.

31. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTEREST

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

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

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

32. CASH FLOWS INFORMATION

a. Non-cash transactions

For the years ended December 31, 2020 and 2019, the Group entered into the following non-cash investing and financing activities:

- 1) The Group purchased property, plant and equipment, which amounted to \$145,773 thousand and \$20,774 thousand, were unpaid and recognized as other payables, respectively.
- 2) In December 2019, BizLink issued its third overseas unsecured convertible bonds, and the proceeds amounted to \$3,004,442 thousand. The Group recognized as bonds payable of \$2,852,418 thousand, financial liabilities at FVTPL of \$11,717 thousand and capital surplus - stock warrants of \$140,307 thousand, respectively.
- 3) In April 2020, the Group acquired the Speedy Group. As of December 31, 2020, \$8,544 thousand was unpaid and recognized as other payables, refer to Note 22.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2020

			Non-cash Changes							
	January 1, 2020	Cash Flows	New Leases	Change of Variable Payments	Liability Components	Equity Components	Amortized Interest Expense	Effect of Foreign Currency Exchange Differences	Other	December 31, 2020
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>\$ -</u>	<u>\$ 111,437</u>	<u>\$ (118,606)</u>	<u>\$ 195,523</u>	<u>\$ 4,060,088</u>

For the year ended December 31, 2019

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

33. CAPITAL MANAGEMENT

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

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

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

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

34. FINANCIAL INSTRUMENTS

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

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

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

December 31, 2019

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

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

1) Fair value hierarchy

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	<u>17,088</u>	<u>-</u>	<u>-</u>	<u>17,088</u>
	<u>\$ 18,522</u>	<u>\$ 39,574</u>	<u>\$ 2,269</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>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic and foreign unlisted stocks	\$ <u>-</u>	\$ <u>-</u>	\$ <u>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> (Concluded)

December 31, 2019

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

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

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

For the year ended December 31, 2020

	Financial Assets at FVTPL Derivative - Convertible Bonds - Option	Financial Assets at FVTOCI Equity Instruments	Total
Financial assets			
Balance at January 1, 2020	\$ 747	\$ 253,609	\$ 254,356
Purchases	-	60,028	60,028
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>(11,115)</u>	<u>(11,041)</u>
Balance at December 31, 2020	<u>\$ 2,269</u>	<u>\$ 308,606</u>	<u>\$ 310,875</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>

For the year ended December 31, 2019

	Financial Assets at FVTPL Derivative - Convertible Bonds - Option	Financial Assets at FVTOCI Equity Instruments	Total
Financial assets			
Balance at January 1, 2019	\$ (6,450)	\$ 382,626	\$ 376,176
Purchases	-	17,500	17,500
Recognized in profit or loss (included in other gains and losses)	7,419	-	7,419
Recognized in other comprehensive income (unrealized gain on financial assets at FVTOCI)	-	78,598	78,598
			(Continued)

	Financial Assets at FVTPL	Financial Assets at FVTOCI	
	Derivative - Convertible Bonds - Option	Equity Instruments	Total
Derecognition due to the repurchase of convertible bonds	\$ (154)	\$ -	\$ (154)
Transfer from Level 3	-	(214,611)	(214,611)
Effect of foreign currency exchange differences	(68)	(10,504)	(10,572)
Balance at December 31, 2019	<u>\$ 747</u>	<u>\$ 253,609</u>	<u>\$ 254,356</u> (Concluded)

	Derivative - Convertible Bonds - Option
Financial liabilities at FVTPL	
Balance at January 1, 2019	\$ -
Additional - issuance of convertible bonds	11,717
Recognized in profit or loss (included in other gains and losses)	
Unrealized	(3,295)
Effect of foreign currency exchange differences	(28)
Balance at December 31, 2019	<u>\$ 8,394</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	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	
	2020	2019
Discount for lack of marketability	10.00%-30.00%	10.00%-32.24%

c. Categories of financial instruments

	December 31	
	2020	2019
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily at FVTPL	\$ 60,365	\$ 14,382
Financial assets at amortized cost (1)	10,882,913	14,187,453
Financial assets for hedging	10,641	4,055
Financial assets at FVTOCI		
Equity instruments	308,606	468,220

Financial liabilities

Financial liabilities at FVTPL		
Held-for-trading	51	8,394
Financial liabilities at amortized cost (2)	7,677,819	9,784,895

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

d. Financial risk management objectives and policies

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

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

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

1) Market risk

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

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

a) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 39.

Sensitivity analysis

The Group was mainly exposed to the USD.

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

	USD Impact	
	For the Year Ended December 31	
	2020	2019
Profit or loss	\$ 6,572	\$ 35,714

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

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

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

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

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	SGD68,871	2020.4.7	Financial assets for hedging	\$ -	\$ -

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 (i) (ii)	\$ 13,862
---	-----------

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

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

b) Interest rate risk

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

	December 31	
	2020	2019
Interest rate risk on fair value		
Financial assets	\$ 2,038,502	\$ 2,885,207
Financial liabilities	3,608,787	6,126,517
Interest rate risk on cash flow		
Financial assets	3,407,304	6,266,510
Financial liabilities	440,881	464,665

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, 2020 and 2019 would have increased/decreased by \$29,664 thousand and \$58,018 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 equity price risk through its investments in equity securities.

Sensitivity analysis

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

If equity price had been 1% higher/lower, pre-tax income for the years ended December 31, 2020 and 2019 would have increased/decreased by \$14 thousand and \$22 thousand, respectively. Pre-tax other comprehensive income for the years ended December 31, 2020 and 2019 would have increased/decreased by \$3,086 thousand and \$4,682 thousand, respectively.

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

Hedge accounting

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

The hedging strategy of the Group was to sign copper futures contract to avoid the risk of copper price fluctuations and to designate cash flow hedges and adjust the carrying amount 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, 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>

For the year ended December 31, 2020

	Recognized Profit (Loss) in Other Comprehensive Income
Other Comprehensive Income Effect	
Cash flow hedges	
Expected purchases (i) (ii)	<u>\$ 23,087</u>

December 31, 2019

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

Hedged Item	Carrying Amount of Other Equity Continuous Application of Hedge Accounting
Cash flow hedges	
Expected purchases (i)	\$ <u>3,207</u>
<u>For the year ended December 31, 2019</u>	

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

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

2) Credit risk

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

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

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

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

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

3) Liquidity risk

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

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

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

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

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

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

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	<u>\$ 281,342</u>	<u>\$ 298,926</u>	<u>\$ 85,633</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2019

	Less Than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	\$ 3,968,835	\$ 76,591	\$ 7,914	\$ -
Lease liabilities	70,168	227,002	549,768	128,059
Variable interest rate	5,564	16,602	302,682	177,473
Fixed interest rate	<u>2,615,546</u>	<u>-</u>	<u>3,190,771</u>	<u>-</u>
	<u>\$ 6,660,113</u>	<u>\$ 320,195</u>	<u>\$ 4,051,135</u>	<u>\$ 305,532</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	<u>\$ 297,170</u>	<u>\$ 549,768</u>	<u>\$ 128,059</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

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>

December 31, 2019

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

c) Financing facilities

	December 31	
	2020	2019
Secured bank loan facilities:		
Amount used	\$ 455,121	\$ 427,957
Amount unused	<u>176,200</u>	<u>40,500</u>
	<u>\$ 631,321</u>	<u>\$ 468,457</u>
Unsecured bank loan facilities:		
Amount used	\$ 245,593	\$ 101,208
Amount unused	<u>3,996,584</u>	<u>4,207,655</u>
	<u>\$ 4,242,177</u>	<u>\$ 4,308,863</u>

35. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and categories

Related Party Name	Related Party Categories
Kunshan Xianglian Construction Development Limited AquaOptics Corp.	Substantive related party Associate

b. Sales of goods

Related Party Category/Name	For the Year Ended December 31	
	2020	2019
Associate AquaOptics Corp.	\$ <u>252</u>	\$ <u>-</u>

The selling prices are not comparable due to same product not sold to third parties for the years ended December 31, 2020 and 2019. The payment term of related parties is the day of delivery and of unrelated parties is from advance payment day to 180 days.

