

**CHENG UEI PRECISION INDUSTRY CO.,
LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 30, 2020 AND 2019**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR 20000140

To the Board of Directors and Stockholders of Cheng Uei Precision Industry Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Cheng Uei Precision Industry Co., Ltd. and subsidiaries (the “Group”) as at September 30, 2020 and 2019, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As explained in Notes 4(3) and 6(8), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method were not reviewed by independent auditors. Those statements reflect total assets of NT\$25,428,894 thousand and NT\$22,335,268 thousand, constituting 29.76% and 27.53% of the consolidated total assets, and total liabilities of NT\$6,647,116

thousand and NT\$5,694,135 thousand, constituting 11.8% and 10.72% of the consolidated total liabilities as at September 30, 2020 and 2019, and total comprehensive (loss) income of NT(\$85,431) thousand, NT\$379,930 thousand, NT(\$53,400) thousand and NT\$163,125 thousand constituting (5.93%), 135.09%, (4.61%) and 25.26% of the consolidated total comprehensive (loss) income for the three months and nine months then ended.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2020 and 2019, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine months then ended in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Emphasis of Matter – significant unresolved litigation involving investments accounted for using the equity method

As described in Notes 6(8) and 9(3) to the consolidated financial statements, Central Motion Picture Corporation, an equity method investment of the Group, was determined to be an affiliate organisation of the Kuomintang by the Ill-gotten Party Assets Settlement Committee in its written disposition issued on October 9, 2018. Under Article 16 of the Act Governing the Settlement of Ill-gotten Properties by Political Parties and Their Affiliate Organisations, Central Motion Picture Corporation may file an administrative litigation in the Taipei High Administrative Court within two months after the aforementioned written disposition was served. In addition, Central Motion Picture Corporation may file for a suspension of execution under Paragraph 2, Article 116 of the Administrative Litigation Act. On December 12, 2018, Central Motion Picture Corporation submitted cause of action to the Taipei High Administrative Court, which ruled to approve the suspension of execution in January 2020. However,

the Ill-gotten Party Assets Settlement Committee subsequently filed an appeal against the ruling, and it was dismissed by the High Administrative Court in February 2020. Meanwhile, Central Motion Picture Corporation filed a revocation action with the Taipei High Court, and it was pending approval as of January 14, 2020. As of the financial reporting date, the possible result of this litigation cannot be determined. Therefore, our opinion is not modified in respect of this matter.

Lin, Se-Kai

Liang, Yi-Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

November 11, 2020

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' review report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2020, DECEMBER 31, 2019 AND SEPTEMBER 30, 2019
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of September 30, 2020 and 2019 are reviewed, not audited)

ASSETS	Notes	September 30, 2020		December 31, 2019		September 30, 2019		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
CURRENT ASSETS								
1100	Cash and cash equivalents	6(1)	\$ 12,679,244	15	\$ 6,296,729	9	\$ 7,747,422	10
1110	Financial assets at fair value through profit or loss - current	6(2) and 12(3)	-	-	129,150	-	174,001	-
1136	Current financial assets at amortised cost	6(4) and 8	263,410	-	1,643,178	2	990,893	1
1150	Notes receivable, net		27,726	-	24,547	-	23,118	-
1170	Accounts receivable, net	6(5) and 12(2)	17,616,899	21	15,474,111	21	19,213,475	24
1180	Accounts receivable, net - related parties	7	310,470	-	430,979	1	782,517	1
1200	Other receivables	6(6)	499,702	1	359,717	1	337,452	-
1210	Other receivables - related parties	7	55,887	-	95,825	-	88,796	-
1220	Current income tax assets	6(31)	9,151	-	15,762	-	2,507	-
130X	Inventories, net	6(7)	12,337,723	14	11,218,741	15	13,917,098	17
1410	Prepayments		1,494,826	2	1,726,442	2	1,653,029	2
1460	Non-current assets or disposal groups classified as held for sale, net	6(13)	1,383,751	2	-	-	-	-
1470	Other current assets		34,388	-	22,440	-	47,439	-
11XX	TOTAL CURRENT ASSETS		<u>46,713,177</u>	<u>55</u>	<u>37,437,621</u>	<u>51</u>	<u>44,977,747</u>	<u>55</u>
1517	Financial assets at fair value through other comprehensive income-non-current	6(3) and 12(3)	1,013,743	1	936,755	1	1,036,412	1
1535	Non-current financial assets at amortised cost	6(4) and 8	143,253	-	127,584	-	131,604	-
1550	Investments accounted for under the equity method	6(8)	4,937,387	6	4,454,802	6	4,347,596	5
1600	Property, plant and equipment, net	6(9)	20,860,345	24	23,397,983	32	23,518,638	29
1755	Right-of-use assets	6(10) and 7	1,661,286	2	1,831,171	2	1,729,428	2
1760	Investment property, net	6(11)	579,545	1	591,774	1	599,232	1
1780	Intangible assets, net	6(12)	2,222,104	2	2,251,948	3	2,882,495	4
1840	Deferred income tax assets	6(31)	532,000	1	552,815	1	508,526	1
1915	Prepayments for business facilities		1,030,116	1	1,295,103	2	992,625	1
1990	Other non-current assets, others	8	5,761,791	7	418,848	1	418,493	1
15XX	TOTAL NON-CURRENT ASSETS		<u>38,741,570</u>	<u>45</u>	<u>35,858,783</u>	<u>49</u>	<u>36,165,049</u>	<u>45</u>
1XXX	TOTAL ASSETS		<u>\$ 85,454,747</u>	<u>100</u>	<u>\$ 73,296,404</u>	<u>100</u>	<u>\$ 81,142,796</u>	<u>100</u>

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CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2020, DECEMBER 31, 2019 AND SEPTEMBER 30, 2019
(Expressed in thousands of New Taiwan dollars)

(The balance sheets as of September 30, 2020 and 2019 are reviewed, not audited)

	Notes	September 30, 2020		December 31, 2019		September 30, 2019		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
LIABILITIES AND EQUITY								
CURRENT LIABILITIES								
2100	Short-term borrowings	6(14)	\$ 6,294,206	7	\$ 2,038,744	3	\$ 3,040,433	4
2110	Short-term notes and bills payable	6(15)	438,617	1	374,942	1	249,884	-
2130	Current contract liabilities	6(24)	929,171	1	787,222	1	874,422	1
2150	Notes payable		1,146	-	3,273	-	3,326	-
2170	Accounts payable		17,336,999	20	14,712,215	20	19,356,693	24
2180	Accounts payable - related parties	7	196,003	-	230,091	-	285,826	-
2200	Other payables	6(16) and 7	5,239,931	6	5,870,986	8	5,584,676	7
2230	Current income tax liabilities	6(31)	570,333	1	372,824	1	211,313	-
2260	Liabilities related to non-current assets or disposal groups classified as held for sale	6(13)	981,785	1	-	-	-	-
2280	Current lease liabilities	7	201,221	-	226,420	-	227,705	-
2365	Current refund liabilities		241,682	-	20,894	-	212,757	-
2399	Other current liabilities, others	6(18)	1,258,913	2	1,637,087	2	1,123,233	2
21XX	TOTAL CURRENT LIABILITIES		<u>33,690,007</u>	<u>39</u>	<u>26,274,698</u>	<u>36</u>	<u>31,170,268</u>	<u>38</u>
NON-CURRENT LIABILITIES								
2530	Corporate bonds payable	6(17)	6,573,891	8	2,987,655	4	2,987,314	4
2540	Long-term borrowings	6(18)	13,202,717	16	12,038,454	16	15,236,781	19
2570	Deferred income tax liabilities	6(31)	816,317	1	795,899	1	949,010	1
2580	Non-current lease liabilities	7	286,316	-	294,317	-	270,527	-
2600	Other non-current liabilities	6(8)(19)	1,739,318	2	2,662,862	4	2,506,517	3
25XX	TOTAL NON-CURRENT LIABILITIES		<u>22,618,559</u>	<u>27</u>	<u>18,779,187</u>	<u>25</u>	<u>21,950,149</u>	<u>27</u>
2XXX	TOTAL LIABILITIES		<u>56,308,566</u>	<u>66</u>	<u>45,053,885</u>	<u>61</u>	<u>53,120,417</u>	<u>65</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT								
Capital stock								
3110	Common stock	6(20)	5,123,269	6	5,123,269	7	5,123,269	6
Capital reserve								
3200	Capital surplus	6(21)	9,808,820	11	9,471,717	13	9,471,717	11
Retained earnings								
3310	Legal reserve	6(22)	3,002,026	4	2,803,290	4	2,803,290	3
3320	Special reserve		2,334,534	3	1,609,901	2	1,609,901	2
3350	Unappropriated earnings		5,311,300	6	6,030,302	8	5,405,532	7
Other equity								
3400	Other equity interest	6(23)	(2,516,509)	(3)	(2,334,535)	(3)	(2,117,274)	(2)
Treasury shares								
3500	Treasury shares	6(20)	(272,066)	-	(272,066)	-	(272,066)	-
31XX	Equity attributable to owners of the parent		<u>22,791,374</u>	<u>27</u>	<u>22,431,878</u>	<u>31</u>	<u>22,024,369</u>	<u>27</u>
36XX	Non-controlling interests		<u>6,354,807</u>	<u>7</u>	<u>5,810,641</u>	<u>8</u>	<u>5,998,010</u>	<u>8</u>
3XXX	TOTAL EQUITY		<u>29,146,181</u>	<u>34</u>	<u>28,242,519</u>	<u>39</u>	<u>28,022,379</u>	<u>35</u>
Significant contingent liabilities and unrecognised contract commitments								
Significant events after the balance sheet date								
3X2X	TOTAL LIABILITIES AND EQUITY		<u>\$ 85,454,747</u>	<u>100</u>	<u>\$ 73,296,404</u>	<u>100</u>	<u>\$ 81,142,796</u>	<u>100</u>

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

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(UNAUDITED)

	Items	Notes	Three months ended September 30,				Nine months ended September 30,			
			2020		2019		2020		2019	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(24) and 7	\$ 25,830,589	100	\$ 29,075,901	100	\$ 62,342,308	100	\$ 69,322,603	100
5000	Operating costs	6(7)(29)(30) and 7	(22,953,674)	(89)	(25,907,532)	(89)	(55,856,697)	(90)	(62,433,638)	(90)
5900	Gross profit		<u>2,876,915</u>	<u>11</u>	<u>3,168,369</u>	<u>11</u>	<u>6,485,611</u>	<u>10</u>	<u>6,888,965</u>	<u>10</u>
	Operating expenses	6(29)(30)								
6100	Sales and marketing expenses		(408,060)	(2)	(497,684)	(2)	(1,166,226)	(2)	(1,358,113)	(2)
6200	General and administrative expenses		(643,491)	(2)	(932,282)	(3)	(2,138,346)	(3)	(2,572,278)	(4)
6300	Research and development expenses		(684,236)	(3)	(703,242)	(2)	(1,766,139)	(3)	(1,785,801)	(3)
6450	Expected credit gain (loss)	12(2)	<u>416</u>	<u>-</u>	(<u>12,711</u>)	<u>-</u>	(<u>15,262</u>)	<u>-</u>	(<u>34,755</u>)	<u>-</u>
6000	Total operating expenses		(<u>1,735,371</u>)	(<u>7</u>)	(<u>2,145,919</u>)	(<u>7</u>)	(<u>5,085,973</u>)	(<u>8</u>)	(<u>5,750,947</u>)	(<u>9</u>)
6900	Operating income		<u>1,141,544</u>	<u>4</u>	<u>1,022,450</u>	<u>4</u>	<u>1,399,638</u>	<u>2</u>	<u>1,138,018</u>	<u>1</u>
	Non-operating income and expenses									
7100	Interest income	6(25)	27,552	-	22,265	-	87,659	-	75,485	-
7010	Other income	6(26) and 7	191,834	1	130,612	-	406,212	1	277,142	-
7020	Other gains and losses	6(27)	(16,711)	-	217,170	1	105,732	-	292,597	1
7050	Finance costs	6(28)	(93,731)	-	(91,775)	-	(251,939)	-	(258,669)	-
7060	Share of profit of associates and joint ventures accounted for under the equity method	6(8)	<u>67,860</u>	<u>-</u>	<u>64,917</u>	<u>-</u>	<u>195,376</u>	<u>-</u>	<u>133,722</u>	<u>-</u>
7000	Total non-operating income and expenses		<u>176,804</u>	<u>1</u>	<u>343,189</u>	<u>1</u>	<u>543,040</u>	<u>1</u>	<u>520,277</u>	<u>1</u>
7900	Income before income tax		<u>1,318,348</u>	<u>5</u>	<u>1,365,639</u>	<u>5</u>	<u>1,942,678</u>	<u>3</u>	<u>1,658,295</u>	<u>2</u>
7950	Income tax expense	6(31)	(<u>246,753</u>)	(<u>1</u>)	(<u>238,545</u>)	(<u>1</u>)	(<u>526,567</u>)	(<u>1</u>)	(<u>399,176</u>)	<u>-</u>
8200	Net income		<u>\$ 1,071,595</u>	<u>4</u>	<u>\$ 1,127,094</u>	<u>4</u>	<u>\$ 1,416,111</u>	<u>2</u>	<u>\$ 1,259,119</u>	<u>2</u>

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CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(UNAUDITED)

Items	Notes	Three months ended September 30,				Nine months ended September 30,												
		2020		2019		2020		2019										
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%									
Other comprehensive (loss) income, net																		
Components of other comprehensive (loss) income that will not be reclassified to profit or loss																		
8316	Unrealized gain on equity instrument at fair value through other comprehensive profit or loss	6(3)		\$	7,000	-	\$	-	-	(\$	29,000)	-	(\$	25,000)	-			
8320	Share of other comprehensive income of associates and joint ventures accounted for using the equity method, components of other comprehensive income that will not be reclassified to profit or loss				6,486	-		-	-		1,056	-		42,448	-			
8310	Total components of other comprehensive (loss) income that will not be reclassified to profit or loss				13,486	-		-	-	(\$	27,944)	-		17,448	-			
Components of other comprehensive income that will be reclassified to profit or loss																		
8361	Exchange differences arising on translation of foreign operations				453,960	2	(\$	982,413)	(4)	(\$	228,275)	-	(\$	723,516)	(1)	
8370	Share of other comprehensive income of associates and joint ventures accounted for using the equity method, components of other comprehensive income that will be reclassified to profit or loss				(30)	-	(\$	48,638)	-	(\$	34,997)	-	(\$	43,936)	-		
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(31)			(\$	88,038)	-		185,201	1		42,989	-		136,793	-		
8360	Total components of other comprehensive (loss) income that will be reclassified to profit or loss				365,892	2	(\$	845,850)	(3)	(\$	220,283)	-	(\$	630,659)	(1)	
8300	Other comprehensive (loss) income, net				\$	379,378	2	(\$	845,850)	(3)	(\$	248,227)	-	(\$	613,211)	(1)
8500	Total comprehensive (loss) income for the period				\$	1,450,973	6	\$	281,244	1	\$	1,167,884	2	\$	645,908	1		
Net income (loss) attributable to:																		
8610	Shareholders of the parent				\$	1,047,554	4	\$	1,065,091	4	\$	1,485,211	2	\$	1,356,253	2		
8620	Non-controlling interests					24,041	-		62,003	-	(\$	69,100)	-	(\$	97,134)	-		
	Total				\$	1,071,595	4	\$	1,127,094	4	\$	1,416,111	2	\$	1,259,119	2		
Total comprehensive (loss) income attributable to:																		
8710	Shareholders of the parent				\$	1,408,867	6	\$	324,289	1	\$	1,303,237	2	\$	848,880	1		
8720	Non-controlling interests					42,106	-	(\$	43,045)	-	(\$	135,353)	-	(\$	202,972)	-		
	Total				\$	1,450,973	6	\$	281,244	1	\$	1,167,884	2	\$	645,908	1		
Basic earnings per share (in dollars)																		
9750	Total basic earnings per share	6(32)			\$		2.16	\$		2.20	\$		3.06	\$		2.80		
Diluted earnings per share (in dollars)																		
9850	Total diluted earnings per share	6(32)			\$		2.15	\$		2.19	\$		3.04	\$		2.78		

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

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

Equity attributable to owners of the parent												
	Retained earnings					Other equity interest						
	Notes	Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity attributable to shareholders of the parent	Non-controlling interest	Total equity
<u>Nine months ended September 30, 2019</u>												
Balance at January 1, 2019		\$ 5,123,269	\$ 9,430,462	\$ 2,742,480	\$ 1,508,296	\$ 4,980,234	(\$ 1,294,410)	(\$ 315,491)	(\$ 272,066)	\$ 21,902,774	\$ 6,044,460	\$ 27,947,234
Net income (loss) for the period		-	-	-	-	1,356,253	-	-	-	1,356,253	(97,134)	1,259,119
Other comprehensive (loss) income	6(23)	-	-	-	-	-	(540,272)	32,899	-	(507,373)	(105,838)	(613,211)
Total comprehensive income (loss)		-	-	-	-	1,356,253	(540,272)	32,899	-	848,880	(202,972)	645,908
Appropriation of 2018 earnings	6(22)											
Legal reserve		-	-	60,810	-	(60,810)	-	-	-	-	-	-
Special reserve		-	-	-	101,605	(101,605)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(768,490)	-	-	-	(768,490)	-	(768,490)
Changes in ownership interests in subsidiaries		-	-	-	-	(50)	-	-	-	(50)	(80)	(130)
Cash dividends distributed to subsidiaries		-	41,255	-	-	-	-	-	-	41,255	-	41,255
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	156,602	156,602
Balance at September 30, 2019		\$ 5,123,269	\$ 9,471,717	\$ 2,803,290	\$ 1,609,901	\$ 5,405,532	(\$ 1,834,682)	(\$ 282,592)	(\$ 272,066)	\$ 22,024,369	\$ 5,998,010	\$ 28,022,379

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CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Equity attributable to owners of the parent												
	Notes	Retained earnings					Other equity interest			Treasury shares	Total equity attributable to shareholders of the parent	Non-controlling interest	Total equity
		Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income					
<u>Nine months ended September 30, 2020</u>													
Balance at January 1, 2020		\$ 5,123,269	\$ 9,471,717	\$ 2,803,290	\$ 1,609,901	\$ 6,030,302	(\$ 2,079,456)	(\$ 255,079)	(\$ 272,066)	\$ 22,431,878	\$ 5,810,641	\$ 28,242,519	
Net income (loss) for the period		-	-	-	-	1,485,211	-	-	-	1,485,211	(69,100)	1,416,111	
Other comprehensive loss	6(23)	-	-	-	-	-	(171,954)	(10,020)	-	(181,974)	(66,253)	(248,227)	
Total comprehensive income (loss)		-	-	-	-	1,485,211	(171,954)	(10,020)	-	1,303,237	(135,353)	1,167,884	
Appropriation of 2019 earnings	6(22)	-	-	-	-	-	-	-	-	-	-	-	
Legal reserve		-	-	198,736	-	(198,736)	-	-	-	-	-	-	
Special reserve		-	-	-	724,633	(724,633)	-	-	-	-	-	-	
Cash dividends		-	-	-	-	(1,280,818)	-	-	-	(1,280,818)	-	(1,280,818)	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(21)	-	98,113	-	-	(26)	-	-	-	98,087	(58,840)	39,247	
Adjustments to share of changes in equity of associates and joint ventures accounted for using the equity method	6(21)	-	170,233	-	-	-	-	-	-	170,233	-	170,233	
Cash dividends distributed to subsidiaries	6(21)	-	68,757	-	-	-	-	-	-	68,757	-	68,757	
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	738,359	738,359	
Balance at September 30, 2020		\$ 5,123,269	\$ 9,808,820	\$ 3,002,026	\$ 2,334,534	\$ 5,311,300	(\$ 2,251,410)	(\$ 265,099)	(\$ 272,066)	\$ 22,791,374	\$ 6,354,807	\$ 29,146,181	

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

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Nine months ended September 30,	
		2020	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,942,678	\$ 1,658,295
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets at fair value through profit or loss	6(2)	(8,427)	(3,475)
Depreciation (including investment property)	6(9)(10)(11)(27)(29)	2,426,666	2,850,794
Amortisation	6(12)(29)	89,728	79,295
Expected credit loss	12(2)	15,262	34,755
Interest expense	6(28)	251,939	258,669
Interest income	6(25)	(87,659)	(75,485)
Share of profit of associates accounted for using the equity method	6(8)	(195,376)	(133,722)
Gain on disposal of property, plant and equipment	6(27)	(20,003)	(1,214)
Gain on disposal of investments	6(27)	(15,643)	(58,899)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		137,577	(170,526)
Notes receivable, net		(3,179)	1,294
Accounts receivable		(2,183,059)	(6,564,623)
Accounts receivable from related parties		120,509	(102,500)
Other receivables		(141,420)	367,197
Other receivables from related parties		39,938	72,465
Inventories		(1,227,108)	(799,013)
Prepayments		82,995	57,598
Other current assets		(11,948)	4,544
Other non-current assets		(46,281)	274,460
Changes in operating liabilities			
Contract liabilities		141,949	250,135
Notes payable		(2,127)	168,764
Accounts payable		2,652,989	3,938,366
Accounts payables to related parties		(34,088)	(41,076)
Other payables		(257,496)	(651,652)
Refund liabilities		2,497	42,517
Other current liabilities		(32,004)	178,989
Other non-current liabilities		(69,599)	69,706
Cash inflow generated from operations		3,569,310	1,705,658
Interest received		87,659	75,485
Dividend received		82,280	77,988
Interest paid		(241,874)	(258,669)
Income tax paid		(244,836)	(339,119)
Net cash flows from operating activities		<u>3,252,539</u>	<u>1,261,343</u>

(Continued)

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Nine months ended September 30,	
		2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial asset at fair value through other comprehensive income	12(3)	(\$ 41,910)	\$ -
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	12(3)	3,638	-
Decrease (increase) in financial assets at amortised cost	6(4)	1,364,099	(389,844)
Cash charged due to disposal of subsidiaries		(132,267)	-
Proceeds from capital reduction of investments accounted for using equity method		122,461	-
Acquisition of subsidiary and other assets (excluding cash)	6(33)	-	(279,811)
Acquisition of property, plant and equipment	6(35)	(1,744,247)	(2,481,634)
Proceeds from disposal of property, plant and equipment	6(9)	162,972	275,820
Acquisition of intangible assets	6(12)	(59,070)	(105,614)
Proceeds from disposal of intangible assets	6(12)	8,261	794
Increase in prepayments for business facilities		(366,817)	(627,116)
Increase in refundable deposits		(5,406,119)	(9,331)
Increase in prepayments for investments	6(8)	(283,672)	(78,235)
Net cash flows used in investing activities		(6,372,671)	(3,694,971)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(36)	17,767,186	20,167,454
Decrease in short-term borrowings	6(36)	(13,511,724)	(18,579,433)
Increase (decrease) in short-term notes payable	6(36)	63,675	(245,011)
Proceeds from issuance of bonds	6(36)	3,600,000	3,000,000
Increase in long-term borrowings	6(36)	7,638,736	8,856,660
Repayment of long-term borrowings	6(36)	(5,639,379)	(7,759,249)
Repayment of lease liabilities	6(36)	(189,620)	(243,480)
Changes in non-controlling interest		738,359	156,602
Cash dividends paid	6(22)	(1,280,818)	(768,490)
Net cash flows from financing activities		9,186,415	4,585,053
Effect of change in exchange rates		317,563	(526,854)
Net increase in cash and cash equivalents		6,383,846	1,624,571
Cash and cash equivalents at beginning of period	6(1)	6,296,729	6,122,851
Cash and cash equivalents at end of period	6(1)	\$ 12,680,575	\$ 7,747,422
The components of cash and cash equivalents:			
Cash and cash equivalents reported in the balance sheet		\$ 12,679,244	\$ 7,747,422
Non-current assets (or disposal group) classified as held for sale, net		1,331	-
Cash and cash equivalents at end of reporting period		\$ 12,680,575	\$ 7,747,422

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

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(Reviewed, not audited)

1. HISTORY AND ORGANIZATION

Cheng Uei Precision Industry Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.) on July 14, 1986 and has begun operations on July 31, 1986. The Company and its subsidiaries (collectively referred herein as the “Group”) are engaged in the manufacture of cable assemblies, connectors, battery packs, and power modules. Effective September 1999, the shares of the Company were listed on the Taiwan Stock Exchange.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were reported to the Board of Directors on November 11, 2020.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC effective from 2020 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1 and IAS 8, ‘Disclosure initiative-definition of material’	January 1, 2020
Amendments to IFRS 3, ‘Definition of a business’	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, ‘Interest rate benchmark reform’	January 1, 2020
Amendment to IFRS 16, ‘Covid-19-related rent concessions’	June 1, 2020 (Note)

None: Earlier application from January 1, 2020 is allowed by FSC.

