

**CHENG UEI PRECISION INDUSTRY CO.,
LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 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.

CHENG UEI PRECISION INDUSTRY CO., LTD.
DECEMBER 31, 2020 AND 2019 CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
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CHENG UEI PRECISION INDUSTRY CO., LTD.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31,2020, pursuant to “Criteria Governing Preparation of Affiliated Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”, the company that is required to be included in the consolidated financial statements of affiliates, is the same as the company required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

CHENG UEI PRECISION INDUSTRY CO., LTD.

March 26, 2021

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 20000508

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

Opinion

We have audited the accompanying consolidated balance sheets of Cheng Uei Precision Industry Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report(s) of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audit of the parent company only financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China; and in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on February 25, 2020 and generally accepted auditing standards in the Republic of China for our audit of the parent company only financial statements as of and for the year ended December 31, 2019. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public

Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter-significant unresolved litigation involving investments accounted for using equity method

As described in Notes 6(8) and 9(6) to the consolidated financial statements, Central Motion Picture Corporation, an equity-method investment of the Group, was determined to be an affiliate organization of the Kuomintang by the Ill-gotten Party Assets Settlement Committee (the “Ill-gotten Party”) 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 Organizations, Central Motion Picture Corporation 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, 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 a 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 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group’s 2020 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group’s 2020 consolidated financial statements are stated as follows:

Valuation of Goodwill impairment

Description

Please refer to Note 4(19) for accounting policies on impairment loss on non-financial assets, Note 5(1) for the uncertainty of accounting estimates and assumptions applied to goodwill impairment valuation, and Note 6(12) for details of goodwill impairment valuation.

The amount of goodwill (including indefinite useful life trademarks) was derived from the acquisition of Power Quotient International Co., Ltd., Foxlink Image Technology Co., Ltd., Glory Science Co., Ltd. and DG Lifestyle Store Limited by the Company's subsidiary, FIT Holding Co., Ltd. The Group valued the impairment of goodwill (including indefinite useful life trademarks) through the discounted cash flow method, using the higher of value in use or fair value less costs to sell to measure the cash generating unit's recoverable amount. As the assumptions of expected future cash flows contained subjective judgement and involved a high degree of uncertainty which would cause a material impact on the valuation result, the valuation of goodwill impairment (including indefinite useful life trademarks) was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Obtained an understanding and assessed the reasonableness of valuation of goodwill impairment policies and procedures, including collection of internal and external data, operating forecast and industry changes.
- B. Obtained the external appraisal report on impairment valuation and performed the following procedures:
 - (a) We examined the external appraiser's qualification and assessed the independence, objectiveness and competence.
 - (b) We assessed that the valuation method used in the appraisal report was widely used and appropriate.
 - (c) We assessed the reasonableness of significant assumptions (including expected growth rate and discount rate) applied in the appraisal report.

Assessment of allowance for inventory valuation losses

Description

Please refer to Note 4(13) for accounting policies on inventory, Note 5(2) for the uncertainty of accounting estimates and assumptions applied to inventory valuation, and Note 6(7) for details of inventory.

The Group is primarily engaged in the manufacturing and sale of electronic components and parts. As the electronic products' life cycles are relatively short and the market is highly competitive, there is a higher risk of incurring inventory valuation losses or obsolescence due to economic depression or an excess of supply over demand. The Company's inventories are measured at the lower of cost and net realisable value, and individually assessed for those inventories over a certain age in order to identify obsolete or slow-moving inventories.

The industry technology is rapidly changing, and the net realisable value involves subjective judgement resulting in an uncertainty when assessing the obsolete or slow-moving inventories. Given that the inventory and allowance for inventory valuation losses were material to the financial statements, the assessment of allowance for inventory valuation losses was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

- A. Assessed the reasonableness of policies and procedures on allowance for inventory valuation losses based on our understanding of the Group's operation and industry.
- B. Obtained an understanding of the Group's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count event in order to assess the effectiveness of the management of inventory.
- C. Verified whether the systematic logic used in the Group's inventory aging report is appropriate and in line with its policies.

D. Inspected inventory valuation basis adequacy and verified the selected samples' information, for instance, purchase price and sale price. Also recalculated and evaluated the reasonableness of inventory allowance basis in order to verify that the inventory was measured at the lower of cost and net realisable value.

Other matter - Reference to the reports of other auditors

We did not audit the financial statements of certain subsidiaries which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in the financial statements and the information disclosed in Note 13 in respect of these subsidiaries, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$ 430,857 thousand and NT\$ 414,617 thousand, constituting 0.52% and 0.57% of the consolidated total assets as at December 31, 2020 and 2019, respectively, and the operating revenue amounted to NT\$ 1,919,272 thousand and NT\$ 1,772,626 thousand, constituting 2.14% and 1.81% of the consolidated total operating revenue for the years then ended, respectively.

Other matter-Parent company only financial reports

We have audited and expressed an unqualified opinion with an *Other matters* section on the parent company only financial statements of Cheng Uei Precision Industry Co., Ltd. as at and for the years ended December 31, 2020 and 2019.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

- A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Lin, Se-Kai

Liang, Yi-Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 26, 2021

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' 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
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

ASSETS	Notes	December 31, 2020		December 31, 2019	
		AMOUNT	%	AMOUNT	%
CURRENT ASSETS					
1100	Cash and cash equivalents	\$ 10,993,540	13	\$ 6,296,729	9
1110	Financial assets at fair value through profit or loss - current	-	-	129,150	-
1136	Current financial assets at amortised cost	6,407,553	8	1,643,178	2
1140	Current contract assets	104,591	-	169,992	-
1150	Notes receivable, net	35,124	-	24,547	-
1170	Accounts receivable, net	16,310,230	20	15,474,111	21
1180	Accounts receivable, net - related parties	603,705	1	430,979	1
1200	Other receivables	203,599	-	359,717	1
1210	Other receivables - related parties	55,868	-	95,825	-
1220	Current income tax assets	5,024	-	15,762	-
130X	Inventories	13,276,324	16	11,218,741	15
1410	Prepayments	1,167,099	2	1,556,450	2
1470	Other current assets	127,649	-	22,440	-
11XX	TOTAL CURRENT ASSETS	<u>49,290,306</u>	<u>60</u>	<u>37,437,621</u>	<u>51</u>
1517	Financial assets at fair value through other comprehensive income-non-current	986,704	1	936,755	1
1535	Non-current financial assets at amortised cost	146,394	-	127,584	-
1550	Investments accounted for under the equity method	4,975,620	6	4,454,802	6
1600	Property, plant and equipment, net	20,850,423	25	23,397,983	32
1755	Right-of-use assets	1,638,691	2	1,831,171	2
1760	Investment property, net	584,072	1	591,774	1
1780	Intangible assets	1,653,998	2	2,251,948	3
1840	Deferred income tax assets	537,988	1	552,815	1
1915	Prepayments for business facilities	1,153,711	1	1,295,103	2
1990	Other non-current assets, others	444,195	1	418,848	1
15XX	TOTAL NON-CURRENT ASSETS	<u>32,971,796</u>	<u>40</u>	<u>35,858,783</u>	<u>49</u>
1XXX	TOTAL ASSETS	<u>\$ 82,262,102</u>	<u>100</u>	<u>\$ 73,296,404</u>	<u>100</u>

(Continued)

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019

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

	Notes	December 31, 2020		December 31, 2019		
		AMOUNT	%	AMOUNT	%	
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
2100	Short-term borrowings	6(13)	\$ 4,341,582	5	\$ 2,038,744	3
2110	Short-term notes and bills payable	6(14)	387,222	1	374,942	-
2130	Current contract liabilities	6(23)	896,775	1	787,222	1
2150	Notes payable		155	-	3,273	-
2170	Accounts payable		17,521,270	21	14,712,215	20
2180	Accounts payable - related parties	7	160,726	-	230,091	-
2200	Other payables	6(15) and 7	4,778,465	6	5,870,986	8
2230	Current income tax liabilities	6(30)	660,933	1	372,824	1
2280	Current lease liabilities	7	199,445	-	226,420	-
2365	Current refund liabilities		234,170	-	457,475	1
2399	Other current liabilities, others	6(17)	1,082,022	2	1,200,506	2
21XX	TOTAL CURRENT LIABILITIES		<u>30,262,765</u>	<u>37</u>	<u>26,274,698</u>	<u>36</u>
NON-CURRENT LIABILITIES						
2530	Corporate bonds payable	6(16)	6,574,982	8	2,987,655	4
2540	Long-term borrowings	6(17)	12,323,297	15	12,038,454	16
2570	Deferred income tax liabilities	6(30)	868,521	1	795,899	1
2580	Non-current lease liabilities	7	218,089	-	294,317	-
2600	Other non-current liabilities	6(8)(18)	1,930,560	2	2,662,862	4
25XX	TOTAL NON-CURRENT LIABILITIES		<u>21,915,449</u>	<u>26</u>	<u>18,779,187</u>	<u>25</u>
2XXX	TOTAL LIABILITIES		<u>52,178,214</u>	<u>63</u>	<u>45,053,885</u>	<u>61</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT						
Capital stock						
3110	Common stock	6(19)	5,123,269	6	5,123,269	7
Capital reserve						
3200	Capital surplus	6(20)	9,828,746	11	9,471,717	13
Retained earnings						
3310	Legal reserve	6(21)	3,002,026	4	2,803,290	4
3320	Special reserve		2,334,534	3	1,609,901	2
3350	Unappropriated earnings		5,782,390	7	6,030,302	8
Other equity						
3400	Other equity interest	6(22)	(2,036,346)	(2)	(2,334,535)	(3)
Treasury shares						
3500	Treasury shares	6(19)	(272,066)	-	(272,066)	-
31XX	Equity attributable to owners of the parent		<u>23,762,553</u>	<u>29</u>	<u>22,431,878</u>	<u>31</u>
36XX	Non-controlling interests		<u>6,321,335</u>	<u>8</u>	<u>5,810,641</u>	<u>8</u>
3XXX	TOTAL EQUITY		<u>30,083,888</u>	<u>37</u>	<u>28,242,519</u>	<u>39</u>
Significant contingent liabilities and unrecognised contract commitments 9						
Significant events after the balance sheet date 11						
3X2X	TOTAL LIABILITIES AND EQUITY		<u>\$ 82,262,102</u>	<u>100</u>	<u>\$ 73,296,404</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
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except earnings per shares)

Items	Notes	Years ended December 31				
		2020		2019		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(23) and 7	\$ 89,552,100	100	\$ 97,820,336	100
5000	Operating costs	6(7)(28)(29) and 7	(79,778,673)	(89)	(87,602,570)	(89)
5900	Gross profit		9,773,427	11	10,217,766	11
	Operating expenses	6(28)(29)				
6100	Sales and marketing expenses		(1,706,404)	(2)	(1,904,749)	(2)
6200	General and administrative expenses		(3,326,946)	(4)	(3,596,566)	(4)
6300	Research and development expenses		(2,386,034)	(2)	(2,442,560)	(2)
6450	Expected credit gain	12(2)	40,378	-	7,799	-
6000	Total operating expenses		(7,379,006)	(8)	(7,936,076)	(8)
6900	Operating income		2,394,421	3	2,281,690	3
	Non-operating income and expenses					
7100	Interest income	6(24)	105,872	-	106,993	-
7010	Other income	6(25) and 7	578,283	1	492,084	-
7020	Other gains and losses	6(26)	(382,175)	(1)	(354,994)	-
7050	Finance costs	6(27)	(349,253)	-	(350,318)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(8)	236,687	-	209,359	-
7000	Total non-operating income and expenses		189,414	-	103,124	-
7900	Income before income tax		2,583,835	3	2,384,814	3
7950	Income tax expense	6(30)	(699,467)	(1)	(597,478)	(1)
8200	Net income		\$ 1,884,368	2	\$ 1,787,336	2

(Continued)

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except earnings per shares)