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31	
	2020	2019
Associate AquaOptics Corp.	\$ <u>447</u>	\$ <u>-</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	
		2020	2019
Trade payables	Associate AquaOptics Corp.	\$ <u>5</u>	\$ <u>-</u>
Other payables	Associate Kunshan Xianglian construction Development Limited	\$ <u>220</u>	\$ <u>-</u>

The outstanding trade payables from related parties are unsecured.

e. Lease arrangements - Group is lessee

Acquisition of right-of-use assets

Related Party Category/Name	For the Year Ended December 31	
	2020	2019
Substantive related party Kunshan Xianglian Construction Development Limited	\$ <u>-</u>	\$ <u>160,350</u>

Line Item	Related Party Category/Name	December 31	
		2020	2019
Lease liabilities	Substantive related party Kunshan Xianglian Construction Development Limited	\$ <u>328,646</u>	\$ <u>349,621</u>

Related Party Category/Name	For the Year Ended December 31	
	2020	2019

Interest expense

Substantive related party

Kunshan Xianglian Construction Development Limited	\$ 17,120	\$ 16,410
--	-----------	-----------

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	
	2020	2019
Substantive related party		
Kunshan Xianglian Construction Development Limited	\$ 20,833	\$ 20,509

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

Related Party Categories/Name	For the Year Ended December 31	
	2020	2019
Associate		
AquaOptics Corp.	\$ 1,034	\$ -

g. Compensation of key management personnel

	For the Year Ended December 31	
	2020	2019
Short-term employee benefits	\$ 84,044	\$ 89,204
Share-based payments	3,117	7,931
	<u>\$ 87,161</u>	<u>\$ 97,135</u>

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

36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31	
	2020	2019
Pledged deposits (classified as other financial assets - current)	\$ 72,473	\$ 1,465
Pledged deposits (classified as other financial assets - non-current)	9,138	150
Bank deposits (classified as other financial assets - current)	10,593	7,140
Bank deposits (classified as other financial assets - non-current)	55,844	166,904

(Continued)

	December 31	
	2020	2019
Freehold land (classified as property, plant and equipment)	\$ 292,276	\$ 295,984
Buildings (classified as property, plant and equipment)	308,873	325,966
Freehold land (classified as investment properties)	51,120	51,120
Buildings (classified as investment properties)	<u>27,913</u>	<u>28,593</u>
	<u>\$ 828,230</u>	<u>\$ 877,322</u>
		(Concluded)

37. 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, 2020 and 2019 were as follows:

Significant Commitments

Unrecognized commitments are as follows:

	December 31	
	2020	2019
Acquisition of property, plant and equipment	<u>\$ 695,179</u>	<u>\$ 120,592</u>

38. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

From January 1, 2020 to March 23, 2020, the amount of convertible bonds converted by the bondholders was US\$19,600 thousand for a total of 2,547 thousand ordinary shares.

39. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

In Thousands of U.S. Dollars and Foreign Currencies			
	December 31, 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
			(Continued)

December 31, 2020			
	Foreign Currencies	Exchange Rate	Carrying Amount
<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
			(Concluded)

December 31, 2019			
	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 210,010	6.9784 (USD:RMB)	\$ 6,296,094
USD	5,640	7.7879 (USD:HKD)	169,087
USD	33,487	0.8925 (USD:EUR)	1,003,939
USD	9,636	4.0925 (USD:MYR)	288,887

Financial liabilities

Monetary items			
USD	68,598	6.9784 (USD:RMB)	2,056,566
USD	1,278	7.7879 (USD:HKD)	38,314
USD	32,899	0.8925 (USD:EUR)	986,311

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

40. 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 \$100 million or 20% of the paid-in capital (Table 6)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)
 - 9) Trading in derivative instruments (Notes 7 and 34)
 - 10) Intercompany relationships and significant intercompany transactions (Table 8)
- b. Information on investees (Table 9)
 - c. Information on investments in mainland China
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 10)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 10):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
 - d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 11)

41. 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, 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>	2,532,189
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>

	For the Year Ended December 31, 2019				
	Computer Related Products	Fiber Optics	Home Appliances	Others	Total
Revenue from external customers	\$ 16,846,712	\$ 327,806	\$ 5,883,773	\$ 33,854	\$ 23,092,145
Intersegment revenue	<u>27,668,886</u>	<u>330,862</u>	<u>834,997</u>	<u>263,530</u>	<u>29,098,275</u>
Segment revenue	<u>\$ 44,515,598</u>	<u>\$ 658,668</u>	<u>\$ 6,718,770</u>	<u>\$ 297,384</u>	<u>52,190,420</u>
Eliminations					<u>(29,098,275)</u>
Consolidated revenue					<u>23,092,145</u>
Segment income	<u>\$ 1,928,586</u>	<u>\$ 21,122</u>	<u>\$ 513,741</u>	<u>\$ 43,711</u>	2,507,160
Reportable segment interest income					48,224
Reportable segment other income					86,020
Reportable segment other gains and losses					(93,382)
Reportable segment compensation of management personnel					(97,135)
Reportable segment finance costs					(103,037)
Share of loss of associates accounted for using the equity method					<u>(12,822)</u>
Reportable segment income before income tax					<u>\$ 2,335,028</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	
	2020	2019
Computer related products	\$ 16,693,774	\$ 16,846,712
Fiber optics	235,080	327,806
Home appliances	5,557,016	5,883,773
Others	<u>51,897</u>	<u>33,854</u>
	<u>\$ 22,537,767</u>	<u>\$ 23,092,145</u>

d. Geographical information

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

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

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2020	2019	2020	2019
USA	\$ 7,093,367	\$ 6,566,171	\$ 916,933	\$ 1,097,613
China	5,309,404	4,722,215	2,227,592	2,073,622
Germany	3,640,415	5,262,706	6,878	7,228
Others	<u>6,494,581</u>	<u>6,541,053</u>	<u>2,281,863</u>	<u>1,317,154</u>
	<u>\$ 22,537,767</u>	<u>\$ 23,092,145</u>	<u>\$ 5,433,266</u>	<u>\$ 4,495,617</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:

	<u>For the Year Ended December 31</u>	
	2020	2019
Customer A*	<u>\$ 5,021,654</u>	<u>\$ 5,874,384</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, 2020
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 4)	Ending Balance (Notes 4 and 5)	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 3)
													Item	Value		
0	BizLink Holding Inc.	BizLink (BVI) Corp.	Other receivables from related parties	Yes	\$ 2,278,400	\$ -	\$ -	-	2	\$ -	Operating capital financing funds	\$ -	-	-	\$ 5,294,936	\$ 5,294,936
		BizLink (BVI) Corp.	Other receivables from related parties	Yes	854,400	-	-	-	2	-	Operating capital financing funds	-	-	-	5,294,936	5,294,936
		BizLink (BVI) Corp.	Other receivables from related parties	Yes	569,600	569,600	-	-	2	-	Operating capital financing funds	-	-	-	5,294,936	5,294,936
		BizLink (BVI) Corp. Limited	Other receivables from related parties	Yes	569,600	569,600	569,600	-	2	-	Operating capital financing funds	-	-	-	5,294,936	5,294,936
1	BizLink Technology Inc.	OptiWorks Inc.	Other receivables from related parties	Yes	142,400	-	-	-	2	-	Operating capital financing funds	-	-	-	458,963	458,963
2	OptiWorks (Shanghai) Limited	OptiWorks (Kunshan) Limited	Other receivables from related parties	Yes	65,472	-	-	-	2	-	Operating capital financing funds	-	-	-	87,886	87,886
		OptiWorks (Kunshan) Limited	Other receivables from related parties	Yes	65,472	65,472	65,472	3.850	2	-	Operating capital financing funds	-	-	-	87,886	87,886
3	BizLink (BVI) Corp.	BizLink Holding Inc.	Other receivables from related parties	Yes	996,800	-	-	-	2	-	Operating capital financing funds	-	-	-	6,952,442	6,952,442
		BizLink International Corp.	Other receivables from related parties	Yes	284,800	284,800	284,800	-	2	-	Operating capital financing funds	-	-	-	6,952,442	6,952,442
		BizLink International Corp.	Other receivables from related parties	Yes	284,800	-	-	-	2	-	Operating capital financing funds	-	-	-	6,952,442	6,952,442
		BizLink International Corp.	Other receivables from related parties	Yes	71,200	71,200	-	-	2	-	Operating capital financing funds	-	-	-	6,952,442	6,952,442
4	BizLink Technology (Xiamen) Limited	Teralux Technology Co., Ltd.	Other receivables from related parties	Yes	67,655	-	-	-	2	-	Operating capital financing funds	-	-	-	951,635	951,635
5	BizLink Technology (Belgium) NV	BizLink Technology (Slovakia) S.R.O.	Other receivables from related parties	Yes	175,095	35,019	35,019	0.678	2	-	Operating capital financing funds	-	-	-	706,251	706,251
		BizLink Technology (Slovakia) S.R.O.	Other receivables from related parties	Yes	42,023	-	-	-	2	-	Operating capital financing funds	-	-	-	706,251	706,251
		BizLink Technology SRB D.O.O.	Other receivables from related parties	Yes	70,038	70,038	70,038	0.598	2	-	Operating capital financing funds	-	-	-	706,251	706,251
		BizLink Technology SRB D.O.O.	Other receivables from related parties	Yes	70,038	70,038	70,038	0.598	2	-	Operating capital financing funds	-	-	-	706,251	706,251
		BizLink Technology SRB D.O.O.	Other receivables from related parties	Yes	42,023	42,023	42,023	0.468	2	-	Operating capital financing funds	-	-	-	706,251	706,251
		BizLink Technology SRB D.O.O.	Other receivables from related parties	Yes	52,529	52,529	52,529	0.491	2	-	Operating capital financing funds	-	-	-	706,251	706,251
6	BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O.	Other receivables from related parties	Yes	122,567	122,567	122,567	2.350	2	-	Operating capital financing funds	-	-	-	432,076	432,076

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

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

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

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

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

(Continued)

- d. For BizLink (BVI) Corp., the loan between the foreign subsidiaries that are held directly or indirectly 100% of voting shares and loan by BizLink shall not exceed five times of the lending company and five times of the net value of the parent company.
- e. For necessary short-term financing facility for OptiWorks (Shanghai) Limited, the individual loan amount and total amount of loans shall not exceed 40% of the net value of the lending company.
- f. For BizLink Technology (Belgium) NV, the individual loan amount and total amount of loans between the foreign subsidiaries which are held directly or indirectly 100% of voting shares by BizLink shall not exceed two times of the net value of the lending company and five times of the net value of the parent company.
- g. For BizLink Technology (Xiamen) Limited, the individual loan amount and total amount of loans between the foreign subsidiaries which are held directly or indirectly 100% of voting shares by BizLink shall not exceed the net value of the lending company and five times of the net value of the 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 shares by BizLink shall not exceed the net value of the lending company and five times of the net value of the 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\$28.4800, RMB1=NT\$4.3764, EUR1=NT\$35.0200 as of December 31, 2020.

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, 2020
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorser/Guarantor Provider	Endorsee/Guaranteee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 10)	Outstanding Endorsement/ Guarantee at the End of the Period (Notes 9 and 10)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
0	BizLink Holding Inc.	BizLink Technology Inc., BizLink Tech Inc.	b	\$ 13,237,341	\$ 113,920 (US\$ 4,000)	\$ 113,920 (US\$ 4,000)	\$ -	\$ -	0.86	\$ 13,237,341	Y	N	N
		BizLink (BVI) Corp.	b	13,237,341	2,292,925 (US\$ 80,510)	612,605 (US\$ 21,510)	101,242 (US\$ 3,555)	-	4.63	13,237,341	Y	N	N
		BizLink (BVI) Corp., BizLink International Corp. (Note 4)	b	13,237,341	996,800 (US\$ 35,000)	-	-	-	-	13,237,341	Y	N	N
		BizLink (BVI) Corp., BizLink International Corp., BizLink (BVI) Corp. Limited	b	13,237,341	939,840 (US\$ 33,000)	939,840 (US\$ 33,000)	75,892 (US\$ 2,665)	-	7.10	13,237,341	Y	N	N
		BizLink (BVI) Corp., BizLink (BVI) Corp. Limited.	b	13,237,341	683,520 (US\$ 24,000)	683,520 (US\$ 24,000)	49,979 (US\$ 1,755)	-	5.16	13,237,341	Y	N	N
		BizLink International Corp.	b	13,237,341	30,000	-	-	-	-	13,237,341	Y	N	N
		BizLink (BVI) Corp. Limited.	b	13,237,341	1,503,744 (US\$ 52,800)	1,503,744 (US\$ 52,800)	105,080 (US\$ 3,690)	-	11.36	13,237,341	Y	N	N
		BizLink Technology (S.E.A.) Sdn. Bhd.	b	13,237,341	284,800 (US\$ 10,000)	284,800 (US\$ 10,000)	29,734 (US\$ 1,044)	-	2.15	13,237,341	Y	N	N
		BizLink Technology (S.E.A.) Sdn. Bhd.	b	13,237,341	7,097 (MYR 1,000)	7,097 (MYR 1,000)	-	-	0.05	13,237,341	Y	N	N
		BizLink Technology (Xiamen) Limited, BizLink Technology (Chang Zhou) Limited, BizLink (Kun Shan) Co., Ltd., Xiang Yao Electronics (Shen Zhen) Co., Ltd.	b	13,237,341	776,938 (RMB 178,000)	776,938 (RMB 178,000)	309,241 (RMB 70,848)	-	5.87	13,237,341	Y	N	Y
		BizLink Technology (Chang Zhou) Limited (Note 5)	b	13,237,341	284,800 (US\$ 10,000)	-	-	-	-	13,237,341	Y	N	Y
		BizLink Technology (Slovakia) S.R.O.	b	13,237,341	113,920 (US\$ 4,000)	113,920 (US\$ 4,000)	113,920 US\$ 4,000	-	0.86	13,237,341	Y	N	N
		BizLink Technology (Slovakia) S.R.O. (Note 6)	b	13,237,341	284,800 (US\$ 10,000)	280,152 (EUR 8,000)	123,267 EUR 3,520	-	2.12	13,237,341	Y	N	N
1	BizLink Technology Inc.	BizLink Technology Inc. (Note 8)	-	2,294,816	71,200 (US\$ 2,500)	71,200 (US\$ 2,500)	71,200 (US\$ 2,500)	-	0.54	2,294,816	N	N	N
		BizLink Tech Inc.	b	2,294,816	147,376 (US\$ 5,175)	147,376 (US\$ 5,175)	40,672 (US\$ 1,428)	-	1.11	2,294,816	N	N	N
2	BizLink (BVI) Corp.	BizLink International Corp. (Note 4)	b	4,171,465	939,840 (US\$ 33,000)	-	-	-	-	4,171,465	N	N	N
		BizLink Technology (S.E.A.) Sdn. Bhd. (Note 7)	b	4,171,465	142,400 (US\$ 5,000)	-	-	-	-	4,171,465	N	N	N
		BizLink Technology (Chang Zhou) Limited (Note 5)	b	4,171,465	284,800 (US\$ 10,000)	-	-	-	-	4,171,465	N	N	Y
		BizLink Technology SRB D.O.O.	b	4,171,465	172,792 (EUR 4,934)	50,225 (EUR 1,434)	50,225 (EUR 1,434)	55,821 (US\$ 1,960)	0.38	4,171,465	N	N	N
		BizLink Technology (Slovakia) S.R.O. (Note 6)	b	4,171,465	284,800 (US\$ 10,000)	-	-	-	-	4,171,465	N	N	N