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts - cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018-2020	January 1, 2022
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, 'Interest Rate Benchmark Reform-Phase 2'	January 1, 2021

The Group continues to evaluate the impact of the above standards and interpretations on its financial condition and financial performance. The quantitative impact will be disclosed when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, basis of consolidation and additional policies that are set out below, the rest of the principal accounting policies applied in the preparation of these consolidated financial statements are the same as those disclosed in Note 4 to the consolidated financial statements as of and for the year ended December 31, 2019. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards 34, “Interim Financial Reporting”.
- B. The consolidated financial statements as of and for the nine months ended September 30, 2020 should be read together with the consolidated financial statements as of and for the year ended December 31, 2019.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - b) Financial assets at fair value through other comprehensive income.
 - c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligations.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
Basis for preparation for the current period financial statements and the 2019 consolidated financial statements is the same.
- B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			September 30, 2020	December 31, 2019	September 30, 2019	
The Company	CU International Ltd. (CU)	Manufacture of electronic telecommunication components and reinvestment business	100	100	100	Note 22,23
The Company	Culink International Ltd. (CULINK)	Reinvestment business	100	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			September 30, 2020	December 31, 2019	September 30, 2019	
The Company	Foxlink International Investment Ltd. (FII)	General investments holding	100	100	100	Note 22,23
The Company	Fu Uei International Investment Ltd. (FUII)	General investments holding	100	100	100	Note 22,23
The Company	Darts Technologies Corporation (Darts)	Manufacture of electronic telecommunication and wireless components	97	97	97	
The Company	Foxlink (Vietnam) Inc.	Manufacture of electronic telecommunication components	-	100	100	Note 3
The Company	DU Precision Industry Co., Ltd. (DU Precision)	Manufacture of electronic telecommunication components	100	100	100	
The Company	Foxlink Technology Ltd. (FOXLINK TECH)	Reinvestment business	100	100	100	
The Company	Solteras Inc. (SOLTERAS)	Manufacture of electronic telecommunication components	-	47.77	47.77	Note 3
The Company	Suntain Co., Ltd. (Suntain)	Electroplating processing services	100	100	100	
The Company	SINOBEST BROTHERS LIMITED (SINOBEST)	Reinvestment business	95.39	100	100	Note 2,21
CU	Fugang Electronic (Dongguan) Co., Ltd. (FGEDG)	Manufacture of electronic telecommunication components	100	100	100	Note 22,23
CU	New Start Industries Ltd. (NEW START)	Reinvestment business	100	100	100	
CU	Fugang Electric (Kunshan) Co., Ltd. (FGEKS)	Manufacture of electronic telecommunication components	100	100	100	Note 22,23
CU	Dong Guan Fu Shi Chang Co., Ltd. (FSC)	Manufacture of electronic telecommunication components	100	100	100	
CU	Culink Tianjin Co., Ltd. (CTJ)	Manufacture of electronic telecommunication components	25	25	25	
CU	Dongguan Fuqiang Electronics Co., Ltd. (DGFQ)	Manufacture of electronic telecommunication components	83.17	83.17	83.17	Note 22,23
CU	Foxlink Energy (Tianjin) Ltd. (FETJ)	Manufacture of electronic telecommunication components	100	100	100	
CU	Foxlink Automotive Technology (Kunshan) Co., Ltd. (KAFF)	Manufacture of electronic telecommunication components	49.98	49.98	44.78	
CU	Solteras Limited	General investments holding	100	100	100	
CU	Fushineng Electronics (Kunshan) Co., Ltd.	Manufacture of electronic telecommunication components	100	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			September	December	September	
			30, 2020	31, 2019	30, 2019	
CU	Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	Manufacture of electronic telecommunication components	100	100	100	
CU	Fu Gang Electronic (Nan Chang) Co., Ltd. (FENC)	Manufacture of electronic telecommunication components	72	72	72	
CU	Fugang Electric (YANCHENG) Co., Ltd. (FG YANCHENG)	Manufacture of electronic telecommunication components	80	80	80	
CU	Fuqiang Electric (YANCHENG) Co., Ltd. (FQ YANCHENG)	Manufacture of electronic telecommunication components	100	100	100	
CU	Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN)	Manufacture of electronic telecommunication components	32.86	32.86	32.86	
CU	Kunshan Fugang Investment Co., Ltd. (Kunshan Fugang Investment)	General investments holding	100	100	100	
CU	FOXLINK TECHNICAL INDIA PRIVATE LIMITED (FOXLINK INDIA)	Manufacture of electronic telecommunication components	42.13	78.06	82	Note 7
CU	Fugang Electric (XuZhou) Co., Ltd. (FG XuZhou)	Manufacture of electronic telecommunication components	47.06	47.06	100	Note 11,22
NEW START	Foxlink Tianjin Co., Ltd. (FTJ)	Manufacture of electronic telecommunication components	100	100	100	
NEW START	Culink Tianjin Co., Ltd. (CTJ)	Manufacture of electronic telecommunication components	75	75	75	
NEW START	Solteras Inc. (SOLTERAS)	Manufacture of electronic telecommunication components	-	26.64	26.64	Note 3
NEW START	Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd. (Xinwei)	General investments holding	50	50	50	Note 2
FTJ	Fuzhan Electronics (Shanghai) Co., Ltd. (FESH)	Manufacture of electronic telecommunication components	46.93	46.93	46.93	
FTJ	Foxlink Automotive Technology (Kunshan) Co., Ltd. (KAFE)	Manufacture of electronic telecommunication components	50.02	50.02	55.22	
FTJ	Fu Gang Electronic (Nan Chang) Co., Ltd. (FENC)	Manufacture of electronic telecommunication components	28	28	28	
FTJ	Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN)	Manufacture of electronic telecommunication components	50.71	50.71	50.71	
FTJ	Changde Fubo Intelligent Technology Co., Ltd. (CDFB)	Manufacture and sale of automated equipment	70	85.37	79.55	Note 2,8

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			September 30, 2020	December 31, 2019	September 30, 2019	
KAFE	Suzhou Keyu Rui Automobile Technology Co., Ltd. (Keyu Rui)	Manufacture	55.56	55.56	55.56	
KAFE	Foxlink Automotive Technology Co., Ltd. (FAT)	Manufacture of electronic telecommunication components	100	100	100.00	Note 2
CULINK	Pacific Wealth Limited (PACIFIC WEALTH)	Holding company and reinvestment business	100	100	100	
CULINK	FOXLINK TECHNICAL INDIA PRIVATE LIMITED (FOXLINK INDIA)	Manufacture of electronic telecommunication components	57.87	21.94	18	Note 7
CULINK	FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED (FOXLINK POWERBANK)	Manufacture of electronic telecommunication components	0.73	0.73	0.73	
CULINK	GLORYTEK SCIENCE INDIA PRIVATE LIMITED (GLORY SCIENCE INDIA)	Manufacture and sale of the components of communication and consumer electronics	0.73	0.73	0.73	
CULINK	FUGANG ELECTRIC (XUZHOU) CO., LTD. (FG XUZHOU)	Manufacture of electronic telecommunication components	52.94	52.94	-	Note 2,11,22
PACIFIC WEALTH	Foxlink International Inc. (FOXLINK)	Sales agent	100	100	100	Note 22,23
Kunshan Fugang Investment	Dongguan Fuqiang Electronics Co., Ltd. (DGFQ)	Manufacture of electronic telecommunication components	16.83	16.83	16.83	Note 22,23
Kunshan Fugang Investment	Fuqiang Electric (MAANSHAN) Co., Ltd. (FQ MAANSHAN)	Manufacture of electronic telecommunication components	100	100	100	
Kunshan Fugang Investment	Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN)	Manufacture of electronic telecommunication components	16.43	16.43	16.43	
FII	Linkmedia Co., Ltd. (LM)	Manufacture of electronic telecommunication components	100	100	100	
FII	World Circuit Technology Co., Ltd. (WCT)	Manufacture of electronic telecommunication components and flexible printed circuit	69.56	69.56	69.56	
FII	Proconn Technology Co., Ltd. (Proconn)	Manufacture of electronic telecommunication components	50.03	50.03	50.03	
FII	CYNC Design Co., Ltd. (CYNC)	Manufacture of electronic telecommunication components	15.38	100	100	Note 9
FII	FIT Holding Co., Ltd. (FIT Holding)	General investments holding	23.67	23.67	23.67	Note 22,23

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			September 30, 2020	December 31, 2019	September 30, 2019	
FII	FOXLINK INDIA ELECTRIC PRIVATE LIMITED (FIE)	Manufacture of electronic telecommunication components	1	-	-	Note 1, 15
WCT	Value Success Limited (VALUE SUCCESS)	Holding company and reinvestment business	100	100	100	
VALUE SUCCESS	Capital Guardian Limited (CAPITAL)	Holding company and reinvestment business	100	100	100	
CAPITAL	World Circuit Technology (Hong Kong) Limited (WCTHK)	Holding company and reinvestment business	100	100	100	
WCTHK	Fuzhan Electronics (Shanghai) Co., Ltd. (FESH)	Manufacture of electronic telecommunication components	53.07	53.07	53.07	
Darts	Benefit Right Ltd. (BENEFIT)	Reinvestment business	100	100	100	
BENEFIT	Power Channel Limited (POWER)	Reinvestment business	64.25	64.25	64.25	
DU Precision	CE Link International Ltd. (CELINK)	Manufacture of electronic telecommunication components	100	100	100	
FOXLINK TECH	Sinobest Brothers Limited (SINOBEST)	Manufacture of electronic telecommunication components	4.61	-	-	Note 1, 21
SINOBEST	Foxlink Myanmar Company Limited (FOXLINK MYANMAR)	Manufacture of electronic telecommunication components	100	100	100	Note 2,5
SOLTERAS LIMITED	Solteras Inc. (SOLTERAS)	Manufacture of electronic telecommunication components	-	25.59	25.59	Note 3
FUII	Studio A Inc. (Studio A)	Sale of electronic telecommunication components	51	51	51	
FUII	VA Product Inc. (VA)	Sale of electronic telecommunication components	100	75.63	75.63	Note 16
FUII	Proconn Technology Co., Ltd. (Proconn)	Manufacture of electronic telecommunication components	1.3	1.3	1.3	
FUII	Zhi De Investment Co., Ltd. (Zhi De Investment)	General investments holding	100	100	100	Note 22,23
FUII	Shinfox Energy Co., Ltd. (Shinfox)	Mechanical installation and piping engineering	10.5	13.40	57.17	Note 12,14,19
FUII	FIT Holding Co., Ltd. (FIT Holding)	General investments holding	5.97	5.97	5.97	Note 22,23
FUII	FOXLINK INDIA ELECTRIC PRIVATE LIMITED (FIE)	Manufacture of electronic telecommunication components	99	-	-	Note 1, 15
Zhi De Investment	FIT Holding Co., Ltd. (FIT Holding)	General investments holding	8.55	8.55	8.55	Note 22,23

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			September 30, 2020	December 31, 2019	September 30, 2019	
Proconn	Advance Electronic Ltd. (Advance Electronic)	General investments holding	100	100	100	
ADVANCE ELECTRONIC	Smart Technology International Ltd. (SMART)	General investments holding	100	100	100	
SMART	Suzhou Yuhang Electronic Technology Co., Ltd.	Manufacture of electronic telecommunication components	100	100	100	
Studio A	Straight A Inc. (Straight A)	Sale of electronic telecommunication components	100	100	100	
Studio A	Studio A Technology Limited (Studio A Hong Kong)	Sale of electronic telecommunication components	51	51	51	
Studio A	Ashop Co., Ltd. (ASHOP)	Sale of electronic telecommunication components	100	100	100	
Studio A	Jing Jing Technology Co., Ltd. (Jing Jing)	Sale of electronic telecommunication components	100	100	100	
Studio A Hong Kong	Studio A Macau Limited (Studio A Macau)	Sale of electronic telecommunication components	100	100	100	
FGEKS	Kunshan Fugang Electric Trading Co., Ltd. (KFET)	Sale of electronic telecommunication components	51	51	51	
KFET	Shanghai Fugang Electric Trading Co., Ltd. (SFET)	Sale of electronic telecommunication components	100	100	100	
KFET	Kunshan Fu Shi You Trading Co., Ltd. (KFSY)	Sale of electronic telecommunication components	100	100	100	
KFET	Shanghai Standard Information Technology Co., Ltd. (Shanghai Standard)	Sale of electronic telecommunication components	100	100	100	Note 2
FIT Holding	Power Quotient International Co., Ltd. (PQI)	Manufacture of electronic telecommunication components	100	100	100	Note 22,23
FIT Holding	Foxlink Image Technology Co., Ltd. (Foxlink Image)	Manufacture and sale of image scanners and multifunction printers	100	100	100	Note 22,23
FIT Holding	Glory Science Co., Ltd. (Glory Science)	Manufacture and sale of optical lens components and other products	100	100	100	Note 22,23
FIT Holding	Shih Fong Power Co., Ltd. (Shih Fong)	Energy service management	41.30	100	100	Note 2,20
PQI	Power Quotient International (H.K.) Co., Ltd. (PQI H.K.)	Sale of electronic telecommunication components	100	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			September	December	September	
			30, 2020	31, 2019	30, 2019	
PQI	PQI Japan Co., Ltd. (PQI JAPAN)	Sale of electronic telecommunication components	100	100	100	
PQI	Syscom Development Co., Ltd. (SYSCOM)	Specialized investments holding	100	100	100	
PQI	Apix Limited (APIX)	Specialized investments holding	100	100	100	Note 22,23
PQI	PQI Mobility Inc. (PQI MOBILITY)	Specialized investments holding	100	100	100	
PQI	Power Sufficient International Co., Ltd. (PSI)	Sale of medical instruments	100	100	100	
PQI	Foxwell Energy Corporation Ltd. (Foxwell Energy)	Energy service management	-	-	89.29	Note 12
PQI	Shinfox Energy Co. Ltd. (Shinfox)	Mechanical installation and piping engineering	60.64	76.56	-	Note 12,14,19
SYSCOM	PQI Corporation (PQI USA)	Sale of electronic telecommunication components	100	100	100	
SYSCOM	FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED (FOXLINK POWERBANK)	Manufacture of electronic telecommunication components	99.27	99.27	99.27	
PQI MOBILITY	Power Quotient Technology (YANCHENG) Co., Ltd. (PQI YANCHENG)	Manufacture of electronic telecommunication components	100	100	100	
APIX	Sinocity Industries Limited (Sinocity)	Sale of 3C products	100	100	100	Note 5,22,23
APIX	Perennial Ace Limited (Perennial)	Specialized investments holding	100	100	100	
Shinfox	Foxwell Energy Corporation Ltd. (Foxwell Energy)	Energy service management	100	100	10.71	Note 12
Shinfox	Shinfox Energy International Inc. (SHINFOX ENERGY)	Energy service management	-	40	40	Note 3,6
Shinfox	Shinfox Natural Gas Co., Ltd. (Shinfox Natural Gas)	Energy service management	100	100	100	
Shinfox	Kunshan Jiuwei Info Tech Co., Ltd. (Kunshan Jiuwei)	Supply chain finance energy service management	100	100	100	
Shinfox	Foxwell Power Co., Ltd. (Foxwell Power)	Energy service management	95	100	100	Note 2,17
Shinfox	Shinfox Power Co., Ltd. (Shinfox Power)	Energy service management	100	-	-	Note 1
Foxwell Energy	Changyuan Wind Power Ltd. (Changyuan)	Energy service management	100	100	100	Note 10
Foxwell Energy	Beiyuan Wind Power Ltd. (Beiyuan)	Energy service management	100	100	100	Note 10

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			September 30, 2020	December 31, 2019	September 30, 2019	
Sinocity Industries	DG LIFESTYLE STORE LIMITED (DG)	Sale of 3C products	100	100	100	Note 5,22,23
Perennial	Studio A Technology Limited (Studio A Hong Kong)	Sale of 3C products	24.5	24.5	24.5	
PQI YANCHENG	Jiangsu Foxlink New Energy Technology Co., Ltd. (Jiangsu Foxlink)	Manufacture of electronic telecommunication components	12.9	100	100	Note 18
Foxlink Image	ACCU-IMAGE TECHNOLOGY LIMITED (AITL)	Manufacture and sale of image scanners and multifunction printers	100	100	100	Note 13,22,23
Foxlink Image	GLOBAL IMAGE TECHNOLOGY LIMITED (GITL)	Holding company and reinvestment business	-	-	100	Note 13
Foxlink Image	GLOBAL SMART TECHNOLOGY LIMITED (GSTL)	Holding company and reinvestment business	-	-	100	Note 13
Foxlink Image	Shih Fong Power Co., Ltd. (Shih Fong)	Energy service management	34.7	-	-	Note 1,20
GSTL	Dong Guan Fu Zhang Precision Industry Co., Ltd. (DGFZ)	Mould development and moulding tool manufacture	-	-	100	Note 13
AITL	GLOBAL OUTLOOK INVESTMENTS LIMITED (GOI)	Holding company and reinvestment business	-	-	100	Note 13
AITL	GLOBAL ADVANCE INVESTMENTS CORP. (GAI)	Holding company and reinvestment business	-	-	100	Note 4
AITL	POWER CHANNEL LIMITED (POWER)	Holding company and reinvestment business	35.75	35.75	35.75	
AITL	Dongguan Fu Wei Electronics Co., Ltd. (Dongguan Fu Wei)	Manufacture and sale of image scanners and multifunction printers	100	100	100	Note 22,23
AITL	Dong Guan Fu Zhang Precision Industry Co., Ltd. (DGFZ)	Mould development and moulding tool manufacture	100	100	-	Note 13
AITL	Wei Hai Fu Kang Electric Co., Ltd. (WHFK)	Manufacture and sale of parts and moulds of photocopiers and scanners	100	100	-	Note 13
AITL	Dong Guan HanYang Computer Co., Ltd. (DGHY)	Manufacture of image scanners and multifunction printers and investment of real estate	100	100	-	Note 13
GITL	Wei Hai Fu Kang Electric Co., Ltd. (WHFK)	Manufacture and sale of parts and moulds of photocopiers and scanners	-	-	100	Note 13

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			September	December	September	
			30, 2020	31, 2019	30, 2019	
GOI	Dong Guan HanYang Computer Co., Ltd. (DGHY)	Manufacture of image scanners and multifunction printers and investment of real estate	-	-	100	Note 13
Glory Science	GLORY TEK (BVI) CO., LTD. (GLORY TEK)	General investments holding	100	100	100	Note 22,23
GLORY TEK	GLORY OPTICS (BVI) CO., LTD. (GLORY OPTICS)	Sales agent	100	100	100	Note 22,23
GLORY TEK	GLORY TEK (SAMOA) CO., LTD. (GLORY TEK (SAMOA))	General investments holding	100	100	100	Note 22,23
GLORY TEK	GLORYTEK SCIENCE INDIA PRIVATE LIMITED (GLORYTEK SCIENCE INDIA)	Manufacture and sale of the components of communication and consumer electronics	99.27	99.27	99.27	Note 22,23
GLORY TEK (SAMOA)	Glorytek (Suzhou) Co., Ltd. (Glorytek Suzhou)	Production and processing and sale of optical lens components and other products	100	100	100	Note 22,23
GLORY TEK (SAMOA)	Glory Optics (Yancheng) Co., Ltd. (GOYC)	Production and processing and sale of optical lens components and other products	34.88	34.88	34.88	Note 22,23
GLORY OPTICS	Glorytek (Yancheng) Co., Ltd. (Glorytek Yancheng)	Production and processing and sale of optical lens components and other products	100	100	100	Note 22,23
Glorytek Yancheng	Yancheng Yaowei Technology Co., Ltd. (YYWT)	Production and processing and sale of optical lens components and other products	100	100	100	Note 22,23
GLORY Suzhou	Glory Optics (Yancheng) Co., Ltd. (GOYC)	Production and processing and sale of optical lens components and other products	65.12	65.12	65.12	Note 22,23

Note 1: Investment or incorporation began in 2020.

Note 2: Investment or incorporation began in 2019.

Note 3: Dissolved or liquidated in 2020.

Note 4: Dissolved or liquidated in 2019.

Note 5: With balance sheet date of March 31. For the preparation of consolidated financial statements, the Company had required FOXLINK MYANMAR, and PQI had required Sinocity and DG as consolidated entities to prepare financial statements with balance sheet date on December 31 to conform to the balance sheet date of the consolidated financial statements.

Note 6: The Group holds 40% of shares in SHINFOX ENERGY. However, the Group has obtained more than half of the seats on the Board of Directors, so the Group is substantively determined as having control over SHINFOX ENERGY.

- Note 7: CULINK has participated in Foxlink India's capital increase on September 15, 2019, January 22, 2020, February 25, 2020, May 19, 2020 and September 15, 2020. After the capital increment, Foxlink India became a wholly-owned subsidiary of CULINK and CU with 57.87% and 42.13% ownership, respectively.
- Note 8: CDFB increased its capital on January 17, 2020. FTJ did not acquire shares proportionally to its interest. As a result, FTJ decreased its share interest from 85.37% to 70%.
- Note 9: Deepwaters Digital Support Inc. and YD Entertainment has participated in CYNC's capital increase on March 10, 2020. After the capital increment, the equity shares of CYNC held by FII decreased to 15.38% from 100%. As a result, the Group lost its control over CYNC but has significant influence over it. Please refer to Note 6(8).
- Note 10: The subsidiaries, Changyuan and Beiyuan have been reclassified as non-current assets held for sale following the approval of the Foxwell Energy's Board of Directors on September 30, 2020 to sell 100% shares of Changyuan and Beiyuan to Foxwell Energy Co., Ltd.. Please refer to Note 6(13).
- Note 11: CULINK invested in FG Xuzhou in December 2019. After the capital increment, FG Xuzhou became a wholly-owned subsidiary of CULINK and CU with 52.94% and 47.06% ownership, respectively.
- Note 12: Shinfox conducted a share swap with Foxwell Energy on December 27, 2019, which was classified as a reorganisation of entities under common control. After the share swap, Foxwell Energy became a wholly-owned subsidiary of Shinfox whose 76.56% and 13.40% ownership were held by PQI and FUII, respectively.
- Note 13: To simplify the Group's structure, the shareholders at their meeting on December 16, 2019 resolved to merge the subsidiaries of the Group, AITL, GITL, GSTL and GOI, with AITL being the surviving company.
- Note 14: Shinfox Co., Ltd. was renamed to Shinfox Energy Co., Ltd. on June 23, 2020.
- Note 15: FII and FUII jointly established FIE on June 23, 2020 and jointly holds 100% ownership in FIE.
- Note 16: FUII acquired ownership from the original shareholders of VA in May 2020. After the acquisition, VA became a wholly-owned subsidiary of FUII.
- Note 17: Foxwell Power increased its capital on April 28, 2020. Shinfox did not acquire shares proportionally to its interest. As a result, Shinfox decreased its share interest from 100% to 95%.

Note 18: Jiangsu Foxlink increased its capital in April 2020. The Group did not acquire shares proportionally to its interest. As a result, the Group lost control over it and recognised it as investment accounted for using equity method. In September 2020, the Group lost significant influence over Jiangsu Foxlink and reclassified it as financial assets at fair value through other comprehensive income after receiving proceeds from capital reduction which decreased the share interest down to 12.9%. Please refer to Note 6(3).

Note 19: Shinfox increased its capital on September 1, 2020. FUII and PQI did not acquire shares proportionally to its interest. As a result, FUII and PQI decreased their share interest from 13.40% to 10.5% and 76.56% to 60.64%, respectively.

Note 20: Shih Fong increased its capital in July 2020. After the capital increment, the total ownership of Shih Fong jointly held by FIT Holding and Foxlink Image amounted to 76% with 41.3% and 34.7% ownership, respectively.

Note 21: FOXLINK TECH invested in SINOBEST in September 2020. After the capital increment, SINOBEST became a wholly-owned subsidiary of FOXLINK TECH and the Company with 4.61% and 95.39% ownership, respectively.

Note 22: The financial statements for the nine months ended September 30, 2020 were reviewed by the independent auditors of the company.

Note 23: The financial statements for the nine months ended September 30, 2019 were reviewed by the independent auditors of the company.

C. Subsidiaries not included in the consolidated financial statements:

Investor	Subsidiary	Main activity	Ownership(%)			Description
			September 30, 2020	December 31, 2019	September 30, 2019	
FII	Yixin Precision Industry Co., Ltd. (YX)	Manufacture of electronic telecommunication components and electronic machinery equipment	75	75	75	Note 1
Studio A	Tayih Digital Technology Co., Ltd. (TAYIH)	Manufacture of electronic telecommunication components	60	60	60	Note 2
CU	KLEINE DEVELOPMENTS LIMITED	Manufacture and sale of Magnesium products	-	50	50	Note 3
Foxlink Image	KLEINE DEVELOPMENTS LIMITED	Manufacture and sale of Magnesium products	-	50	50	Note 3

Note 1: The ratio of total assets to the Company's total assets was insignificant, and it was approved by the Ministry of Economic Affairs on October 5, 2004 to be dissolved and is currently undergoing liquidation procedures. Thus, this subsidiary was not included in the consolidated financial statements.

Note 2: The ratio of total assets to the Company's total assets was insignificant, and it was approved by the Ministry of Economic Affairs on July 7, 2010 to be dissolved and is currently undergoing liquidation procedures. Thus, this subsidiary was not included in the consolidated financial statements.

Note 3: On December 28, 2015, the Board of Directors has resolved the liquidation of the company, KLEINE. The liquidation was completed on May 28, 2020. Thus, this subsidiary was not included in the consolidated financial statements.

D. Adjustments for subsidiaries with different balance sheet dates:

Sinocity and DG are subsidiaries of PQI in Hong Kong and Macau, respectively, with balance sheet date of March 31. For the preparation of consolidated financial statements, PQI had required Sinocity and DG as consolidated entities to prepare financial statements with balance sheet date of December 31 to conform with the balance sheet date of the Group.

FOXLINK MYANMAR is a subsidiary of SINOBEST in Myanmar with balance sheet date of March 31. For the preparation of consolidated financial statements, SINOBEST had required FOXLINK MYANMAR as consolidated entities to prepare financial statements with balance sheet date of December 31 to conform to the balance sheet date of the consolidated financial statements.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of September 30, 2020, December 31, 2019 and September 30, 2019, the non-controlling interest amounted to \$6,354,807, \$5,810,641 and \$5,998,810, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest					
		September 30, 2020		December 31, 2019		September 30, 2019	
		Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)
FIT Holding	Taiwan	\$ 4,541,007	61.81%	\$ 4,728,357	61.81%	\$ 4,891,780	61.81%

Summarised financial information of the subsidiaries:

Balance sheets

	FIT Holding		
	September 30, 2020	December 31, 2019	September 30, 2019
Current assets	\$ 9,613,187	\$ 6,740,195	\$ 7,040,114
Non-current assets	14,521,359	11,467,723	10,630,447
Current liabilities	(13,061,900)	(5,813,251)	(6,887,432)
Non-current liabilities	(3,594,446)	(5,530,512)	(4,158,272)
Total net assets	\$ 7,478,200	\$ 6,864,155	\$ 6,624,857

Statements of comprehensive income

	<u>FIT Holding</u>	
	<u>Three months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Revenue	\$ 1,525,222	\$ 2,434,850
Profit before income tax	15,260	56,792
Income tax expense	(15,504)	(12,362)
(Loss) profit for the period from continuing operations	(11,186)	21,913
Equity attributable to former owner of business combination under common control	-	38,164
Profit (loss) from non-controlling interest	10,942	(15,647)
(Loss) profit for the period	(244)	44,430
Other comprehensive income (loss) (net of tax)	52,516	(11,710)
Total comprehensive income for the period	<u>\$ 52,272</u>	<u>\$ 32,720</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 11,242</u>	<u>\$ 7,990</u>
Equity attributable to former owner of business combination under common control attributable to non-controlling interest	<u>\$ -</u>	<u>\$ 37,972</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

	<u>FIT Holding</u>	
	<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Revenue	\$ 4,565,877	\$ 6,301,017
Loss before income tax	(82,821)	(163,624)
Income tax expense	(78,263)	(58,749)
Loss for the period from continuing operations	(168,459)	(221,941)
Equity attributable to former owner of business combination under common control	-	20,747
Profit (loss) from non-controlling interest	7,375	(21,179)
Loss for the period	(161,084)	(222,373)
Other comprehensive (loss) income (net of tax)	(218,498)	233,056
Total comprehensive (loss) income for the period	<u>(\$ 379,582)</u>	<u>\$ 10,683</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 8,204</u>	<u>\$ 3,639</u>
Equity attributable to former owner of business combination under common control attributable to non-controlling interest	<u>\$ -</u>	<u>\$ 19,449</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

Statements of cash flows

	FIT Holding	
	Nine months ended September 30,	
	2020	2019
Net cash provided by operating activities	\$ 369,023	\$ 160,182
Net cash used in investing activities	(5,015,832)	(1,578,932)
Net cash provided by financing activities	8,119,412	1,055,031
Effect of exchange rates on cash and cash equivalents	(2,925)	(14,356)
Increase (decrease) in cash and cash equivalents	3,469,678	(378,075)
Cash and cash equivalents, beginning of period	1,820,304	2,747,502
Cash and cash equivalents, end of period	\$ 5,289,982	\$ 2,369,427

(4) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

No significant changes during the period, please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2019.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Cash on hand and revolving funds	\$ 161,948	\$ 44,235	\$ 136,635
Checking accounts and demand deposits	8,728,432	4,892,329	5,675,231
Cash equivalents			
Time deposits	3,693,986	1,360,165	1,829,049
Short-term notes and bills	94,878	-	106,507
Total	<u>\$ 12,679,244</u>	<u>\$ 6,296,729</u>	<u>\$ 7,747,422</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Details of the Group's cash and cash equivalents pledged to others as collateral are provided in Note 8.