Items	Notes	Years ended December 31			
		2020		2019	
		AMOUNT	%	AMOUNT	%
Other comprehensive (loss) income, net					
Components of other comprehensive (loss) income that will not be reclassified to profit or loss					
8311 Loss on remeasurements of defined benefit plans	6(18)	(\$ 7,235)	-	(\$ 5,358)	-
8316 Unrealized gain on equity instrument at fair value through other comprehensive income	6(3)	(55,232)	-	(115,954)	-
8320 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		2,866	-	146,285	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	1,035	-	51	-
8310 Total components of other comprehensive (loss) income that will be reclassified to profit or loss		(58,566)	-	25,024	-
Components of other comprehensive (loss) income that will be reclassified to profit or loss					
8361 Exchange differences arising on translation of foreign operations		377,265	-	(1,084,614)	(1)
8370 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		21,923	-	(42,766)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(30)	(82,675)	-	206,789	-
8360 Total components of other comprehensive (loss) income that will be reclassified to profit or loss		316,513	-	(920,591)	(1)
8300 Other comprehensive (loss) income, net		<u>\$ 257,947</u>	<u>-</u>	<u>(\$ 895,567)</u>	<u>(1)</u>
8500 Total comprehensive income for the year		<u>\$ 2,142,315</u>	<u>2</u>	<u>\$ 891,769</u>	<u>1</u>
Net (loss) income attributable to:					
8610 Shareholders of the parent		\$ 1,967,432	2	\$ 1,987,361	2
8620 Non-controlling interests		(83,064)	-	(200,025)	-
Total		<u>\$ 1,884,368</u>	<u>2</u>	<u>\$ 1,787,336</u>	<u>2</u>
Total comprehensive (loss) income attributable to:					
8710 Shareholders of the parent		\$ 2,254,491	2	\$ 1,256,389	1
8720 Non-controlling interests		(112,176)	-	(364,620)	-
Total		<u>\$ 2,142,315</u>	<u>2</u>	<u>\$ 891,769</u>	<u>1</u>
Basic earnings per share (in dollars)					
9750 Total basic earnings per share	6(31)	<u>\$</u>	<u>4.06</u>	<u>\$</u>	<u>4.10</u>
Diluted earnings per share (in dollars)					
9850 Total diluted earnings per share	6(31)	<u>\$</u>	<u>4.02</u>	<u>\$</u>	<u>4.05</u>

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
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent											
Notes	Retained earnings					Other equity interest			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	Treasury shares			
Year ended December 31, 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
	-	-	-	-	1,987,361	-	-	-	1,987,361	(200,025)	1,787,336
6(22)	-	-	-	-	(6,338)	(785,046)	60,412	-	(730,972)	(164,595)	(895,567)
	-	-	-	-	1,981,023	(785,046)	60,412	-	1,256,389	(364,620)	891,769
6(21)	-	-	60,810	-	(60,810)	-	-	-	-	-	-
	-	-	-	101,605	(101,605)	-	-	-	-	-	-
	-	-	-	-	(768,490)	-	-	(768,490)	-	(768,490)	-
6(20)	-	-	-	-	(50)	-	-	(50)	978	-	928
	-	41,255	-	-	-	-	-	41,255	-	-	41,255
	-	-	-	-	-	-	-	-	-	129,823	129,823
	\$ 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
Year ended December 31, 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
	-	-	-	-	1,967,432	-	-	-	1,967,432	(83,064)	1,884,368
6(22)	-	-	-	-	(11,130)	349,333	(51,144)	-	287,059	(29,112)	257,947
	-	-	-	-	1,956,302	349,333	(51,144)	-	2,254,491	(112,176)	2,142,315
6(21)	-	-	198,736	-	(198,736)	-	-	-	-	-	-
	-	-	-	724,633	(724,633)	-	-	-	-	-	-
	-	-	-	-	(1,280,818)	-	-	(1,280,818)	-	(1,280,818)	-
6(20)	-	121,169	-	-	(27)	-	-	-	121,142	(21,587)	99,555
	-	167,141	-	-	-	-	-	-	167,141	-	167,141
6(20)	-	(38)	-	-	-	-	-	(38)	-	-	(38)
	-	68,757	-	-	-	-	-	68,757	-	-	68,757
	-	-	-	-	-	-	-	-	-	644,457	644,457
	\$ 5,123,269	\$ 9,828,746	\$ 3,002,026	\$ 2,334,534	\$ 5,782,390	(\$ 1,730,123)	(\$ 306,223)	(\$ 272,066)	\$ 23,762,553	\$ 6,321,335	\$ 30,083,888

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
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31,	
		2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 2,583,835	\$ 2,384,814
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets or liabilities at fair value through profit or loss	6(2)	(8,472)	(5,507)
Depreciation (including investment property)	6(2)(9)(10)(11)(26)	3,223,064	3,731,024
Amortisation (including long-term prepaid rent amortisation)	6(12)(28)	119,825	109,263
Expected credit gain	12(2)	(40,378)	(7,799)
Interest expense	6(27)	349,253	350,318
Interest income	6(24)	(105,872)	(106,993)
Share of profit of associates accounted for using the equity method	6(8)	(236,687)	(209,359)
Loss on disposal of property, plant and equipment	6(26)	71,752	13,204
Gain on disposal of investments	6(26)	(250,764)	(24,693)
Goodwill impairment loss	6(26)	539,338	582,901
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets measured at fair value through profit or loss		137,622	(123,643)
Contract assets		65,401	34,282
Notes receivable, net		(10,577)	(135)
Accounts receivable		(821,844)	(2,782,212)
Accounts receivable from related parties		(172,726)	249,038
Other receivables		154,683	344,932
Other receivables from related parties		39,957	(27,805)
Inventories		(2,181,326)	1,966,163
Prepayments		164,481	(50,097)
Other current assets		(105,209)	29,543
Other non-current assets		43,519	248,808
Changes in operating liabilities			
Contract liabilities		109,553	162,935
Notes payable		(3,118)	(169,793)
Accounts payable		2,837,260	(706,112)
Accounts payables to related parties		(69,365)	(96,811)
Other payables		(383,626)	(184,667)
Refund liabilities		(223,305)	437,791
Other current liabilities		248,779	(45,935)
Other non-current liabilities		121,562	225,162
Cash inflow generated from operations		6,196,615	6,328,617
Interest received		105,872	106,993
Dividends received		82,280	93,420
Interest paid		(326,057)	(337,187)
Income tax paid		(405,611)	(506,666)
Net cash flows from operating activities		5,653,099	5,685,177

(Continued)

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31,	
		2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income	12(3)	(\$ 41,910)	\$ -
Proceeds from disposal of financial assets at fair value through other comprehensive income	12(3)	28,191	-
Current financial assets at amortised cost	6(4)	(4,783,185)	(1,038,109)
Proceeds from acquisition of long - term equity investment - non - subsidiaries	6(8)	(210,000)	-
Proceeds from capital reduction of investment accounted for under the equity method		342,528	-
Proceeds from disposal of subsidiaries (excluding cash)		441,275	-
Acquisition of subsidiary and other assets (excluding cash)	6(33)	-	(279,811)
Acquisition of property, plant and equipment	6(35)	(2,429,984)	(3,396,916)
Proceeds from disposal of property, plant and equipment	6(9)	165,412	366,523
Acquisition of intangible assets	6(12)	(71,543)	(107,670)
Proceeds from disposal of intangible assets	6(12)	11,365	891
Increase in prepayments for business facilities		(463,631)	(599,080)
Increase in refundable deposits		(96,148)	-
Increase in prepayments for investments	6(8)	(73,672)	(75,563)
Net cash flows used in investing activities		(7,181,302)	(5,129,735)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(36)	38,795,921	18,957,383
Decrease in short-term borrowings	6(36)	(36,493,084)	(18,376,663)
Increase (decrease) in short-term notes payable	6(36)	12,280	(119,953)
Proceeds from issuance of bonds	6(36)	3,584,462	3,000,000
Increase in long-term borrowings	6(36)	24,851,016	6,721,575
Repayment of long - term borrowings	6(36)	(23,946,230)	(8,670,858)
Repayment of lease liabilities	6(36)	(233,619)	(324,094)
Cash flow of non-controlling interest		644,457	129,823
Cash dividends paid	6(21)	(1,212,061)	(727,235)
Net cash flows from financing activities		6,003,142	589,978
Effect of change in exchange rates		221,872	(971,542)
Net increase in cash and cash equivalents		4,696,811	173,878
Cash and cash equivalents at beginning of year	6(1)	6,296,729	6,122,851
Cash and cash equivalents at end of year	6(1)	<u>\$ 10,993,540</u>	<u>\$ 6,296,729</u>

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
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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 authorized for issuance by the Board of Directors on March 26, 2021.

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)

Note: 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
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, 'Interest Rate Benchmark Reform-Phase 2'	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 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	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

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

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(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 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:
- a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

- c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of. Conversely, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be transferred directly to retained earnings, if such gains or losses would be transferred directly to retained earnings when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2020	December 31, 2019	
The Company	CU International Ltd. (CU)	Manufacture of electronic telecommunication components and reinvestment business	100	100	
The Company	Culink International Ltd. (CULINK)	Reinvestment business	100	100	
The Company	Foxlink International Investment Ltd. (FII)	General investments holding	100	100	
The Company	Fu Uei International Investment Ltd. (FUII)	General investments holding	100	100	
The Company	Darts Technologies Corporation (Darts)	Manufacture of electronic telecommunication and wireless components	97	97	
The Company	Foxlink (Vietnam) Inc.	Manufacture of electronic telecommunication components	-	100	Note 3