(Continued)

No. (Note 1)	Endorser/Guarantor Provider	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 10)	Outstanding Endorsement/ Guarantee at the End of the Period (Notes 9 and 10)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
3	BizLink International Corp.	BizLink (BVI) Corp. (Note 4)	b	\$ 2,680,276	\$ 996,800 (US\$ 35,000)	\$ -	\$ -	\$ -	-	\$ 2,680,276	N	N	N
		BizLink Technology (Chang Zhou) Limited (Note 5)	b	2,680,276	284,800 (US\$ 10,000)	-	-	-	-	2,680,276	N	N	Y
		BizLink Technology (Slovakia) S.R.O. (Note 6)	b	2,680,276	284,800 (US\$ 10,000)	-	-	-	-	2,680,276	N	N	N

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

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

- a. A company with which it has business relationship.
- b. A subsidiary which directly holds more than 50% of 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.

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

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

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

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

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

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

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

Note 9: The amount was eliminated upon consolidation.

Note 10: The highest balance for the period and ending balance present in NT\$. Foreign currencies are converted into NT\$; the exchange rate was US\$1=NT\$28.4800; MYR1=NT\$7.0969, RMB1=NT\$4.3648 and EUR1=NT\$35.0190 as of December 31, 2020.

(Concluded)

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

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Stock/Unit	Carrying Value (Note 2)	Percentage of Ownership (%)	Fair Value (Note 2)	
BizLink Holding Inc.	<u>Stocks</u>							
	Lilee Systems, Ltd.	-	Financial assets at FVTOCI - non-current	142,857	\$ -	1.20	\$ -	-
	Tilopa Holding Inc.	Substantive related party	Financial assets at FVTOCI - non-current	2,400,000	139,940	18.00	139,940	-
BizLink Technology Inc.	<u>Stocks</u>							
	Wells Fargo & Co.	-	Financial assets at FVTPL - current	400	344	-	344	-
	Transocean Ltd.	-	Financial assets at FVTPL - current	800	52	-	52	-
	CNOOC Ltd.	-	Financial assets at FVTPL - current	200	522	-	522	-
	Walt Disney Co.	-	Financial assets at FVTPL - current	100	516	-	516	-
BizLink (BVI) Corp.	<u>Stocks</u>							
	Rainbow Star Group Limited (Note 5)	-	Financial assets at FVTOCI - non-current	20,000	29,526	26.05	29,526	-
	Prime Rich International Co., Ltd.	-	Financial assets at FVTOCI - non-current	600,000	41,182	6.00	41,182	-
BizLink International Corp.	<u>Stocks</u>							
	Anqing Innovation Co., Ltd.	-	Financial assets at FVTOCI - non-current	2,076,000	14,530	4.50	14,530	-
	Usenlight Corp.	-	Financial assets at FVTOCI - non-current	1,302,000	39,203	3.40	39,203	-
	Centera Photonics Inc.	-	Financial assets at FVTOCI - non-current	1,000,000	15,190	3.12	15,190	-
	<u>Funds</u>							
	WI HARPER FUND IX LP	-	Financial assets at FVTPL - non-current	Note 3	17,088	1.20	17,088	-
Zellwood International Corp.	<u>Equity investments</u>							
	Amed Venture I, L.P.	-	Financial assets at FVTOCI - non-current	Note 3	27,900	4.15	27,900	-
BizLink BVI Corp. Limited	<u>Equity investments</u>							
	Datlink Electronic (Shenzhen) Co., Ltd.	-	Financial assets at FVTOCI - non-current	Note 3	1,135	9.00	1,135	-

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\$28.4800 as of December 31, 2020.

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

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

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

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, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Other Adjustment Items		Ending Balance	
					Number of Stock	Amount	Number of Stock	Amount	Stock/Units	Amount	Carrying Amount	Gain (Loss) on Disposal	Stock/Units	Amount	Stock	Amount
BizLink Holding Inc.	<u>Stocks</u> Speedy Industrial Supplies Pte Ltd.	Investments accounted for using equity method	Wong Ghan & Chin Lee Lian	-	-	\$ -	2,000,000	\$ 1,555,249	-	\$ -	\$ -	\$ -	-	\$ -	2,000,000	\$ 1,665,683 (Notes 2 and 3)
BizLink (BVI) Corp.	<u>Stocks</u> Lintes Technology Co., Ltd.	Financial assets at FVTOCI - non-current	Note 4	-	2,125,580	193,215	-	-	2,125,580	312,755	101,357	211,398	-	(91,858) (Note 5)	-	-
BizLink International Corp.	<u>Stocks</u> Lintes Technology Co., Ltd.	Financial assets at FVTOCI - non-current	Note 4	-	235,382	21,396	20,000	1,466	255,382	27,025	12,735	14,290	-	(10,127) (Note 5)	-	-

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

Note 2: The differences are due to investment gain or loss accounted for using the equity method and exchange differences on translation of the financial statements of foreign operations.

Note 3: The amount was eliminated upon consolidation.

Note 4: These stocks were sold on open market.

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

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, 2020
(In Thousands of New Taiwan Dollars and Foreign Currencies)

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

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

TABLE 6

BIZLINK HOLDING INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note 3)	% to Total	
BizLink (BVI) Corp.	BizLink Technology Inc.	The same parent company	Sales	\$ 2,356,446	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	\$ -	-	Note 2
	BizLink (Kun Shan) Co., Ltd.	The same parent company	Sales	1,611,542	21	0-180 days	Profit 0%-10% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	-	-	Note 2
	BizLink Technology (S.E.A.) Sdn. Bhd.	The same parent company	Sales	120,439	2	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	-	-	Note 2
	BizLink Technology (Ireland) Ltd.	The same parent company	Sales	1,088,316	14	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	-	-	Note 2
	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	The same parent company	Sales	377,222	5	90-365 days	Profit 0%-10% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	-	-	Note 2
BizLink (Kun Shan) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	Sales	3,187,796	47	0-120 days	BVI sale price 90%-100% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	72,963	4	Note 2
	BizLink (BVI) Corp. Limited	The same parent company	Sales	2,877,020	42	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	1,649,704	82	Note 2
BizLink Technology (S.E.A.) SDN. BHD.	BizLink (BVI) Corp.	The same parent company	Sales	135,389	7	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	-	-	Note 2
	BizLink (BVI) Corp. Limited	The same parent company	Sales	893,466	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	565,240	79	Note 2
BizLink Electronics (Xiamen) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	Sales	186,707	19	0-120 days	BVI sale price 100% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	-	-	Note 2
	BizLink (BVI) Corp. Limited	The same parent company	Sales	642,296	66	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	285,470	88	Note 2
BizLink Tech Inc.	BizLink Technology Inc.	The same parent company	Sales	282,414	41	30-90 days	No identical item	Net 0-100 days from the end of the month of when invoice is issued	88,387	47	Note 2
BizLink (BVI) Corp. Limited	BizLink Technology Inc.	The same parent company	Sales	3,348,287	34	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	1,909,255	36	Note 2
	BizLink (Kun Shan) Co., Ltd.	The same parent company	Sales	1,424,754	15	0-180 days	Profit 0%-10% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	1,026,505	19	Note 2
	BizLink Technology (S.E.A.) SDN. BHD.	The same parent company	Sales	481,887	5	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	342,320	6	Note 2
	BizLink Technology (Ireland) Ltd.	The same parent company	Sales	1,136,092	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	698,725	13	Note 2
	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	The same parent company	Sales	526,677	5	90-365 days	Profit 0%-10% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	289,359	5	Note 2
Xiang Yao Electronics (Shen Zhen) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	Sales	1,081,930	40	1-365 days	Profit 0%-21% (Note 5)	1-365 days (Note 5)	986	0	Note 2
	BizLink (BVI) Corp. Limited	The same parent company	Sales	1,605,789	59	1-365 days	Profit 0%-21% (Note 5)	1-365 days (Note 5)	804,826	99	Note 2
Bizconn International Corp. (China)	BizLink (BVI) Corp.	The same parent company	Sales	111,281	17	0-365 days	BVI sale price 90%-100% (Note 4)	Net 30-120 days from the end of the month of when invoice is issued	42,662	15	Note 2
	BizLink (BVI) Corp. Limited	The same parent company	Sales	139,933	22	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	116,637	40	Note 2
BizLink Technology (Xiamen) Limited	BizLink Technology (Belgium) NV	The same parent company	Sales	216,842	17	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	54,889	16	Note 2
BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O.	The same parent company	Sales	197,457	19	0-30 days	Markup 5% of purchase price (Note 4)	0-60 days	13,603	10	Note 2
SIS Speedy Industrial Supplies Sdn. Bhd.	Speedy Industrial Supplies Pte Ltd.	The same parent company	Sales	141,613	100	30-180 days	Set by agreement of both parties (Note 4)	30-60 days	29,883	100	Note 2
Speedy Industrial Supplies Pte Ltd.	SIS Speedy Industrial Supplies Sdn. Bhd.	The same parent company	Sales	199,260	23	30-180 days	Set by agreement of both parties (Note 4)	30-60 days	15,327	10	Note 2