(2) Financial assets and liabilities at fair value through profit or loss

<u>Assets items</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Current items:			
Financial assets mandatorily measured at fair value through profits or loss			
Non-capital guaranteed floating profit financial instruments	\$ -	\$ 129,150	\$ 174,001

A. Amounts recognised in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	<u>Three months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Derivative instruments	\$ 853	\$ 371
	<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Derivative instruments	\$ 8,427	\$ 3,475

The Group entered into forward foreign exchange contracts to buy USD (sell HKD by USD) to hedge exchange rate risk of import proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

B. The Group has no financial assets and liabilities at fair value through profit or loss pledged to others.

C. Information relating to credit risk of financial assets and liabilities at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income

<u>Items</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Non-current items:			
Equity instruments			
Unlisted stocks	\$ 1,429,906	\$ 1,323,918	\$ 1,333,357
Valuation adjustment	(416,163)	(387,163)	(296,945)
	<u>\$ 1,013,743</u>	<u>\$ 936,755</u>	<u>\$ 1,036,412</u>

- A. The Group has elected to classify equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. As of September 30, 2020, December 31, 2019 and September 30, 2019, the fair value of such investments amounted to \$1,013,743, \$936,755 and \$1,036,412, respectively.
- B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Three months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 7,000	\$ -
	<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 29,000)	(\$ 25,000)

- C. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.
- D. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Financial assets at amortised cost

<u>Items</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Current items:			
Repatriation of capital from Taiwan's offshore companies	\$ -	\$ 896,906	\$ -
Time deposits maturing over three months	99,628	378,524	625,741
Restricted deposits	4,473	8,926	10,908
Pledged time deposits	<u>159,309</u>	<u>358,822</u>	<u>354,244</u>
	<u>\$ 263,410</u>	<u>\$ 1,643,178</u>	<u>\$ 990,893</u>
Non-current items:			
Restricted deposits	\$ 1,149	\$ 1,768	\$ 955
Pledged time deposits	<u>142,104</u>	<u>125,816</u>	<u>130,649</u>
	<u>\$ 143,253</u>	<u>\$ 127,584</u>	<u>\$ 131,604</u>

Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(5) Accounts receivable

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Accounts receivable	\$ 17,789,818	\$ 15,632,770	\$ 19,415,181
Less: Loss allowance	(172,919)	(158,659)	(201,706)
	<u>\$ 17,616,899</u>	<u>\$ 15,474,111</u>	<u>\$ 19,213,475</u>

- A. The information on the Group's ageing analysis of accounts receivable is provided in Note 12(2).
- B. As of September 30, 2020, December 31, 2019 and September 30, 2019, accounts receivable were all from contracts with customers. And as of January 1, 2019, the balance of receivables from contracts with customers amounted to \$12,850,558.
- C. The quality information of accounts receivable is based on customers' credit ranking and recoverable period of receivables in order to calculate the accrual of impairment. The Group's internal credit ranking policy is that the Group's business and management segment assesses periodically whether the credit ranking of existing customers is appropriate and adjusts to obtain the latest information when necessary. Customers' credit ranking assessment is based on industrial operating scale, profitability and ranking assessed by financial insurance institutions.
- The Group has insured accounts receivable of certain customers and the Group will receive 80%~90% compensation if bad debts occur.
- D. The Group does not hold any collateral as security.
- E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(6) Transfer of financial assets

- A. The Group entered into a factoring agreement with the banks to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognised the transferred accounts receivable, and the related information is as follows:

September 30, 2020							
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount advanced for advance	Interest rate of amount advanced	Collateral Provided
Bank of Taiwan	\$ 569,701	\$ 569,701	\$ 4,365,000	\$ 567,257	\$ 3,797,743	0.49%	None
Citibank	794,193	794,193	794,193	794,193	-	1.14%~1.19%	None
Mega International Commercial Bank	910,722	910,722	1,455,000	885,113	569,887	0.90%	None

December 31, 2019

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount advanced for advance	Interest rate of amount advanced	Collateral Provided
Bank of Taiwan	\$ 1,037,950	\$ 1,037,950	\$ 4,497,000	\$ 934,155	\$ 3,562,845	2.54%~2.75%	None
Citibank	743,008	743,008	743,008	743,008	-	2.79%~2.99%	None
Mega International Commercial Bank	711,452	711,452	1,499,000	640,306	858,694	2.52%~2.58%	None

September 30, 2019

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount advanced for advance	Interest rate of amount advanced	Collateral Provided
Bank of Taiwan	\$ 870,433	\$ 870,433	\$ 931,200	\$ 783,390	\$ 147,810	2.79%	None
Citibank	263,457	263,457	263,457	263,457	-	3.5%~3.74%	None
Mega International Commercial Bank	465,910	465,910	1,552,000	419,319	1,132,681	2.70%	None

B. As of September 30, 2020, December 31, 2019 and September 30, 2019, the Group issued promissory notes to some banks for the factoring agreements signed.

(7) Inventories

	September 30, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 5,974,988	(\$ 281,390)	\$ 5,693,598
Work in progress and semi-finished goods	2,382,631	(141,783)	2,240,848
Finished goods (including merchandise)	4,566,370	(176,576)	4,389,794
Inventory in transit	13,483	-	13,483
	<u>\$ 12,937,472</u>	<u>(\$ 599,749)</u>	<u>\$ 12,337,723</u>

	December 31, 2019		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 3,787,055	(\$ 110,259)	\$ 3,676,796
Work in progress	397,850	(7,309)	390,541
Finished goods (including merchandise)	7,473,329	(364,193)	7,109,136
Inventory in transit	42,268	-	42,268
	<u>\$ 11,700,502</u>	<u>(\$ 481,761)</u>	<u>\$ 11,218,741</u>

	September 30, 2019		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 4,619,759	(\$ 215,263)	\$ 4,404,496
Work in progress	1,337,442	(67,726)	1,269,716
Finished goods (including merchandise)	8,520,907	(335,910)	8,184,997
Inventory in transit	57,889	-	57,889
	<u>\$ 14,535,997</u>	<u>(\$ 618,899)</u>	<u>\$ 13,917,098</u>

The cost of inventories recognised as expense for the period:

	Three months ended September 30,	
	2020	2019
Cost of inventories sold	\$ 23,017,539	\$ 26,030,621
Gain on reversal of decline in market value	(3,409)	(88,725)
Others (revenue from sale of scraps)	(60,456)	(34,364)
	<u>\$ 22,953,674</u>	<u>\$ 25,907,532</u>

	Nine months ended September 30,	
	2020	2019
Cost of inventories sold	\$ 55,811,012	\$ 62,667,369
Loss on (gain on reversal of) decline in market value	117,988	(134,478)
Others (revenue from sale of scraps)	(72,303)	(99,253)
	<u>\$ 55,856,697</u>	<u>\$ 62,433,638</u>

The Group reversed from a previous inventory write-down because obsolete and slow-moving inventories and inventories with decline in market value were partially sold by the Group for the three months ended September 30, 2020 and 2019, and nine months ended September 30, 2019.

(8) Investments accounted for using the equity method

Investee	September 30, 2020		December 31, 2019	
	Amount	Ownership percentage (%)	Amount	Ownership percentage (%)
Central Motion Picture Corporation	\$ 1,968,885	17.49%	\$ 1,964,129	17.60%
Well Shin Technology Co., Ltd.	1,130,800	18.84%	1,135,667	18.84%
Sharetronic Data Technology Co., Ltd.	981,793	19.94%	719,728	26.58%
Castles Technology Co., Ltd.	200,712	14.28%	207,238	16.14%
Dongguan Banrin Robot Technology Co., Ltd.	121,824	31.03%	124,573	31.03%
CMPC Cultural & Creative Co., Ltd.	124,112	42.86%	123,447	42.86%
Kleine Developments Ltd.	-	-	62,969	100.00%
Tegna Electronics Private Limited	37,354	30.00%	38,816	30.00%
CYNC Design Co., Ltd. (CYNC)	10,000	15.38%	-	-
Microlink Communications Inc.	(21,624)	21.43%	(22,014)	21.43%
	4,553,856		4,354,553	
Add : Current prepayments for investments				
-JOURN TA BROTHERS LIMITED	151,907		78,235	
Current prepayments for investments				
-Foxwell Energy Co., Ltd.	210,000		-	
Credit balance of long-term equity investments reclassified to other non-current liabilities				
-others	21,624		22,014	
Total	\$ 4,937,387		\$ 4,454,802	

Investee	September 30, 2019	
	Amount	Ownership percentage (%)
Central Motion Picture Corporation	\$ 1,846,299	17.49%
Well Shin Technology Co., Ltd.	1,129,820	18.84%
Sharetronic Data Technology Co., Ltd.	690,458	26.58%
Castles Technology Co., Ltd.	179,207	16.14%
Dongguan Banrin Robot Technology Co., Ltd.	126,494	31.03%
CMPC Cultural & Creative Co., Ltd.	123,495	42.86%
Kleine Developments Ltd.	133,568	100.00%
Tegna Electronics Private Limited	40,020	30.00%
Microlink Communications Inc.	(22,911)	21.43%
	4,246,450	
Add : Current prepayments for investments		
-JOURN TA BROTHERS LIMITED	78,235	
Credit balance of long-term equity investments reclassified to other non-current liabilities		
-others	22,911	
Total	\$ 4,347,596	

A. For the three months and nine months ended September 30, 2020 and 2019, except for Well Shin Technology Co., Ltd. and Castles Technology Co., Ltd., which were recognised based on their financial statements reviewed by independent auditors and whose total share of profit and loss amounted to \$43,971, \$31,861, \$92,021 and \$54,851, respectively, share of the profit or loss of other associates and joint ventures were not reviewed by independent auditors.

B. Associates

(a) The basic information of the associates that are material to the Group is summarised below:

Company name	Principal place of business	Shareholding ratio			Nature of relationship	Methods of measurement
		September 30, 2020	December 31, 2019	September 30, 2019		
Central Motion Picture Corporation	Taiwan	17.49%	17.49%	17.49%	Note	Equity method
Well Shin Technology Co., Ltd.	Taiwan	18.84%	18.84%	18.84%	Note	Equity method

Note : As the Group's management holds several seats in the Board of Directors of Central Motion Picture Corporation and Well Shin Technology Co., Ltd., the Group is assessed to have significant influence.

(b) Summarised financial information of the associates that are material to the Group is as follows:

Balance sheet

	Central Motion Picture Corporation		
	September 30, 2020	December 31, 2019	September 30, 2019
Current assets	\$ 388,195	\$ 354,803	\$ 483,923
Non-current assets	17,713,370	17,686,926	16,864,376
Current liabilities	(132,517)	(2,146,489)	(147,685)
Non-current liabilities	(5,306,589)	(3,252,973)	(5,207,049)
Total net assets	<u>\$ 12,662,459</u>	<u>\$ 12,642,267</u>	<u>\$ 11,993,565</u>
Share in associate's net assets	\$ 1,968,885	\$ 1,964,129	\$ 1,846,299
Goodwill	-	-	-
Carrying amount of the associates	<u>\$ 1,968,885</u>	<u>\$ 1,964,129</u>	<u>\$ 1,846,299</u>

Well Shin Technology Co., Ltd.

	September 30, 2020	December 31, 2019	September 30, 2019
Current assets	\$ 4,850,852	\$ 4,786,553	\$ 4,836,454
Non-current assets	2,633,940	2,945,868	3,031,451
Current liabilities	(1,197,197)	(1,438,795)	(1,606,389)
Non-current liabilities	(480,365)	(460,569)	(459,473)
Total net assets	<u>\$ 5,807,230</u>	<u>\$ 5,833,057</u>	<u>\$ 5,802,043</u>
Share in associate's net assets	\$ 1,094,211	\$ 1,099,078	\$ 1,093,231
Goodwill	<u>36,589</u>	<u>36,589</u>	<u>36,589</u>
Carrying amount of the associates	<u>\$ 1,130,800</u>	<u>\$ 1,135,667</u>	<u>\$ 1,129,820</u>

Statement of comprehensive income

	Central Motion Picture Corporation	
	Three months ended September 30,	
	2020	2019
Revenue	\$ 122,138	\$ 136,764
Profit for the period from continuing operations	\$ 109,224	\$ 60,694
Other comprehensive income, net of tax	-	-
Total comprehensive income	<u>\$ 109,224</u>	<u>\$ 60,694</u>
Dividends received from associates	<u>\$ 15,432</u>	<u>\$ -</u>

	Central Motion Picture Corporation	
	Nine months ended September 30,	
	2020	2019
Revenue	\$ 334,988	\$ 408,980
Profit for the period from continuing operations	\$ 108,427	\$ 91,009
Other comprehensive income, net of tax	-	-
Total comprehensive income	<u>\$ 108,427</u>	<u>\$ 91,009</u>
Dividends received from associates	<u>\$ 15,432</u>	<u>\$ -</u>

	Well Shin Technology Co., Ltd.	
	Three months ended September 30,	
	2020	2019
Revenue	\$ 1,416,482	\$ 1,331,967
Profit for the period from continuing operations	\$ 190,663	\$ 173,193
Other comprehensive income (loss), net of tax	68,464	(130,066)
Total comprehensive income	<u>\$ 259,127</u>	<u>\$ 43,127</u>
Dividends received from associates	<u>\$ 66,847</u>	<u>\$ 77,988</u>

Well Shin Technology Co., Ltd.		
Nine months ended September 30,		
	2020	2019
Revenue	\$ 3,410,334	\$ 3,826,996
Profit for the period from continuing operations	\$ 371,228	\$ 444,038
Other comprehensive loss, net of tax	(42,283)	(92,292)
Total comprehensive income	\$ 328,945	\$ 351,746
Dividends received from associates	\$ 66,847	\$ 77,988

(c) The carrying amount of the Group's interests in all individually immaterial associates (Note) and the Group's share of the operating results are summarised below:

As of September 30, 2020, December 31, 2019 and September 30, 2019, the carrying amount of the Group's individually immaterial associates amounted to \$1,454,171, \$1,254,757 and \$1,270,331, respectively.

Three months ended September 30,		
	2020	2019
Profit for the period from continuing operations	\$ 158,120	\$ 125,305
Total comprehensive income	\$ 158,120	\$ 125,305

Nine months ended September 30,		
	2020	2019
Profit for the period from continuing operations	\$ 481,975	\$ 70,489
Total comprehensive income	\$ 481,975	\$ 70,489

Note: Sharetronic Data, Castles, CMPC Cultural & Creative, Microlink, CYNC, Banrin and TEGNA.

(d) The fair value of the Group's material associates with quoted market prices is as follows:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Well Shin Technology Co., Ltd.	\$ 1,016,079	\$ 1,123,034	\$ 1,102,980

- C. The Group is the single largest shareholder of Well Shin Technology Co., Ltd. with an 18.84% equity interest. Given that it was a strategic investment, and the Group had no involvement in its substantial operations and the active participation at the last shareholders' meeting by other shareholders, which indicates that the Group has no current ability to direct the relevant activities of Well Shin Technology Co., Ltd., the Group has no control, but only has significant influence, over the investee.
- D. The Group has signed a stock purchase agreement with an individual on May 15, 2014 to purchase all the Company's shares in CMPC amounting to \$150,000 thousand. As of September 30, 2020, uncollected amount was \$141,000 thousand (shown as 'notes receivable') and accrued impairment loss was \$141,000 thousand.

- E. On December 28, 2015, the Board of Directors has resolved the liquidation of the investee company, KLEINE. The Company had accrued an additional loss amounting to \$170,136 within the scope of legal obligations. The liquidation was completed on May 28, 2020.
- F. Central Motion Picture Corporation is a litigating party contesting the decision No. 107007 rendered by Ill-gotten Party Assets Settlement Committee on October 9, 2018. Please refer to Note 9(3) for details on the lawsuit.
- G. Wellgen Medical Co., Ltd. increased its capital in February 2019. The Group did not acquire shares proportionally to its interest. As a result, the Group lost its significant influence. Subsequently, gains on disposal of the aforementioned investments amounting to \$7,812 were generated from reclassifying the investments to financial assets measured at fair value through other comprehensive income. Details are provided in Notes 6(27) and 12(3).
- H. Deepwaters Digital Support Inc. and YD Entertainment has participated in CYNC's capital increase on March 10, 2020. After the capital increment, the equity shares of CYNC held by FII decreased to 15.38% from 100%. As a result, the Group lost its control over CYNC. However, as the Group's management holds several seats in the Board of Directors of CYNC, the Group has significant influence over it.
- I. Jiangsu Foxlink, formerly the subsidiary of the Group, increased its capital in April 2020. The Group did not acquire shares proportionally to its interest. As a result, the Group lost control over it and recognised it as investment accounted for using equity method. In September 2020, the Group lost significant influence over Jiangsu Foxlink and reclassified it as financial assets at fair value through other comprehensive income after receiving proceeds from capital reduction which decreased the share interest down to 12.9%. Gains on disposal of the aforementioned investments amounting to \$9,579 were generated. Details are provided in Note 6(27).

(9) Property, plant and equipment

	2020						
	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Construction-in-progress	Total
At January 1							
Cost	\$ 412,428	\$ 16,258,559	\$ 11,169,824	\$ 479,338	\$ 6,822,800	\$ 2,438,672	\$ 37,581,621
Accumulated depreciation and impairment	-	(3,201,107)	(5,946,266)	(308,210)	(4,728,055)	-	(14,183,638)
	<u>\$ 412,428</u>	<u>\$ 13,057,452</u>	<u>\$ 5,223,558</u>	<u>\$ 171,128</u>	<u>\$ 2,094,745</u>	<u>\$ 2,438,672</u>	<u>\$ 23,397,983</u>
Opening net book amount	\$ 412,428	\$ 13,057,452	\$ 5,223,558	\$ 171,128	\$ 2,094,745	\$ 2,438,672	\$ 23,397,983
Additions	-	26,555	946,346	26,860	300,603	495,895	1,796,259
Disposals	-	(52,791)	(56,111)	(6,361)	(27,706)	-	(142,969)
Disposal of subsidiaries	-	(923,712)	(8,707)	(24,135)	(1,687)	(300,584)	(1,258,825)
Reclassifications	-	(31,963)	279,582	19,999	112,546	271,639	651,803
Depreciation charge	-	(284,706)	(1,248,124)	(54,853)	(615,629)	-	(2,203,312)
Net exchange differences	-	(69,841)	(37,132)	(724)	(1,468)	955	(108,210)
Reclassified as disposal groups held for sale	-	-	-	-	-	(1,272,384)	(1,272,384)
Closing net book amount	<u>\$ 412,428</u>	<u>\$ 11,720,994</u>	<u>\$ 5,099,412</u>	<u>\$ 131,914</u>	<u>\$ 1,861,404</u>	<u>\$ 1,634,193</u>	<u>\$ 20,860,345</u>
At September 30							
Cost	\$ 412,428	\$ 15,146,988	\$ 11,694,213	\$ 436,678	\$ 5,206,551	\$ 1,634,193	\$ 34,531,051
Accumulated depreciation and impairment	-	(3,425,994)	(6,594,801)	(304,764)	(3,345,147)	-	(13,670,706)
	<u>\$ 412,428</u>	<u>\$ 11,720,994</u>	<u>\$ 5,099,412</u>	<u>\$ 131,914</u>	<u>\$ 1,861,404</u>	<u>\$ 1,634,193</u>	<u>\$ 20,860,345</u>

	2019						
	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Construction-in-progress	Total
At January 1							
Cost	\$ 412,428	\$ 15,681,815	\$ 9,383,027	\$ 412,958	\$ 6,549,376	\$ 1,600,789	\$ 34,040,393
Accumulated depreciation and impairment	-	(3,363,878)	(4,467,052)	(239,903)	(4,006,685)	-	(12,077,518)
	<u>\$ 412,428</u>	<u>\$ 12,317,937</u>	<u>\$ 4,915,975</u>	<u>\$ 173,055</u>	<u>\$ 2,542,691</u>	<u>\$ 1,600,789</u>	<u>\$ 21,962,875</u>
Opening net book amount	\$ 412,428	\$ 12,317,937	\$ 4,915,975	\$ 173,055	\$ 2,542,691	\$ 1,600,789	\$ 21,962,875
Additions	-	236,979	1,052,818	38,957	334,642	719,235	2,382,631
Acquired from business combinations	-	-	-	-	-	691,860	691,860
Disposals	-	(80,911)	(119,104)	(18,223)	(56,368)	-	(274,606)
Reclassifications	-	377,538	1,069,132	28,862	182,470	251,579	1,909,581
Depreciation charge	-	(307,264)	(1,474,738)	(56,849)	(743,161)	-	(2,582,012)
Net exchange differences	-	(279,847)	(139,545)	(2,481)	(88,962)	(60,856)	(571,691)
Closing net book amount	<u>\$ 412,428</u>	<u>\$ 12,264,432</u>	<u>\$ 5,304,538</u>	<u>\$ 163,321</u>	<u>\$ 2,171,312</u>	<u>\$ 3,202,607</u>	<u>\$ 23,518,638</u>
At September 30							
Cost	\$ 412,428	\$ 15,825,104	\$ 10,574,076	\$ 428,233	\$ 6,204,321	\$ 3,202,607	\$ 36,646,769
Accumulated depreciation and impairment	-	(3,560,672)	(5,269,538)	(264,912)	(4,033,009)	-	(13,128,131)
	<u>\$ 412,428</u>	<u>\$ 12,264,432</u>	<u>\$ 5,304,538</u>	<u>\$ 163,321</u>	<u>\$ 2,171,312</u>	<u>\$ 3,202,607</u>	<u>\$ 23,518,638</u>

The Group's property, plant and equipment were pledged to others as collateral, please refer to Note 8 for detailed information.

(10) Leasing arrangements-lessee

A. The Group leases various assets including land, buildings, transportation equipment. Rental contracts are typically made for periods of 2 to 70 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 1,319,500	\$ 1,437,055	\$ 1,353,562
Buildings	340,503	391,864	373,233
Transportation equipment (Business vehicles)	1,075	2,235	2,622
Office equipment (Photocopiers)	208	17	11
	<u>\$ 1,661,286</u>	<u>\$ 1,831,171</u>	<u>\$ 1,729,428</u>

	<u>Three months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 10,960	\$ 14,898
Buildings	52,786	65,362
Transportation equipment (Business vehicles)	384	394
Office equipment (Photocopiers)	27	18
	<u>\$ 64,157</u>	<u>\$ 80,672</u>

	<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 37,543	\$ 35,490
Buildings	175,007	225,879
Transportation equipment (Business vehicles)	1,154	2,279
Office equipment (Photocopiers)	85	52
	<u>\$ 213,789</u>	<u>\$ 263,700</u>

C. For the three months and nine months ended September 30, 2020 and 2019, the additions to right-of-use assets amounted to \$84,413, \$213,302, \$132,308 and \$423,832, respectively.

D. The information on income and expense accounts relating to lease contracts is as follows:

	Three months ended September 30,	
	2020	2019
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,195	\$ 1,841
Expense on short-term lease contracts	12,584	29,415
Expense on leases of low-value assets	167	160
Expense on variable lease payments	7,116	4,636
	Nine months ended September 30,	
	2020	2019
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 5,415	\$ 6,476
Expense on short-term lease contracts	48,314	83,846
Expense on leases of low-value assets	452	521
Expense on variable lease payments	24,298	19,087

E. For the three months and nine months ended September 30, 2020 and 2019, the Group's total cash outflow for leases amounted to \$74,687, \$108,929, \$262,684 and \$346,934, respectively.

F. Variable lease payments

- (a) Some of the Group's lease contracts contain variable lease payment terms that are linked to sales generated from a store or a counter in a department store and sales generated from electricity sold. For aforementioned contracts, up to 9.25% of lease payments are on the basis of variable payment terms and are accrued based on the sales amount. Variable payment terms are used for a variety of reasons and various lease payments that depend on sales are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.
- (b) A 1% increase in the aggregate sales amount of all stores with such variable lease contracts would increase total lease payments by approximately \$243.