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2020	December 31, 2019	
The Company	DU Precision Industry Co., Ltd. (DU Precision)	Manufacture of electronic telecommunication components	100	100	
The Company	Foxlink Technology Ltd. (FOXLINK TECH)	Reinvestment business	100	100	
The Company	Solteras Inc. (SOLTERAS)	Manufacture of electronic telecommunication components	-	47.77	Note 3
The Company	Suntain Co., Ltd. (Suntain)	Electroplating processing services	100	100	
The Company	SINOBEST BROTHERS LIMITED (SINOBEST)	Reinvestment business	91.19	100	Note 2,21
CU	Fugang Electronic (Dongguan) Co., Ltd. (FGEDG)	Manufacture of electronic telecommunication components	100	100	
CU	New Start Industries Ltd. (NEW START)	Reinvestment business	100	100	
CU	Fugang Electric (Kunshan) Co., Ltd. (FGEKS)	Manufacture of electronic telecommunication components	100	100	
CU	Dong Guan Fu Shi Chang Co., Ltd. (FSC)	Manufacture of electronic telecommunication components	100	100	
CU	Culink Tianjin Co., Ltd. (CTJ)	Manufacture of electronic telecommunication components	25	25	
CU	Dongguan Fuqiang Electronics Co., Ltd. (DGFQ)	Manufacture of electronic telecommunication components	83.17	83.17	
CU	Foxlink Energy (Tianjin) Ltd. (FETJ)	Manufacture of electronic telecommunication components	100	100	
CU	Foxlink Automotive Technology (Kunshan) Co., Ltd. (KAFE)	Manufacture of electronic telecommunication components	49.98	49.98	
CU	Solteras Limited	General investments holding	100	100	
CU	Fushineng Electronics (Kunshan) Co., Ltd.	Manufacture of electronic telecommunication components	100	100	
CU	Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	Manufacture of electronic telecommunication components	100	100	
CU	Fu Gang Electronic (Nan Chang) Co., Ltd. (FENC)	Manufacture of electronic telecommunication components	72	72	
CU	Fugang Electric (YANCHENG) Co., Ltd. (FG YANCHENG)	Manufacture of electronic telecommunication components	80	80	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2020	December 31, 2019	
CU	Fuqiang Electric (YANCHENG) Co., Ltd. (FQ YANCHENG)	Manufacture of electronic telecommunication components	100	100	
CU	Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN)	Manufacture of electronic telecommunication components	32.86	32.86	
CU	Kunshan Fugang Investment Co., Ltd. (Kunshan Fugang Investment)	General investments holding	100	100	
CU	FOXLINK TECHNICAL INDIA PRIVATE LIMITED (FOXLINK INDIA)	Manufacture of electronic telecommunication components	37.27	78.06	Note 7
CU	Fugang Electric (XuZhou) Co., Ltd. (FG XuZhou)	Manufacture of electronic telecommunication components	29.63	47.06	Note 11
NEW START	Foxlink Tianjin Co., Ltd. (FTJ)	Manufacture of electronic telecommunication components	100	100	
NEW START	Culink Tianjin Co., Ltd. (CTJ)	Manufacture of electronic telecommunication components	75	75	
NEW START	Solteras Inc. (SOLTERAS)	Manufacture of electronic telecommunication components	-	26.64	Note 3
NEW START	Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd. (Xinwei)	General investments holding	50	50	Note 2
FTJ	Fuzhan Electronics (Shanghai) Co., Ltd. (FESH)	Manufacture of electronic telecommunication components	46.93	46.93	
FTJ	Foxlink Automotive Technology (Kunshan) Co., Ltd. (KAFE)	Manufacture of electronic telecommunication components	50.02	50.02	
FTJ	Fu Gang Electronic (Nan Chang) Co., Ltd. (FENC)	Manufacture of electronic telecommunication components	28	28	
FTJ	Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN)	Manufacture of electronic telecommunication components	50.71	50.71	
FTJ	Changde Fubo Intelligent Technology Co., Ltd. (CDFB)	Manufacture and sale of automated equipment	70	85.37	Note 2,8
KAFE	Suzhou Keyu Rui Automobile Technology Co., Ltd. (Keyu Rui)	Manufacture	55.56	55.56	
KAFE	Foxlink Automotive Technology Co., Ltd. (FAT)	Manufacture of electronic telecommunication components	100	100	Note 2
CULINK	Pacific Wealth Limited (PACIFIC WEALTH)	Holding company and reinvestment business	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2020	December 31, 2019	
CULINK	FOXLINK TECHNICAL INDIA PRIVATE LIMITED (FOXLINK INDIA)	Manufacture of electronic telecommunication components	62.73	21.94	Note 7
CULINK	FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED (FOXLINK POWERBANK)	Manufacture of electronic telecommunication components	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	
CULINK	FUGANG ELECTRIC (XUZHOU) CO., LTD. (FG XUZHOU)	Manufacture of electronic telecommunication components	70.37	52.94	Note 2,11
PACIFIC WEALTH	Foxlink International Inc. (FOXLINK)	Sales agent	100	100	
Kunshan Fugang Investment	Dongguan Fuqiang Electronics Co., Ltd. (DGFQ)	Manufacture of electronic telecommunication components	16.83	16.83	
Kunshan Fugang Investment	Fuqiang Electric (MAANSHAN) Co., Ltd. (FQ MAANSHAN)	Manufacture of electronic telecommunication components	100	100	
Kunshan Fugang Investment	Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN)	Manufacture of electronic telecommunication components	16.43	16.43	
FII	Linkmedia Co., Ltd. (LM)	Manufacture of electronic telecommunication components	100	100	
FII	World Circuit Technology Co., Ltd. (WCT)	Manufacture of electronic telecommunication components and flexible printed circuit	69.56	69.56	
FII	Proconn Technology Co., Ltd. (Proconn)	Manufacture of electronic telecommunication components	50.03	50.03	
FII	CYNC Design Co., Ltd. (CYNC)	Manufacture of electronic telecommunication components	15.38	100	Note 9
FII	FIT Holding Co., Ltd. (FIT Holding)	General investments holding	23.67	23.67	
FII	FOXLINK INDIA ELECTRIC PRIVATE LIMITED (FIE)	Manufacture of electronic telecommunication components	31.35	-	Note 1, 15
WCT	Value Success Limited (VALUE SUCCESS)	Holding company and reinvestment business	100	100	
VALUE SUCCESS	Capital Guardian Limited (CAPITAL)	Holding company and reinvestment business	100	100	
CAPITAL	World Circuit Technology (Hong Kong) Limited (WCTHK)	Holding company and reinvestment business	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2020	December 31, 2019	
WCTHK	Fuzhan Electronics (Shanghai) Co., Ltd. (FESH)	Manufacture of electronic telecommunication components	53.07	53.07	
Darts	Benefit Right Ltd. (BENEFIT)	Reinvestment business	100	100	
BENEFIT	Power Channel Limited (POWER)	Reinvestment business	64.25	64.25	
DU Precision	CE Link International Ltd. (CELINK)	Manufacture of electronic telecommunication components	100	100	
FOXLINK TECH	Sinobest Brothers Limited (SINOBEST)	Manufacture of electronic telecommunication components	8.81	-	Note 1, 21
SINOBEST	Foxlink Myanmar Company Limited (FOXLINK MYANMAR)	Manufacture of electronic telecommunication components	100	100	Note 2,5
SOLTERAS LIMITED	Solteras Inc. (SOLTERAS)	Manufacture of electronic telecommunication components	-	25.59	Note 3
FUII	Studio A Inc. (Studio A)	Sale of electronic telecommunication components	51	51	
FUII	VA Product Inc. (VA)	Sale of electronic telecommunication components	100	75.63	Note 16
FUII	Proconn Technology Co., Ltd. (Proconn)	Manufacture of electronic telecommunication components	1.30	1.30	
FUII	Zhi De Investment Co., Ltd. (Zhi De Investment)	General investments holding	100	100	
FUII	Shinfox Energy Co., Ltd. (Shinfox)	Mechanical installation and piping engineering	10.50	13.40	Note 12,14,19
FUII	FIT Holding Co., Ltd. (FIT Holding)	General investments holding	5.97	5.97	
FUII	FOXLINK INDIA ELECTRIC PRIVATE LIMITED (FIE)	Manufacture of electronic telecommunication components	68.65	-	Note 1, 15
Zhi De Investment	FIT Holding Co., Ltd. (FIT Holding)	General investments holding	8.55	8.55	
Proconn	Advance Electronic Ltd. (Advance Electronic)	General investments holding	-	100	Note 3
ADVANCE ELECTRONIC	Smart Technology International Ltd. (SMART)	General investments holding	-	100	Note 3
SMART	Suzhou Yuhang Electronic Technology Co., Ltd.	Manufacture of electronic telecommunication components	-	100	Note 3
Studio A	Straight A Inc. (Straight A)	Sale of electronic telecommunication components	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2020	December 31, 2019	
Studio A	Studio A Technology Limited (Studio A Hong Kong)	Sale of electronic telecommunication components	51	51	
Studio A	Ashop Co., Ltd. (ASHOP)	Sale of electronic telecommunication components	100	100	
Studio A	Jing Jing Technology Co., Ltd. (Jing Jing)	Sale of electronic telecommunication components	100	100	
Studio A Hong Kong	Studio A Macau Limited (Studio A Macau)	Sale of electronic telecommunication components	100	100	
FGEKS	Kunshan Fugang Electric Trading Co., Ltd. (KFET)	Sale of electronic telecommunication components	51	51	
KFET	Shanghai Fugang Electric Trading Co., Ltd. (SFET)	Sale of electronic telecommunication components	100	100	
KFET	Kunshan Fu Shi You Trading Co., Ltd. (KFSY)	Sale of electronic telecommunication components	100	100	
KFET	Shanghai Standard Information Technology Co., Ltd. (Shanghai Standard)	Sale of electronic telecommunication components	100	100	Note 2
FIT Holding	Power Quotient International Co., Ltd. (PQI)	Manufacture of electronic telecommunication components	100	100	
FIT Holding	Foxlink Image Technology Co., Ltd. (Foxlink Image)	Manufacture and sale of image scanners and multifunction printers	100	100	
FIT Holding	Glory Science Co., Ltd. (Glory Science)	Manufacture and sale of optical lens components and other products	100	100	
FIT Holding	Shih Fong Power Co., Ltd. (Shih Fong)	Energy service management	41.30	100	Note 2,20
PQI	Power Quotient International (H.K.) Co., Ltd. (PQI H.K.)	Sale of electronic telecommunication components	100	100	
PQI	PQI Japan Co., Ltd. (PQI JAPAN)	Sale of electronic telecommunication components	100	100	
PQI	Syscom Development Co., Ltd. (SYSCOM)	Specialized investments holding	100	100	
PQI	Apix Limited (APIX)	Specialized investments holding	100	100	
PQI	PQI Mobility Inc. (PQI MOBILITY)	Specialized investments holding	100	100	
PQI	Power Sufficient International Co., Ltd. (PSI)	Sale of medical instruments	100	100	
PQI	Foxwell Energy Corporation Ltd. (Foxwell Energy)	Energy service management	-	-	Note 12

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2020	December 31, 2019	
PQI	Shinfox Energy Co. Ltd. (Shinfox)	Mechanical installation and piping engineering	58.74	76.56	Note 12,14,19
SYSCOM	PQI Corporation (PQI USA)	Sale of electronic telecommunication components	100	100	
SYSCOM	FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED (FOXLINK POWERBANK)	Manufacture of electronic telecommunication components	99.27	99.27	
PQI MOBILITY	Power Quotient Technology (YANCHENG) Co., Ltd. (PQI YANCHENG)	Manufacture of electronic telecommunication components	100	100	
APIX	Sinocity Industries Limited (Sinocity)	Sale of 3C products	100	100	Note 5
APIX	Perennial Ace Limited (Perennial)	Specialized investments holding	100	100	
Shinfox	Foxwell Energy Corporation Ltd. (Foxwell Energy)	Energy service management	100	100	Note 12
Shinfox	Shinfox Energy International Inc. (SHINFOX ENERGY)	Energy service management	-	40	Note 3,6
Shinfox	Shinfox Natural Gas Co., Ltd. (Shinfox Natural Gas)	Energy service management	80	100	
Shinfox	Kunshan Jiuwei Info Tech Co., Ltd. (Kunshan Jiuwei)	Supply chain finance energy service management	100	100	
Shinfox	Foxwell Power Co., Ltd. (Foxwell Power)	Energy service management	99	100	Note 2,17
Shinfox	Shinfox Power Co., Ltd. (Shinfox Power)	Energy service management	-	-	Note 22
Foxwell Energy	Changyuan Wind Power Ltd. (Changyuan)	Wind energy and wholesale of machinery	-	100	Note 10
Foxwell Energy	Beiyuan Wind Power Ltd. (Beiyuan)	Wind energy and wholesale of machinery	-	100	Note 10
Sinocity Industries	DG LIFESTYLE STORE LIMITED (DG)	Sale of 3C products	100	100	Note 5
Perennial	Studio A Technology Limited (Studio A Hong Kong)	Sale of 3C products	24.50	24.50	
PQI YANCHENG	Jiangsu Foxlink New Energy Technology Co., Ltd. (Jiangsu Foxlink)	Manufacture of electronic telecommunication components	12.90	100	Note 18
PQI YANCHENG	PQI (Xuzhou) New Energy Co., Ltd.	Manufacture of electronic telecommunication components	100	-	Note 1
Foxlink Image	ACCU-IMAGE TECHNOLOGY LIMITED (AITL)	Manufacture and sale of image scanners and multifunction printers	100	100	Note 13

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2020	December 31, 2019	
Foxlink Image	GLOBAL IMAGE TECHNOLOGY LIMITED (GITL)	Holding company and reinvestment business	-	-	Note 13
Foxlink Image	GLOBAL SMART TECHNOLOGY LIMITED (GSTL)	Holding company and reinvestment business	-	-	Note 13
Foxlink Image	Shih Fong Power Co., Ltd. (Shih Fong)	Energy service management	34.70	-	Note 1,20
GSTL	Dong Guan Fu Zhang Precision Industry Co., Ltd. (DGFZ)	Mould development and moulding tool manufacture	-	-	Note 13
AITL	GLOBAL OUTLOOK INVESTMENTS LIMITED (GOI)	Holding company and reinvestment business	-	-	Note 13
AITL	GLOBAL ADVANCE INVESTMENTS CORP. (GAI)	Holding company and reinvestment business	-	-	Note 4
AITL	POWER CHANNEL LIMITED (POWER)	Holding company and reinvestment business	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	
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	-	-	Note 13
GOI	Dong Guan HanYang Computer Co., Ltd. (DGHY)	Manufacture of image scanners and multifunction printers and investment of real estate	-	-	Note 13
Glory Science	GLORY TEK (BVI) CO., LTD. (GLORY TEK)	General investments holding	100	100	
GLORY TEK	GLORY OPTICS (BVI) CO., LTD. (GLORY OPTICS)	Sales agent	100	100	
GLORY TEK	GLORY TEK (SAMOA) CO., LTD. (GLORY TEK (SAMOA))	General investments holding	100	100	
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	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2020	December 31, 2019	
GLORY TEK (SAMOA)	Glorytek (Suzhou) Co., Ltd. (Glorytek Suzhou)	Production and processing and sale of optical lens components and other products	100	100	
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	
GLORY OPTICS	Glorytek (Yancheng) Co., Ltd. (Glorytek Yancheng)	Production and processing and sale of optical lens components and other products	100	100	
Glorytek Yancheng	Yancheng Yaowei Technology Co., Ltd. (YYWT)	Production and processing and sale of optical lens components and other products	100	100	
GLORY Suzhou	Glory Optics (Yancheng) Co., Ltd. (GOYC)	Production and processing and sale of optical lens components and other products	65.12	65.12	

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, September 15, 2020 and November 4, 2020. After the capital increment, Foxlink India became a wholly-owned subsidiary of CULINK and CU with 62.73% and 37.27% 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: In November 2020, the Group lost its control over the subsidiaries, Changyuan and Beiyuan, as a result of the 100% stock disposal in the amount of \$559,337. The Group recognised profit of \$239,850 under 'other gains and losses' in the statement of comprehensive income. For information on cash flows of the subsidiaries, please refer to Note 6 (35).
- Note 11: CULINK invested in FG Xuzhou in December 11, 2020. After the capital increment, FG Xuzhou became a wholly-owned subsidiary of CULINK and CU with 70.37% and 29.63% 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. FII invested in FIE on November 20, 2020 and November 26, 2020, and FUII invested in FIE on December 21, 2020. After the capital increment, FIE became a wholly-owned subsidiary of FII and FUII with 31.35% and 68.65% ownership, respectively.
- 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 and November 30, 2020, respectively. Shinfox did not acquire shares proportionally to its interest. As a result, Shinfox decreased its share interest from 100% to 99%.
- 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 the disposal 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 58.74%, 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 4, 2020 and November 27, 2020. After the capital increment, SINOBEST became a wholly-owned subsidiary of FOXLINK TECH and the Company with 8.81% and 91.19% ownership, respectively.