(Continued)

- Note 1: The above amounts of asses accounts and liabilities accounts are converted by exchange rate US\$1=28.4800 into NT\$ as of December 31, 2020. The amounts of income accounts are converted by average exchange rate US\$1=29.5512 into NT\$ as of 2020.
- Note 2: The amount was eliminated upon consolidation.
- Note 3: Trade receivables from related parties.
- Note 4: For the general customer, the sale prices were based on active market prices.
- Note 5: There is no sales to unrelated parties.

(Concluded)

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, 2020
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 3)	Allowance for Impairment Loss
					Amount	Actions Taken		
<u>Trade receivables</u>								
BizLink (Kun Shan) Co., Ltd.	BizLink (BVI) Corp. Limited	The same parent company	\$ 1,649,704	3.49	\$ -	-	\$ 1,314,561	\$ -
BizLink Technology (S.E.A.) SDN. BHD.	BizLink (BVI) Corp. Limited	The same parent company	565,240	3.16	-	-	438,124	-
BizLink Electronics (Xiamen) Co., Ltd.	BizLink (BVI) Corp. Limited	The same parent company	285,470	4.50	-	-	272,554	-
BizLink (BVI) Corp. Limited	BizLink Technology Inc.	The same parent company	1,909,255	3.51	-	-	1,264,313	-
BizLink (BVI) Corp. Limited	BizLink (Kun Shan) Co., Ltd.	The same parent company	1,026,505	2.78	-	-	317,437	-
BizLink (BVI) Corp. Limited	BizLink Technology (S.E.A.) SDN. BHD.	The same parent company	342,320	2.82	-	-	200,438	-
BizLink (BVI) Corp. Limited	BizLink Technology (Ireland) Ltd.	The same parent company	698,725	3.25	-	-	426,307	-
BizLink (BVI) Corp. Limited	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	The same parent company	289,359	3.64	-	-	197	-
Xiang Yao Electronics (Shen Zhen) Co., Ltd.	BizLink (BVI) Corp. Limited	The same parent company	804,826	3.99	-	-	475,181	-
Bizconn International Corp. (China)	BizLink (BVI) Corp. Limited	The same parent company	116,637	2.40	-	-	10,085	-
<u>Other receivables</u>								
BizLink Holding Inc.	BizLink (BVI) Corp. Limited	Subsidiary	569,600	Not applicable	-	-	-	-
BizLink (BVI) Corp.	BizLink International Corp.	The same parent company	312,066	Not applicable	-	-	-	-
BizLink (BVI) Corp.	BizLink Technology (S.E.A.) SDN. BHD.	The same parent company	131,438	Not applicable	-	-	-	-
BizLink (Kun Shan) Co., Ltd.	BizLink (BVI) Corp. Limited	The same parent company	103,563	Not applicable	-	-	-	-
BizLink Electronics (Xiamen) Co., Ltd.	BizLink (BVI) Corp. Limited	The same parent company	183,912	Not applicable	-	-	-	-
BizLink (BVI) Corp. Limited	BizLink (BVI) Corp.	The same parent company	381,374	Not applicable	-	-	-	-
EA Cable Assemblies (Hong Kong) Co., Limited	BizLink Holding Inc.	Parent company	113,920	Not applicable	-	-	-	-
BizLink Technology (Belgium) NV	BizLink Technology SRB D.O.O.	The same parent company	234,628	Not applicable	-	-	-	-
BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O.	The same parent company	122,567	Not applicable	-	-	-	-
SIS Speedy Industrial Supplies Sdn. Bhd.	Speedy Industrial Supplies Pte Ltd.	The same parent company	122,460	Not applicable	-	-	-	-
Speedy Industrial Supplies Pte Ltd.	SIS Speedy Industrial Supplies Sdn. Bhd.	The same parent company	110,680	Not applicable	-	-	-	-

Note 1: Above amounts present in New Taiwan dollar (NT\$). Foreign currency is converted into NT\$; the exchange rate was US\$1=NT\$28.4800 as of December 31, 2020.

Note 2: The amount was eliminated upon consolidation.

Note 3: As of March 19, 2021.

TABLE 8

BIZLINK HOLDING AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	BizLink Holding Inc.	BizLink Technology Inc.	1	Endorsements/guarantees	\$ 113,920	Capital increase	0.50
		BizLink (BVI) Corp.	1	Endorsements/guarantees	2,235,965		9.84
		BizLink International Corp.	1	Endorsements/guarantees	939,840		4.14
		BizLink (Kun Shan) Co., Ltd.	1	Endorsements/guarantees	776,938		3.42
		BizLink Technology (S.E.A.) Sdn. Bhd.	1	Endorsements/guarantees	291,897		1.28
		BizLink Tech Inc.	1	Endorsements/guarantees	113,920		0.50
		BizLink Tech Inc.	1	Equity investments	113,920		0.50
		BizLink (BVI) Corp. Limited	1	Endorsements/guarantees	3,127,104		13.77
		Xiang Yao Electronics (Shen Zhen) Co., Ltd.	1	Endorsements/guarantees	776,938		3.42
		BizLink Technology (Xiamen) Limited	1	Endorsements/guarantees	776,938		3.42
		BizLink Technology (Chang Zhou) Limited	1	Endorsements/guarantees	776,938		3.42
		BizLink Technology (Slovakia) S.R.O.	1	Endorsements/guarantees	394,072		1.73
		BizLink (BVI) Corp.	1	Miscellaneous incomes	94,564		0.42
		BizLink (BVI) Corp. Limited	1	Other receivables	569,600		2.51
1	BizLink Technology Inc.	BizLink Tech Inc.	3	Endorsements/guarantees	147,376	Markup 5% of purchase price and payment term 30-120 days	0.65
		BizLink (BVI) Corp.	3	Sales	88,588		0.39
		BizLink (BVI) Corp. Limited	3	Sales	86,371		0.38
		BizLink (BVI) Corp. Limited	3	Trade receivables	35,408		0.16
2	OptiWorks (Shanghai) Limited	OptiWorks (Kunshan) Limited	3	Other receivables	65,472		0.29
3	OptiWorks (Kunshan) Limited	BizLink (BVI) Corp.	3	Sales	70,982	Sale price is 100% of BizLink BVI sale price and payment term 0-180 days	0.31
		BizLink (BVI) Corp. Limited	3	Sales	44,280	Sale price is 100% of BizLink BVI Limited sale price and payment term 0-180 days	0.20
		BizLink (BVI) Corp. Limited	3	Trade receivables	42,675	Sale price is 100% of BizLink BVI Limited sale price and payment term 0-180 days	0.19
4	BizLink (BVI) Corp.	BizLink Technology SRB D.O.O.	3	Endorsements/guarantees	50,225	Set by agreement of both parties and payment term 1-365 days	0.22
		BizLink Holding Inc.	2	Other receivables	66,083		0.29
		BizLink Technology Inc.	3	Sales	2,356,446		10.46