(11) Investment property

	2020		
	Land	Buildings and structures	Total
At January 1			
Cost	\$ 183,076	\$ 519,293	\$ 702,369
Accumulated depreciation and impairment	-	(110,595)	(110,595)
	<u>\$ 183,076</u>	<u>\$ 408,698</u>	<u>\$ 591,774</u>
Opening net book amount	\$ 183,076	\$ 408,698	\$ 591,774
Reclassifications	-	-	-
Depreciation charge	-	(9,565)	(9,565)
Net exchange differences	-	(2,664)	(2,664)
Closing net book amount	<u>\$ 183,076</u>	<u>\$ 396,469</u>	<u>\$ 579,545</u>
At September 30			
Cost	\$ 183,076	\$ 510,812	\$ 693,888
Accumulated depreciation and impairment	-	(114,343)	(114,343)
	<u>\$ 183,076</u>	<u>\$ 396,469</u>	<u>\$ 579,545</u>
		2019	
	Land	Buildings and structures	Total
At January 1			
Cost	\$ 183,076	\$ 212,948	\$ 396,024
Accumulated depreciation and impairment	-	(105,532)	(105,532)
	<u>\$ 183,076</u>	<u>\$ 107,416</u>	<u>\$ 290,492</u>
Opening net book amount	\$ 183,076	\$ 107,416	\$ 290,492
Reclassifications	-	326,468	326,468
Depreciation charge	-	(5,082)	(5,082)
Net exchange differences	-	(12,646)	(12,646)
Closing net book amount	<u>\$ 183,076</u>	<u>\$ 416,156</u>	<u>\$ 599,232</u>
At September 30			
Cost	\$ 183,076	\$ 522,742	\$ 705,818
Accumulated depreciation and impairment	-	(106,586)	(106,586)
	<u>\$ 183,076</u>	<u>\$ 416,156</u>	<u>\$ 599,232</u>

A. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

	Three months ended September 30,	
	2020	2019
Rental income from the lease of the investment property	<u>\$ 4,351</u>	<u>\$ 3,093</u>
Direct operating expenses arising from the investment property that generated rental income in the period	<u>\$ 3,187</u>	<u>\$ 2,619</u>

	Nine months ended September 30,	
	2020	2019
Rental income from the lease of the investment property	\$ 13,028	\$ 11,861
Direct operating expenses arising from the investment property that generated rental income in the period	\$ 9,565	\$ 5,082

B. Investment property is stated initially at its cost and is depreciated on a straight-line basis over its estimated useful life. The fair value of the investment property held by the Group as at September 30, 2020, December 31, 2019 and September 30, 2019 was \$1,023,251, \$1,023,016 and \$1,019,949, respectively, which was evaluated based on the market prices of similar real estate in the areas nearby, as Level 2 fair value, market prices did not change significantly.

C. There was no impairment loss on investment property.

D. The investment property was not pledged to others as collateral.

(12) Intangible assets

	2020				
	Trademark Rights	Patent	Goodwill	Others	Total
At January 1					
Cost	\$ 50,068	\$ 451,126	\$ 3,882,120	\$ 303,904	\$ 4,687,218
Accumulated amortisation and impairment	(95)	(44,120)	(2,229,754)	(161,301)	(2,435,270)
	<u>\$ 49,973</u>	<u>\$ 407,006</u>	<u>\$ 1,652,366</u>	<u>\$ 142,603</u>	<u>\$ 2,251,948</u>
Opening net book amount	\$ 49,973	\$ 407,006	\$ 1,652,366	\$ 142,603	\$ 2,251,948
Additions	-	-	-	59,070	59,070
Disposals	-	-	-	(6,598)	(6,598)
Reclassifications	-	-	-	(1,663)	(1,663)
Amortisation charge	(57)	(26,472)	-	(63,199)	(89,728)
Net exchange differences	(1,455)	-	12,086	(1,556)	9,075
Closing net book amount	<u>\$ 48,461</u>	<u>\$ 380,534</u>	<u>\$ 1,664,452</u>	<u>\$ 128,657</u>	<u>\$ 2,222,104</u>
At September 30					
Cost	\$ 48,613	\$ 451,126	\$ 3,894,206	\$ 390,346	\$ 4,784,291
Accumulated amortisation and impairment	(152)	(70,592)	(2,229,754)	(261,689)	(2,562,187)
	<u>\$ 48,461</u>	<u>\$ 380,534</u>	<u>\$ 1,664,452</u>	<u>\$ 128,657</u>	<u>\$ 2,222,104</u>

	2019				
	Trademark				Total
	Rights	Patent	Goodwill	Others	
At January 1					
Cost	\$ 51,283	\$ 451,126	\$ 3,920,751	\$ 261,705	\$ 4,684,865
Accumulated amortisation and impairment	(19)	(8,824)	(1,646,853)	(149,991)	(1,805,687)
	<u>\$ 51,264</u>	<u>\$ 442,302</u>	<u>\$ 2,273,898</u>	<u>\$ 111,714</u>	<u>\$ 2,879,178</u>
Opening net book amount	\$ 51,264	\$ 442,302	\$ 2,273,898	\$ 111,714	\$ 2,879,178
Additions	-	-	-	105,614	105,614
Disposals	-	-	-	(794)	(794)
Amortisation charge	(56)	(26,472)	-	(52,767)	(79,295)
Net exchange differences	538	-	(19,133)	(3,613)	(22,208)
Closing net book amount	<u>\$ 51,746</u>	<u>\$ 415,830</u>	<u>\$ 2,254,765</u>	<u>\$ 160,154</u>	<u>\$ 2,882,495</u>
At September 30					
Cost	\$ 51,821	\$ 451,126	\$ 3,901,618	\$ 301,052	\$ 4,705,617
Accumulated amortisation and impairment	(75)	(35,296)	(1,646,853)	(140,898)	(1,823,122)
	<u>\$ 51,746</u>	<u>\$ 415,830</u>	<u>\$ 2,254,765</u>	<u>\$ 160,154</u>	<u>\$ 2,882,495</u>

A. Goodwill is allocated to the Group's cash-generating units identified according to operating segments as follows:

	September 30, 2020					
	3C	System and peripheral products	3C product retail	Memory module	Others	Total
	component					
Taiwan	\$ 422,764	\$ 715,197	\$ -	\$ 118,258	\$ -	\$ 1,256,219
Hong Kong	-	-	396,626	-	-	396,626
All other segments	-	-	-	-	11,607	11,607
	<u>\$ 422,764</u>	<u>\$ 715,197</u>	<u>\$ 396,626</u>	<u>\$ 118,258</u>	<u>\$ 11,607</u>	<u>\$ 1,664,452</u>
	December 31, 2019					
	3C	System and peripheral products	3C product retail	Memory module	Others	Total
	component					
Taiwan	\$ 422,764	\$ 715,197	\$ -	\$ 118,258	\$ -	\$ 1,256,219
Hong Kong	-	-	384,540	-	-	384,540
All other segments	-	-	-	-	11,607	11,607
	<u>\$ 422,764</u>	<u>\$ 715,197</u>	<u>\$ 384,540</u>	<u>\$ 118,258</u>	<u>\$ 11,607</u>	<u>\$ 1,652,366</u>

September 30, 2019

	3C component	System and peripheral products	3C product retail	Memory module	Others	Total
Taiwan	\$ 708,591	\$ 715,197	\$ -	\$ 334,167	\$ -	\$ 1,757,955
Hong Kong	-	-	485,203	-	-	485,203
All other segments	-	-	-	-	11,607	11,607
	<u>\$ 708,591</u>	<u>\$ 715,197</u>	<u>\$ 485,203</u>	<u>\$ 334,167</u>	<u>\$ 11,607</u>	<u>\$ 2,254,765</u>

B. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections and decisions assisted by independent valuation institutions based on financial budgets approved by the management covering a five-year period. For the nine months ended September 30, 2020 and 2019, goodwill was not impaired.

C. The intangible assets were not pledged to others as collateral.

(13) Non-current assets held for sale

The assets and liabilities related to Changyuan Wind Power Co., Ltd. and Beiyuan Wind Power Co., Ltd. have been reclassified as disposal group held for sale following the approval of the Group's Board of Directors on September 30, 2020 to sell Changyuan Wind Power Co., Ltd. and Beiyuan Wind Power Co., Ltd. The assets and liabilities of the disposal group held for sale as at September 30, 2020 amounted to \$1,383,751 and \$981,785, respectively.

A. Assets of disposal group held for sale:

	<u>September 30, 2020</u>
Cash	\$ 1,331
Prepayments	64,125
Property, plant and equipment	1,272,384
Guarantee deposits paid	45,539
Others	372
Total	<u>\$ 1,383,751</u>

B. Liabilities directly relating to non-current assets held for sale:

	<u>September 30, 2020</u>
Other payables	\$ 17,153
Long-term borrowings (including current portion)	964,632
Total	<u>\$ 981,785</u>

C. The Group had no impairment loss recognised as a result of the remeasurement of the disposal group held for sale at the lower of its carrying amount or fair value less costs to sell.

(14) Short-term borrowings

<u>Type of borrowings</u>	<u>September 30, 2020</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Credit borrowings	\$ 6,264,206	0.51%~2.23%	-
Secured borrowings	30,000	1.01%	Buildings and structures
	<u>\$ 6,294,206</u>		

<u>Type of borrowings</u>	<u>December 31, 2019</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Credit borrowings	\$ 2,038,744	0.82%~1.9%	-

<u>Type of borrowings</u>	<u>September 30, 2019</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Credit borrowings	\$ 3,040,433	0.79%~2.00%	-

(15) Short-term notes and bills payable

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Commercial paper	\$ 438,900	\$ 375,300	\$ 250,000
Discount amortisation	(283)	(358)	(116)
	<u>\$ 438,617</u>	<u>\$ 374,942</u>	<u>\$ 249,884</u>
Annual interest rate range	<u>0.87%~1.638%</u>	<u>0.95%~1.76%</u>	<u>1.08%~1.76%</u>

(16) Other payables

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Payables on salary and bonus	\$ 1,556,119	\$ 2,016,126	\$ 1,748,061
Employees' compensation and remuneration for supervisors and directors	242,080	341,874	167,951
Payables on equipment	600,775	548,763	702,382
Others	2,840,957	2,964,223	2,966,282
	<u>\$ 5,239,931</u>	<u>\$ 5,870,986</u>	<u>\$ 5,584,676</u>

(17) Bonds payable

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Secured corporate bonds	\$ 6,600,000	\$ 3,000,000	\$ 3,000,000
Less: Discount on bonds payable	(26,109)	(12,345)	(12,686)
	<u>\$ 6,573,891</u>	<u>\$ 2,987,655</u>	<u>\$ 2,987,314</u>

A. The main terms of the \$3,600,000 2nd secured corporate bonds issued by the Company on July 29, 2020 are as follows:

- (a) Total initial issue amount: \$3,600,000.
- (b) Issue price: Issue at par value, \$1,000 each.
- (c) Issue period: 5 years, from July 29, 2020 to July 27, 2025.
- (d) Coupon rate: 0.65% fixed per annum.
- (e) Interest payment method: Interest is calculated from the date of issuance at the coupon rate, is a simple interest and is paid yearly.
- (f) Principal repayment method: Pay entire amount at the maturity date.
- (g) Guarantee method:

The joint guarantor banks including CTBC Bank Co., Ltd., Taiwan Cooperative Bank Co., Ltd., Hua Nan Commercial Bank Ltd., Agricultural Bank of Taiwan Corporation and Mega International Commercial Bank Co., Ltd. provide guarantees based on a joint engagement guarantee contract and bond-fulfilling guarantee obligation contract.

- (h) Commitment:

The company should maintain the following financial ratios during the contract duration for semi-annual consolidated and annual consolidated financial statements:

- i. Current assets to current liabilities ratio of at least 1:1;
- ii. Liabilities not exceeding 200% of tangible net equity;
- iii. Interest coverage of at least 400%; and
- iv. Tangible net equity of at least NT\$15,000,000 thousand.

B. The main terms of the \$3,000,000 1st secured corporate bonds issued by the Company on June 26, 2019 are as follows:

- (a) Total initial issue amount: \$3,000,000.
- (b) Issue price: Issue at par value, \$1,000 each.
- (c) Issue period: 5 years, from June 26, 2019 to June 26, 2024.
- (d) Coupon rate: 0.80% fixed per annum.
- (e) Interest payment method: Interest is calculated from the date of issuance at the coupon rate, is a simple interest and is paid yearly.
- (f) Principal repayment method: Pay entire amount at the maturity date.
- (g) Guarantee method:

The joint guarantor banks including CTBC Bank Co., Ltd., Taiwan Cooperative Bank Co., Ltd., Mega International Commercial Bank Co., Ltd. and Chang Hwa Commercial Bank, Ltd. provide guarantees based on a joint engagement guarantee contract and bond-fulfilling guarantee obligation contract.

(h) Commitment:

The company should maintain the following financial ratios during the contract duration for semi-annual consolidated and annual consolidated financial statements:

- i. Current assets to current liabilities ratio of at least 1:1;
- ii. Liabilities not exceeding 200% of tangible net equity;
- iii. Interest coverage of at least 400%; and
- iv. Tangible net equity of at least NT\$15,000,000 thousand.

(18) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	September 30, 2020
Long-term loan borrowings				
Bank's unsecured borrowings				
Cheng Uei				
- including covenants	Borrowing period is from September 2017 to March 2023; pay entire amount when due	1.10%~1.15%	\$ 1,300,000	\$ 3,200,000
- without covenants	Borrowing period is from December 2017 to November 2023; pay entire amount when due	0.87%~1.15%	2,728,500	2,510,000
FIT Holding	Borrowing period is from October 2019 to August 2022; pay entire amount of principal when due, interest is repayable monthly	1.05%	400,000	300,000
Foxlink Image	Borrowing period is from September 2019 to September 2022; pay entire amount of principal when due, interest is repayable monthly	0.99%~1.10%	195,000	1,935,000
PQI	Borrowing period is from November 2018 to December 2021; pay principal based on each bank's regulations, interest is repayable monthly	1.23%~1.35%	-	310,417
Glory Science	Borrowing period is from December 2018 to July 2024; pay principal and interest based on each bank's regulations	1.04%~1.36%	-	422,000
Shinfox	Borrowing period is from February 2019 to February 2023; pay entire amount in installments	1.71%~1.76%	20,000	21,638
Foxwell Energy	Borrowing period is from January 2019 to September 2033; pay entire amount in installments	1.75%	-	39,210
Bank's secured borrowings				
Foxwell Energy	Borrowing period is from May 2018 to December 2034; pay entire amount in installments	1.53%~1.78%	-	321,307
Glory Science	Borrowing period is from December 2019 to December 2024; pay principal in installments quarterly, interest is calculated monthly	1.36%	-	85,000
Medium-term and long-term syndicated loans				
Cheng Uei	Borrowing period is from March 2017 to March 2022. The Company may issue a drawing application before the maturity date of borrowing to directly repay the loan principal that was originally expired.	1.79%	3,200,000	4,800,000
				13,944,572
Less: Current portion				(741,855)
				<u>\$ 13,202,717</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2019
Long-term loan borrowings				
Bank's unsecured borrowings				
Cheng Uei				
- including covenants	Borrowing period is from September 2017 to May 2022; pay entire amount when due	1.20%~1.40%	\$ 3,300,000	\$ 700,000
- without covenants	Borrowing period is from December 2017 to July 2024; pay entire amount when due	1.16%~1.40%	2,399,300	2,030,000
FIT Holding	Borrowing period is from October 2019 to April 2021; pay entire amount of principal when due, interest is repayable monthly	1.12%	-	300,000
Foxlink Image	Borrowing period is from April 2019 to December 2022; pay entire amount of principal when due, interest is repayable monthly	1.12%~1.23%	-	2,300,000
PQI	Borrowing period is from April 2015 to December 2021; pay principal based on each bank's regulations, interest is repayable monthly	1.48%~1.6%	16,683	387,028
Glory Science	Borrowing period is from December 2018 to July 2024; pay principal when due, interest is calculated monthly	1.14%~1.26%	-	462,000
Shinfox	Borrowing period is from January 2015 to February 2023; pay entire amount in installments	1.97%~2.01%	55,817	33,378
Foxwell Energy	Borrowing period is from January 2019 to September 2033; pay principal monthly	1.75%	306,709	41,487
Changyuan	Borrowing period is from May 2019 to October 2035; pay principal monthly	1.59%~2.02%	253,042	276,958
Bank's secured borrowings				
Foxwell Energy	Borrowing period is from May 2018 to September 2034; pay principal monthly, interest is repayable monthly in the first 18 months	1.75%~1.8%	337,392	340,891
Glory Science	Borrowing period is from December 2019 to December 2024; pay principal monthly, interest is repayable monthly in the first 18 months	1.26%	-	100,000
Beiyuan	Borrowing period is from November 2019 to June 2036; pay principal monthly	1.75%~2.22%	284,749	336,251
Medium-term and long-term syndicated loans				
Cheng Uei	Borrowing period is from March 2017 to March 2022. The Company may issue a drawing application before the maturity date of borrowing to directly repay the loan principal that was originally expired.	1.79%	2,400,000	<u>5,600,000</u>
				12,907,993
Less: Current portion				(<u>869,539</u>)
				<u>\$ 12,038,454</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	September 30, 2019
Long-term loan borrowings				
Bank's unsecured borrowings				
Cheng Uei				
- including covenants	Borrowing period is from September 2017 to May 2021; pay entire amount when due	1.20%~1.55%	\$ 500,000	\$ 3,500,000
- without covenants	Borrowing period is from December 2017 to November 2023; pay entire amount when due	1.16%~1.30%	2,536,400	3,030,000
FIT Holding	Borrowing period is from June 2019 to June 2021; pay entire amount when due, interest is repayable monthly	1.1205%~1.15%	1,184,000	766,000
Foxlink Image	Borrowing period is from September 2018 to September 2021; pay entire amount when due, interest is repayable monthly	1.12%~1.16%	150,000	1,350,000
PQI	Borrowing period is from April 2015 to December 2020; pay principal based on each bank's regulations, interest is repayable monthly	1.48%~1.6%	350,667	563,333
Glory Science	Borrowing period is from December 2018 to July 2024; pay entire amount when due, interest rate is calculated monthly	1.14%~1.26%	-	300,000
Shinfox	Borrowing period is from January 2015 to February 2023; pay entire amount in installments	1.97%~2.01%	14,729	39,599
Foxwell Energy	Borrowing period is from February 2019 to September 2033; pay principal monthly	1.75%~1.91%	573,374	325,595
Bank's secured borrowings				
Foxwell Energy	Borrowing period is from May 2018 to September 2033; pay principal monthly, interest is repayable monthly in the first 18 months	1.75%~1.85%	564,352	80,160
Medium-term and long-term syndicated loans				
Cheng Uei	Borrowing period is from March 2017 to March 2022. The Company may issue a drawing application before the maturity date of borrowing to directly repay the loan principal that was originally expired.	1.79%	2,000,000	6,000,000
				15,954,687
Less: Current portion				(717,906)
				<u>\$ 15,236,781</u>

A. In March 2017, the Group signed a medium-term syndicated revolving NTD credit facility agreement with the Bank of Taiwan as the lead bank. The terms of agreement are summarised below:

- (a) Duration of loan: The loan period of the agreement was 5 years from the agreement signing date.
- (b) Credit line and draw-down: The credit line was NT\$8,000,000 thousand, which can be drawn down in installments of at least NT\$100,000 thousand per draw-down.

- (c) Principal repayment: The duration of each loan drawn down is either 90 days or 180 days at the Company's option. The Company, if without any default, may submit an application to the banks to draw down a new loan with principal equal to the original loan before its maturity, and the new loan is directly used to repay the original loan. The banks and the Company are not required to make remittances for such draw-down and repayment, which is viewed that the Company has received the new loan on the maturity of original loan.
- (d) Commitment: The Company should maintain the following financial ratios during the contract duration for semi-annual consolidated and annual consolidated financial statements:
- i. Current assets to current liabilities ratio of at least 1:1;
 - ii. Liabilities not exceeding 200% of tangible net equity;
 - iii. Interest coverage of at least 400%; and
 - iv. Tangible net equity of at least NT\$15,000,000 thousand.
- (e) The loan period is decided by the borrower. The borrower may choose to early repay the loans during the contract period according to the syndicated loan contract.
- B. The Company entered into the borrowing contracts with O-bank, Bank SinoPac, Taipei Fubon and Far Eastern International Bank, and the total credit line is \$4,500 thousand. As of September 30, 2020, the borrowings that have been used amounted to \$3,200 thousand. In the duration period of these contracts, the financial ratios in the semi-annual consolidated and annual consolidated financial statements shall be as follows:
- (a) Current assets to current liabilities ratio of at least 1:1;
 - (b) Liabilities not exceeding 200% of tangible net equity;
 - (c) Interest coverage of at least 400%; and
 - (d) Tangible net equity of at least NT\$15,000,000 thousand.
- C. As of September 30, 2020, the borrowings that have been used amounted to as follows:

Company	Bank	Credit line	Amount of borrowings used
The Company	Mizuho Bank	\$ 900,000	\$ 900,000
The Company	E.Sun Bank	500,000	-
The Company	Cathay Bank	500,000	500,000
The Company	DBS Bank	USD 35,000,000	-
The Company	First Bank	500,000	500,000
The Company	Export-Import Bank of Republic of China	1,020,000	410,000
The Company	Jih Sun International Bank	500,000	200,000
The Company	Yuanta Commercial Bank	300,000	-
FIT Holding	Bank SinoPac (Note)	1,000,000	495,800
FIT Holding	Jih Sun International Bank	100,000	-
FIT Holding	Yuanta Commercial Bank	300,000	300,000
FIT Holding	Cathay Bank	100,000	-
FIT Holding	CTBC Bank	200,000	-

Company	Bank	Credit line	Amount of borrowings used
Foxlink Image	Bank SinoPac (Note)	\$ 1,000,000	\$ 481,000
Foxlink Image	E.Sun Bank (Note)	400,000	-
Foxlink Image	Mega Commercial Bank (Note)	300,000	300,000
Foxlink Image	KGI Bank (Note)	400,000	339,150
Foxlink Image	Cathay Bank (Note)	300,000	280,000
Foxlink Image	Bank of Taiwan	300,000	300,000
Foxlink Image	Hua Nan Commercial Bank	200,000	200,000
Foxlink Image	Jih Sun International Bank	400,000	395,000
Foxlink Image	Taiwan Cooperative Bank	500,000	310,000
PQI	Hua Nan Commercial Bank (Note)	100,000	69,417
PQI	Yuanta Commercial Bank	300,000	300,000
Glory Science	Chang Hwa Commercial Bank (Note)	200,000	195,000
Glory Science	Hua Nan Commercial Bank	100,000	100,000
Glory Science	Jih Sun International Bank	50,000	50,000
Glory Science	Export-Import Bank of Republic of China	192,000	192,000
Shinfox	Shanghai Commercial & Savings Bank, Ltd.	18,396	18,396
Shinfox	Chang Hwa Commercial Bank	3,242	3,242
Shinfox	Bank SinoPac	20,000	-
Foxwell Energy	TSBank (Note)	96,000	71,017
Foxwell Energy	Mega Commercial Bank	246,437	246,437
Foxwell Energy	Bank SinoPac (Note)	1,935,000	1,417,022

Note: The credit line was shared by short-term and long-term borrowings.

(19) Pensions

A.(a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labour Standards Act, covering all regular employees' service years prior to the enforcement of the Labour Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labour standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labour pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company and its domestic subsidiaries will make contributions to cover the deficit by next March.

- (b) The pension costs under the abovementioned defined contribution plan for the three months and nine months ended September 30, 2020 and 2019 were \$1,133, \$1,861, \$3,401 and \$4,366, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2021 amount to \$30,000.
- B.(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a funded defined contribution pension plan (the “New Plan”) under the Labour Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labour Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company’s Mainland China subsidiaries have a funded defined contribution plan. Monthly contributions are based on the employees’ monthly salaries (the contribution ratio for the three months and nine months ended September 30, 2020 and 2019 is between 10.2%~21%) and wages to an independent fund administered by the government in accordance with the pension regulations. Other than the monthly contributions, the Group has no further obligations.
- (c) The pension costs under the abovementioned defined contribution pension plan for the three months and nine months ended September 30, 2020 and 2019 were \$177,714, \$249,418, \$386,651 and \$674,499, respectively.

(20) Share capital

A. As of September 30, 2020, the Company’s authorised common stock was \$7,000,000 (including 50,000,000 shares reserved for the issuance of employees’ warrants), and the issued and outstanding shares were both 484,823,940 shares.

B. Treasury shares

Before becoming a subsidiary, Foxlink Image Technology Co., Ltd. held the parent’s capital stock for general investment purpose. The company did not purchase more equity instruments after acquiring control over Foxlink Image on October 1, 2018. As of September 30, 2020, December 31, 2019 and September 30, 2019, the detailed information of Foxlink Image’s parent equity shares is as follows:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Thousand shares	<u>27,503</u>	<u>27,503</u>	<u>27,503</u>
Book value	<u>\$ 272,066</u>	<u>\$ 272,066</u>	<u>\$ 272,066</u>

(21) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital reserve to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital reserve should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2020					
	Share premium	Treasury share transactions	Difference between proceeds from disposal of subsidiary and book value	Changes in ownership interests in subsidiaries	Change in net equity of associates accounted for using the equity method	Total
At January 1	\$ 9,337,850	\$ 44,320	\$ 7,313	\$ 3,374	\$ 78,860	\$ 9,471,717
Cash dividends distributed to subsidiaries	-	68,757	-	-	-	68,757
Adjustments due to not participating in the capital increase of investees proportionately	-	-	98,113	-	170,233	268,346
At September 30	<u>\$ 9,337,850</u>	<u>\$ 113,077</u>	<u>\$ 105,426</u>	<u>\$ 3,374</u>	<u>\$ 249,093</u>	<u>\$ 9,808,820</u>

	2019					
	Share premium	Treasury share transactions	Difference between proceeds from disposal of subsidiary and book value	Changes in ownership interests in subsidiaries	Change in net equity of associates accounted for using the equity method	Total
At January 1	\$ 9,337,850	\$ 3,065	\$ 7,313	\$ 3,374	\$ 78,860	\$ 9,430,462
Cash dividends distributed to subsidiaries	-	41,255	-	-	-	41,255
At September 30	<u>\$ 9,337,850</u>	<u>\$ 44,320</u>	<u>\$ 7,313</u>	<u>\$ 3,374</u>	<u>\$ 78,860</u>	<u>\$ 9,471,717</u>

(22) Retained earnings

A. Based on the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The appropriation of remainder shall be proposed by the Board of Directors and be resolved by the shareholders.