Note 22: Shinfox Power Co., Ltd. was established by Shinfox Energy Co., Ltd. in 2020, and the Group lost its control over it as a result of the 100% stock disposal in the amount of \$45,000 in November 2020. The Group recognised profit of \$52 under ‘other gains and losses’ in the statement of comprehensive income. For information on cash flows of the subsidiary, please refer to Note 6 (35).

C. Subsidiaries not included in the consolidated financial statements:

Investor	Subsidiary	Main activity	Ownership(%)		Description
			December 31, 2020	December 31, 2019	
FII	Yixin Precision Industry Co., Ltd. (YX)	Manufacture of electronic telecommunication components and electronic machinery equipment	75	75	Note 1
Studio A	Tayih Digital Technology Co., Ltd. (TAYIH)	Manufacture of electronic telecommunication components	60	60	Note 2
CU	KLEINE DEVELOPMENTS LIMITED	Manufacture and sale of Magnesium products	-	50	Note 3
Foxlink Image	KLEINE DEVELOPMENTS LIMITED	Manufacture and sale of Magnesium products	-	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 December 31, 2020 and 2019, the non-controlling interest amounted to \$6,321,335 and \$5,810,641, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		December 31, 2020		December 31, 2019	
		Amount	Ownership (%)	Amount	Ownership (%)
FIT Holding	Taiwan	\$ 4,462,003	61.81%	\$ 4,728,357	61.81%

Summarised financial information of the subsidiaries:

Balance sheets

	FIT Holding	
	December 31, 2020	December 31, 2019
Current assets	\$ 13,443,029	\$ 6,740,195
Non-current assets	9,363,980	11,467,723
Current liabilities	(10,542,565)	(5,813,251)
Non-current liabilities	(4,087,189)	(5,530,512)
Total net assets	\$ 8,177,255	\$ 6,864,155

Statements of comprehensive income

	FIT Holding	
	Years ended December 31,	
	2020	2019
Revenue	\$ 7,053,361	\$ 8,840,159
Profit (loss) before income tax	291,453	(228,130)
Income tax (expense) benefit	(111,678)	31,097
Profit (loss) for the year from continuing operations	179,775	(197,033)
Equity attributable to former owner of business combination under common control	-	(17,953)
Profit from non-controlling interest	96,176	9,979
Profit (loss) for the year	83,599	(189,059)
Other comprehensive income (net of tax)	25,590	413,575
Total comprehensive income for the year	<u>\$ 109,189</u>	<u>\$ 224,516</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 93,659</u>	<u>\$ 40</u>
Equity attributable to former owner of business combination under common control attributable to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

Statements of cash flows

	FIT Holding	
	Years ended December 31,	
	2020	2019
Net cash provided by operating activities	\$ 1,261,944	\$ 306,619
Net cash used in investing activities	(4,328,082)	(2,791,260)
Net cash provided by financing activities	6,558,218	1,750,749
Effect of exchange rates on cash and cash equivalents	(163,495)	(193,306)
Increase (decrease) in cash and cash equivalents	<u>3,328,585</u>	<u>(927,198)</u>
Cash and cash equivalents, beginning of year	<u>1,820,304</u>	<u>2,747,502</u>
Cash and cash equivalents, end of year	<u>\$ 5,148,889</u>	<u>\$ 1,820,304</u>

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

- a) The operating results and financial position of all the group entities associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- c) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

- A. The construction contracts contracted by the Group are generally longer than one year. The assets and liabilities of the construction projects are classified as current or non-current according to the business cycle; the other criteria for classifying between current and non-current are as follows:
- a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - b) Assets held mainly for trading purposes;
 - c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- a) Liabilities that are expected to be paid off within the normal operating cycle;
 - b) Liabilities arising mainly from trading activities;
 - c) Liabilities that are to be paid off within twelve months from the balance sheet date;
 - d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash and cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits that meet the above criteria and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows from the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated fixed production overheads based on actual capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Investments accounted for under the equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for under the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.

- C. When changes in an associate's equity are not recognised in profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it is depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	20~50 year(s)
Machinery and equipment	1~5 year(s)
Office equipment	3 year(s)
Miscellaneous equipment	3~8 year(s)

(16) Leasing arrangements (lessee)-right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable;
- (b) Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;

- (b) Any lease payments made at or before the commencement date;
- (c) Any initial direct costs incurred by the lessee; and
- (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20 ~ 50 years.

(18) Intangible assets

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 ~ 5 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

C. Trademark right (indefinite useful life)

Trademark right is stated at cost and regarded as having an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future. Trademark right is not amortised, but is tested annually for impairment.

(19) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist, the impairment loss shall be reversed to the extent of the loss previously recognised in profit or loss. Such recovery of impairment loss shall not result to the asset's carrying amount greater than its amortised cost where no impairment loss was recognised.

- B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. Goodwill for impairment testing purpose is allocated to cash generating units. This allocation is identified based on operating segments. Goodwill is allocated to a cash generating unit or a group of cash generating units that expects to benefit from business combination that will produce goodwill.

(20) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(21) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit or loss

- A. Financial liabilities at fair value through profit or loss are financial liabilities held for trading. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
- B. Financial liabilities at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss.

(23) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(24) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(25) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(26) Non-hedging and embedded derivatives

A. Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

B. Under the financial assets, the hybrid contracts embedded with derivatives are initially recognised as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost based on the contract terms.

(27) Employee benefits

A. Pensions

a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

b) Defined benefit plans

i. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds (at the balance sheet date).

ii. Remeasurement arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

B. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(28) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax charge is calculated on the basis of the tax laws at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(29) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, are included in equity attributable to the Company's equity holders.

(30) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(31) Revenue recognition

A. Sales of goods

- a) The Group manufactures and sells electronic telecommunication component products. Revenue is measured at the fair value of the consideration received or receivable taking into account value-added tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods should be recognised when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the

customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

- b) The goods are often sold with volume discounts based on aggregate sales over a 12-month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated sales discounts and allowances. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. No element of financing is deemed present as the sales are made with a credit term of 30 to 120 days, which is consistent with market practice.
- c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Sales of services

The Group is engaged in research and development and mold repair of products, energy saving and maintenance of energy-saving equipment as well as design and development of solar engineering, etc. Revenue is recognised at a point when the result of the service transaction can be reliably estimated, or the milestone of the research and development project has been reached and the Group has the right to invoice according to the progress of the project.

C. Construction contract revenue

- a) Construction contract revenue arises mainly from construction contract, and the performance obligation is satisfied over time. If the outcome of a construction contract can be estimated reliably and it is probable that this contract would make a profit, contract revenue should be recognised by reference to the stage of completion of the contract activity, using the percentage-of-completion method of accounting, over the contract term. Contract costs are expensed as incurred. The stage of completion of a contract is measured by the proportion of contract costs incurred for work performed to end of reporting date to the estimated total costs for the contract. An expected loss, where total construction costs will exceed total construction revenue on a construction contract, should be recognised as an expense as soon as such loss is probable.
- b) Contract revenue includes the revenue arising from variations from the original contract work, claims and incentive payments that are agreed by the customer and can be measured reliably.
- c) The excess of the cumulative costs incurred plus recognised profits (less recognised losses) over the progress billings on each construction contract is presented as an asset within 'contract assets'. While, the excess of the progress billings over the cumulative costs incurred plus recognised profits (less recognised losses) on each construction contract is presented as a liability within 'contract liabilities'.

(32) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants related to property, plant and equipment are recognised as non-current liabilities and are amortised to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(33) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(34) Reorganisation of entities under common control

A. The Group applies the related interpretations issued in R.O.C. for the intra-group reorganisation since there is no definite rules for business combinations (or referred as 'reorganisation') of entities under common control in IFRS 3, 'Business combinations' as explained in the IFRS Q&A 'explanations to IFRS 3 Business Combinations under Common Control' issued by Accounting Research and Development Foundation on October 26, 2018.

B. In accordance with Accounting Research and Development Foundation Interpretation (“ARDF Interpretation”) 100-248, the Group recognised the intra-group reorganisation based on the carrying amounts of subsidiaries accounted for using equity method (net of impairment loss). The difference between the carrying amount and the consideration of the transaction will be adjusted in ‘capital surplus - additional paid-in capital’, which if insufficient, will decrease the retained earnings. The difference between initial investment cost and net equity will be accounted for by the entities after reorganisation.

(35) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group’s chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group’s accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

Critical accounting estimates and assumptions

(1) Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group’s subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units.

As of December 31, 2020, the Group’s goodwill amount is \$1,233,238. Please refer to Note 6(12) for detailed information.

(2) Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2020, the Group's inventory book value is \$13,276,324. Please refer to Note 6(7) for detailed information.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash on hand and revolving funds	\$ 82,405	\$ 44,235
Checking accounts and demand deposits	6,591,747	4,892,329
Cash equivalents		
Time deposits	4,224,418	1,360,165
Short-term notes and bills	94,970	-
Total	<u>\$ 10,993,540</u>	<u>\$ 6,296,729</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>December 31, 2020</u>	<u>December 31, 2019</u>
Current items:		
Financial assets mandatorily measured at fair value through profits or loss		
Non-capital guaranteed floating profit financial instruments	\$ -	\$ 129,150

- 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>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Derivative instruments	<u>\$ 8,472</u>	<u>\$ 5,507</u>

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

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

Items	December 31, 2020	December 31, 2019
Non-current items:		
Equity instruments		
Unlisted stocks	\$ 1,429,099	\$ 1,323,918
Valuation adjustment	(442,395)	(387,163)
	\$ 986,704	\$ 936,755

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 December 31, 2020 and 2019, the fair value of such investments amounted to \$986,704 and \$936,755, 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:

	Years ended December 31,	
	2020	2019
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 55,232)	(\$ 115,954)

C. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Financial assets at amortised cost

Items	December 31, 2020	December 31, 2019
Current items:		
Repatriation of capital from Taiwan's offshore companies	\$ 178,162	\$ 896,906
Time deposits maturing over three months	665,432	378,524
Restricted deposits	1,204,408	8,926
Pledged time deposits	4,359,551	358,822
	\$ 6,407,553	\$ 1,643,178
Non-current items:		
Restricted deposits	\$ 14,591	\$ 1,768
Pledged time deposits	131,803	125,816
	\$ 146,394	\$ 127,584

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

(5) Accounts receivable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Accounts receivable	\$ 16,428,603	\$ 15,632,770
Less: Loss allowance	(118,373)	(158,659)
	<u>\$ 16,310,230</u>	<u>\$ 15,474,111</u>

- A. The information on the Group's ageing analysis of accounts receivable is provided in Note 12(2).
- B. As of December 31, 2020 and 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:

December 31, 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	\$ 663,757	\$ 663,757	\$ 4,272,000	\$ 597,380	\$ 66,377	0.74%	None
Citibank	686,806	686,806	686,806	686,806	-	1.11%~1.22%	None
Mega International Commercial Bank	456,848	456,848	1,424,000	411,163	45,685	0.9%~1.12%	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

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

(7) Inventories

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 5,940,927	(\$ 291,242)	\$ 5,649,685
Work in progress and semi-finished goods	2,309,385	(35,913)	2,273,472
Finished goods (including merchandise)	5,532,121	(224,213)	5,307,908
Inventory in transit	45,259	-	45,259
	<u>\$ 13,827,692</u>	<u>(\$ 551,368)</u>	<u>\$ 13,276,324</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>

The cost of inventories recognised as expense for the period:

	Years ended December 31,	
	2020	2019
Cost of inventories sold	\$ 80,005,818	\$ 88,015,831
Loss on (gain on reversal of) decline in market value	69,607	(271,616)
Others (revenue from sale of scraps)	(296,752)	(141,645)
	<u>\$ 79,778,673</u>	<u>\$ 87,602,570</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 year ended December 31, 2019.