(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)
		OptiWorks Inc.	3	Sales	\$ 69,937	Sale price is 100% of BizLink BVI purchase price and payment term 0-90 days	0.31
		Hwa Zhan Electronics Corp. (Shen Zhen)	3	Sales	47,890	Profit 0%-8% and payment term 0-365 days	0.21
		BizLink International Corp.	3	Other receivables	312,066		1.37
		BizLink (Kun Shan) Co., Ltd.	3	Sales	1,611,542	Profit 0%-10% and payment term 0-180 days	7.15
		BizLink Technology (S.E.A.) Sdn. Bhd.	3	Sales	120,439	Set by agreement of both parties and payment term 0-120 days	0.53
		BizLink Technology (S.E.A.) Sdn. Bhd.	3	Other receivables	131,438		0.58
		BizLink Electronics (Xiamen) Co., Ltd.	3	Sales	45,050	Profit 0%-2% and payment term 0-90 days	0.20
		TongYing Electronics (Shen Zhen) Ltd.	3	Sales	36,244	Profit 0% and payment term 0-365 days	0.16
		BizLink Tech Inc.	3	Sales	36,539	Set by agreement of both parties and payment term 0-140 days	0.16
		BizLink Tech Inc.	3	Other receivables	63,290		0.28
		BizLink Technology (Ireland) Ltd.	3	Sales	1,088,316	Set by agreement of both parties and payment term 0-365 days	4.83
		Xiang Yao Electronics (Shen Zhen) Co.,	3	Sales	377,222	Profit 0%-10% and payment term 90-365 days	1.67
5	BizLink International Corp.	BizLink (BVI) Corp.	3	Miscellaneous incomes	63,800		0.28
6	Bizconn International Corporation	BizLink (BVI) Corp.	3	Other receivables	41,155		0.18
7	BizLink (Kun Shan) Co., Ltd.	BizLink (BVI) Corp.	3	Sales	3,187,796	Sale price is 90%-100% of BizLink BVI sale price and payment term 0-120 days	14.14
		BizLink (BVI) Corp.	3	Trade receivables	72,963	Sale price is 90%-100% of BizLink BVI sale price and payment term 0-120 days	0.32
		BizLink (BVI) Corp. Limited	3	Sales	2,877,020	Sale price is 90%-100% of BVI Limited sale price and payment term 0-120 days	12.77
		BizLink (BVI) Corp. Limited	3	Trade receivables	1,649,704	Sale price is 90%-100% of BVI Limited sale price and payment term 0-120 days	7.26
		BizLink (BVI) Corp. Limited	3	Other receivables	103,563		0.46
		Xiang Yao Electronics (Shen Zhen) Co., Ltd.	3	Sales	54,382	Profit 0% and payment term 120 days	0.24
8	Foshan Nanhai Jo Yeh Electronic Co., Ltd.	Jo Yeh Company Limited	3	Sales	39,686	Market price, net 60 days from the end of the month of when invoice is issued	0.18
9	BizLink Technology (S.E.A.) Sdn. Bhd.	BizLink (BVI) Corp.	3	Sales	135,389	Set by agreement of both parties and prepayment term 120 days	0.60
		BizLink (BVI) Corp. Limited	3	Sales	893,466	Set by agreement of both parties and prepayment term 120 days	3.96
		BizLink (BVI) Corp. Limited	3	Trade receivables	565,240	Set by agreement of both parties and prepayment term 120 days	2.49
10	Adel Enterprises Corp.	BizLink (BVI) Corp.	3	Other receivables	44,727		0.20

(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)
11	BizLink Electronics (Xiamen) Co., Ltd.	BizLink (BVI) Corp.	3	Sales	\$ 186,707	Sale price is 100% of BizLink BVI sale price and payment term 0-120 days	0.83
		BizLink (BVI) Corp. Limited	3	Sales	642,296	Sale price is 100% of BVI Limited sale price and payment term 0-120 days	2.85
		BizLink (BVI) Corp. Limited	3	Trade receivables	285,470	Sale price is 100% of BVI Limited sale price and payment term 0-120 days	1.26
		BizLink (BVI) Corp. Limited	3	Other receivables	183,912		0.81
12	TongYing Electronics (Shen Zhen) Ltd.	BizLink (BVI) Corp.	3	Sales	52,629	Sale price is 98%-100% of BizLink BVI sale price and payment term 0-90 days	0.23
		BizLink (Kun Shan) Co., Ltd.	3	Sales	71,837	Set by agreement of both parties and prepayment term 0-120 days	0.32
		BizLink (Kun Shan) Co., Ltd.	3	Trade receivables	43,780	Set by agreement of both parties and prepayment term 0-120 days	0.19
		BizLink (BVI) Corp. Limited	3	Sales	99,069	Sale price is 98%-100% of BVI Limited sale price and payment term 0-90 days	0.44
		BizLink (BVI) Corp. Limited	3	Trade receivables	65,785	Sale price is 98%-100% of BVI Limited sale price and payment term 0-90 days	0.29
13	BizLink Tech Inc.	BizLink Technology Inc.	3	Sales	282,414	Set by agreement of both parties and payment term 30-90 days	1.25
		BizLink Technology Inc.	3	Trade receivables	88,387	Set by agreement of both parties and payment term 30-90 days	0.39
14	BizLink (BVI) Corp. Limited	BizLink Technology Inc.	3	Sales	3,348,287	Set by agreement of both parties and payment term 1-365 days	14.86
		BizLink Technology Inc.	3	Trade receivables	1,909,255	Set by agreement of both parties and payment term 1-365 days	8.40
		OptiWorks Inc.	3	Sales	43,640	Sale price is 100% of BVI Limited purchase price and payment term 0-90 days	0.19
		BizLink (BVI) Corp.	3	Other receivables	381,374	Payment term 90 days	1.68
		Hwa Zhan Electronics Corp. (Shen Zhen)	3	Sales	45,213	Profit 0%-8% and payment term 0-365 days	0.20
		BizLink (Kun Shan) Co., Ltd.	3	Sales	1,424,754	Profit 0%-10% and payment term 0-180 days	6.32
		BizLink (Kun Shan) Co., Ltd.	3	Trade receivables	1,026,505	Profit 0%-10% and payment term 0-180 days	4.52
		BizLink Technology (S.E.A.) Sdn. Bhd.	3	Sales	481,887	Set by agreement of both parties and payment term 0-120 days	2.14
		BizLink Technology (S.E.A.) Sdn. Bhd.	3	Trade receivables	342,320	Set by agreement of both parties and payment term 0-120 days	1.51
		BizLink Technology (S.E.A.) Sdn. Bhd.	3	Other receivables	51,035		0.22
		TongYing Electronics (Shen Zhen) Ltd.	3	Sales	70,164	Profit 0% and payment term 0-365 days	0.31
		TongYing Electronics (Shen Zhen) Ltd.	3	Trade receivables	39,532	Profit 0% and payment term 0-365 days	0.17
		BizLink Tech Inc.	3	Sales	59,881	Set by agreement and payment term 0-140 days	0.27
		BizLink Tech Inc.	3	Other receivables	30,237		0.13
		Accell Corp.	3	Sales	35,052	Set by agreement and payment term 90-365 days	0.16
		Accell Corp.	3	Trade receivables	33,781	Set by agreement and payment term 90-365 days	0.15