- B. According to the Company's Articles of Incorporation, no more than 90% of the distributable retained earnings shall be distributed as stockholders' bonus and cash dividend distributed in any calendar year shall be at least 20% of the total distributable earnings in that year based on future capital expenditures budget and capital requirements.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.
- (c) As of January 1, 2018, the amounts previously set aside by the Company as special reserve for the initial application of IFRSs amounted to \$665,206. Furthermore, the Company did not reverse special reserve to retained earnings for the nine months ended September 30, 2020 and 2019 as a result of the use, disposal or reclassification of related assets. As of September 30, 2020, December 31, 2019 and September 30, 2019, the amount of special reserve set aside for the initial application of IFRSs all amounted to \$665,206.
- E. The Company recognised dividends distributed to owners amounting to \$1,280,818 and \$768,490 for the years ended December 31, 2020 and 2019, respectively. Details of the appropriation of 2019's and 2018's net income which was resolved at the stockholders' meeting on June 19, 2020 and June 12, 2019 are as follows:

	Year ended December 31, 2019		Year ended December 31, 2018	
	Amount	Dividend per share (NTD)	Amount	Dividend per share (NTD)
Legal reserve	\$ 198,736	\$ -	\$ 60,810	\$ -
Special reserve	724,633	-	101,605	-
Cash dividends	1,280,818	2.5	768,490	1.5
Total	<u>\$ 2,204,187</u>	<u>\$ 2.5</u>	<u>\$ 930,905</u>	<u>\$ 1.5</u>

(23) Other equity items

	2020		
	Financial assets at fair value through other comprehensive income	Translation of foreign financial statements	Total
At January 1	(\$ 255,079)	(\$ 2,079,456)	(\$ 2,334,535)
Valuation adjustment	(10,020)	-	(10,020)
Currency translation differences:			
- Group	-	(143,957)	(143,957)
- Associates	-	(27,997)	(27,997)
At September 30	<u>(\$ 265,099)</u>	<u>(\$ 2,251,410)</u>	<u>(\$ 2,516,509)</u>

	2019		
	Financial assets at fair value through other comprehensive income	Translation of foreign financial statements	Total
At January 1	(\$ 315,491)	(\$ 1,294,410)	(\$ 1,609,901)
Valuation adjustment	32,899	-	32,899
Currency translation differences:			
- Group	-	(505,124)	(505,124)
- Associates	-	(35,148)	(35,148)
At September 30	<u>(\$ 282,592)</u>	<u>(\$ 1,834,682)</u>	<u>(\$ 2,117,274)</u>

(24) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods over time and at a point in time in the following major product lines and generates related revenue in each reportable segment:

	Three months ended September 30,	
	2020	2019
3C component	\$ 10,774,789	\$ 11,082,957
Systems and peripheral products	13,093,802	14,656,008
3C product retail	1,860,585	3,220,732
Others	101,413	116,204
Total	<u>\$ 25,830,589</u>	<u>\$ 29,075,901</u>

	<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
3C component	\$ 26,122,724	\$ 29,428,117
Systems and peripheral products	29,906,562	31,592,715
3C product retail	6,136,447	8,078,712
Others	<u>176,575</u>	<u>223,059</u>
Total	<u>\$ 62,342,308</u>	<u>\$ 69,322,603</u>

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Contract liabilities:			
Contract liabilities			
-advance sales receipts	\$ <u>929,171</u>	\$ <u>787,222</u>	\$ <u>874,422</u>

Revenue recognised that was included in the contract liability balance at the beginning of the period:

	<u>Three months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Sales revenue received in advance	\$ <u>20,307</u>	\$ <u>13,580</u>

	<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Sales revenue received in advance	\$ <u>423,441</u>	\$ <u>292,291</u>

(25) Interest income

	<u>Three months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Interest income from bank deposits	\$ <u>27,552</u>	\$ <u>22,265</u>

	<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Interest income from bank deposits	\$ <u>87,659</u>	\$ <u>75,485</u>

(26) Other income

	Three months ended September 30,	
	2020	2019
Rental revenue	\$ 4,351	\$ 3,093
Other revenue-other	187,483	127,520
	<u>\$ 191,834</u>	<u>\$ 130,613</u>

	Nine months ended September 30,	
	2020	2019
Rental revenue	\$ 13,028	\$ 11,861
Other revenue-other	393,184	265,281
	<u>\$ 406,212</u>	<u>\$ 277,142</u>

(27) Other gains and losses

	Three months ended September 30,	
	2020	2019
(Loss) gain on disposal of property, plant and equipment	(\$ 1,158)	\$ 4,351
Gain on disposal of investments	12,066	51,087
Net currency exchange (losses) gains	(31,039)	154,736
Depreciation charge on investment property	(3,187)	(2,619)
Other gains and losses	6,607	9,614
	<u>(\$ 16,711)</u>	<u>\$ 217,169</u>

	Nine months ended September 30,	
	2020	2019
Gain on disposal of property, plant and equipment	\$ 20,003	\$ 1,214
Gain on disposal of investments	15,643	58,899
Net currency exchange gains	56,644	254,136
Depreciation charge on investment property	(9,565)	(5,082)
Other gains and losses	23,007	(16,570)
	<u>\$ 105,732</u>	<u>\$ 292,597</u>

(28) Finance costs

	Three months ended September 30,	
	2020	2019
Interest expense:		
Bank borrowings	\$ 81,163	\$ 89,934
Lease liabilities	1,195	1,841
Corporate bonds	11,373	-
	<u>\$ 93,731</u>	<u>\$ 91,775</u>

	<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Interest expense:		
Bank borrowings	\$ 212,246	\$ 252,193
Lease liabilities	5,415	6,476
Corporate bonds	34,278	-
	<u>\$ 251,939</u>	<u>\$ 258,669</u>

(29) Expenses by nature

	<u>Three months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Employee benefit expense	\$ 3,404,565	\$ 3,896,942
Depreciation expense	805,873	934,337
Amortisation charges on intangible assets	29,416	27,377
Transportation expense	137,806	264,173
Advertising costs	14,020	20,208
Operating lease payments	19,867	34,211
Manufacture costs and operating expenses	<u>\$ 4,411,547</u>	<u>\$ 5,177,248</u>

	<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Employee benefit expense	\$ 8,740,890	\$ 10,351,176
Depreciation expense	2,417,101	2,845,712
Amortisation charges on intangible assets	89,728	79,295
Transportation expense	513,667	609,827
Advertising costs	48,292	53,813
Operating lease payments	73,064	103,454
Manufacture costs and operating expenses	<u>\$ 11,882,742</u>	<u>\$ 14,043,277</u>

(30) Employee benefit expense

	<u>Three months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Wages and salaries	\$ 2,993,535	\$ 3,410,261
Labour and health insurance fees	120,939	141,533
Pension costs	178,847	251,279
Other personnel expenses	111,244	93,869
	<u>\$ 3,404,565</u>	<u>\$ 3,896,942</u>

	<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Wages and salaries	\$ 7,772,070	\$ 9,007,792
Labour and health insurance fees	304,287	397,551
Pension costs	390,052	678,865
Other personnel expenses	274,481	266,968
	<u>\$ 8,740,890</u>	<u>\$ 10,351,176</u>

- A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 6% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.
- B. For the three months and nine months ended September 30, 2020 and 2019, employees' compensation was accrued at \$123,513, \$72,779, \$163,938 and \$91,890, respectively; directors' and supervisors' remuneration was accrued at (\$3,799), \$6,225, \$10,245 and \$7,551, respectively. The aforementioned amounts were recognised in salary expenses.
- C. The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on the distributable profit of current period for the nine months ended September 30, 2020 and percentage as prescribed by the Company's Articles of Incorporation.
- D. Employees' compensation and directors' and supervisors' remuneration of 2019 as resolved at the Board of Directors were in agreement with those amounts recognised in the profit or loss of 2019.
- E. Information about employees' compensation and directors' and supervisors' remuneration of the Company as approved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>Three months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Current tax:		
Tax payable incurred in current period	\$ 327,905	\$ 188,706
Prior year income tax (overestimation) underestimation	(110,484)	8,722
Total current tax	<u>217,421</u>	<u>197,428</u>
Deferred tax:		
Origination and reversal of temporary differences	29,332	41,117
Impact of change in tax rate	<u>-</u>	<u>-</u>
Total deferred tax	<u>29,332</u>	<u>41,117</u>
Income tax expense	<u>\$ 246,753</u>	<u>\$ 238,545</u>
	<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Current tax:		
Tax payable incurred in current period	\$ 563,682	\$ 316,400
Prior year income tax (overestimation) underestimation	(121,337)	14,748
Total current tax	<u>442,345</u>	<u>331,148</u>
Deferred tax:		
Origination and reversal of temporary differences	84,222	68,028
Impact of change in tax rate	<u>-</u>	<u>-</u>
Total deferred tax	<u>84,222</u>	<u>68,028</u>
Income tax expense	<u>\$ 526,567</u>	<u>\$ 399,176</u>

(b) The income tax relating to components of other comprehensive income is as follows:

	<u>Three months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Currency translation differences	\$ 88,038	(\$ 185,201)
Remeasurement of defined benefit obligations	<u>-</u>	<u>-</u>
	<u>\$ 88,038</u>	<u>(\$ 185,201)</u>
	<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Currency translation differences	(\$ 42,989)	(\$ 136,793)
Remeasurement of defined benefit obligations	<u>-</u>	<u>-</u>
	<u>(\$ 42,989)</u>	<u>(\$ 136,793)</u>

B. The latest year of the Company's and its domestic subsidiaries' income tax returns that have been assessed and approved by the Tax Authority is as follows:

	<u>Status of Assessment</u>
Straight A, Jing Jing, Shinfox, FUII, Zhi De Investment, FII, CYNC, Shinfox Natural Gas, WCT, LM, Darts, Foxwell Energy, DU Precision, Foxlink Image, Studio A, Proconn, PQI, Glorly Science, FAT, VA	Assessed and approved up to 2018
The Company, Suntain, PSI	Assessed and approved up to 2017

(32) Earnings per share

	<u>Three months ended September 30, 2020</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,047,554	484,824	\$ 2.16
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,047,554	484,824	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,927	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,047,554	487,751	\$ 2.15

Three months ended September 30, 2019			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,065,091	484,824	\$ 2.20
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,065,091	484,824	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,091	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,065,091	486,915	\$ 2.19

Nine months ended September 30, 2020			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,485,211	484,824	\$ 3.06
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,485,211	484,824	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	4,008	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,485,211	488,832	\$ 3.04

	Nine months ended September 30, 2019		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,356,253	484,824	\$ 2.80
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,356,253	484,824	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,641	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,356,253	487,465	\$ 2.78

(33) Business combination

A. On June 14, 2019, the Group acquired 100% of the share capital of Shih Fong Power Co., Ltd. for \$280,000 and obtained the control over Shih Fong Power Co., Ltd., whose main business is hydroelectric power plant development.

The fair values at the acquisition date of the paid consideration, assets acquired and liabilities assumed for acquiring Shih Fong Power Co., Ltd. are as follows:

	<u>June 14, 2019</u>
Purchase consideration	
Cash	\$ 280,000
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	189
Prepayments	3,744
Property, plant and equipment	691,860
Other non-current assets	13,442
Notes payable	(169,252)
Other accounts payable	(167,748)
Total identifiable net assets	<u>372,235</u>
Gain recognised in bargain purchase transaction	<u>(\$ 92,235)</u>

B. Had Shih Fong Power Co., Ltd. been consolidated starting from January 1, 2019, the 2019 consolidated statement of comprehensive income would show operating revenue of \$0 and loss before income tax of (\$608).

(34) Reorganisation

Aiming to integrate the Group's resources, the Group conducted a reorganisation using a share swap transaction on December 27, 2019. According to the share swap agreement, each common share issued by Shinfox was exchanged for 1 common share of Foxwell Energy. After the share swap, Foxwell Energy became a wholly-owned subsidiary of Shinfox whose 76.56% ownership were held by PQI.

(35) Supplemental cash flow information

Investment activities with partial cash payments:

	Nine months ended September 30,	
	2020	2019
Purchase of property, plant and equipment	\$ 1,796,259	\$ 2,382,631
Add: Opening balance of payable on equipment	548,763	801,385
Less: Ending balance of payable on equipment	(600,775)	(702,382)
Cash paid during the period	<u>\$ 1,744,247</u>	<u>\$ 2,481,634</u>

(36) Changes in liabilities from financing activities

	2020					
	Short-term borrowings	Short-term notes and bills payable	Corporate bonds payable	Long-term borrowings	Lease liabilities	Liabilities from financing activities - gross
At January 1	\$ 2,038,744	\$ 374,942	\$ 2,987,655	\$ 12,907,993	\$ 520,737	\$ 18,830,071
Changes in cash flow from financing activities	4,255,462	63,675	3,600,000	1,999,357	(189,620)	9,728,874
Impact of changes in foreign exchange rate	-	-	-	1,854	18,830	20,684
Interest expense	-	-	-	-	5,415	5,415
Changes in other non-cash items	-	-	(13,764)	(964,632)	132,175	(846,221)
At September 30	<u>\$ 6,294,206</u>	<u>\$ 438,617</u>	<u>\$ 6,573,891</u>	<u>\$ 13,944,572</u>	<u>\$ 487,537</u>	<u>\$ 27,738,823</u>
	2019					
	Short-term borrowings	Short-term notes and bills payable	Corporate bonds payable	Long-term borrowings	Lease liabilities	Liabilities from financing activities - gross
At January 1	\$ 1,458,024	\$ 494,895	\$ -	\$ 14,857,276	\$ 568,819	\$ 17,379,014
Changes in cash flow from financing activities	1,588,021	(245,011)	3,000,000	1,097,411	(243,480)	5,196,941
Impact of changes in foreign exchange rate	(5,612)	-	-	-	(24,975)	(30,587)
Changes in other non-cash items	-	-	(12,686)	-	197,868	185,182
At September 30	<u>\$ 3,040,433</u>	<u>\$ 249,884</u>	<u>\$ 2,987,314</u>	<u>\$ 15,954,687</u>	<u>\$ 498,232</u>	<u>\$ 22,730,550</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Well Shin Technology Co., Ltd. (Well Shin)	Associate
Sharetronic Data Technology Co., Ltd. (Sharetronic)	Associate
Microlink Communications Inc. (Microlink)	Associate
Central Motion Picture Corporation (Central Motion Picture)	Associate
Deepwaters Digital Support Inc. (Deepwaters)	Associate
Dongguan Banrin Robot Technology Co., Ltd. (Banrin)	Associate
HSIN HUNG International Investment Co., Ltd. (HSIN HONG)	Other related party
Hon Hai Precision Industry Co., Ltd. (Hon Hai)	Other related party
Changde Kingplus Electronic Technology CO., LTD. (Changde Kingplus)	Other related party
Dongguan Kingplus Precision Electronic Technology Co., Ltd.	Other related party

(2) Significant related party transactions

A. Operating revenue

	<u>Three months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Sales of goods:		
- Associates	\$ -	\$ 3,660
- Other related parties	434,773	569,514
	<u>\$ 434,773</u>	<u>\$ 573,174</u>
	<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Sales of goods:		
- Associates	\$ 3,256	\$ 20,628
- Other related parties	1,179,685	1,220,039
	<u>\$ 1,182,941</u>	<u>\$ 1,240,667</u>

All the credit terms on sales to related parties were 120 to 180 days after monthly billings. The credit terms on sales to third parties were 30 to 120 days after monthly billing or upon shipment of goods, except for receivables arising from the sales of tooling that are collectible upon acceptance by customers.

B. Purchases of goods

	<u>Three months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Purchases of goods:		
- Associates	\$ 109,730	\$ 100,595
- Other related parties	259,971	194,240
	<u>\$ 369,701</u>	<u>\$ 294,835</u>
	<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Purchases of goods:		
- Associates	\$ 292,833	\$ 316,294
- Other related parties	632,798	396,602
	<u>\$ 925,631</u>	<u>\$ 712,896</u>

The purchase price in relation to the transaction made with related parties is based on mutual agreement. All purchases from related parties are at arm's-length. Payment period was 60 to 120 days after receipt of goods from suppliers.

C. Non-operating income - Other Income

	<u>Three months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Other income:		
- Associates	\$ -	\$ 76
	<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Other income:		
- Associates	\$ -	\$ 262

The Group charged technical service compensation, management service fees and rental income from related parties, and collected the net balance after offsetting with payables to related parties and considering the financial situation.

D. Research and development expense - Technical Service Compensation

	<u>Three months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Technical service compensation:		
- Associates	\$ -	\$ 10,318
	<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Technical service compensation:		
- Associates	\$ 1,153	\$ 28,499

The Group entered into technical service contracts with related parties for providing the Company with research and development services. The payment terms are based on mutual agreement.

E. Receivables from related parties

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Accounts receivable:			
- Associates	\$ 70,739	\$ 73,098	\$ 75,447
- Other related parties	<u>239,731</u>	<u>357,881</u>	<u>707,070</u>
	<u>\$ 310,470</u>	<u>\$ 430,979</u>	<u>\$ 782,517</u>
Other receivables (Financing):			
- Associates			
Microlink	\$ 55,000	\$ 67,000	\$ 67,000
Other receivables (Others):			
- Associates	-	28,825	21,796
- Other related parties	<u>887</u>	<u>-</u>	<u>-</u>
	<u>\$ 55,887</u>	<u>\$ 95,825</u>	<u>\$ 88,796</u>

Other receivables mainly refer to the rental income received from related parties, and the collection terms are based on mutual agreement.

F. Payables to related parties:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Accounts payable:			
- Associates	\$ 90,117	\$ 114,850	\$ 201,064
- Other related parties	<u>105,886</u>	<u>115,241</u>	<u>84,762</u>
	<u>\$ 196,003</u>	<u>\$ 230,091</u>	<u>\$ 285,826</u>
Other payables-Receipts under custody:			
- Associates	\$ 15,588	\$ 16,812	\$ 38,047
- Other related parties	<u>-</u>	<u>85</u>	<u>840</u>
	<u>\$ 15,588</u>	<u>\$ 16,897</u>	<u>\$ 38,887</u>

G. Lease transactions - lessee

(a) The Group leases buildings from related parties. Rental contracts are typically made for periods of 3 years. Rents are paid at the end of month.

(b) On January 1, 2019 (the date of initial application of IFRS 16), the Group increased right-of-use assets by \$30,726.

(c) Lease liability

i. Outstanding balance:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
Associates	\$ 1,070	\$ 4,914	\$ 6,855
Other related parties	2,357	9,510	-
	<u>\$ 3,427</u>	<u>\$ 14,424</u>	<u>\$ 6,855</u>

ii. Interest expense

	<u>Three months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Associates	\$ 8	\$ 19
Other related parties	17	-
	<u>\$ 25</u>	<u>\$ 19</u>

	<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Associates	\$ 34	\$ 72
Other related parties	83	-
	<u>\$ 117</u>	<u>\$ 72</u>

(3) Key management compensation

	<u>Three months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Salaries and other short-term employee benefits	\$ 40,576	\$ 36,944
Post-employment benefits	451	438
Total	<u>\$ 41,027</u>	<u>\$ 37,382</u>

	<u>Nine months ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
Salaries and other short-term employee benefits	\$ 79,802	\$ 75,898
Post-employment benefits	1,372	1,310
Total	<u>\$ 81,174</u>	<u>\$ 77,208</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value			Purpose
	September 30, 2020	December 31, 2019	September 30, 2019	
Property, plant and equipment	\$ 854,697	\$ 591,778	\$ 494,976	Long-term secured borrowings
Repatriation of capital from Taiwan's offshore companies (shown as financial assets at amortised cost-current)	-	896,906	-	Repatriation of capital from Taiwan's offshore companies
Restricted deposits and time deposits-current (shown as financial assets at amortised cost-current)	163,782	367,747	365,152	Customs deposit, guarantee for L/C issued for purchases of materials and government grants and coupon trust
Refundable deposits (Shown as other non-current assets)	5,540,111	133,992	198,693	Customs deposit, plant deposit, construction performance security deposit and rental performance security deposit
Restricted deposits and time deposits-non-current	143,253	127,584	131,604	Litigation deposit and collateral for long-term borrowings
	<u>\$ 6,701,843</u>	<u>\$ 2,118,007</u>	<u>\$ 1,190,425</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Property, plant and equipment	<u>\$ 620,988</u>	<u>\$ 1,078,036</u>	<u>\$ 1,535,033</u>

(2) On September 30, 2020, December 31, 2019 and September 30, 2019, the Group entered into contracts for construction cooperation with non-related parties for contract prices amounting to \$869,537, \$846,361 and \$519,989, respectively. As of September 30, 2020, December 31, 2019 and September 30, 2019, the outstanding construction prices amounted to \$271,559, \$408,514 and \$91,648, respectively.

(3) Central Motion Picture Corporation (the "Central Motion Picture"), an equity method investment of the Group, was determined to be an affiliate organisation of the Kuomintang by the Ill-gotten Party Assets Settlement Committee (the "Ill-gotten Party") in its written disposition, Dang-Chan-Chu-Zi No. 107007, issued on October 9, 2018. Under paragraph 1, Articles 5 and 9 of the Act Governing the Settlement of Ill-gotten Properties by Political Parties and Their Affiliate Organisations (the "Act"), properties were held by the Central Motion Picture when the Act was released on August 10, 2016 are considered as unjustly received properties. The presumed ill-gotten party assets as prescribed in the preceding paragraph 1 of Article 5 are prohibited from being transferred or disposed since from the date of promulgation of this Act. However, this limit is not applicable if it is necessary to perform its legal duties or other justifiable reasons. The properties held by the Central Motion Picture are considered as unjustly received properties; however, their existing rights in leases,

superficies, mortgage or pawnage are not affected if Ill-gotten Party considers such assets as unjustly received assets and then orders the bona fide third party to transfer such assets to the State, local self-governing bodies, or original owners. Under Article 16, the Central Motion Picture may file an administrative litigation (an action for revocation) in the Taipei High Administrative Court within two months after the aforementioned written disposition was served. In addition, the Central Motion Picture may file for a suspension of execution under Paragraph 2, Article 116 of the Administrative Litigation Act. On December 12, 2018, Central Motion Picture Corporation submitted cause of action to the Taipei High Administrative Court, which ruled to approve the suspension of execution in January 2020. However, Ill-gotten Party subsequently filed an appeal against the ruling, and it was dismissed by the High Administrative Court in February 2020. Meanwhile, Central Motion Picture filed a revocation action with the Taipei High Court, and it was pending approval as of January 14, 2020. As of the financial reporting date, the possible result of this litigation cannot be determined.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the actual financial condition.

(2) Financial instruments

A. Financial instruments by category

	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ -	\$ 129,150	\$ 174,001
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	1,013,743	936,755	1,036,412
Financial assets at amortised cost/loans and receivables			
Cash and cash equivalents	12,679,244	6,296,729	7,747,422
Financial assets at amortised cost	406,663	1,770,762	1,122,497
Notes receivable	27,726	24,547	23,118
Accounts receivable	17,927,369	15,905,090	19,995,992
Other receivables	555,589	455,542	426,248
Guarantee deposits paid	5,540,111	133,992	198,693
	<u>\$ 38,150,445</u>	<u>\$ 25,652,567</u>	<u>\$ 30,724,383</u>
	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2019</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 6,294,206	\$ 2,038,744	\$ 3,040,433
Short-term notes and bills payable	438,617	374,942	249,884
Notes payable	1,146	3,273	3,326
Accounts payable	17,533,002	14,942,306	19,642,519
Other accounts payable	5,239,931	5,870,986	5,584,676
Corporate bonds payables	6,573,891	2,987,655	2,987,314
Lease liability	487,537	520,737	498,232
Long-term borrowings (including current portion)	13,944,572	12,907,993	15,954,687
Guarantee deposits received	23,752	33,934	31,894
	<u>\$ 50,536,654</u>	<u>\$ 39,680,570</u>	<u>\$ 47,992,965</u>

B. Risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance. The Group uses derivative financial instruments to hedge certain risk exposures, please refer to Note 6(2).

- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.
- iii. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets at fair value through profit or loss are provided in Note 6(2).
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB and HKD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

September 30, 2020

	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 670,418	29.10	\$ 19,509,164
RMB : NTD	8,901	4.27	38,007
HKD : NTD	1,215	3.75	4,556
EUR : NTD	246	34.15	8,401
JPY : NTD	63,107	0.28	17,670
USD : RMB	4,925	6.81	143,318
<u>Non-monetary items</u>			
RMB : HKD	\$ 863,352	1.14	\$ 981,793
INR : USD	2,748,117	0.01	37,354
RMB : USD	830,424	0.15	121,824
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 728,031	29.10	\$ 21,185,702
RMB : NTD	41,015	4.27	175,134
HKD : NTD	11,657	3.75	43,714
EUR : NTD	1,912	34.15	65,295
JPY : NTD	19,589	0.28	5,485
USD : RMB	4,925	6.81	143,318
HKD : RMB	1,392	0.88	5,220

December 31, 2019

	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 546,131	29.98	\$ 16,373,007
RMB : NTD	240,382	4.31	1,036,046
HKD : NTD	3,294	3.85	12,682
EUR : NTD	759	33.59	25,495
JPY : NTD	69,996	0.28	19,599
USD : HKD	612	7.79	18,348
USD : RMB	13,343	6.96	400,023
<u>Non-monetary items</u>			
RMB : HKD	\$ 195,894	1.12	\$ 844,302
USD : HKD	2,100	7.79	62,969
INR : NTD	92,419	0.42	38,816
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 336,502	29.98	\$ 10,088,330
RMB : NTD	29,059	4.31	125,244
HKD : NTD	18,904	3.85	72,780
EUR : NTD	6,263	33.59	210,374
JPY : NTD	27,153	0.28	7,603
USD : HKD	980	7.79	29,380
RMB : HKD	130,347	1.12	561,796
USD : RMB	177,229	6.96	5,315,325
HKD : RMB	2,103	0.89	8,097

September 30, 2019

	Foreign currency		
	amount		Book value
	(In thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 594,927	31.04	\$ 18,466,534
RMB : NTD	320,535	4.35	1,394,327
HKD : NTD	8,433	3.96	33,395
EUR : NTD	577	33.95	19,589
JPY : NTD	585,528	0.29	169,803
USD : RMB	5,902	7.13	183,198
<u>Non-monetary items</u>			
RMB : HKD	\$ 187,805	1.10	\$ 816,952
INR : NTD	91,332	0.44	40,020
USD : NTD	4,303	31.04	133,568
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 310,744	31.04	\$ 9,645,494
HKD : NTD	33,391	3.96	132,228
JPY : NTD	157,107	0.29	45,561
USD : HKD	6,527	7.84	202,598
RMB : HKD	159,256	1.10	692,764
USD : RMB	66,641	7.13	2,068,537

- v. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and nine months ended September 30, 2020 and 2019 amounted to (\$31,039), \$154,736, \$56,644 and \$254,136, respectively.
- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Nine months ended September 30, 2020				
Sensitivity Analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	195,092	\$ -
RMB : NTD	1%		380	-
HKD : NTD	1%		46	-
EUR : NTD	1%		84	-
JPY : NTD	1%		177	-
USD : RMB	1%		1,433	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	211,857	\$ -
RMB : NTD	1%		1,751	-
HKD : NTD	1%		437	-
EUR : NTD	1%		653	-
JPY : NTD	1%		55	-
USD : RMB	1%		1,433	-
HKD : RMB	1%		52	-

Nine months ended September 30, 2019				
Sensitivity Analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	184,665	\$ -
RMB : NTD	1%		13,943	-
HKD : NTD	1%		334	-
EUR : NTD	1%		196	-
JPY : NTD	1%		1,698	-
USD : RMB	1%		1,832	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	96,455	\$ -
HKD : NTD	1%		1,322	-
JPY : NTD	1%		456	-
USD : HKD	1%		2,026	-
RMB : HKD	1%		6,928	-
USD : RMB	1%		20,685	-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise domestic or foreign listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant. Other components of equity for the nine months ended September 30, 2020 and 2019 would have increased (decreased) by \$8,110 and \$8,291, respectively, as a result of gains/losses on equity securities other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's interest rates of borrowings are fixed and floating rate. For the nine months ended September 30, 2020 and 2019, the Group's borrowings issued by floating rate are priced in New Taiwan dollars and Euro dollars.
- ii. As of September 30, 2020 and 2019, if interest rates on borrowings at that date had been 1% lower/higher with all other variables held constant, post-tax profit for the nine months ended September 30, 2020 and 2019 would have been \$111,557 and \$127,637 lower/higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. Group treasury manages credit risk of cash in banks and other financial instruments based on the Group's credit policy. Because the Group's counterparties are determined based on the Group's internal control, only rated banks with an optimal rating and financial institutions with investment grade are accepted.

- iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 120 days.

- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
(ii) A breach of contract.

- vi. The Group classifies customers' accounts receivable in accordance with customer types. The Group applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.

- vii. The Group used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable. As of September 30, 2020, December 31, 2019 and September 30, 2019, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~120 days past due	Over 120 days	Total
<u>At September 30, 2020</u>					
Expected loss rate	0.04%	4.88%	10.78%	100%	
Total book value	\$ 16,864,853	\$ 536,834	\$ 277,251	\$ 110,880	\$ 17,789,818
Loss allowance	\$ 5,968	\$ 26,193	\$ 29,878	\$ 110,880	\$ 172,919

	Not past due	Up to 30 days past due	31~120 days past due	Over 120 days	Total
<u>At December 31, 2019</u>					
Expected loss rate	0.04%	2.99%	10.24%	100%	
Total book value	\$ 14,412,991	\$ 818,189	\$ 304,377	\$ 97,213	\$ 15,632,770
Loss allowance	\$ 5,771	\$ 24,502	\$ 31,173	\$ 97,213	\$ 158,659

	Not past due	Up to 30 days past due	31~120 days past due	Over 120 days	Total
<u>At September 30, 2019</u>					
Expected loss rate	0.02%	2.08%	11.57%	100%	
Total book value	\$ 17,531,257	\$ 1,437,294	\$ 315,363	\$ 131,267	\$ 19,415,181
Loss allowance	\$ 4,090	\$ 29,857	\$ 36,492	\$ 131,267	\$ 201,706

viii. Movements in relation to the group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	<u>2020</u>	<u>2019</u>
	Accounts receivable	Accounts receivable
At January 1	\$ 158,659	\$ 167,118
Provision for impairment	15,262	34,755
Effect of foreign exchange	(1,002)	(167)
At September 30	<u>\$ 172,919</u>	<u>\$ 201,706</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. Except that the carrying amounts of notes payable, accounts payable and other payables are approximate to the amounts of contractual undiscounted cash flows and those accounts will expire within a year, the amounts of financial liabilities disclosed in the table are the contractual undiscounted cash flows:

Non-derivative financial liabilities:

	Less than <u>1 year</u>	Between <u>1 and 2 years</u>	Between <u>2 and 3 years</u>	Between <u>3 and 5 years</u>	<u>Over 5 years</u>
September 30, 2020					
Short-term borrowings	\$ 6,380,550	\$ -	\$ -	\$ -	\$ -
Short-term notes and bills payable	444,775	-	-	-	-
Lease liabilities	183,037	74,486	47,597	30,245	109,991
Long-term borrowings (including current portion)	752,334	8,363,806	4,589,077	520,387	216,435

Non-derivative financial liabilities:

	Less than <u>1 year</u>	Between <u>1 and 2 years</u>	Between <u>2 and 3 years</u>	Between <u>3 and 5 years</u>	<u>Over 5 years</u>
December 31, 2019					
Short-term borrowings	\$ 2,066,471	\$ -	\$ -	\$ -	\$ -
Short-term notes and bills payable	379,539	-	-	-	-
Lease liabilities	238,190	107,317	52,581	57,207	95,801
Long-term borrowings (including current portion)	1,202,890	3,773,751	7,031,249	473,080	749,605

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
September 30, 2019					
Short-term borrowings	\$ 3,082,847	\$ -	\$ -	\$ -	\$ -
Short-term notes and bills payable	252,923	-	-	-	-
Lease liabilities	258,928	119,648	49,028	50,940	46,980
Long-term borrowings (including current portion)	786,727	8,189,855	6,656,146	349,742	210,019

iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in non-hedging derivatives is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information of investment property at cost is provided in Note 6(11).

C. Financial instruments not measured at fair value

Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable and other payables are approximate to their fair values.

	September 30, 2020			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 6,600,000	\$ -	\$ 6,573,891	\$ -

	December 31, 2019			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 3,000,000	\$ -	\$ 2,987,655	\$ -

	September 30, 2019			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 3,000,000	\$ -	\$ 2,987,314	\$ -

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

September 30, 2020	Level 1	Level 2	Level 3	Total
Assets :				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ 1,013,743	\$ 1,013,743

December 31, 2019	Level 1	Level 2	Level 3	Total
Assets :				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Non-capital guaranteed floating profit financial instruments	\$ -	\$ 129,150	\$ -	\$ 129,150
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	936,755	936,755
	\$ -	\$ 129,150	\$ 936,755	\$ 1,065,905

September 30, 2019	Level 1	Level 2	Level 3	Total
Assets :				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Non-capital guaranteed floating profit financial instruments	\$ -	\$ 174,001	\$ -	\$ 174,001
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	1,036,412	1,036,412
	\$ -	\$ 174,001	\$ 1,036,412	\$ 1,210,413

E. The methods and assumptions the Group used to measure fair value are as follows:

- (a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.
- (c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (d) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- (e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group’s financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs. In accordance with the Group’s management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- (f) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group’s credit quality.

F. For the nine months ended September 30, 2020 and 2019, there was no transfer between Level 1 and Level 2.

G. The following chart is the movement of Level 3 for the nine months ended September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
	<u>Equity securities</u>	<u>Equity securities</u>
At January 1	\$ 936,755	\$ 1,040,342
Recorded as unrealised losses on valuation of investments in equity instruments measured at fair value through other comprehensive income	(29,000)	(25,000)
Acquired during the current period	41,910	-
Disposals during the current period	(3,638)	-
Transfers during the current period	72,170	18,375
Effect of exchange rate changes	(4,454)	2,695
At September 30	<u>\$ 1,013,743</u>	<u>\$ 1,036,412</u>

H. For the nine months ended September 30, 2020 and 2019, there was transfer into from Level 3, please refer to Note 6(8).

I. Group treasury is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

J. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	<u>Fair value at September 30, 2020</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted shares	\$ 1,013,743	Market comparable companies	Discount for lack of marketability	20%~30%	The higher the discount for lack of marketability, the lower the fair value

	Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument: Unlisted shares	\$ 936,755	Market comparable companies	Discount for lack of marketability	20%~30%	The higher the discount for lack of marketability, the lower the fair value
	Fair value at September 30, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument: Unlisted shares	\$ 1,036,412	Market comparable companies	Discount for lack of marketability	20%~30%	The higher the discount for lack of marketability, the lower the fair value

K. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. For financial assets and liabilities categorised within Level 3, there is no significant impact to other comprehensive income on September 30, 2020, December 31, 2019 and September 30, 2019 if the net asset value increase or decrease by 1%.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

For the nine months ended September 30, 2020, except for the financial statements of CU, FII, FUII, Zhi De Investment, FGEKS, FGEDG, DGFQ, FG Xuzhou, FOXLINK, FIT Holding, PQI, APIX, Sinocity, Glory Science, GLORY TEK, GLORY OPTICS, GLORY TEK (SAMOA), GLORY TEK SCIENCE INDIA, GLORY Suzhou, GOYC, Glorytek Yancheng, YYWT, Foxlink Image, AITL, and Dongguan Fu Wei which were reviewed by independent auditors, the financial statements of other subsidiaries were not reviewed.

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.

E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.

- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

For the information on investees, except for current profit (loss) for the nine months ended September 30, 2020 is translated using the monthly average exchange rate in 2020, others are translated using the spot rate at September 30, 2020.

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

A. Processing on order plant invested in Mainland China:

In 1997, the Company rented plants located in Shenzhen and Dongguan, Guangdong Province, Mainland China, respectively, through the investee, CU International Ltd. and operated the plants through processing on order. The plants were primarily engaged in the manufacture of electronic telecommunication components and electric wire, under Cu International Ltd. without their own corporate entity for the operating period ended December 2017. As of November 11, 2020, the plants are still under the cancellation process.

B. Investee in Mainland China, main business activities, paid-in capital, investment method, amount remitted from Taiwan to Mainland China / amount remitted back to Taiwan, ownership, investment income (loss), investments in Mainland China as of September 30, 2020, book value, investment income remitted back and ceiling on investments in Mainland China: Please refer to table 9.

C. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China, and price, payment terms, unreleased income/loss and other related information relating to investments in Mainland China:

(a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period:

		Nine months ended September 30, 2020	
Company name	General ledger account	Amount	Ownership (%)
Dongguan Fuqiang Electronics Co., Ltd.	Purchases of goods	\$ 14,762,213	51%
Fugang Electronic (Dongguan) Co., Ltd.	Purchases of goods	\$ 7,595,765	26%
Fugang Electric (Xuzhou) Co., Ltd.	Purchases of goods	\$ 2,627,528	9%
Fugang Electric (Kunshan) Co., Ltd.	Purchases of goods	\$ 1,407,309	5%
Fushineng Electronics (Kunshan) Co., Ltd.	Purchases of goods	\$ 1,354,190	5%
Fu Gang Electronic (Nan Chang) Co., Ltd.	Purchases of goods	\$ 192,663	1%
Fugang Electric (Maanshan) Co., Ltd.	Purchases of goods	\$ 71,167	-
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Purchases of goods	\$ 15,122	-

		September 30, 2020	
Company name	General ledger account	Amount	Ownership (%)
Fugang Electronic (Dongguan) Co., Ltd.	Accounts payable	\$ 3,636,436	11%
Fugang Electric (Xuzhou) Co., Ltd.	Accounts payable	\$ 2,059,240	6%
Fu Gang Electronic (Nan Chang) Co., Ltd.	Accounts payable	\$ 1,246,105	4%
Fushineng Electronics (Kunshan) Co., Ltd.	Accounts payable	\$ 678,872	2%
Fugang Electric (Maanshan) Co., Ltd.	Accounts payable	\$ 26,407	-
Fuqiang Electric (Yancheng) Co., Ltd.	Accounts payable	\$ 119	-

(b) Balance and purpose of provision of endorsements/guarantees or collateral at the end of the period: Please refer to table 2.

(c) Maximum balance, ending balance, interest rate range and interest for financing during the period and at September 30, 2020: Please refer to table 1.

(d) Other transactions that have a significant impact on the profit/loss of current period or on the financial condition, such as the rendering or receiving of service:

		Nine months ended September 30, 2020	
Company name	General ledger account	Amount	Ownership (%)
Dongguan Fuqiang Electronics Co., Ltd.	Raw materials purchased on behalf of others	\$ 16,264,710	54%
Fugang Electronic (Dongguan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 6,774,364	23%
Fugang Electric (Xuzhou) Co., Ltd.	Raw materials purchased on behalf of others	\$ 4,070,739	14%
Fushineng Electronics (Kunshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 1,235,637	4%
Fugang Electric (Kunshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 1,166,417	4%
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 241,886	1%
Fu Gang Electronic (Nan Chang) Co., Ltd.	Raw materials purchased on behalf of others	\$ 38,100	-
Fugang Electric (Maanshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 8,293	-

		Nine months ended September 30, 2020	
Company name	General ledger account	Amount	Ownership (%)
Fugang Electric (Kunshan) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 48,911	29%
Dongguan Fuqiang Electronics Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 38,555	23%
Fugang Electric (Xuzhou) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 28,624	17%
Fushineng Electronics (Kunshan) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 26,807	16%
Fugang Electronic (Dongguan) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 2,384	1%

Company name	General ledger account	September 30, 2020	
		Amount	Ownership (%)
Fugang Electric (Xuzhou) Co., Ltd.	Other receivables	\$ 3,332,476	30%
Fushineng Electronics (Kunshan) Co., Ltd.	Other receivables	\$ 938,731	9%
Dongguan Fuqiang Electronics Co., Ltd.	Other receivables	\$ 856,942	8%
Fugang Electric (Maanshan) Co. Ltd.	Other receivables	\$ 520,118	5%
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Other receivables	\$ 427,733	4%
Fugang Electric (Kunshan) Co., Ltd.	Other receivables	\$ 196,390	2%
Fuqiang Electric (Yancheng) Co., Ltd.	Other receivables	\$ 12,371	-
Fugang Electric (Yancheng) Co., Ltd.	Other receivables	\$ 452	-

(4) Major shareholders information

Major shareholders information: Please refer to table 10.

14. SEGMENT INFORMATION

(1) General information

The Group has classified the reportable operating segments based on product types. The Company's operations and segmentation are both developed according to the product types. The current main product types are: 3C component, systems and peripheral products, 3C product retail and others.

(2) Measurement of segment information

The Board of Directors of the Group uses operating profit to measure the operating segments and as evaluation basis of the segments' performance.

(3) Segment information

The financial information of reportable segments provided to Chief Operating Decision-Maker is as follows:

Nine months ended September 30, 2020

	3C component department	Systems and peripheral products department	3C product retail department	Other Operations	Adjustments	Total
External Revenue	\$ 26,122,724	\$ 29,906,562	\$ 6,136,447	\$ 176,575	\$ -	\$ 62,342,308
Revenue from Internal Customers	<u>1,257,634</u>	<u>620,966</u>	<u>-</u>	<u>59,008</u>	<u>(1,937,608)</u>	<u>-</u>
Segment Revenue	<u>\$ 27,380,358</u>	<u>\$ 30,527,528</u>	<u>\$ 6,136,447</u>	<u>\$ 235,583</u>	<u>(\$ 1,937,608)</u>	<u>\$ 62,342,308</u>
Segment Profit (Loss)	<u>\$ 370,931</u>	<u>\$ 982,067</u>	<u>\$ 66,323</u>	<u>(\$ 19,683)</u>	<u>\$ -</u>	<u>\$ 1,399,638</u>

Nine months ended September 30, 2019

	3C component department	Systems and peripheral products department	3C product retail department	Other Operations	Adjustments	Total
External Revenue	\$ 29,428,117	\$ 31,592,715	\$ 8,078,712	\$ 223,059	\$ -	\$ 69,322,603
Revenue from Internal Customers	<u>1,530,594</u>	<u>1,453,194</u>	<u>-</u>	<u>160</u>	<u>(2,983,948)</u>	<u>-</u>
Segment Revenue	<u>\$ 30,958,711</u>	<u>\$ 33,045,909</u>	<u>\$ 8,078,712</u>	<u>\$ 223,219</u>	<u>(\$ 2,983,948)</u>	<u>\$ 69,322,603</u>
Segment Profit (Loss)	<u>\$ 487,753</u>	<u>\$ 612,039</u>	<u>\$ 84,822</u>	<u>(\$ 46,596)</u>	<u>\$ -</u>	<u>\$ 1,138,018</u>

(4) Reconciliation for segment profit (loss)

The external revenue and segment profit (loss) reported to the chief operating decision-maker are measured in a manner consistent with revenue and profit (loss) before tax in the financial statements. Therefore, no reconciliation was needed.

Cheng Uei Precision Industry Co., Ltd.
Loans to others

Nine months ended September 30, 2020

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended September 30, 2020	Balance at September 30, 2020	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 3)	Footnote
													Item	Value			
0	Cheng Uei Precision Industry Co., Ltd.	Foxwell Energy Corporation Ltd.	Other receivables - related parties	Yes	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	1.20%	2	\$ -	Operations	\$ -	-	\$ -	\$ 9,116,550		
1	Fugang Electric (Kunshan) Co., Ltd.	FUQIANG ELECTRIC (YANCHENG) CO., LTD.	"	Yes	34,608	34,152	34,152	-	2	-	"	-	-	3,440,050	3,440,050		
1	Fugang Electric (Kunshan) Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	"	Yes	34,040	-	-	-	2	-	"	-	-	3,440,050	3,440,050		
1	Fugang Electric (Kunshan) Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	"	Yes	103,824	-	-	-	2	-	"	-	-	3,440,050	3,440,050		
1	Fugang Electric (Kunshan) Co., Ltd.	Dongguan Fugang Electronics Co., Ltd.	"	Yes	172,200	-	-	-	2	-	"	-	-	3,440,050	3,440,050		
1	Fugang Electric (Kunshan) Co., Ltd.	Foxlink Technical India Private Limited	"	Yes	179,706	-	-	-	2	-	"	-	-	3,440,050	3,440,050		
1	Fugang Electric (Kunshan) Co., Ltd.	Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	"	Yes	23,793	23,480	23,480	-	2	-	"	-	-	3,440,050	3,440,050		
2	World Circuit Technology Co., Ltd.	Proconn Technology Co., Ltd.	"	Yes	87,928	-	-	-	2	-	"	-	-	107,549	107,549		
2	World Circuit Technology Co., Ltd.	Microlink Communications Inc.	"	Yes	55,000	55,000	55,000	-	2	-	"	-	-	107,549	107,549		
3	Culink Tianjin Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	"	Yes	216,300	-	-	-	2	-	"	-	-	226,428	226,428		
4	Foxlink Energy (Tianjin) Ltd.	Dongguan Fugang Electronics Co., Ltd.	"	Yes	168,714	-	-	-	2	-	"	-	-	168,566	168,566		
5	Foxlink International Investment Ltd.	Microlink Communications Inc.	"	Yes	67,000	-	-	-	2	-	"	-	-	1,463,441	1,463,441		
6	Fu Uei International Investment Ltd.	Cheng Uei Precision Industry Co., Ltd.	"	Yes	235,000	155,000	155,000	-	2	-	"	-	-	699,705	699,705		
7	FOXLINK TECHNOLOGY LIMITED	Proconn Technology Co., Ltd.	"	Yes	89,970	87,300	87,300	-	2	-	"	-	-	866,821	866,821		
7	FOXLINK TECHNOLOGY LIMITED	CU INTERNATIONAL LTD.	"	Yes	101,661	100,322	100,322	-	2	-	"	-	-	866,821	866,821		
7	FOXLINK TECHNOLOGY LIMITED	Cheng Uei Precision Industry Co., Ltd.	"	Yes	724,648	579,090	579,090	-	2	-	"	-	-	866,821	866,821		
8	Foxlink Tianjin Co., Ltd.	FUGANG ELECTRIC (XUZHOU) Co., Ltd.	"	Yes	64,890	-	-	-	2	-	"	-	-	2,328,270	2,328,270		
8	Foxlink Tianjin Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	"	Yes	95,172	-	-	-	2	-	"	-	-	2,328,270	2,328,270		
8	Foxlink Tianjin Co., Ltd.	Foxlink Technical India Private Limited	"	Yes	179,706	-	-	-	2	-	"	-	-	2,328,270	2,328,270		

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended September 30, 2020	Balance at September 30, 2020	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 3)	Footnote
													Item	Value			
8	Foxlink Tianjin Co., Ltd	Fugang Electronic (Dongguan) Co., Ltd.	Other receivables - related parties	Yes	\$ 389,340	\$ -	\$ -	-	2	\$ -	Operations	\$ -	-	\$ -	\$ 2,328,270	\$ 2,328,270	
9	Zhi De Investment Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	"	Yes	100,000	100,000	100,000	-	2	-	Group's capital management	-	-	-	180,709	180,709	
10	Foxlink Automotive Technology (Kunshan) Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	"	Yes	172,200	-	-	-	2	-	Operations	-	-	-	240,020	240,020	
11	Dongguan Fuqiang Electronics Co., Ltd.	Foxlink Technical India Private Limited	"	Yes	269,559	-	-	-	2	-	"	-	-	-	8,077,537	8,077,537	
11	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	"	Yes	576,315	576,315	576,315	-	2	-	"	-	-	-	8,077,537	8,077,537	
12	Fugang Electronic (Dongguan) Co., Ltd.	Foxlink Technical India Private Limited	"	Yes	269,559	-	-	-	2	-	"	-	-	-	5,539,749	5,539,749	
13	Studio A. Inc.	AShop Co., Ltd.	"	Yes	207,888	168,780	107,670	2%	2	-	"	-	-	-	217,701	217,701	
14	Studio A. Technology Limited	Studio A. Inc.	"	Yes	90,960	-	-	-	2	-	"	-	-	-	746,374	746,374	
14	Studio A. Technology Limited	Kunshan Fugang Electric Trading Co., Ltd.	"	Yes	113,610	112,620	81,111	2%	2	-	"	-	-	-	746,374	746,374	
15	FIT Holding Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	Yes	283,800	281,754	106,725	0.98-1.2%	2	-	"	-	-	-	1,950,128	2,600,171	
15	FIT Holding Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	Yes	129,000	128,070	128,070	0.98-1.2%	2	-	"	-	-	-	1,950,128	2,600,171	
16	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	"	Yes	300,000	300,000	143,000	0.85-1.2%	2	-	"	-	-	-	1,037,899	1,037,899	
16	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	"	Yes	604,750	604,750	454,750	1.02-1.23%	2	-	"	-	-	-	1,037,899	1,037,899	
17	Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	Yes	399,970	362,865	362,865	1.5%	2	-	"	-	-	-	336,879	336,879	
18	Glory Optics (BVI) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	Yes	93,060	-	-	3%	2	-	"	-	-	-	-	-	
18	Glory Optics (BVI) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	Yes	75,068	-	-	3%	2	-	"	-	-	-	-	-	
19	Glorytek (Suzhou) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	Yes	27,520	27,322	27,322	3%	2	-	"	-	-	-	503,741	503,741	
19	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	Yes	220,910	213,450	170,450	5%	2	-	"	-	-	-	503,741	503,741	
20	POWER QUOTIENT TECHNOLOGY (YANGHENG) CO., Ltd.	Jiangsu Foxlink New Energy Technology Co., Ltd.	"	Yes	457,600	-	-	-	2	-	Group's capital management	-	-	-	677,948	677,948	
21	Foxwell Energy Corporation Ltd.	Changyuan Wind Power Ltd.	"	Yes	50,000	50,000	42,550	Over 1 month, 1.75%	2	-	"	-	-	-	301,872	301,872	
21	Foxwell Energy Corporation Ltd.	Beiyuan Wind Power Ltd.	"	Yes	50,000	50,000	45,300	Over 1 month, 1.75%	2	-	"	-	-	-	301,872	301,872	
22	Shanfox Energy Co., Ltd.	Shanfox Natural Gas Co., Ltd.	"	Yes	10,000	10,000	5,000	Over 1 month, 1.5%	2	-	"	-	-	-	403,434	403,434	

Note 1: The numbers as follows represent the nature of loan:

- (1) Business transaction is labelled as "1".
- (2) Short-term financing is labelled as "2".

Note 2: (1) Limit on loans granted to a single party is 20% of the Company's net asset value.

(2) Limit on loans granted to the domestic unlisted subsidiaries of the Company and FIT Holding Co., Ltd. is 40% of their net asset value.

(3) Limit on loans granted to direct or indirect holding foreign subsidiaries is 100% of their net asset value.

(4) Limit on loans granted between foreign companies whose voting shares are 100% held by the Company directly or indirectly, or on loans granted to the Company by such foreign companies is 100% of their net asset value.

(5) Limit on loans granted by FIT Holding Co., Ltd. to its direct or indirect holding foreign subsidiaries is 30% of FIT Holding Co., Ltd.'s net asset value on recent financial report.

Note 3: (1) Ceiling on total loans granted to the company is 40% of the Company's net asset value.

(2) Ceiling on total loans granted to the domestic unlisted subsidiaries of the Company and FIT Holding is 40% of their net asset value.

(3) Ceiling on total loans granted to the direct or indirect holding subsidiaries is 100% of their net asset value.

(4) Ceiling on total loans granted between foreign companies whose voting shares are 100% held by the Company directly or indirectly, or on loans granted to the Company by such foreign companies is 100% of their net asset value.

(5) Ceiling on total loans granted by FIT Holding Co., Ltd. to its direct or indirect holding foreign subsidiaries is 40% of their net asset value on recent financial report.