(8) Investments accounted for under the equity method

Investee	December 31, 2020		December 31, 2019	
	Amount	Ownership percentage (%)	Amount	Ownership percentage (%)
Central Motion Picture Corporation	\$ 1,959,717	17.49%	\$ 1,964,129	17.49%
Well Shin Technology Co., Ltd.	1,154,245	18.84%	1,135,667	18.84%
Sharetronic Data Technology Co., Ltd.	1,020,750	19.94%	719,728	26.58%
Foxwell Energy Co., Ltd.	209,077	14.00%	-	-
Castles Technology Co., Ltd.	182,751	14.28%	207,238	16.14%
CMPC Cultural & Creative Co., Ltd.	124,242	42.86%	123,447	42.86%
Dongguan Banrin Robot Technology Co., Ltd.	123,930	31.03%	124,573	31.03%
Kleine Developments Ltd.	-	-	62,969	100.00%
Tegna Electronics Private Limited	39,010	30.00%	38,816	30.00%
CYNC Design Co., Ltd. (CYNC)	9,991	15.38%	-	-
Microlink Communications Inc.	(21,705)	21.43%	(22,014)	21.43%
	4,802,008		4,354,553	
Add : Current prepayments for investments				
-JOURN TA BROTHERS LIMITED	151,907		78,235	
Credit balance of long-term equity investments reclassified to other non-current liabilities				
-others	21,705		22,014	
Total	\$ 4,975,620		\$ 4,454,802	

A. 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
		December 31, 2020	December 31, 2019		
Central Motion Picture Corporation	Taiwan	17.49%	17.49%	Note	Equity method
Well Shin Technology Co., Ltd.	Taiwan	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

	<u>Central Motion Picture Corporation</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current assets	\$ 381,945	\$ 354,803
Non-current assets	17,655,825	17,686,926
Current liabilities	(4,154,459)	(2,146,489)
Non-current liabilities	(1,266,275)	(3,252,973)
Total net assets	<u>\$ 12,617,036</u>	<u>\$ 12,642,267</u>
Share in associate's net assets	\$ 1,959,717	\$ 1,964,129
Goodwill	-	-
Carrying amount of the associates	<u>\$ 1,959,717</u>	<u>\$ 1,964,129</u>

	<u>Well Shin Technology Co., Ltd.</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current assets	\$ 5,183,712	\$ 4,786,553
Non-current assets	2,658,514	2,945,868
Current liabilities	(1,390,752)	(1,438,795)
Non-current liabilities	(519,819)	(460,569)
Total net assets	<u>\$ 5,931,655</u>	<u>\$ 5,833,057</u>
Share in associate's net assets	\$ 1,117,656	\$ 1,099,078
Goodwill	36,589	36,589
Carrying amount of the associates	<u>\$ 1,154,245</u>	<u>\$ 1,135,667</u>

Statement of comprehensive income

	<u>Central Motion Picture Corporation</u>	
	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Revenue	<u>\$ 469,875</u>	<u>\$ 546,494</u>
Profit for the year from continuing operations	\$ 80,028	\$ 104,029
Other comprehensive income, net of tax	-	-
Total comprehensive income	<u>\$ 80,028</u>	<u>\$ 104,029</u>
Dividends received from associates	<u>\$ 15,432</u>	<u>\$ 12,000</u>

	Well Shin Technology Co., Ltd.	
	Years ended December 31,	
	2020	2019
Revenue	\$ 4,660,963	\$ 4,861,898
Profit for the year from continuing operations	\$ 424,076	\$ 531,634
Other comprehensive income (loss), net of tax	29,294	(148,874)
Total comprehensive income	\$ 453,370	\$ 382,760
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 December 31, 2020 and 2019, the carrying amount of the Group's individually immaterial associates amounted to \$1,688,046 and \$1,254,757, respectively.

	Years ended December 31,	
	2020	2019
Profit for the year from continuing operations	\$ 611,061	\$ 407,884
Total comprehensive income	\$ 611,061	\$ 407,884

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

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

	December 31, 2020	December 31, 2019
Well Shin Technology Co., Ltd.	\$ 1,129,719	\$ 1,123,034

- B. 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.
- C. 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 December 31, 2020, uncollected amount was \$141,000 thousand (shown as 'notes receivable') and accrued impairment loss was \$141,000 thousand.
- D. 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.
- E. 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(6) for details on the lawsuit.

- F. 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(26) and 12(3).
- G. 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.
- H. 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 the disposal 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(26).

(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	-	66,680	1,271,761	50,194	333,224	742,809	2,464,668
Disposals	-	(99,921)	(62,512)	(10,368)	(64,363)	-	(237,164)
Disposal of subsidiaries	-	(923,712)	(1,479,465)	(24,135)	(1,687)	(324,623)	(2,753,622)
Reclassifications	-	612,459	1,777,466	35,616	124,173	(1,909,075)	640,639
Depreciation charge	-	(379,898)	(1,744,780)	(78,039)	(722,162)	-	(2,924,879)
Net exchange differences	-	167,669	106,057	(3,026)	(6,281)	(1,621)	262,798
Closing net book amount	<u>\$ 412,428</u>	<u>\$ 12,500,729</u>	<u>\$ 5,092,085</u>	<u>\$ 141,370</u>	<u>\$ 1,757,649</u>	<u>\$ 946,162</u>	<u>\$ 20,850,423</u>
At December 31							
Cost	\$ 412,428	\$ 15,907,527	\$ 12,450,964	\$ 475,377	\$ 5,178,599	\$ 946,162	\$ 35,371,057
Accumulated depreciation and impairment	-	(3,406,798)	(7,358,879)	(334,007)	(3,420,950)	-	(14,520,634)
	<u>\$ 412,428</u>	<u>\$ 12,500,729</u>	<u>\$ 5,092,085</u>	<u>\$ 141,370</u>	<u>\$ 1,757,649</u>	<u>\$ 946,162</u>	<u>\$ 20,850,423</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	-	331,901	1,478,851	57,729	439,069	836,744	3,144,294
Acquired from business combinations	-	-	-	-	-	691,860	691,860
Disposals	-	(136,714)	(158,143)	(24,618)	(60,252)	-	(379,727)
Reclassifications	-	1,335,633	1,107,640	57,939	190,618	(620,350)	2,071,480
Depreciation charge	-	(409,777)	(1,948,223)	(88,657)	(914,687)	-	(3,361,344)
Net exchange differences	-	(381,528)	(172,542)	(4,320)	(102,694)	(70,371)	(731,455)
Closing net book amount	<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>
At December 31							
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>

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>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 1,322,870	\$ 1,437,055
Buildings	312,625	391,864
Transportation equipment (Business vehicles)	3,045	2,235
Office equipment (Photocopiers)	151	17
	<u>\$ 1,638,691</u>	<u>\$ 1,831,171</u>

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 50,039	\$ 58,755
Buildings	233,775	299,051
Transportation equipment (Business vehicles)	1,507	2,527
Office equipment (Photocopiers)	65	52
	<u>\$ 285,386</u>	<u>\$ 360,385</u>

C. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets amounted to \$162,724 and \$487,921, respectively.

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

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 6,020	\$ 9,928
Expense on short-term lease contracts	61,659	112,581
Expense on leases of low-value assets	575	713
Expense on variable lease payments	37,900	39,894

E. For the years ended December 31, 2020 and 2019, the Group's total cash outflow for leases amounted to \$333,750 and \$477,282, 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 11.36% 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 \$379.

(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	-	(12,799)	(12,799)
Net exchange differences	-	5,097	5,097
Closing net book amount	<u>\$ 183,076</u>	<u>\$ 400,996</u>	<u>\$ 584,072</u>
At December 31			
Cost	\$ 183,076	\$ 518,891	\$ 701,967
Accumulated depreciation and impairment	-	(117,895)	(117,895)
	<u>\$ 183,076</u>	<u>\$ 400,996</u>	<u>\$ 584,072</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	-	322,875	322,875
Depreciation charge	-	(9,295)	(9,295)
Net exchange differences	-	(12,298)	(12,298)
Closing net book amount	<u>\$ 183,076</u>	<u>\$ 408,698</u>	<u>\$ 591,774</u>
At December 31			
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>

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

	Years ended Decembr 31,	
	2020	2019
Rental income from the lease of the investment property	<u>\$ 17,185</u>	<u>\$ 16,362</u>
Direct operating expenses arising from the investment property that generated rental income in the period	<u>\$ 12,799</u>	<u>\$ 9,295</u>

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 December 31, 2020 and 2019 was \$1,038,221 and \$1,023,016, 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				
	<u>Rights</u>	<u>Patent</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
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	-	-	-	71,543	71,543
Disposals	-	-	-	(11,365)	(11,365)
Amortisation charge	(76)	(35,296)	-	(84,453)	(119,825)
Impairment loss	(76)	(116,498)	(422,764)	-	(539,338)
Net exchange differences	(2,480)	-	3,636	(121)	1,035
Closing net book amount	<u>\$ 47,341</u>	<u>\$ 255,212</u>	<u>\$ 1,233,238</u>	<u>\$ 118,207</u>	<u>\$ 1,653,998</u>
At December 31					
Cost	\$ 47,588	\$ 451,126	\$ 3,885,756	\$ 395,751	\$ 4,780,221
Accumulated amortisation and impairment	(247)	(195,914)	(2,652,518)	(277,544)	(3,126,223)
	<u>\$ 47,341</u>	<u>\$ 255,212</u>	<u>\$ 1,233,238</u>	<u>\$ 118,207</u>	<u>\$ 1,653,998</u>
	2019				
	Trademark				
	<u>Rights</u>	<u>Patent</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
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	-	-	-	107,670	107,670
Disposals	-	-	-	(891)	(891)
Amortisation charge	(76)	(35,296)	-	(73,891)	(109,263)
Impairment loss	-	-	(582,901)	-	(582,901)
Net exchange differences	(1,215)	-	(38,631)	(1,999)	(41,845)
Closing net book amount	<u>\$ 49,973</u>	<u>\$ 407,006</u>	<u>\$ 1,652,366</u>	<u>\$ 142,603</u>	<u>\$ 2,251,948</u>
At December 31					
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>

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

December 31, 2020						
	3C component	System and peripheral products	3C product retail	Memory module	Others	Total
Taiwan	\$ -	\$ 715,197	\$ -	\$ 118,258	\$ -	\$ 833,455
Hong Kong	-	-	388,176	-	-	388,176
All other segments	-	-	-	-	11,607	11,607
	<u>\$ -</u>	<u>\$ 715,197</u>	<u>\$ 388,176</u>	<u>\$ 118,258</u>	<u>\$ 11,607</u>	<u>\$ 1,233,238</u>

December 31, 2019						
	3C component	System and peripheral products	3C product retail	Memory module	Others	Total
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>

- 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. The Group performs impairment testing annually.
- C. In 2020 and 2019, the Group recognized impairment loss as follows:

	Years ended December 31,	
	2020	2019
Impairment loss-goodwill		
3C component	\$ 422,764	\$ 285,827
Memory module	-	215,909
3C product retail	-	81,165
	<u>\$ 422,764</u>	<u>\$ 582,901</u>

- D. The goodwill of 3C component was amortised to Glory Science's identified cash generating unit. The recoverable amount is measured at the higher of fair value less costs to sell or value in use.

The main assumption for calculation of value in use is the adoption of discount rate, which is a pre-tax rate measured using the Taiwan government 10-year bond yield that is the same currency with cash flow. Risk premium will be adjusted in order to reflect the equity's incremental risk and the cash generating unit's specific systematic risk of the general investments. Market comparable companies are used for calculation of fair value less costs to sell. As Glory Science is an unlisted company, a discount for lack of marketability is used for the calculation of its fair value with the main assumption discount of 40%, and the fair value of Glory Science is included in Level 3.

Due to the changes in customer orders as well as removals and replacements of old model phones, the scale of operations was reduced as a result of the poor capacity utilisation. In addition, the overall economic environment is affected by coronavirus pandemic. Based on the Group's assessment, an impairment loss of \$422,764 and \$285,827 was recognised for the goodwill for the years ended December 31, 2020 and 2019, respectively, shown as 'other gains and losses' in the statement of comprehensive income, due to the recoverable amount of Glory Science is less than the carrying amount.

- E. The goodwill of memory module were amortised to PQI's identified cash generating unit. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. The main assumptions for calculation is as follows:

Discount rate is a pre-tax rate measured using the Taiwan government 10-year bond yield, which is the same currency with cash flow. Risk premium will be adjusted in order to reflect the equity's incremental risk and the cash generating unit's specific systematic risk of the general investments.

Due to the market shrinkage in Japan during the current year, the revenue decline, and no effective benefits arising from transforming its business model to sell mobile peripheral products, Power Quotient International Co., Ltd.'s recoverable amount is less than the book value as assessed, therefore, the Group recognised impairment loss on goodwill amounting to \$215,909 in the statement of comprehensive income within 'other gains and losses' for the year ended December 31, 2019.

- F. The goodwill of computer, communication and consumer electronics product retails and trademarks with indefinite useful life were amortised to PQI's identified cash generating unit. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. The main assumptions for calculation is as follows:

Discount rate is a pre-tax rate measured using the Hong Kong government 10-year bond yield, which is the same currency with cash flow. Risk premium will be adjusted in order to reflect the equity's incremental risk and the cash generating unit's specific systematic risk of the general investments.