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
		BizLink Technology (Ireland) Ltd.	3	Sales	\$ 1,136,092	Set by agreement of both parties and payment term 0-365 days	5.04
		BizLink Technology (Ireland) Ltd.	3	Trade receivables	698,725	Set by agreement of both parties and payment term 0-365 days	3.08
		Xiang Yao Electronics (Shen Zhen) Co., Ltd.	3	Sales	526,677	Profit 0%-10% and payment term 90-365 days	2.34
		Xiang Yao Electronics (Shen Zhen) Co., Ltd.	3	Trade receivables	289,359	Profit 0%-10% and payment term 90-365 days	1.27
15	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	BizLink (BVI) Corp.	3	Sales	1,081,930	Profit 0%-21% and payment term 1-365 days	4.80
		BizLink (BVI) Corp. Limited	3	Sales	1,605,789	Profit 0%-21% and payment term 1-365 days	7.12
		BizLink (BVI) Corp. Limited	3	Trade receivables	804,826	Profit 0%-21% and payment term 1-365 days	3.54
16	Bizconn International Corp. (China)	BizLink (BVI) Corp.	3	Sales	111,281	Sale price is 90%-100% of BizLink BVI sale price and payment term 0-365 days	0.49
		BizLink (BVI) Corp.	3	Trade receivables	42,662	Sale price is 90%-100% of BizLink BVI sale price and payment term 0-365 days	0.19
		BizLink (Kun Shan) Co., Ltd.	3	Sales	92,453	Set by agreement of both parties and payment term 90-120 days	0.41
		BizLink (Kun Shan) Co., Ltd.	3	Trade receivables	46,133	Set by agreement of both parties and payment term 90-120 days	0.20
		BizLink Electronics (Xiamen) Co., Ltd.	3	Sales	51,548	Set by agreement of both parties and payment term 120 days	0.23
		BizLink Electronics (Xiamen) Co., Ltd.	3	Trade receivables	31,769	Set by agreement of both parties and payment term 120 days	0.14
		BizLink (BVI) Corp. Limited	3	Sales	139,933	Sale price is 90%-100% of BVI Limited and payment term 0-365 days	0.62
		BizLink (BVI) Corp. Limited	3	Trade receivables	116,637	Sale price is 90%-100% of BVI Limited and payment term 0-365 days	0.51
17	EA Cable Assemblies (Hong Kong) Co., Ltd.	BizLink Holding Inc.	2	Other receivables	113,920		0.50
18	BizLink Technology (Xiamen) Limited	BizLink Technology (Belgium) NV	3	Sales	216,842	Markup 5% of purchase price and payment term 0-60 days	0.96
		BizLink Technology (Belgium) NV	3	Trade receivables	54,889	Markup 5% of purchase price and payment term 0-60 days	0.24
19	BizLink Technology (Chang Zhou) Limited	BizLink Technology (Belgium) NV	3	Sales	59,263	Markup 5% of purchase price and payment term 0-60 days	0.26
20	BizLink Technology (Belgium) NV	BizLink Technology (Slovakia) S.R.O.	3	Other receivables	35,019		0.15
		BizLink Technology SRB D.O.O.	3	Other receivables	234,628		1.03
21	BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O.	3	Sales	197,457	Markup 5% of purchase price and payment term 0-30 days	0.88
		BizLink Technology SRB D.O.O.	3	Other receivables	122,567		0.54

(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)
22	BizLink Technology SRB D.O.O.	BizLink Technology (Slovakia) S.R.O.	3	Sales	\$ 51,065	Markup 5% of purchase price and payment term 0-30 days	0.23
23	SIS Speedy Industrial Supplies Sdn. Bhd.	Speedy Industrial Supplies Pte Ltd.	3	Sales	141,613	Set by agreement of both parties and payment term 30-180 days	0.63
		Speedy Industrial Supplies Pte Ltd.	3	Other receivables	122,460		0.54
24	Speedy Industrial Supplies Pte Ltd.	SIS Speedy Industrial Supplies Sdn. Bhd.	3	Sales	199,260	Set by agreement of both parties and payment term 30-180 days	0.88
		SIS Speedy Industrial Supplies Sdn. Bhd.	3	Other receivables	110,680		0.49

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

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

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

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

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

Note 4: The above amounts of asset account and liability account are converted by exchange rate US\$1=28.4800 into New Taiwan dollar as of December 31, 2020. The amounts of income accounts are converted by average exchange rate US\$1=29.5512 into New Taiwan dollar as of 2020.

(Concluded)

TABLE 9

BIZLINK HOLDING INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars and Foreign Currencies, and Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 2)	Note
				December 31, 2020	December 31, 2019	Number of Stock (Shares)	%	Carrying Value			
BizLink	BizLink Technology Inc.	CA 94538, USA	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	\$ 111,642 (US\$ 3,920)	\$ 111,642 (US\$ 3,920)	10,000	100.00	\$ 1,144,978	\$ 209,892	\$ 207,371	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.	1,424 (US\$ 50)	1,424 (US\$ 50)	50,000	100.00	1,017,473	171,470	168,112	Subsidiary (Note 1)
	BizLink International Corp.	Zhonghe Dist., New Taipei City	(1) Wholesale of cable assemblies, connectors and power cords, (2) international trade, and (3) financial center for BizLink's Asian operations.	70,000	70,000	70,000	100.00	89,279	(14,257)	(14,260)	Subsidiary (Note 1)
	Zellwood International Corp.	Tortola, British Virgin Islands	Various investment activities.	71,200 (US\$ 2,500)	71,200 (US\$ 2,500)	2,500,000	100.00	2,375,868	261,950	268,779	Subsidiary (Note 1)
	BizLink Technology (S.E.A.) Sdn. Bhd.	Johor, Malaysia	(1) Design, manufacture and sale of cable assemblies, power cords, and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	8,516 (MYR 1,200)	8,516 (MYR 1,200)	1,200,000	100.00	731,827	199,050	199,050	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.	46,992 (US\$ 1,650)	46,992 (US\$ 1,650)	1,650,000	100.00	833,931	274,816	274,099	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.	442,864 (US\$ 15,550)	328,944 (US\$ 11,550)	355,000	100.00	311,901	(104,572)	(92,019)	Subsidiary (Note 1)
	Accell Corp.	CA 94538, USA	(1) Wholesale and retail of brand name connectors, cables and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) its own brand name.	-	-	10,000	100.00	(16,533)	(3,554)	(3,554)	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.	8,544 (US\$ 300)	8,544 (US\$ 300)	300,000	100.00	812,173	36,774	35,480	Subsidiary (Note 1)
	BizLink Japan	Tokyo, Japan 108-0073	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	2,764 (JPY 10,000)	2,764 (JPY 10,000)	200	100.00	4,464	402	402	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.	37 (HK\$ 10)	-	10,000	100.00	1,541,044	479,763	478,326	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.	1,091,993 (EUR and US\$ 24,676 and 8,000)	973,073 (EUR and US\$ 24,676 and 4,000)	174,322,000	100.00	2,521,650	502,942	502,853	Subsidiary (Note 1)