Cheng Uei Precision Industry Co., Ltd.
Provision of endorsements and guarantees to others
Nine months ended September 30, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 2

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on guarantees/ provided for a single party (Note 1)	Maximum outstanding endorsement/ guarantee amount as of September 30, 2020	Outstanding endorsement/ guarantee amount at September 30, 2020	Actual amount drawn down	Amount of endorsements /guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements /guarantees provided (Note 2)	Provision of endorsements /guarantees by parent company to subsidiary	Provision of endorsements /guarantees by subsidiary to parent company	Provision of endorsements /guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/guarantor											
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INTERNATIONAL INCORPORATION	The Company's third-tier subsidiary	\$ 11,395,687	\$ 982,368	\$ 942,840	\$ 18,973	\$ -	4.18	\$ 22,791,374	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	11,395,687	1,297,800	1,280,700	1,280,700	-	5.68	22,791,374	Y	N	Y	
0	Cheng Uei Precision Industry Co., Ltd.	ASHOP Co., Ltd.	"	9,116,550	212,240	203,700	107,088	-	0.90	22,791,374	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Straight A Inc.	"	9,116,550	454,800	436,500	63,871	-	1.93	22,791,374	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Studio A Inc.	The Company's second-tier subsidiary	9,116,550	1,212,800	1,164,000	151,808	-	5.16	22,791,374	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Studio A Technology Limited	The Company's third-tier subsidiary	9,116,550	1,455,360	1,396,800	74,205	-	6.19	22,791,374	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	"	9,116,550	1,212,800	1,164,000	41,322	-	5.16	22,791,374	Y	N	Y	
1	Studio A Inc.	ASHOP Co., Ltd.	Studio A Inc.'s subsidiary	9,116,550	212,240	203,700	107,088	-	0.90	22,791,374	Y	N	N	
2	Fugang Electric (Kunshan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.'s other related party	11,395,687	1,187,271	1,171,627	1,171,627	-	5.19	22,791,374	Y	N	Y	
3	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	FIT Holding Co., Ltd.'s subsidiary	9,750,643	620,000	620,000	400,000	-	9.54	9,750,643	Y	N	N	
3	FIT Holding Co., Ltd.	Glory Science Co., Ltd.	"	9,750,643	1,260,000	1,118,070	650,000	-	17.20	9,750,643	Y	N	N	
3	FIT Holding Co., Ltd.	Foxwell Energy Corporation Ltd.	FIT Holding Co., Ltd.'s third-tier subsidiary	9,100,601	531,698	515,678	515,678	-	7.93	9,750,643	Y	N	N	
4	Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Glory Science Co., Ltd.'s subsidiary	1,263,298	185,070	-	-	-	-	1,263,297	Y	N	Y	
4	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Glory Science Co., Ltd.'s subsidiary	1,263,298	185,070	-	-	-	-	1,263,297	Y	N	Y	
5	Foxwell Energy Corporation Ltd.	Beiyuan Wind Power Ltd.	Foxwell Energy Corporation Ltd.'s subsidiary	1,132,020	621,000	621,000	524,843	-	9.52	1,132,020	Y	N	N	

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 1)	Maximum outstanding endorsement/ guarantee amount as of September 30, 2020	Outstanding endorsement/ guarantee amount at September 30, 2020	Actual amount drawn down	Amount of endorsements /guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements /guarantees provided (Note 2)	Provision of endorsements by parent company to subsidiary	Provision of endorsements /guarantees by subsidiary to parent company	Provision of endorsements /guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/guarantor											
6	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	Foxlink Image Technology Co., Ltd.'s subsidiary	\$ 3,892,122	\$ 300,000	\$ 300,000	\$ 200,000	\$ -	4.60	\$ 3,892,122	N	N	N	
6	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	"	3,892,122	300,000	300,000	300,000	-	4.60	3,892,122	N	N	N	
7	Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	Shinfox Energy Co., Ltd.'s subsidiary	1,520,378	800,000	800,000	800,000	-	12.27	1,520,378	Y	N	N	

Note 1: Calculation for limit on endorsements/guarantees provided for a single party is as follows:

- (1) For subsidiaries whose shares are 90% or above held by the Company, ceiling on total amount of endorsements and guarantees provided by the Company is 50% of the Company's net asset value; limit on endorsements and guarantees provided by the Company for a single party is 40% of the Company's net asset value.
- (2) For FIT Holding Co., Ltd., limit on endorsements and guarantees for a single party is 140% of FIT Holding Co., Ltd.'s current net asset value and for subsidiary whose equity is no less than 90% held by FIT Holding Co., Ltd., is 150% of FIT Holding Co., Ltd.'s net asset value.
- (3) Endorsements and guarantees are available between companies whose voting shares are more than 90% held by FIT Holding Co., Ltd. directly or indirectly. And the limit on endorsements and guarantees is 10% of FIT Holding Co., Ltd.'s net asset value except that endorsements and guarantees are between companies whose voting shares are 100% held by FIT Holding Co., Ltd. directly or indirectly.

Note 2: Calculation for limit on endorsements/guarantees provided is as follows:

- (1) The Company's and subsidiaries' endorsements and guarantees to others should not exceed 100% of the Company's net asset value.
- (2) FIT Holding Co., Ltd.'s endorsements and guarantees to others and subsidiaries should not exceed 150% of FIT Holding Co., Ltd.'s net asset value in the latest financial statements.
- (3) Endorsements and guarantees are available between companies whose voting shares are more than 90% held by FIT Holding Co., Ltd. directly or indirectly. And the limit on endorsements and guarantees is 10% of FIT Holding Co., Ltd.'s net asset value except that endorsements and guarantees are between companies whose voting shares are 100% held by FIT Holding Co., Ltd. directly or indirectly.

Cheng Uei Precision Industry Co., Ltd.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
September 30, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 3

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of September 30, 2020				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Fu Uei International Investment Ltd.	Trinity Investment Corporation	An investee of the Company	Financial assets at fair value through other comprehensive income-non-current	3,000	\$ 30,000	10.00	\$ 30,000	
Fu Uei International Investment Ltd.	ADE TECHNOLOGY INC.	"	"	500	11,500	2.09	11,500	
CULINK INTERNATIONAL Ltd.	Gamma 2 Robotics, Inc.	"	"	1,000	-	9.00	-	
CULINK INTERNATIONAL Ltd.	Occipital, Inc.	"	"	389	33,465	2.50	33,465	
CULINK INTERNATIONAL Ltd.	V5 Systems, Inc.	"	"	1,459	-	4.95	-	
CULINK INTERNATIONAL Ltd.	Motiv Inc.	"	"	272	29,100	1.70	29,100	
CULINK INTERNATIONAL Ltd.	LeadSun WINION Limited	"	"	3,000	87,300	40.07	87,300	
CULINK INTERNATIONAL Ltd.	MedWand Solutions Inc.	"	"	63	-	3.50	-	
FOXLINK TECHNOLOGY LIMITED	LEADSUN NEW STAR CORP.	"	"	875	24,143	12.50	24,143	
Changzhou Xinwei Vehiele Energy Venture Capital Co., Ltd.	Dongguan PowerWise Technology Co., Ltd.	"	"	1,250	42,690	4.00	42,690	
Foxlink Image Technology Co., Ltd.	TAIWAN STAR TELECOM CORPORATION LIMITED	N/A	"	50,000	332,500	0.91	332,500	
Foxlink Image Technology Co., Ltd.	Wellgen Medical Co., Ltd.	"	"	1,500	18,375	17.05	18,375	
Power Quotient International Co., Ltd.	SAINT SONG CORP.	"	"	127	-	1.05	-	
Power Quotient International Co., Ltd.	OURS TECHNOLOGY INC.	"	"	13	-	0.21	-	
Power Quotient International Co., Ltd.	INNOPLUS Co., Ltd.	"	"	160	-	12.00	-	
Power Quotient International Co., Ltd.	TAIWAN STAR TELECOM CORPORATION LIMITED	"	"	50,000	332,500	0.91	332,500	
Power Quotient International Co., Ltd.	STACK DEVICES CORPORATION	"	"	70	-	0.11	-	
Shinfox Energy Co., Ltd.	Corvus Energy Ltd.	An investee of the Company	"	22	-	0.12	-	
Shinfox Energy Co., Ltd.	SFC INTERNATIONAL INC.	"	"	54	-	9.00	-	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of September 30, 2020				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Foxwell Energy Corporation Ltd.	Full Entertainment Marketing Co., Ltd.	An investee of the Company	Financial assets at fair value through other comprehensive income-non-current	300	\$ -	1.50	\$ -	
POWER QUOTIET TECHNOLOGY (YANCHENG) Co., Ltd.	Jiangsu Foxlink New Energy Technology Co.,Ltd.	N/A	"	-	72,170	12.90	72,170	

Cheng Uei Precision Industry Co., Ltd.
 Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
 Nine months ended September 30, 2020

Expressed in thousands of NTD
 (Except as otherwise indicated)

Table 4

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2020		Addition		Disposal				Balance as at September 30, 2020		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
Foxlink Image Technology Co., Ltd.	Shih Fong Power Co., Ltd.	Investments accounted for using the equity method	Capital Increase	Affiliated company	-	\$ -	79,800	\$ 957,600	-	\$ -	-	\$ -	-	79,800	957,600

Cheng Uei Precision Industry Co., Ltd.
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Nine months ended September 30, 2020

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
The Company	FOXLINK INTERNATIONAL INC.	The Company's third-tier subsidiary	Sales	(\$ 10,250,556)	(21)	Note 1	Note 1	\$ 3,222,596	8		
The Company	Hon Hai Precision Industry Co., Ltd.	This company's director is the second-degree relative of the Company's chairman	Sales	(1,179,603)	(2)	Note 1	Note 1	239,730	1		
The Company	Dongguan Fuqiang Electronics Co., Ltd.	The Company's second-tier subsidiary	Purchases	14,762,213	51	Note 2	Note 2	-	-		
The Company	Fugang Electronic (Dongguan) Co., Ltd.	"	Purchases	7,595,765	26	Note 2	Note 2	(3,636,436)	(11)		
The Company	Fugang Electric (Kunshan) Co., Ltd.	"	Purchases	1,407,309	5	Note 2	Note 2	-	-		
The Company	Fu Gang Electronic (Nan Chang) Co., Ltd.	"	Purchases	192,663	1	Note 2	Note 2	(1,246,105)	(4)		
The Company	Fushineng Electronics (Kunshan) Co., Ltd.	"	Purchases	1,354,190	5	Note 2	Note 2	(678,872)	(2)		
The Company	Well Shin Technology Co., Ltd	The investee of the company's investment accounted for using equity method	Purchases	281,947	1	Note 2	Note 2	(86,134)	-		
The Company	FUGANG ELECTRIC (XUZHOU) Co., Ltd.	The Company's second-tier subsidiary	Purchases	2,627,528	9	Note 2	Note 2	(2,059,240)	(6)		
The Company	Hon Hai Precision Industry Co., Ltd.	This company's chairman is the second-degree relative of the Company's chairman	Purchases	509,222	2	Note 2	Note 2	(105,519)	-		
FOXLINK INTERNATIONAL INC.	The Company	This company is the ultimate parent company of the company	Purchases	10,250,556	100	Note 2	Note 2	(3,222,596)	(84)		
Dongguan Fuqiang Electronics Co., Ltd.	The Company	"	Sales	(14,762,213)	(56)	Note 1	Note 1	-	-		
Fugang Electronic (Dongguan) Co., Ltd.	The Company	"	Sales	(7,595,765)	(54)	Note 1	Note 1	3,636,436	60		
Fugang Electric (Kunshan) Co., Ltd.	The Company	"	Sales	(1,407,309)	(53)	Note 1	Note 1	-	-		
Fu Gang Electronic (Nan Chang) Co., Ltd.	The Company	"	Sales	(192,663)	(84)	Note 1	Note 1	1,246,105	100		
Fushineng Electronics (Kunshan) Co., Ltd.	The Company	"	Sales	(1,354,190)	(49)	Note 1	Note 1	678,872	73		

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction					Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)			
FUGANG ELECTRIC (XUZHOU) Co., Ltd.	The Company	This company is the ultimate parent company of the company	Sales	(\$ 2,627,528)	(48)	Note 1	Note 1	Note 1	\$ 2,059,240	58			
Fugang Electronic (Dongguan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	Sales	(1,595,562)	(11)	Note 1	Note 1	Note 1	307,081	5			
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	"	Purchases	1,595,562	11	Note 2	Note 2	Note 2	(307,081)	(5)			
Suntian Co., Ltd.	Hon Hai Precision Industry Co., Ltd.	This company's director is the second-degree relative of the Company's chairman	Purchases	123,576	55	Note 2	Note 2	Note 2	(91)	-			
Kunshan Fugang Electric Trading Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	Affiliated company	Sales	(202,180)	(41)	Note 1	Note 1	Note 1	45,884	100			
Shanghai Fugang Electric Trading Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	"	Purchases	202,180	30	Note 2	Note 2	Note 2	(45,884)	(100)			
ACCU-IMAGE TECHNOLOGY LIMITED	Foxlink Image Technology Co., Ltd.	"	Sales	(574,064)	(100)	Note 2	Note 2	Note 2	130,254	67			
Foxlink Image Technology Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	"	Purchases	574,064	100	Note 2	Note 2	Note 2	(130,254)	(58)			
Wei Hai Fu Kang Electric Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	"	Sales	(143,670)	(99)	Note 2	Note 2	Note 2	53,776	100			
ACCU-IMAGE TECHNOLOGY LIMITED	Wei Hai Fu Kang Electric Co., Ltd.	"	Purchases	143,670	33	Note 2	Note 2	Note 2	(53,776)	(75)			
Dongguan Fu Wei Electronics Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	"	Sales	(426,169)	(97)	Note 2	Note 2	Note 2	384,141	96			
ACCU-IMAGE TECHNOLOGY LIMITED	Dongguan Fu Wei Electronics Co., Ltd.	"	Purchases	426,169	73	Note 2	Note 2	Note 2	(384,141)	(74)			
Dong Guan Fu Zhang Precision Industry Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	"	Sales	(113,918)	(100)	Note 2	Note 2	Note 2	134,148	75			
ACCU-IMAGE TECHNOLOGY LIMITED	Dong Guan Fu Zhang Precision Industry Co., Ltd.	"	Purchases	113,918	20	Note 2	Note 2	Note 2	(134,148)	(30)			

Note 1: Please refer to Note 7(2)A. for the details.

Note 2: Please refer to Note 7(2)B. for the details.

Cheng Uei Precision Industry Co., Ltd.
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
September 30, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 6

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2020	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
The Company	FOXLINK INTERNATIONAL INC.	The Company's third-tier subsidiary	\$ 3,222,596	3.18	None	N/A	\$ 1,327,774	None
The Company	Fusheng Electronics (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	938,731	Note 1	"	"	-	"
The Company	Hon Hai Precision Industry Co., Ltd.	This company's director is the second-degree relative of the Company's chairman	239,730	4.92	"	"	-	"
The Company	Fugang Electric (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	196,390	Note 1	"	"	196,390	"
The Company	Foxlink Automotive Technology (Kunshan) Co., Ltd.	"	427,733	Note 1	"	"	-	"
The Company	FUGANG ELECTRIC (XUZHOU) CO., LTD.	"	3,332,476	Note 1	"	"	-	"
The Company	FUGANG ELECTRIC (MAANSHAN) CO., LTD.	"	520,118	Note 1	"	"	-	"
The Company	Dongguan Fuqiang Electronics Co., Ltd.	"	856,942	Note 1	"	"	856,942	"
The Company	Foxwell Energy Corporation Ltd.	The Company's fifth-tier subsidiary	4,000,000	Note 1	4,000,000	Overdue receivables are expected to be gradually collected in 2020	-	"
Fusheng Electronics (Kunshan) Co., Ltd.	The Company	This company is the ultimate parent company of the company	678,872	1.99	None	N/A	-	"
Fu Gang Electronic (Nan Chang) Co., Ltd.	The Company	"	1,246,105	0.15	"	"	-	"
Fugang Electronic (Dongguan) Co., Ltd.	The Company	"	3,636,436	2.09	"	"	-	"
FUGANG ELECTRIC (XUZHOU) CO., Ltd.	The Company	"	2,059,240	1.28	"	"	-	"
FOXLINK TECHNOLOGY LIMITED	The Company	"	579,090	Note 1	579,090	Overdue receivables are expected to be gradually collected in 2020	-	"
Fu Uei International Investment Ltd.	The Company	"	155,000	Note 1	155,000	"	-	"
Zhi De Investment Co., Ltd.	The Company	The Company's second-tier subsidiary	100,000	Note 1	100,000	"	-	"
CU INTERNATIONAL Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	137,128	Note 1	None	N/A	-	"
Fugang Electronic (Dongguan) Co., Ltd.	CU INTERNATIONAL Ltd.	"	100,883	Note 1	"	"	-	"
Fugang Electronic (Dongguan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	307,081	5.20	"	"	-	"

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2020	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Fugang Electronic (Dongguan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	\$ 268,240	Note 1	"	"	\$ -	"
Dongguan Fuqiang Electronics Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) CO., LTD.	"	106,177	Note 1	"	"	-	"
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	"	576,315	Note 1	576,315	Overdue receivables are expected to be gradually collected in 2020	-	"
Fugang Electric (Kunshan) Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	"	104,617	0.18	None	N/A	-	"
Fugang Electric (Kunshan) Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	"	126,215	Note 1	"	"	-	"
Fugang Electric (Kunshan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) CO., LTD.	"	307,789	Note 1	"	"	-	"
Foxlink Tianjin Co., Ltd.	CU INTERNATIONAL LTD.	"	369,811	Note 1	"	"	-	"
FOXLINK TECHNOLOGY LIMITED	CU INTERNATIONAL LTD.	"	100,322	Note 1	100,322	Overdue receivables are expected to be gradually collected in 2020	-	"
FUQIANG ELECTRIC (MAANSHAN) CO., LTD.	Dongguan Fuqiang Electronics Co., Ltd.	"	130,793	Note 1	None	N/A	-	"
Studio A Inc.	ASHOP Co., Ltd.	The Company's subsidiary	107,670	Note 1	107,670	Overdue receivables are expected to be gradually collected in 2020	-	"
ACCU-IMAGE TECHNOLOGY LIMITED	Foxlink Image Technology Co., Ltd.	Affiliated company	130,254	6.49	None	N/A	1,565	"
Dongguan Fu Wei Electronics Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	"	384,141	1.52	"	"	64,035	"
Dong Guan Fu Zhang Precision Industry Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	"	134,148	0.97	"	"	2,049	"
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	317,954	0.06	"	"	-	"
Yancheng Yaowei Technology Co., Ltd.	Glorytek (Suzhou) Co., Ltd.	"	141,351	0.06	"	"	-	"
Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	"	454,750	Note 1	454,750	Overdue receivables are expected to be gradually collected in 2020	-	"
Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	"	143,000	Note 1	143,000	"	-	"
Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	603,125	Note 1	362,865	"	30,247	"
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	112,128	Note 1	None	N/A	-	"
Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	172,845	Note 1	172,845	Overdue receivables are expected to be gradually collected in 2020	-	"
FTT Holding Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	128,070	Note 1	None	N/A	-	"
FTT Holding Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	106,725	Note 1	"	"	-	"

Note 1: The turnover rate was not applicable as the receivables were recorded as other receivables.

Cheng Uei Precision Industry Co., Ltd.
Significant inter-company transactions during the reporting periods
Nine months ended September 30, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 7

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	T transaction terms	
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INTERNATIONAL INC.	1	Sales	\$ 10,250,556	Sales prices are based on the mutual agreement	16
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INTERNATIONAL INC.	1	Accounts receivable	3,222,596	The collections depend on the financial situation after offsetting the receivables against the payables	4
0	Cheng Uei Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	1	Purchases	14,762,213	Purchase prices are based on the mutual agreement	24
0	Cheng Uei Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	1	Other receivables	856,942	The collections depend on the financial situation after offsetting the receivables against the payables	1
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	1	Purchases	1,407,309	Purchase prices are based on the mutual agreement	2
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	1	Other receivables	196,390	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	Fushiheng Electronics (Kunshan) Co., Ltd.	1	Purchases	1,354,190	Purchase prices are based on the mutual agreement	2
0	Cheng Uei Precision Industry Co., Ltd.	Fushiheng Electronics (Kunshan) Co., Ltd.	1	Other receivables	938,731	The collections depend on the financial situation after offsetting the receivables against the payables	1
0	Cheng Uei Precision Industry Co., Ltd.	Fushiheng Electronics (Kunshan) Co., Ltd.	1	Accounts payable	678,872	"	1
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	1	Purchases	7,595,765	Purchase prices are based on the mutual agreement	12
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	1	Accounts payable	3,636,436	The collections depend on the financial situation after offsetting the receivables against the payables	4
0	Cheng Uei Precision Industry Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	1	Other receivables	427,733	"	1
0	Cheng Uei Precision Industry Co., Ltd.	Fu Gang Electronic (Nan Chang) Co., Ltd.	1	Purchases	192,663	Purchase prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	Fu Gang Electronic (Nan Chang) Co., Ltd.	1	Accounts payable	1,246,105	The collections depend on the financial situation after offsetting the receivables against the payables	1
0	Cheng Uei Precision Industry Co., Ltd.	Fu Uei International Investment Ltd.	1	Other payables	155,000	"	-
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK TECHNOLOGY LIMITED	1	Other payables	579,090	"	1
0	Cheng Uei Precision Industry Co., Ltd.	CU INTERNATIONAL Ltd.	1	Prepaid expenses	1,025,619	"	1

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	1	Purchases	\$ 71,167	Purchase prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	1	Other receivables	520,118	The collections depend on the financial situation after offsetting the receivables against the payables	1
0	Cheng Uei Precision Industry Co., Ltd.	Foxwell Energy Corporation Ltd.	1	Other receivables	4,000,000	"	5
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (XUZHOU) Co., Ltd.	1	Other receivables	3,332,476	"	4
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (XUZHOU) Co., Ltd.	1	Purchases	2,627,528	Purchase prices are based on the mutual agreement	4
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (XUZHOU) Co., Ltd.	1	Accounts payable	2,059,240	The collections depend on the financial situation after offsetting the receivables against the payables	2
0	Cheng Uei Precision Industry Co., Ltd.	Zhi De Investment Co., Ltd.	1	Other payables	100,000	"	-
1	CU INTERNATIONAL Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	3	Other receivables	137,128	"	-
1	CU INTERNATIONAL Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	3	Prepaid expenses	165,704	"	-
1	CU INTERNATIONAL Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Accounts receivable	80,958	"	-
1	CU INTERNATIONAL Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Other receivables	60,245	"	-
1	CU INTERNATIONAL Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Other payables	100,883	"	-
1	CU INTERNATIONAL Ltd.	Foxlink Tianjin Co., Ltd.	3	Other payables	369,811	"	-
1	CU INTERNATIONAL Ltd.	FOXLINK TECHNOLOGY LIMITED	3	Other payables	100,322	"	-
2	Fugang Electric (Kunshan) Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	3	Accounts receivable	104,617	"	-
2	Fugang Electric (Kunshan) Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	3	Other receivables	126,215	"	-
2	Fugang Electric (Kunshan) Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	3	Accounts payable	65,162	"	-
2	Fugang Electric (Kunshan) Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	3	Prepayments	201,338	"	-
2	Fugang Electric (Kunshan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	3	Other receivables	307,789	"	-
2	Fugang Electric (Kunshan) Co., Ltd.	Pushheng Electronics (Kunshan) Co., Ltd.	3	Accounts receivable	72,814	"	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Purchases	\$ 1,595,562	Purchase prices are based on the mutual agreement	3
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Other payables	268,240	The collections depend on the financial situation after offsetting the receivables against the payables	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Accounts payable	307,081	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	3	Other receivables	106,177	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	FUQIANG ELECTRIC (MAANSHAN) Co., Ltd.	3	Accounts payable	130,793	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	3	Other receivables	576,315	"	-
4	Studio A Inc.	ASHOP Co., Ltd.	3	Other receivables	107,670	"	-
5	Studio A Technology Limited	Kunshan Fugang Electric Trading Co., Ltd.	3	Other receivables	81,111	"	-
6	Kunshan Fugang Electric Trading Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	3	Sales	202,180	Sales prices are based on the mutual agreement	-
7	FOXLINK TECHNOLOGY LIMITED	Proconn Technology Co., Ltd.	3	Other receivables	87,300	The collections depend on the financial situation after offsetting the receivables against the payables	-
8	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	3	Other receivables	454,750	Based on the company's policy	2
8	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	3	Other receivables	143,000	"	1
9	ACCU-IMAGE TECHNOLOGY LIMITED	Foxlink Image Technology Co., Ltd.	3	Sales	574,064	The flexible collection based on the financial situation	13
9	ACCU-IMAGE TECHNOLOGY LIMITED	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	130,254	"	1
10	Wei Hai Fu Kang Electric Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	3	Sales	143,670	"	3
10	Wei Hai Fu Kang Electric Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	3	Accounts receivable	53,776	"	-
11	Dongguan Fu Wei Electronics Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	3	Sales	426,169	"	9
11	Dongguan Fu Wei Electronics Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	3	Accounts receivable	384,141	"	2
12	Dong Guan Fu Zhang Precision Industry Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	3	Sales	113,918	"	2
12	Dong Guan Fu Zhang Precision Industry Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	3	Accounts receivable	134,148	"	1

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
13	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Accounts receivable	\$ 317,954	Based on the company's policy	1
13	Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	240,260	"	1
13	Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	362,865	The collections depend on the financial situation after offsetting the receivables against the payables	2
13	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	112,128	Based on the company's policy	-
14	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	172,845	The collections depend on the financial situation after offsetting the receivables against the payables	1
15	Yancheng Yaowei Technology Co., Ltd.	Glorytek (Suzhou) Co., Ltd.	1	Accounts receivable	141,351	Based on the company's policy	1
16	FTI Holding Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	1	Other receivables	128,070	"	1
16	FTI Holding Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	1	Other receivables	106,725	"	-

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Disclosure of the transactions of related party over \$50 million only and the related party transactions for counterparty are not disclosed.

Note 5: Transaction prices and terms are determined based on mutual agreement as no similar transaction can be compared with.