The operation of SINOCITY INDUSTRIES LIMITED was affected by the decrease in the number of operating branches and the impact of anti-government protests in Hong Kong. In addition, the operating revenue after the investment is not as expected as the capacities of supply chains was impacted by the outbreak of coronavirus in the end of 2019. Based on the Group's assessment, an impairment loss of \$81,165 was recognised for the goodwill year ended December 31, 2019, shown as 'other gains and losses' in the statement of comprehensive income, due to the recoverable amount of SINOCITY INDUSTRIES LIMITED is less than the carrying amount.

(13) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2020</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Credit borrowings	\$ 4,311,582	0.51%~1.29%	-
Secured borrowings	30,000	1.01%	Buildings and structures
	<u>\$ 4,341,582</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%	-

(14) Short-term notes and bills payable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Commercial paper	\$ 387,400	\$ 375,300
Discount amortisation	(178)	(358)
	<u>\$ 387,222</u>	<u>\$ 374,942</u>
Annual interest rate range	<u>0.87%~1.57%</u>	<u>0.95%~1.76%</u>

(15) Other payables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Payables on salary and bonus	\$ 1,636,146	\$ 2,016,126
Employees' compensation and remuneration for supervisors and directors	358,312	341,874
Payables on equipment	583,447	548,763
Others	2,200,560	2,964,223
	<u>\$ 4,778,465</u>	<u>\$ 5,870,986</u>

(16) Bonds payable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Secured corporate bonds	\$ 6,600,000	\$ 3,000,000
Less: Discount on bonds payable	(25,018)	(12,345)
	<u>\$ 6,574,982</u>	<u>\$ 2,987,655</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:

- Total initial issue amount: \$3,600,000.
- Issue price: Issue at par value, \$1,000 each.
- Issue period: 5 years, from July 29, 2020 to July 27, 2025.
- 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.

(17) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Unused credit line</u>	<u>December 31, 2020</u>
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	0.99%~1%	\$ 1,400,000	\$ 2,600,000
- without covenants	Borrowing period is from December 2017 to November 2023; pay entire amount when due	0.87%~1.4%	2,235,550	2,981,250
FIT Holding	Borrowing period is from October 2019 to August 2022; pay entire amount of principal when due, interest is repayable monthly	1.1%~1.22%	-	400,000
Foxlink Image	Borrowing period is from February 2020 to August 2023; pay entire amount of principal when due, interest is repayable monthly	0.94%~1.1%	544,800	2,440,000
PQI	Borrowing period is from December 2019 to December 2022; pay principal based on each bank's regulations, interest is repayable monthly	1.23%~1.35%	4,200	365,800
Glory Science	Borrowing period is from April 2019 to July 2024; pay principal and interest based on each bank's regulations	1.04%~1.5%	-	387,000
Shinfox	Borrowing period is from February 2019 to February 2023; pay entire amount in installments	1.71%~1.76%	-	18,870
Foxwell Energy	Borrowing period is from January 2019 to September 2033; pay entire amount in installments	1.49%	292,755	38,451
Bank's secured borrowings				
Foxwell Energy	Borrowing period is from May 2018 to December 2034; pay entire amount in installments	1.53%~1.80%	294,832	314,397
Glory Science	Borrowing period is from December 2019 to December 2024; pay principal in installments quarterly, interest is calculated monthly	1.26%	-	80,000
Medium-term and long-term syndicated loans				
Cheng Uei	Borrowing period is from November 2020 to November 2025. The Company may issue a drawing application before the maturity date of borrowing to directly repay the loan principal that was originally expired.	0.35%	4,800,000	<u>3,200,000</u>
				12,825,768
Less: Current portion				(<u>502,471</u>)
				<u>\$ 12,323,297</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	5,600,000
				12,907,993
Less: Current portion				(869,539)
				<u>\$ 12,038,454</u>

A. In November 2020, 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. Total 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 Bank SinoPac, Taipei Fubon and Far Eastern International Bank, and the total credit line is \$4,000 thousand. As of December 31, 2020, the borrowings that have been used amounted to \$2,600 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 December 31, 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	First Bank	500,000	100,000
The Company	Jih Sun International Bank	500,000	200,000
The Company	DBS Bank	USD 35,000,000	800,000
The Company	Export-Import Bank of Republic of China	1,020,000	381,250
The Company	Cathay Bank	500,000	300,000

Company	Bank	Credit line	Amount of borrowings used
The Company	Yuanta Commercial Bank	300,000	300,000
FIT Holding	Bank SinoPac (Note)	1,000,000	507,800
FIT Holding	TSBank	250,000	250,000
FIT Holding	Yuanta Commercial Bank	300,000	300,000
FIT Holding	Jih Sun International Bank	100,000	100,000
Foxlink Image	E.Sun Bank	400,000	200,000
Foxlink Image	Mega Commercial Bank (Note)	300,000	300,000
Foxlink Image	KGI Bank (Note)	400,000	250,000
Foxlink Image	Cathay Bank (Note)	USD 10,000,000	280,000
Foxlink Image	Bank of Taiwan	300,000	300,000
Foxlink Image	Export-Import Bank of Republic of China	500,000	500,000
Foxlink Image	Hua Nan Commercial Bank	200,000	200,000
Foxlink Image	Jih Sun International Bank	400,000	300,000
Foxlink Image	Taiwan Cooperative Bank	500,000	310,000
Foxlink Image	Entie Commercial Bank	300,000	300,000
PQI	First Bank	90,000	1,000
PQI	Mega Commercial Bank	100,000	50,000
PQI	Bank SinoPac	300,000	196,000
PQI	Yuanta Commercial Bank	300,000	300,000
PQI	Hua Nan Commercial Bank	100,000	65,800
Glory Science	TSBank	250,000	200,000
Glory Science	Chang Hwa Commercial Bank (Note)	200,000	185,000
Glory Science	Bank SinoPac	200,000	200,000
Glory Science	Hua Nan Commercial Bank	95,000	95,000
Glory Science	Jih Sun International Bank	50,000	25,000
Glory Science	Taipei Fubon	250,000	250,000
Glory Science	KGI Bank	200,000	75,000
Glory Science	Export-Import Bank of Republic of China	192,000	192,000
Glory Science	Mega Commercial Bank	100,000	80,000
Shinfox	Shanghai Commercial & Savings Bank, Ltd.	16,528	16,528
Shinfox	Chang Hwa Commercial Bank	2,342	2,342
Foxwell Energy	Mega Commercial Bank	240,907	240,907
Foxwell Energy	TSBank (Note)	132,530	46,217
Foxwell Energy	Bank SinoPac (Note)	1,917,017	65,724

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

(18) 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 amounts recognised in the balance sheet are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Present value of defined benefit obligations	(\$ 398,526)	(\$ 383,840)
Fair value of plan assets	<u>178,635</u>	<u>169,942</u>
Net defined benefit liability	<u>(\$ 219,891)</u>	<u>(\$ 213,898)</u>

(c) Movements in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>Year ended December 31, 2020</u>			
Balance at January 1	(\$ 383,840)	\$ 169,942	(\$ 213,898)
Current service cost	(2,666)	-	(2,666)
Interest (expense) income	(2,774)	972	(1,802)
Past service cost	(21,862)	-	(21,862)
	<u>(411,142)</u>	<u>170,914</u>	<u>(240,228)</u>
Remeasurements:			
Return on plan asset (excluding amounts included in interest income or expense)	-	4,034	4,034
Change in financial assumptions	(14,716)	-	(14,716)
Experience adjustments	<u>1,265</u>	<u>2,182</u>	<u>3,447</u>
	<u>(13,451)</u>	<u>6,216</u>	<u>(7,235)</u>
Pension fund contribution	-	2,612	2,612
Paid pension	26,067	(1,107)	24,960
Effect of business combination	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31	<u>(\$ 398,526)</u>	<u>\$ 178,635</u>	<u>(\$ 219,891)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2019</u>			
Balance at January 1	(\$ 350,816)	\$ 171,730	(\$ 179,086)
Current service cost	(2,435)	-	(2,435)
Interest (expense) income	(3,611)	1,363	(2,248)
Past service cost	(27,349)	-	(27,349)
	<u>(384,211)</u>	<u>173,093</u>	<u>(211,118)</u>
Remeasurements:			
Return on plan asset (excluding amounts included in interest income or expense)	-	4,193	4,193
Change in financial assumptions	(11,893)	-	(11,893)
Experience adjustments	848	1,494	2,342
	<u>(11,045)</u>	<u>5,687</u>	<u>(5,358)</u>
Pension fund contribution	-	2,578	2,578
Paid pension	11,416	(11,416)	-
Effect of business combination	-	-	-
Balance at December 31	<u>(\$ 383,840)</u>	<u>\$ 169,942</u>	<u>(\$ 213,898)</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2020 and 2019 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2020	2019
Discount rate	0.30%~0.80%	0.70%~1.13%
Future salary increases	1.00%~5.00%	2.00%~5.00%

Future mortality rate was estimated based on the 5th Taiwan Standard Ordinary Experience Mortality Table. Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	\$ 8,754	(\$ 9,066)	(\$ 7,919)	\$ 7,703
<u>December 31, 2019</u>				
Effect on present value of defined benefit obligation	\$ 8,206	(\$ 8,501)	(\$ 7,470)	\$ 7,263

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2021 amount to \$30,000.
- (g) As of December 31, 2020, the weighted average duration of that retirement plan is 10 years.
- 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 years ended December 31, 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 years ended December 31, 2020 and 2019 were \$559,506 and \$892,103, respectively.

(19) Share capital

- A. As of December 31, 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 December 31, 2020 and 2019, the detailed information of Foxlink Image's parent equity shares is as follows:

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

(20) 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					
	<u>Share premium</u>	<u>Treasury share transactions</u>	<u>Difference between proceeds from acquisition or disposal of subsidiary and book value</u>	<u>Changes in ownership interests in subsidiaries</u>	<u>Change in net equity of associates accounted for under the equity method</u>	<u>Total</u>
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	-	-	121,169	(38)	167,141	288,272
At December 31	<u>\$ 9,337,850</u>	<u>\$ 113,077</u>	<u>\$ 128,482</u>	<u>\$ 3,336</u>	<u>\$ 246,001</u>	<u>\$ 9,828,746</u>
	2019					
	<u>Share premium</u>	<u>Treasury share transactions</u>	<u>Difference between proceeds from acquisition or disposal of subsidiary and book value</u>	<u>Changes in ownership interests in subsidiaries</u>	<u>Change in net equity of associates accounted for under the equity method</u>	<u>Total</u>
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 December 31	<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>

(21) Retained earnings/Subsequent events

- 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 years ended December 31, 2020 and 2019 as a result of the use, disposal or reclassification of related assets. As of December 31, 2020 and 2019, the amount of special reserve set aside for the initial application of IFRSs all amounted to \$665,206.
- E. (a) 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>

(b) The appropriation of 2020 earnings had been proposed by the Board of Directors on March 26, 2021. Details are summarized below:

	Year ended December 31, 2020	
	Amount	Dividend per share (NTD)
Legal reserve	\$ 195,628	\$ -
Special reserve	(298,188)	-
Cash dividends	1,280,817	2.5
Total	<u>\$ 1,178,257</u>	<u>\$ 2.5</u>

(22) 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			
- Group	(55,232)	-	(55,232)
- Associates	4,088	-	4,088
Currency translation differences:			
- Group	-	331,794	331,794
- Associates	-	17,539	17,539
At December 31	<u>(\$ 306,223)</u>	<u>(\$ 1,730,123)</u>	<u>(\$ 2,036,346)</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			
- Group	(115,954)	-	(115,954)
- Associates	176,366	-	176,366
Currency translation differences:			
- Group	-	(750,834)	(750,834)
- Associates	-	(34,212)	(34,212)
At December 31	<u>(\$ 255,079)</u>	<u>(\$ 2,079,456)</u>	<u>(\$ 2,334,535)</u>

(23) 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:

	Years ended December 31,	
	2020	2019
3C component	\$ 34,144,461	\$ 40,462,571
Systems and peripheral products	44,289,953	44,264,157
3C product retail	10,589,485	12,443,435
Others	528,201	650,173
Total	<u>\$ 89,552,100</u>	<u>\$ 97,820,336</u>

B. Contract liabilities

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

	December 31, 2020	December 31, 2019
Contract liabilities:		
Contract liabilities-advance sales receipts	<u>\$ 896,775</u>	<u>\$ 787,222</u>

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

	Years ended December 31,	
	2020	2019
Revenue recognised that was included in the contract		
Sales revenue received in advance	<u>\$ 536,392</u>	<u>\$ 422,934</u>