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 2)	Note
				December 31, 2020	December 31, 2019	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.	\$ 23,078 (EUR 659)	\$ 23,078 (EUR 659)	1	100.00	\$ 32,239	\$ 698	\$ 698	Subsidiary (Note 1)
	BizLink Technology (Belgium) NV	Hasselt, Belgium	(1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade.	431,657 (EUR 12,326)	431,657 (EUR 12,326)	915	100.00	597,781	42,327	42,327	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.	1,046,783 (EUR 29,891)	1,023,880 (EUR 29,237)	(Note 4)	100.00	633,703	(20,407)	(20,407)	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.	249,553 (EUR 7,126)	227,630 (EUR 6,500)	(Note 4)	100.00	191,555	(48,994)	(47,399)	Subsidiary (Notes 1 and 5)
	OW Holding Inc.	Grand Cayman, Cayman Islands	Various investment activities.	633,708 (US\$ 22,251)	633,708 (US\$ 22,251)	2,105,120	93.08	540,739	(116,181)	(108,142)	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.	1,565,472 (SGD 72,610)	-	2,000,000	100.00	1,665,683	86,866	86,866	Subsidiary (Note 1)
BizLink Technology Inc.	BobI, LLC	CA 94538,USA	Various leasing activities.	56,960 (US\$ 2,000)	56,960 (US\$ 2,000)	(Note 4)	100.00	56,530	(155)	(155)	Sub-subsubsidiary (Note 1)
BizLink (BVI) Corp.	Jo Yeh Company Limited	Kowloon, Hong Kong	(1) Wholesale and retail of connectors, and (2) international trade.	111,499 (US\$ 3,915)	111,499 (US\$ 3,915)	10,000	100.00	131,956	2,314	2,314	Sub-subsubsidiary (Note 1)
	Siriustek Inc.	Xinshi Dist., Tainan City	Provide customized LED (light emitting diode) lighting products and solutions.	20,000	20,000	2,000,000	40.00	7,134	(7,765)	(3,106)	-
	ProOptics International Corpl	Grand Cayman, Cayman Islands	Design, manufacture and sale of optical film.	64,222 (US\$ 2,255)	64,222 (US\$ 2,255)	2,050,000	Proportion of holding 21.35% Proportion of voting right 27%	52,047	(29,927)	(6,389)	-
BizLink International Corp.	AquaOptics Corp.	Zhubei City, Hsinchu County	Design, manufacture and sale of optical system integration	66,000	30,000	32,000,000	44.00	31,346	(29,873)	(12,467)	-
Zellwood International Corp.	Bizconn International Corporation	APIA, SAMOA	Various investment activities.	47,476 (US\$ 1,667)	47,476 (US\$ 1,667)	1,666,667	100.00	435,958	117,017	116,760	Sub-subsubsidiary (Note 1)
Adel Enterprises Corp.	Asia Wick Ltd.	Central, Hong Kong	Various investment activities.	-	-	1,000	100.00	288,388	27,688	27,809	Sub-subsubsidiary (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.	389 (INR 1,000)	389 (INR 1,000)	100,000	100.00	1,976	117	117	Sub-subsubsidiary (Note 1)
BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O.	Prokuplje, Republic of Serbia	(1) Manufacture and assembly of connectors and cable assemblies, and (2) wholesale and retail of cable assemblies, connectors and power cords.	-	44,826 (EUR 1,280)	(Note 4)	-	-	(48,994)	(1,595)	Sub-subsubsidiary (Notes 1 and 5)
OW Holding Inc.	OptiWorks Inc.	CA 94538, USA	(1) Wholesale and retail of fiber optical passive components and fiber optical cables, (2) international trade, and (3) various investment activities.	575,296 (US\$ 20,200)	575,296 (US\$ 20,200)	2,000	100.00	568,545	(116,005)	(116,005)	Sub-subsubsidiary (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.	710 (MYR 100)	-	100,000	100.00	111,561	14,823	14,823	Sub-subsubsidiary (Note 1)

Note 1: The amount was eliminated upon consolidation.

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

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

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

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

(Concluded)

BIZLINK HOLDING INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars and Foreign Currencies)

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 13)	Carrying Amount as of December 31, 2020	Accumulated Repatriation of Investment Income as of December 31, 2020
					Outflow	Inflow						
Bizconn International Corp. (China)	Design, manufacture, sale and assembly of connectors, tooling and cable assemblies.	\$ 76,821 (RMB 17,600)	(2) Note 4	Note 3	Note 3	Note 3	Note 3	\$ 117,992	100.00	\$ 117,992	\$ 399,224	Note 3
TongYing Electronics (Shen Zhen) Ltd.	Manufacture of wire extrusions and cable assemblies.	98,952 (HK\$ 26,936)	(2) Note 5	Note 3	Note 3	Note 3	Note 3	25,311	100.00	25,311	314,743	Note 3
Teralux Technology Co., Ltd.	Research, manufacture and retail of optical and optoelectronic device technology	43,005 (US\$ 1,510)	(2) Note 6	Note 3	Note 3	Note 3	Note 3	15,220	-	15,220	Note 14	Note 3
OptiWorks (Shanghai) Limited	(1) Manufacture, wholesale and retail of fiber optical passive components and fiber optical cables, and (2) international trade.	170,880 (US\$ 6,000)	(2) Note 7	Note 3	Note 3	Note 3	Note 3	2,368	93.08	2,204	204,511	Note 3
OptiWorks (Kunshan) Limited	(1) Production and development of optical communications optoelectronic devices, components and modules, and (2) sale of own products.	85,440 (US\$ 3,000)	(2) Note 7	Note 3	Note 3	Note 3	Note 3	(7,869)	93.08	(7,325)	103,032	Note 3
Xiang Yao Electronics (Shen Zhen) Co., Ltd.	Design, manufacture and sale of cable assemblies, power cords, and connectors.	28,480 (US\$ 1,000)	(2) Note 8	Note 3	Note 3	Note 3	Note 3	125,895	100.00	125,895	754,215	Note 3
Hwa Zhan Electronics Corp. (Shen Zhen)	Production and operations of computers and communications cables, connectors and fiber jumpers.	9,184 (HK\$ 2,500)	(2) Note 9	Note 3	Note 3	Note 3	Note 3	64,831	100.00	64,831	416,323	Note 3
BizLink (Kun Shan) Co., Ltd.	Design, manufacture and sale of cable assemblies, connectors and power cords.	284,800 (US\$ 10,000)	(2) Note 6	Note 3	Note 3	Note 3	Note 3	184,879	100.00	184,879	1,929,952	Note 3
BizLink Electronics (Xiamen) Co., Ltd.	Manufacture and assembly of power cords and cables.	15,949 (US\$ 560)	(2) Note 10	Note 3	Note 3	Note 3	Note 3	243,099	100.00	243,099	495,850	Note 3
Foshan Nanhai Jo Yeh Electronic Co., Ltd.	Production and operations of electrical appliances, electronic equipment, and plug-in connectors.	56,960 (US\$ 2,000)	(2) Note 11	Note 3	Note 3	Note 3	Note 3	105	100.00	105	118,578	Note 3
BizLink Technology (Chang Zhou) Limited	(1) Manufacture of smart instrumentational sensors, instrumentational connectors and instrumentational functional materials, (2) sale of own products, and (3) import and export business.	376,855 (US\$ 8,950 and RMB 27,940)	(2) Note 12	Note 3	Note 3	Note 3	Note 3	341,924	100.00	341,744	1,513,361	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.	93,870 (US\$ 3,296)	(2) Note 12	Note 3	Note 3	Note 3	Note 3	161,252	100.00	161,237	951,628	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, 2020	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Note 3	Note 3	Note 3

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 14: Teralux Technology Co., Ltd. was liquidated in December 2020.

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

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

(Concluded)

TABLE 11**BIZLINK HOLDING INC.****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2020**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Hwa Tse Liang and InRuKuo Family Trust	8,624,427	6.60
JP Morgan Chase Bank, N.A., Taipei Branch in custody for Stichting Depositary APG Emerging Markets Equity Pool	6,735,000	5.15

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.