Cheng Uei Precision Industry Co., Ltd.
Information on investees
Nine months ended September 30, 2020

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2020			Net profit (loss) of the investee for the nine-month period ended September 30, 2020	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2020	Footnote
				Balance as at September 30, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
The Company	CU INTERNATIONAL LTD.	British Virgin IS.	Manufacture of electronic telecommunication components and reinvestment business	\$ 13,124,304	\$ 13,124,304	451,007	100	\$ 21,655,378	\$ 48,375		
The Company	CULINK INTERNATIONAL LTD.	British Virgin IS.	Reinvestment business	617,721	544,098	21,228	100	527,703	84,991		
The Company	Foxlink International Investment Ltd.	TAIWAN	General investments holdings	2,950,000	2,950,000	368,750	100	3,386,537	(59,284)		
The Company	Fu Uei International Investment Ltd.	TAIWAN	General investments holdings	2,850,000	2,850,000	285,000	100	1,736,617	(24,197)		
The Company	Well Shin Technology Co., Ltd.	TAIWAN	Manufacture and sale of electric wire and cable as well as electronic telecommunication components	270,065	270,065	22,282	18.84	1,130,800	69,947		
The Company	DARTS TECHNOLOGIES CORPORATION	TAIWAN	Manufacture of electronic telecommunication and wireless components	762,566	762,566	35,995	97	697,445	60,667		
The Company	DU Precision Industry Co., Ltd.	TAIWAN	Sale of raw materials and products of various connectors	600,000	600,000	60,000	100	48,564	(7,111)		
The Company	Foxlink (Vietnam) Inc.	VIETNAM	"	-	97,718	-	-	-	-		
The Company	FOXLINK TECHNOLOGY LIMITED.	HONG KONG	Reinvestment business	325,472	325,472	86,700	100	878,430	(2,282)		
The Company	SOLTERAS INC.	U.S.A	Sale of electronic telecommunication components	-	106,477	-	-	-	-		
The Company	Suntain Co., Ltd.	TAIWAN	Electroplating processing services	90,810	90,810	9,500	100	69,737	2,057		
The Company	SINOBEST BROTHERS LIMITED	HONG KONG	Reinvestment business	602,486	500,345	20,704	95.39	642,908	1,887		
FOXLINK TECHNOLOGY LIMITED.	SINOBEST BROTHERS LIMITED	HONG KONG	"	29,100	-	1,000	4.61	30,611	260		
SINOBEST BROTHERS LIMITED	FOXLINK MYANMAR COMPANY LIMITED	MYANMAR	Manufacture of electronic telecommunication components	631,586	500,345	21,704	100	657,446	(16,071)		
CU INTERNATIONAL LTD.	NEW START INDUSTRIES LTD.	British Virgin IS.	Reinvestment business	250,260	250,260	8,600	100	2,920,292	(77,117)		
CU INTERNATIONAL LTD.	FOX-E HOLDING CO., LTD.	MAURITIUS	Reinvestment business	\$ -	\$ 20,370	-	-	\$ -	\$ -		
CU INTERNATIONAL LTD.	SOLTERAS LIMITED	British Virgin IS.	"	58,200	58,200	1,960	100	-	-		

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2020			Net profit (loss) of the investee for the nine-month period ended September 30, 2020	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2020	Footnote
				Balance as at September 30, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
CU INTERNATIONAL LTD.	NEOSONIC LI-POLYMER ENERGY TECHNOLOGY CORP PRIVATE LIMITED	British Virgin IS.	Manufacture of electronic telecommunication components	-	157,140	-	-	-	-		
CU INTERNATIONAL LTD.	KLEINE DEVELOPMENTS LTD.	British Virgin IS.	Manufacture and sale of Magnesium products	-	356,475	-	-	-	-		
CU INTERNATIONAL LTD.	FOXLINK TECHNICAL INDIA PRIVATE LIMITED	INDIA	Manufacture of electronic telecommunication components	93,948	93,948	209,400	42.13	78,740	(17,627)	(10,357)	
NEW START INDUSTRIES LTD.	SOLTERAS INC.	U.S.A	"	-	98,940	-	-	-	-		
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Foxlink Automotive Technology Co., Ltd.	TAIWAN	"	37,539	37,539	5,000	100	42,027	(1,272)	(1,262)	
CULINK INTERNATIONAL LTD.	PACIFIC WEALTH LIMITED	British Virgin IS.	General investments holdings	29,100	29,100	1,000	100	(98,682)	(1,299)	(1,299)	
CULINK INTERNATIONAL LTD.	FOXLINK TECHNICAL INDIA PRIVATE LIMITED	INDIA	Manufacture of electronic telecommunication components	129,029	26,394	47,477	57.87	108,673	(17,627)	(7,270)	
CULINK INTERNATIONAL LTD.	Foxlink Powerbank International Technology Private Limited	INDIA	"	728	728	160	0.73	630	(80)	6	
CULINK INTERNATIONAL LTD.	Glorytek Science India Private Limited	INDIA	Manufacture	728	728	160	0.73	635	(29)	7	
PACIFIC WEALTH LIMITED	FOXLINK INTERNATIONAL, INC.	U.S.A	Sale of electronic telecommunication components	14,550	14,550	500	100	(98,682)	(1,299)	(1,299)	
FOXLINK TECHNICAL INDIA PRIVATE LIMITED	Fegna Electronics Private Limited	INDIA	Manufacture	11,870	11,870	3,001	10	13,632	9,413	935	
Foxlink International Investment Ltd.	FIT Holding Co., Ltd.	TAIWAN	General investments holdings	1,517,670	1,517,670	58,303	23.67	1,621,866	(177,763)	(40,611)	
Foxlink International Investment Ltd.	Yixin Precision Industry Co., Ltd.	TAIWAN	Manufacture of electronic telecommunication components and electronic machinery	60,000	60,000	6,000	75	-	-	-	
Foxlink International Investment Ltd.	Microlink Communications Inc.	TAIWAN	Manufacture and sale of telecommunication equipment and apparatus	80,000	80,000	6,857	21.43	(21,624)	1,818	390	
Foxlink International Investment Ltd.	World Circuit Technology Co., Ltd.	TAIWAN	Manufacture and sale of electronic telecommunication components and flexible printed circuit	469,500	469,500	15,650	69.56	187,016	(9,242)	(6,429)	
Foxlink International Investment Ltd.	Linkmedia Co., Ltd.	TAIWAN	Manufacture and sale of electronic telecommunication components	25,000	25,000	2,500	100	\$ 20,225	\$ -	-	
Foxlink International Investment Ltd.	Proconn Technology Co., Ltd.	TAIWAN	"	227,952	227,952	31,190	50	18,730	31,313	15,666	
Foxlink International Investment Ltd.	CENTRAL MOTION PICTURE CORPORATION	TAIWAN	Motion picture production	900,000	900,000	15,000	13.6	1,723,903	108,427	14,746	
Foxlink International Investment Ltd.	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	INDIA	Manufacture and sale of electronic telecommunication components	783	-	200	1	764	(2,748)	(27)	
Foxlink International Investment Ltd.	CYNC Design Co., Ltd.	TAIWAN	Sale of electronic telecommunication components	10,000	10,000	1,000	15.38	10,000	7	16	
SOLTERAS LIMITED	SOLTERAS INC.	U.S.A	"	-	58,200	-	-	-	-	-	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2020			Net profit (loss) of the investee for the nine-month period ended September 30, 2020	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2020	Footnote
				Balance as at September 30, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
World Circuit Technology Co., Ltd.	VALUE SUCCESS LTD.	British Virgin IS.	Holding company and reinvestment business	186,240	186,240	5,000	100	32,100	(4,130)	(4,130)	
VALUE SUCCESS Ltd.	CAPITAL GUARDIAN LIMITED	HONG KONG	Sale of electronic telecommunication components	186,240	186,240	3,005	100	32,035	(4,130)	(4,130)	
CAPITAL GUARDIAN LIMITED	World Circuit Technology (Hong Kong) Limited	HONG KONG	"	32,712	32,712	-	100	32,036	(4,130)	(4,130)	
Fu Uei International Investment Ltd.	FTI Holding Co., Ltd.	TAIWAN	General investments holding	557,248	557,248	14,690	5.97	389,676	(177,763)	(10,232)	
Fu Uei International Investment Ltd.	Studio A Inc.	TAIWAN	Sale of electronic telecommunication components	96,200	96,200	13,196	51	288,216	50,940	25,979	
Fu Uei International Investment Ltd.	VA Product Inc.	TAIWAN	"	16,642	14,888	2,400	100	8,420	2,355	2,105	
Fu Uei International Investment Ltd.	Proconn Technology Co., Ltd.	TAIWAN	Manufacture and sale of electronic telecommunication components	4,050	4,050	810	1	1,393	31,313	407	
Fu Uei International Investment Ltd.	Zhi De Investment Co., Ltd.	TAIWAN	General investments holding	2,184,388	2,184,388	170,918	100	557,872	(14,596)	(14,596)	
Fu Uei International Investment Ltd.	CMPC Cultural & Creative Co., Ltd.	TAIWAN	Venture capital industry	150,000	150,000	15,000	42.86	124,112	1,551	666	
Fu Uei International Investment Ltd.	Shinfox Energy Co., Ltd.	TAIWAN	Mechanical installation and piping engineering	130,000	130,000	10,500	11	106,426	7,932	(13)	
Fu Uei International Investment Ltd.	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	INDIA	Manufacture and sale of electronic telecommunication components	78,318	-	19,800	99	75,641	(2,748)	(2,742)	
Studio A Inc.	Tayih Digital Technology Co., Ltd.	TAIWAN	"	3,000	3,000	300	60	-	-	-	
Studio A Inc.	Straight A Inc.	TAIWAN	Sale of electronic telecommunication components	66,600	66,600	6,660	100	98,738	22,549	22,549	
Studio A Inc.	Studio A Technology Limited	HONG KONG	Sale of electronic telecommunication components	\$ 9,573	\$ 9,573	2,550	51	\$ 380,651	\$ 9,948	\$ 5,074	
Studio A Inc.	Jing Jing Technology Co., Ltd.	TAIWAN	"	3,700	3,700	370	100	7,957	(11)	(11)	
Studio A Inc.	ASHOP CO., Ltd	KOREA SOUTH	"	291,000	291,000	675	100	246	4,237	4,237	
Studio A Technology Limited	Studio A Macau Limited	MACAO	"	1,877	1,877	-	100	1,753	(141)	(141)	
DU Precision Industry Co., Ltd.	CE Link International Ltd.	British Virgin IS.	Sale of raw materials and products of various connectors	481,198	481,198	16,536	100	-	-	-	
DARTIS TECHNOLOGIES CORPORATION	BENEFIT RIGHT LTD.	British Virgin IS.	General investments holding	286,519	286,519	9,846	100	728,618	62,997	62,997	
BENEFIT RIGHT Ltd.	POWER CHANNEL LIMITED	HONG KONG	"	224,361	224,361	6	64.25	672,576	106,164	62,495	
Proconn Technology Co., Ltd.	Advance Electronic Ltd.	SAMOA	"	206,115	206,115	7,083	100	167,577	29,844	29,844	
Advance Electronic Ltd.	SMART TECHNOLOGY INTERNATIONAL Ltd.	SAMOA	"	145,500	145,500	5,000	100	167,577	29,844	29,844	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2020			Net profit (loss) of the investee for the nine-month period ended September 30, 2020	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2020	Footnote
				Balance as at September 30, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Zhi De Investment Co., Ltd.	FIT Holding Co., Ltd.	TAIWAN	General investments holding	1,767,112	1,767,112	21,056	8.55	341,462	(177,763)	(14,666)	
Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	TAIWAN	Energy service management	672,000	672,000	67,200	100	652,600	55,470	55,470	
Shinfox Energy Co., Ltd.	SHINFOX ENERGY INTERNATIONAL INC.	SEYCHELLES	"	-	35,976	-	-	-	-	-	
Shinfox Energy Co., Ltd.	Shinfox Natural Gas Co., Ltd.	TAIWAN	"	15,000	15,000	1,500	100	(2,181)	(8,712)	(8,712)	
Shinfox Energy Co., Ltd.	Foxwell Power Co., Ltd.	TAIWAN	"	19,000	10,000	1,900	95	16,236	(1,950)	(1,906)	
Shinfox Energy Co., Ltd.	Shinfox Power Co., Ltd.	TAIWAN	"	45,000	-	4,500	100	44,959	(41)	(41)	
Foxwell Energy Corporation Ltd.	BeiYuan Wind Power Ltd.	TAIWAN	Wind energy	160,000	160,000	16,000	100	154,678	(5,857)	(5,857)	
Foxwell Energy Corporation Ltd.	Changyuan Wind Power Ltd.	TAIWAN	"	230,000	230,000	23,000	100	224,206	(5,898)	(5,898)	
FIT Holding Co., Ltd.	Glory Science Co., Ltd.	TAIWAN	Manufacture and sale of optical instruments	2,214,868	2,214,868	95,970	100	842,198	(403,383)	(403,483)	
FIT Holding Co., Ltd.	Foxlink Image Technology Co., Ltd.	TAIWAN	Manufacture and sale of image scanners and multifunction printers	3,011,140	3,011,140	164,994	100	3,448,860	271,123	266,465	
FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	TAIWAN	Manufacture and sale of electronic telecommunication components	2,172,180	2,172,180	324,691	100	1,938,832	\$ 6,655	\$ 4,999	
FIT Holding Co., Ltd.	Shih Fong Power Co., Ltd.	TAIWAN	Hydroelectricity	760,000	760,000	95,000	41.30	1,001,117	(2,115)	(1,738)	
Foxlink Image Technology Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	British Virgin IS.	Manufacture and sale of image scanners and multifunction	1,052,747	1,052,747	13,241	100	1,295,063	111,176	111,176	
Foxlink Image Technology Co., Ltd.	KLEINE DEVELOPMENTS LIMITED	British Virgin IS.	Manufacture and sale of Magnesium products	-	656,205	-	-	-	3	-	
Foxlink Image Technology Co., Ltd.	Shih Fong Power Co., Ltd.	TAIWAN	Hydroelectricity	957,600	-	79,800	34.70	957,377	(2,115)	-	
Foxlink Image Technology Co., Ltd.	CENTRAL MOTION PICTURE CORPORATION	TAIWAN	Motion picture production	257,656	257,656	4,294	3.89	244,982	108,427	4,218	
ACCU-IMAGE TECHNOLOGY LIMITED	POWER CHANNEL LIMITED	HONG KONG	Reinvestment business	142,590	142,590	4	35.75	476,573	106,164	37,954	
Glory Science Co., Ltd.	Glory Tek (BVI) Co., Ltd.	British Virgin IS.	General investments holding	1,379,545	1,379,545	40,700	100	648,592	(249,110)	(249,110)	
Glory Tek (BVI) Co., Ltd.	GLORY TEK (SAMOA) CO., LTD.	SAMOA	"	780,074	780,074	25,051	100	734,693	(138,130)	(138,130)	
Glory Tek (BVI) Co., Ltd.	Glory Optics (BVI) Co., Ltd.	British Virgin IS.	Sales agent	494,899	494,899	16,000	100	(23,553)	(110,949)	(110,949)	
Glory Tek (BVI) Co., Ltd.	GLORYTEK SCIENCE INDIA PRIVATE LIMITED	INDIA	Manufacture	99,927	99,927	21,773	99.27	85,390	(29)	(29)	
GLORYTEK SCIENCE INDIA PRIVATE LIMITED	TEGNA ELECTRONICS PRIVATE LIMITED	INDIA	"	13,174	13,174	3,001	10	11,870	9,413	941	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2020				Net profit (loss) of the investee for the nine-month period ended September 30, 2020	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2020	Footnote
				Balance as at September 30, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value				
Power Quotient International Co., Ltd.	POWER QUOTIENT INTERNATIONAL (H.K.) CO., LTD.	HONG KONG	Sale of electronic telecommunication components	398,299	398,299	106,100	100	(4,791)	(13)			
Power Quotient International Co., Ltd.	PQI Japan Co., Ltd.	JAPAN	"	23,129	23,129	24	100	(156,075)	(82)			
Power Quotient International Co., Ltd.	Syscom Development Co., Ltd	British Virgin IS.	Specialized investments holding	316,113	316,113	10,863	100	(407,930)	233			
Power Quotient International Co., Ltd.	Apix Limited	British Virgin IS.	"	3,010,954	3,010,954	13	100	(1,275,685)	3,119			
Power Quotient International Co., Ltd.	PQI Mobility Inc.	SAMOA	Specialized investments holding	291,000	291,000	10,000	100	(677,948)	(12,470)			
Power Quotient International Co., Ltd.	Castles Technology Co., Ltd.	TAIWAN	Manufacture and sale of barcode application magnetic card and reader	\$ 43,061	\$ 48,831	12,456	13.91	\$ 195,516	\$ 134,864			
Power Quotient International Co., Ltd.	POWER SUFFICIENT INTERNATIONAL Co., Ltd.	TAIWAN	Sale of medical instruments	10,000	10,000	1,000	100	8,719	530			
Power Quotient International Co., Ltd.	Shinfox Energy Co., Ltd.	TAIWAN	Energy service management	561,482	553,110	60,644	60.64	614,638	7,932			
POWER SUFFICIENT INTERNATIONAL Co., Ltd.	Castles Technology Co., Ltd.	TAIWAN	Manufacture and sale of barcode application magnetic card and reader	6,670	6,670	331	0.37	5,196	134,864			
Syscom Development Co., Ltd.	PQI CORPORATION	U.S.A	Sale of electronic telecommunication components	203,700	203,700	7,000	100	(492,548)	312			
Syscom Development Co., Ltd.	Foxlink Powerbank International Technology Private Limited	INDIA	"	97,863	97,863	21,790	99.27	84,585	(80)			
Apix Limited	SINOCITY INDUSTRIES LIMITED	HONG KONG	Sale of 3C products	2,533,950	2,533,950	6,000	100	963,255	682			
Apix Limited	Perennial Ace Limited	British Virgin IS.	Specialized investments holding	619,830	619,830	-	100	312,295	2,437			
SINOCITY INDUSTRIES LIMITED	DG LIFESTYLE STORE LIMITED	MACAO	Sale of 3C products	364	364	100	100	8,112	(123,648)			
Perennial Ace Limited	Studio A Technology Limited	HONG KONG	"	4,998	4,998	1,225	24.50	182,863	9,948			
Foxlink Powerbank International Technology Private Limited	Tegna Electronics Private Limited	INDIA	Manufacture	11,851	11,851	3,001	10	11,852	9,413			

Cheng Wei Precision Industry Co., Ltd.
Information on investments in Mainland China
Nine months ended September 30, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 9

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2020	Net income of investee as of September 30, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2020 (Note 2)	Book value of investments in Mainland China as of September 30, 2020	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Investee in Mainland China Fugang Electronic (Dongguan) Co., Ltd.	Manufacture and sale of electronic telecommunication components	\$ 1,268,131	Investment through an existing company in the third area	\$ 1,268,131	\$ -	\$ -	\$ 1,268,131	\$ 338,117	100	\$ 338,117	\$ 5,529,077	\$ -	
Culink Tianjin Co., Ltd.	"	116,400	"	29,100	-	-	29,100	965	100	965	226,481	-	
Fugang Electric (Kunshan) Co., Ltd.	"	3,535,650	"	3,535,650	-	-	3,535,650	(411,536)	100	(411,536)	3,440,048	-	
Dong Guan Fu Shi Chang Co., Ltd.	"	3,514	"	3,514	-	-	3,514	-	100	-	2,394	-	
Dongguan Fujiang Electronics Co., Ltd.	"	3,457,371	Investment through an existing company in the third area and the investee company in Mainland China	2,875,371	-	-	2,875,371	266,410	100	266,410	8,077,539	-	
Foxlink Automotive Technology (Kunshan) Co., Ltd.	"	190,510	"	87,300	-	-	87,300	41,151	100	41,151	240,019	-	
Foxlink Energy (Tianjin) Ltd.	"	116,400	Investment through an existing company in the third area	116,400	-	-	116,400	(37)	100	(37)	168,566	-	
Pushing Electronics (Kunshan) Co., Ltd.	"	349,200	"	349,200	-	-	349,200	57,847	100	57,847	974,321	-	
Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	"	130,950	"	130,950	-	-	130,950	(8,501)	100	(8,501)	82,168	-	
Fu Gang Electronic (Nan Chang) Co., Ltd.	"	1,455,000	Investment through an existing company in the third area and the investee company in Mainland China	1,047,600	-	-	1,047,600	(102,627)	100	(102,627)	1,297,218	-	
Fugang Electric (YANCHENG) Co., Ltd.	"	87,300	Investment through an existing company in the third area	69,840	-	-	69,840	1,330	80	1,064	48,169	-	
FUQIANG ELECTRIC (YANCHENG) Co., Ltd.	"	291,000	"	291,000	-	-	291,000	(1,248)	100	(1,248)	(19,520)	-	
Foxlink Tianjin Co., Ltd.	"	523,800	"	151,320	-	-	151,320	(74,974)	100	(74,974)	2,329,816	-	
Kunshan Fugang Investment Co., Ltd.	Reinvestment business	873,000	"	873,000	-	-	873,000	28,449	100	28,449	1,531,588	-	
FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	Manufacture and sale of electronic telecommunication components	885,546	Investment through an existing company in the third area and the investee company in Mainland China	291,000	-	-	291,000	(104,908)	100	(104,908)	160,253	-	
Fuzhan Electronics (Shanghai) Co., Ltd.	"	436,500	Investment through the investee company in Mainland China	231,636	-	-	231,636	(7,783)	100	(7,783)	51,889	-	
Kunshan Fugang Electric Trading Co., Ltd.	Sale of electronic telecommunication components	166,684	"	-	-	-	-	(516)	51	(263)	(62)	-	
Kunshan Fu Shi You Trading Co., Ltd.	"	59,766	"	\$ -	\$ -	\$ -	\$ -	(14)	51	(7)	13,451	-	
Shanghai Fugang Electric Trading Co., Ltd.	"	8,538	"	-	-	-	-	2,992	51	1,526	(104,324)	-	

Investee in Mainland China Shanghai Standard Information Technology Co., Ltd.	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2020	Net income of investee as of September 30, 2020 (Note 2)	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2020 (Note 2)	Book value of investments in Mainland China as of September 30, 2020	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Suzhou Yuhang Electronic Technology Co., Ltd.	Sale of electronic telecommunication components	2,135	Investment through the investee company in Mainland China	145,500	-	-	145,500	51	(2,186)	29,844	167,577	-	
Suzhou Yuhang Electronic Technology Co., Ltd.	Manufacture of computers and memory cards	145,500	"	224,361	-	-	224,361	51.33	29,844	97,267	981,793	-	
Sharetron Data Technology Co., Ltd.	Manufacture and sale of electronic telecommunication components	661,346	"	145,500	-	-	145,500	19.94	335,800	772	138,425	-	
FUQIANG ELECTRIC (MAANSHAN) Co., Ltd.	"	494,700	"	494,700	-	-	494,700	100	176,701	176,701	679,252	-	
FUGANG ELECTRIC (XUZHOU) Co., Ltd.	"	128,070	"	-	-	-	-	100	459	-	121,824	-	
Dongguan Bannin Robot Technology Co., Ltd.	Manufacture and sale of automated equipment	10,673	"	-	-	-	-	31.03	(4,589)	(2,549)	24,381	-	
Suzhou Kexu Ruo Automobile Technology Co., Ltd.	Manufacture	426,900	"	-	-	-	-	55.56	(5,807)	(2,905)	420,390	-	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	General investments holding	29,883	"	29,883	-	-	29,883	50	18,497	13,100	17,454	-	
Changde Fubo Intelligent Technology Co., Ltd.	Manufacture and sale of automated equipment	1,455	Investment through an existing company in the third area	1,455	-	-	1,455	70	3,397	3,397	6,514	-	
Kunshan Jiawei Info Tech Co., Ltd.	Supply chain finance energy service management	178,684	"	178,684	-	-	178,684	100	12,927	12,927	235,973	-	
Dong Guan HanYang Computer Co., Ltd.	Manufacture of image scanners and multifunction printers and investment of real estate	236,067	"	173,596	-	-	173,596	100	8,852	8,852	266,256	-	
Dong Guan Fu Zhang Precision Industry Co., Ltd.	Mould development and moulding tool manufacture	232,800	"	145,500	-	-	145,500	100	(5,518)	(5,518)	254,290	-	
Wei Hai Fu Kang Electric Co., Ltd.	Manufacture and sale of parts and moulds of photocopiers and scanners	174,600	"	154,472	-	-	154,472	100	28,612	28,612	455,950	-	
Dongguan Fu Wei Electronics Co., Ltd.	Manufacture and sale of image scanners, multifunction and parts printers	407,400	"	407,400	-	-	407,400	100	(88,328)	(88,328)	503,741	-	
Glorytek (Suzhou) Co., Ltd.	Manufacture	261,900	"	261,900	-	-	261,900	100	(109,583)	(109,583)	277,672	-	
Glorytek (Yancheng) Co., Ltd.	"	42,690	Investment through the investee company in Mainland China	-	-	-	-	100	(1,389)	(1,389)	142,054	-	
Yancheng Yaowei Technology Co., Ltd.	"	921,109	Investment through an existing company in the third area and the investee company in Mainland China	321,315	-	-	321,315	100	(142,766)	(142,766)	674,891	-	
Glorytek (Yancheng) Co., Ltd.	"	582,000	Investment through an existing company in the third area	Note 1	-	-	-	100	(12,470)	(12,470)	677,948	-	
POWER QUOTIENT TECHNOLOGY (YANCHENG) Co., Ltd.	Manufacture and sale of electronic telecommunication components	661,695	Note 2	Note 3	-	-	-	Note 4	-	-	-	-	
Jiangsu Foxlink New Energy Technology Co., Ltd.	"		Note 2	Note 3	-	-	-	Note 4	-	-	-	-	

Note 1: The financing amount remitted to PQIS indirect investment of POWER QUOTIENT TECHNOLOGY (YANCHENG) Co., Ltd. was through an existing company in the third area.

Note 2: Investment through the investee company in Mainland China.

Note 3: The financing amount remitted to PQIS indirect investment of Jiangsu Foxlink New Energy Technology Co., Ltd. was through POWER QUOTIENT TECHNOLOGY (YANCHENG) Co., Ltd.

Note 4: Jiangsu Foxlink New Energy Technology Co., Ltd. formerly the subsidiary of the Group, increased its capital in April 2020. The Group did not acquire shares proportionally to its interest. As a result, the Group lost control over it and recognised it as investment accounted for using equity method. In September 2020, the Group lost significant influence over Jiangsu Foxlink and reclassified it as financial assets at fair value through other comprehensive income after receiving proceeds from capital reduction which decreased the share interest down to 12.9%.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2020	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Cheng Uei Precision Industry Co., Ltd.	\$ 12,245,456	\$ 13,774,949	The Company's investment in Mainland China is not subject to an upper limit as the Company obtained the certificate of scope of operations issued by Industrial Development Bureau, MOEA in accordance with the Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China amended on August 29, 2008.
Foxlink Image Technology Co., Ltd.	788,811	943,346	
Glory Science Co., Ltd.	990,615	1,220,745	
Power Quotient International Co., Ltd.	1,455	635,690	

Note 1: It was the reinvestment in Mainland China through an existing company in the third area by cash and the investment was approved by the Investment Commission of MOEA.

Note 2: Investment income (loss) recognised by the Company for the nine months ended September 30, 2020 was reviewed by independent accountants.

Note 3: The Company's investment in Mainland China is not subject to an upper limit as the Company obtained the scope of operations certificate of being qualified for operating headquarters issued by Industrial

Development Bureau, MOEA in accordance with the Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China amended on August 29, 2008.

Note 4: The investments through the investee company in Mainland China of the Company including: Dongguan Fuqiang Electronics Co., Ltd. (DGFO), Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN), Fuzhan Electronics (Shanghai) Co., Ltd. (FESH), Fu Gang Electronic (Nan Chang) Co., Ltd. (FENC), Foxlink Automotive Technology (Kunshan) Co., Ltd. (KAFE), Kunshan Fugang Electric Trading Co., Ltd. (KFET), Kunshan Fu Shi You Trading Co., Ltd. (KFSY), Shanghai Fugang Electric Trading Co., Ltd. (SFET), Shanghai Standard Information Technology Co., Ltd. (Shanghai Standard), Fuqiang Electric (MAANSHAN) Co., Ltd. (FQ MAANSHAN), Dongguan Banrin Robot Technology Co., Ltd. (Banrin), Suzhou Keyu Rui Automobile Technology Co., Ltd. (Keyu Rui) and Changde Fubo Intelligent Technology Co., Ltd. (CDFB), except for the investment via the holding companies in Mainland China, other investments shall not be approved by Investment Commission of MOEA.

Cheng Uei Precision Industry Co., Ltd.
 Major shareholders information
 September 30, 2020

Table 10

	Number of major shareholders	Shares	
		Name of shares held	Ownership (%)
HSIN HUNG International Investment Co., Ltd.		100,535,228	19.62%
CENTRAL MOTION PICTURE CORPORATION		32,584,000	6.36%
Foxlink Image Technology Co., Ltd.		27,503,000	5.36%