(24) Interest income

	Years ended December 31,	
	2020	2019
Interest income from bank deposits	\$ 105,872	\$ 106,993

(25) Other income

	Years ended December 31,	
	2020	2019
Rental revenue	\$ 17,185	\$ 16,362
Other revenue-other	561,098	475,722
	\$ 578,283	\$ 492,084

(26) Other gains and losses

	Years ended December 31,	
	2020	2019
Loss on disposal of property, plant and equipment	(\$ 71,752)	(\$ 13,204)
Gain on disposal of investments	250,764	24,693
Net currency exchange (losses) gains	(23,201)	193,706
Impairment loss on intangible assets	(539,338)	(582,901)
Depreciation charge on investment property	(12,799)	(9,295)
Other gains and losses	14,151	32,007
	(\$ 382,175)	(\$ 354,994)

(27) Finance costs

	Years ended December 31,	
	2020	2019
Interest expense:		
Bank borrowings	\$ 273,021	\$ 317,653
Corporate bonds	70,212	22,737
Lease liabilities	6,020	9,928
	\$ 349,253	\$ 350,318

(28) Expenses by nature

	Years ended December 31,	
	2020	2019
Employee benefit expense	\$ 12,165,364	\$ 14,093,472
Depreciation expense	3,210,265	3,721,729
Amortisation charges on intangible assets	119,825	109,263
Transportation expense	677,472	808,353
Advertising costs	72,922	65,674
Operating lease payments	100,131	153,188
Manufacture costs and operating expenses	<u>\$ 16,345,979</u>	<u>\$ 18,951,679</u>

(29) Employee benefit expense

	Years ended December 31,	
	2020	2019
Wages and salaries	\$ 10,815,111	\$ 12,298,852
Labour and health insurance fees	398,868	507,753
Directors' remuneration	10,000	10,000
Pension costs	585,836	924,135
Other personnel expenses	355,549	352,732
	<u>\$ 12,165,364</u>	<u>\$ 14,093,472</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 years ended December 31, 2020 and 2019, employees' compensation was accrued at \$220,000 and \$246,000, respectively; directors' and supervisors' remuneration was accrued at \$10,000 and \$10,000, 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 year ended December 31, 2020 and percentage as prescribed by the Company's Articles of Incorporation. The Board of Directors resolved the actual appropriation amounts of \$220,000 and \$10,000 and appropriated in cash in March 26, 2021
- 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.

(30) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Current tax:		
Tax payable incurred in current period	\$ 839,300	\$ 633,729
Tax on undistributed surplus earnings	3,883	-
Prior year income tax (overestimation) underestimation	(149,525)	23,073
Total current tax	<u>693,658</u>	<u>656,802</u>
Deferred tax:		
Origination and reversal of temporary differences	5,809	(59,324)
Total deferred tax	<u>5,809</u>	<u>(59,324)</u>
Income tax expense	<u>\$ 699,467</u>	<u>\$ 597,478</u>

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

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Currency translation differences	\$ 82,675	(\$ 206,789)
Remeasurement of defined benefit obligations	(1,035)	(51)
	<u>\$ 81,640</u>	<u>(\$ 206,840)</u>

B. Reconciliation between income tax expense and accounting profit

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Tax calculated based on profit before tax and statutory tax rate	\$ 898,488	\$ 604,014
Effect from items disallowed by tax regulation	(85,192)	(29,609)
Prior year income tax under (overestimation) underestimation	(149,525)	23,073
Effect from Alternative Minimum Tax	17,017	-
Tax on repatriation of capital from Taiwan's offshore companies	14,796	-
Tax on undistributed surplus earnings	3,883	-
Income tax expense	<u>\$ 699,467</u>	<u>\$ 597,478</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2020			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
-Deferred tax assets:				
Bad debts expense	\$ 20,498	(\$ 1,505)	\$ -	\$ 18,993
Impairment losses on slow-moving inventory	28,035	(5,356)	-	22,679
Unrealised exchange (loss) gain	1,475	41,019	-	42,494
Unrealised profit from sales	83,826	(38,831)	-	44,995
Unrealised appropriation of pension	-	236	-	236
Remeasurement of defined benefit plan	7,415	-	1,035	8,450
Currency translation differences	256,368	-	(82,675)	173,693
Tax losses	67,739	59,021	-	126,760
Rent expense	717	(717)	-	-
Others	86,742	12,946	-	99,688
Subtotal	<u>\$ 552,815</u>	<u>\$ 66,813</u>	<u>(\$ 81,640)</u>	<u>\$ 537,988</u>
-Deferred tax liabilities:				
Gain on investments	(\$ 618,953)	(\$ 112,211)	\$ -	(\$ 731,164)
Unrealised appropriation of pension	(4,420)	4,420	-	-
Others	(172,526)	35,169	-	(137,357)
Subtotal	<u>(\$ 795,899)</u>	<u>(\$ 72,622)</u>	<u>\$ -</u>	<u>(\$ 868,521)</u>
Total	<u>(\$ 243,084)</u>	<u>(\$ 5,809)</u>	<u>(\$ 81,640)</u>	<u>(\$ 330,533)</u>

	2019			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
-Deferred tax assets:				
Bad debts expense	\$ 20,332	\$ 166	\$ -	\$ 20,498
Impairment losses on slow-moving inventory	37,761	(9,726)	-	28,035
Unrealised exchange (loss) gain	1,865	(390)	-	1,475
Unrealised profit from sales	9,712	74,114	-	83,826
Unrealised appropriation of pension	142	(142)	-	-
Remeasurement of defined benefit plan	14,031	(6,667)	51	7,415
Currency translation differences	49,579	-	206,789	256,368
Tax losses	106,484	(38,745)	-	67,739
Rent expense	-	717	-	717
Others	99,117	(12,375)	-	86,742
Subtotal	<u>\$ 339,023</u>	<u>\$ 6,952</u>	<u>\$ 206,840</u>	<u>\$ 552,815</u>
-Deferred tax liabilities:				
Gain on investments	(\$ 647,393)	\$ 28,440	\$ -	(\$ 618,953)
Unrealised exchange (loss) gain	(48,384)	48,384	-	-
Unrealised appropriation of pension	(6,814)	2,394	-	(4,420)
Remeasurement of defined benefit plan	(6,667)	6,667	-	-
Others	(139,013)	(33,513)	-	(172,526)
Subtotal	<u>(\$ 848,271)</u>	<u>\$ 52,372</u>	<u>\$ -</u>	<u>(\$ 795,899)</u>
Total	<u>(\$ 509,248)</u>	<u>\$ 59,324</u>	<u>\$ 206,840</u>	<u>(\$ 243,084)</u>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2020				
Year incurred	Amount filed /assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2011-2020	\$ 3,242,054	\$ 2,829,498	\$ 2,264,569	2021-2030

December 31, 2019				
Year incurred	Amount filed /assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2009-2019	\$ 1,961,940	\$ 1,961,940	\$ 1,623,245	2019-2029

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2020	December 31, 2019
Deductible temporary differences	\$ 3,048,669	\$ 2,262,799

F. 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:

	Status of Assessment
The Company, Suntain, 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
PSI	Assessed and approved up to 2017

(31) Earnings per share

	Year ended December 31, 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	<u>\$ 1,967,432</u>	<u>484,824</u>	<u>\$ 4.06</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,967,432	484,824	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>4,671</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,967,432</u>	<u>489,495</u>	<u>\$ 4.02</u>

	Year ended December 31, 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	<u>\$ 1,978,361</u>	<u>484,824</u>	<u>\$ 4.10</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,978,361	484,824	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>5,371</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,978,361</u>	<u>490,195</u>	<u>\$ 4.05</u>

(32) Transactions with non-controlling interest

A. Disposal of equity interest in a subsidiary (that did not result in a loss of control)

In November 2020, the Group disposed of 1.9% of shares of its subsidiary - Shinfox Energy Co., Ltd. for a total cash consideration of \$81,497. The carrying amount of non-controlling interest in Shinfox Energy Co., Ltd. was \$499,185 at the disposal date. This transaction resulted in an increase in the non-controlling interest by \$24,097 and an increase in the equity attributable to owners of the parent by \$57,400.

- B. The Group did not participate in the capital increase raised by the subsidiaries and second-tier subsidiary proportionally to its interest to the subsidiary
The subsidiary, Shih Fong Power Co., Ltd. and the second-tier subsidiary, Shinfox Energy Co., Ltd., Shinfox Natural Gas Co., Ltd. and Foxwell Power Co., Ltd. increase its capital by issuing new shares in 2020. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 34%, 16%, 20% and 1%, respectively. The transaction decreased non-controlling interest by \$125,447 and increased the equity attributable to owners of parent by \$125,447.
- C. The Group did not conduct any transaction with non-controlling interest for the year ended December 31, 2019.

(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>

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

A. Investment activities with partial cash payments:

	Years ended December 31,	
	2020	2019
Purchase of property, plant and equipment	\$ 2,464,668	\$ 3,144,294
Add: Opening balance of payable on equipment	548,763	801,385
Less: Ending balance of payable on equipment	(583,447)	(584,763)
Cash paid during the period	<u>\$ 2,429,984</u>	<u>\$ 3,360,916</u>

B. The Group sold 100% of its shares in the subsidiaries, Changyuan Wind Power Ltd., Beiyuan Wind Power Ltd. and Shinfox Power Co., Ltd., on November 30, 2020, and therefore lost control over the subsidiaries (please refer to Note 4(3)). The details of the consideration received from the transaction (including cash and cash equivalents) and assets and liabilities relating to the subsidiary are as follows:

	November 30, 2020		
	Changyuan Wind Power Ltd.	Beiyuan Wind Power Ltd.	Shinfox Power Co., Ltd.
Carrying amount of assets and liabilities of the subsidiaries			
Cash	\$ 3,287	\$ 6,400	\$ 21,108
Other current assets	37,784	38,351	114
Property, plant and equipment	729,847	740,911	24,039
Deferred income tax assets	34	28	-
Other non-current assets	5,786	2,864	2,057
Other current liabilities	(128,466)	(130,331)	(2,370)
Other non-current liabilities	(454,612)	(532,396)	-
Carrying amount of disposal of subsidiaries	193,660	125,827	44,948
Gain on disposal of subsidiaries	<u>125,490</u>	<u>114,360</u>	<u>52</u>
Total consolidation received from disposal of subsidiaries	319,150	240,187	45,000
Cash and cash equivalents from disposal of subsidiaries	(3,287)	(6,400)	(21,108)
Net cash charged due to disposal of subsidiaries	<u>\$ 315,863</u>	<u>\$ 233,787</u>	<u>\$ 23,892</u>

(36) Changes in liabilities from financing activities

2020							Liabilities from
	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	2,302,838	12,280	3,584,462	(86,958)	(233,619)	5,579,003	
Impact of changes in foreign exchange rate	-	-	-	4,733	(38,329)	(33,596)	
Interest expense	-	-	-	-	6,020	6,020	
Changes in other non-cash items	-	-	2,865	-	162,725	165,590	
At December 31	<u>\$ 4,341,582</u>	<u>\$ 387,222</u>	<u>\$ 6,574,982</u>	<u>\$ 12,825,768</u>	<u>\$ 417,534</u>	<u>\$ 24,547,088</u>	
2019							Liabilities from
	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	588,402	(119,953)	3,000,000	(1,949,283)	(324,094)	1,195,072	
Impact of changes in foreign exchange rate	(7,682)	-	-	-	(201,980)	(209,662)	
Interest expense	-	-	-	-	(9,929)	(9,929)	
Changes in other non-cash items	-	-	(12,345)	-	487,921	475,576	
At December 31	<u>\$ 2,038,744</u>	<u>\$ 374,942</u>	<u>\$ 2,987,655</u>	<u>\$ 12,907,993</u>	<u>\$ 520,737</u>	<u>\$ 18,830,071</u>	

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
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 HUNG)	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

Names of related parties	Relationship with the Group
Dongguan Kingplus Precision Electronic Technology Co., Ltd.	Other related party
Foxwell Energy Co., Ltd.	Other related party
Changyuan Wind Power Ltd.	Other related party(Note)
Beiyuan Wind Power Ltd.	Other related party(Note)
Shinfox Power Co., Ltd.	Other related party(Note)

Note: Changyuan Wind Power Ltd., Beiyuan Wind Power Ltd. and Shinfox Power Co., Ltd. were sold to Foxwell Energy Co., Ltd and became other related parties since November 30, 2020.

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2020	2019
Sales of goods:		
- Associates	\$ 1,753	\$ 21,553
- Other related parties	1,462,517	1,808,242
	<u>\$ 1,464,270</u>	<u>\$ 1,829,795</u>
Sales of services:		
-Associates		
Central Motion Picture Corporation	\$ 64,848	\$ -
-Other related parties		
Changyuan Wind Power Ltd.	33,688	-
Beiyuan Wind Power Ltd.	33,688	-
	<u>\$ 132,224</u>	<u>\$ -</u>

- (a) 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) The Group's sales of services to the abovementioned related parties refer to construction revenue, service revenue and electricity sales revenue charged from the contracted construction agreements, contracted agreements for development, design, manufacture and supervision of construction and the operation and maintenance contract for wind turbine generator system (WTGS) entered with other related parties, and the transaction price and credit terms are the same with the market situation or the general customers.

B. Operating costs

(a) Purchases of goods

	Years ended December 31,	
	2020	2019
Purchases of goods:		
- Associates	\$ 359,392	\$ 443,043
- Other related parties	834,247	662,974
	<u>\$ 1,193,639</u>	<u>\$ 1,106,017</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.

(b) Rent expense

	Years ended December 31,	
	2020	2019
Construction cost - rent expense		
- Associates	<u>\$ 12,932</u>	<u>\$ -</u>

The Company entered into lease agreements using market quotes with related parties and pays rent based on mutual agreement.

C. Non-operating income - Other Income

	Years ended December 31,	
	2020	2019
Other income:		
- Associates	<u>\$ -</u>	<u>\$ 262</u>

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

	Years ended December 31,	
	2020	2019
Technical service compensation:		
- Associates	<u>\$ 1,153</u>	<u>\$ 30,494</u>

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>December 31, 2020</u>	<u>December 31, 2019</u>
Accounts receivable:		
- Other related parties		
Shinfox Power Co., Ltd.	\$ 284,899	\$ -
Hon Hai Precision Industry Co., Ltd.	201,200	356,867
Others	36,692	1,014
- Associates	<u>80,914</u>	<u>73,098</u>
	<u>\$ 603,705</u>	<u>\$ 430,979</u>
Other receivables (Financing):		
- Associates		
Microlink	\$ 55,000	\$ 67,000
Other receivables (Others):		
- Associates	-	28,825
- Other related parties	<u>868</u>	<u>-</u>
	<u>\$ 55,868</u>	<u>\$ 95,825</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>December 31, 2020</u>	<u>December 31, 2019</u>
Accounts payable:		
- Associates	\$ 50,184	\$ 114,850
- Other related parties	<u>110,542</u>	<u>115,241</u>
	<u>\$ 160,726</u>	<u>\$ 230,091</u>
Other payables-Receipts under custody:		
- Associates	\$ 15,612	\$ 16,812
- Other related parties	<u>-</u>	<u>85</u>
	<u>\$ 15,612</u>	<u>\$ 16,897</u>

G. Property transactions

	Accounts	No. of shares	Objects	Year ended December 31, 2020	
				Disposal proceeds	Gain (loss) on disposal
Disposal of financial assets:					
-Other related parties					
Foxwell Energy Co., Ltd.	Investments accounted for using equity method-subsiary	23,000	Changyuan Wind Power Ltd.	\$ 319,150	\$ 125,490
	Investments accounted for using equity method-subsiary	16,000	Beiyuan Wind Power Ltd.	240,187	114,360
	Investments accounted for using equity method-subsiary	4,500	Shinfox Power Co., Ltd.	45,000	52
				<u>\$ 604,337</u>	<u>\$ 239,902</u>

The Group sold 100% of shares in Changyuan Wind Power Ltd., Beiyuan Wind Power Ltd. and Shinfox Power Co., Ltd. to Foxwell Energy Co., Ltd. on November 30, 2020 and therefore lost control over the subsidiaries, of which the consideration for Changyuan Wind Power Ltd. and Beiyuan Wind Power Ltd. was reasonable after consulting with an external appraisal expert. The details of the consideration received from the transactions and assets and liabilities relating to the subsidiaries are provided in Note 6(35).

H. 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 the month.

(b) Acquisition of right-of-use assets

	Year ended December 31, 2019
Associates	<u>\$ 17,962</u>

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:

	December 31, 2020	December 31, 2019
Associates	\$ 17,962	\$ 4,914
Other related parties	-	9,510
	<u>\$ 17,962</u>	<u>\$ 14,424</u>

ii. Interest expense

	Years ended December 31,	
	2020	2019
Associates	\$ 37	\$ 98
Other related parties	90	253
	<u>\$ 127</u>	<u>\$ 351</u>

(3) Key management compensation

	Years ended December 31,	
	2020	2019
Salaries and other short-term employee benefits	\$ 124,056	\$ 121,878
Post-employment benefits	1,837	2,620
Total	<u>\$ 125,893</u>	<u>\$ 124,498</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2020	December 31, 2019	
Property, plant and equipment	\$ 951,953	\$ 591,778	Short-term notes and bills, short- and long-term borrowings
Repatriation of capital from Taiwan's offshore companies (shown as financial assets at amortised cost-current)	178,162	896,906	Repatriation of capital from Taiwan's offshore companies
Restricted deposits and time deposits-current (shown as financial assets at amortised cost-current)	5,563,959	367,747	Customs deposit, guarantee for L/C issued for purchases of materials, government grants coupon trust and construction performance security deposit
Refundable deposits (shown as other non-current assets)	227,033	133,992	Customs deposit, plant deposit and rental performance security deposit
Restricted deposits and time deposits-non-current (shown as financial assets at amortised cost-non-current)	146,394	127,584	Litigation deposit and collateral for long-term borrowings
Refundable deposits (shown as other current assets)	3,107	-	Construction performance security deposit
	<u>\$ 7,070,608</u>	<u>\$ 2,118,007</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:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Property, plant and equipment	<u>\$ 622,708</u>	<u>\$ 1,078,036</u>

(2) On December 31, 2020 and 2019, the Group entered into contracts for construction cooperation with non-related parties for contract prices amounting to \$14,041,394 and \$846,361, respectively. As of December 31, 2020 and 2019, the outstanding construction prices amounted to \$13,191,348 and \$408,514, respectively.

(3) As of December 31, 2020 and 2019, the letters of guarantee to be issued by the bank, which are required for contracting the Phase II of Taipower's Offshore Wind Power Project, the "Wind Farm Property Procurement and Installation Project" and Solar System Integration Project, amounted to \$5,682,681 and \$284,991, respectively.

(4) On August 13, 2020, the Group entered into an equipment procurement contract and an operation and maintenance contract with Taiwan Power Company for the Phase II of Taipower's Offshore Wind Power Project, and the "Wind Farm Property Procurement and Installation Project" amounted to \$56,588,000 and \$6,300,000, respectively. The terms of the equipment procurement contract specifies that the Company shall complete the foundation construction for wind turbine generator system and offshore substation as of September 30, 2024, shall complete all wind turbine generator system which shall be under the security constrained dispatch process as of December 31, 2025, shall complete the whole construction as of December 31, 2025 and shall provide 2 years warranties from the date of completion and acceptance of the whole construction. In addition, the equipment shall provide guaranteed generating capacity. The performance term of this project is divided into stages progress and the final completion deadline. The default penalty shall be computed until the termination date of the contract according to each stage of the project. The operation and maintenance contract specifies the terms such as the guaranteed annual availability and default penalty of all wind turbine generator system as well as the relevant rights and obligations of both parties. The contract period is 5 years from the time when all wind turbine generator system are under the security constrained dispatch process.

(5) The Group entered into an operation and maintenance contract with Changyuan Wind Power Ltd., Beiyuan Wind Power Ltd. and Shinfox Power Co., Ltd. for wind turbine generator system and solar energy equipment. The contract specifies the terms such as the bonus and penalty of operation and maintenance as well as the relevant rights and obligations of both parties. The contract period is for 20 years from the parallel connection date. Please refer to Note 7 for the payment charged.

(6) 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

- (1) Details of the appropriation of 2020 earnings as resolved by the Board of Directors on March 26, 2021 are provided in Note 6(21).
- (2) On March 26, 2021, the Board of Directors resolved the following investments:
The Company will increase capital in the subsidiary, Fu Uei International Investment Ltd., amounting to \$1,400,000 and increase capital in FOXLINK INDIA ELECTRIC PRIVATE LIMITED amounting to USD 40 million through the subsidiary.

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>December 31, 2020</u>	<u>December 31, 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
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	986,704	936,755
Financial assets at amortised cost/loans and receivables		
Cash and cash equivalents	10,993,540	6,296,729
Financial assets at amortised cost	6,553,947	1,770,762
Notes receivable	35,124	24,547
Accounts receivable	16,913,935	15,905,090
Other receivables	259,467	455,542
Guarantee deposits paid	230,140	133,992
	<u>\$ 35,972,857</u>	<u>\$ 25,652,567</u>

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 4,341,582	\$ 2,038,744
Short-term notes and bills payable	387,222	374,942
Notes payable	155	3,273
Accounts payable	17,681,996	14,942,306
Other accounts payable	4,778,465	5,870,986
Corporate bonds payables	6,574,982	2,987,655
Lease liability	417,534	520,737
Long-term borrowings (including current	12,825,768	12,907,993
Guarantee deposits received	25,370	33,934
	<u>\$ 47,033,074</u>	<u>\$ 39,680,570</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:

	December 31, 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	\$ 463,814	28.48	\$ 13,209,423
RMB : NTD	3,671	4.38	16,079
HKD : NTD	50,761	3.67	186,293
EUR : NTD	352	35.02	12,327
JPY : NTD	44,194	0.28	12,374
USD : RMB	4,387	6.52	124,942
EUR : RMB	41	8.00	1,436
<u>Non-monetary items</u>			
RMB : HKD	\$ 960,569	1.19	\$ 1,144,680
INR : NTD	100,064	0.39	39,010
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 360,412	28.48	\$ 10,264,534
RMB : NTD	556	4.38	2,435
HKD : NTD	4,465	3.67	16,387
EUR : NTD	101	35.02	3,537
JPY : NTD	8,124	0.28	2,275
USD : RMB	836	6.52	23,809

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

- 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 years ended December 31, 2020 and 2019 amounted to (\$23,201) and \$193,706, respectively.
- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 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%	\$ 132,094	\$ -
RMB : NTD	1%	161	-
HKD : NTD	1%	1,863	-
EUR : NTD	1%	123	-
JPY : NTD	1%	124	-
USD : RMB	1%	1,249	-
EUR : RMB	1%	14	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 102,645	\$ -
RMB : NTD	1%	24	-
HKD : NTD	1%	164	-
EUR : NTD	1%	35	-
JPY : NTD	1%	23	-
USD : RMB	1%	238	-

Year ended December 31, 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%	\$	163,730	\$ -
RMB : NTD	1%		10,360	-
HKD : NTD	1%		127	-
EUR : NTD	1%		255	-
JPY : NTD	1%		196	-
USD : HKD	1%		183	-
USD : RMB	1%		4,000	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	100,883	\$ -
RMB : NTD	1%		1,252	-
HKD : NTD	1%		728	-
EUR : NTD	1%		2,104	-
JPY : NTD	1%		76	-
USD : HKD	1%		294	-
RMB : HKD	1%		5,618	-
USD : RMB	1%		53,153	-
NTD : RMB	1%		81	-

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 years ended December 31, 2020 and 2019 would have increased (decreased) by \$7,894 and \$7,494, 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 years ended December 31, 2020 and 2019, the Group's borrowings issued by floating rate are priced in New Taiwan dollars and Euro dollars.
- ii. As of December 31, 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 years ended December 31, 2020 and 2019 would have been \$102,606 and \$103,264 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 and considers the industry characteristics, 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 December 31, 2020 and 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 December 31, 2020</u>					
Expected loss rate	0.04%	4.71%	16.18%	100%	
Total book value	\$ 15,576,348	\$ 681,975	\$ 106,863	\$ 63,416	\$ 16,428,602
Loss allowance	\$ 5,518	\$ 32,147	\$ 17,292	\$ 63,416	\$ 118,373
	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

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

	2020	2019
	Accounts receivable	Accounts receivable
At January 1	\$ 158,659	\$ 167,118
Reversal of impairment loss	(40,378)	(7,799)
Effect of foreign exchange	92	(660)
At December 31	<u>\$ 118,373</u>	<u>\$ 158,659</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 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
December 31, 2020					
Short-term borrowings	\$ 4,380,730	\$ -	\$ -	\$ -	\$ -
Short-term notes and bills payable	392,489	-	-	-	-
Lease liabilities	183,850	92,877	75,552	29,751	127,403
Long-term borrowings (including current portion)	511,435	6,381,062	2,199,349	3,681,215	207,793

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
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

- 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.

	December 31, 2020			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 6,600,000	\$ -	\$ 6,574,982	\$ -
	December 31, 2019			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 3,000,000	\$ -	\$ 2,987,655	\$ -

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:

December 31, 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	\$ -	\$ -	\$ 986,704	\$ 986,704
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

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 years ended December 31, 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 years ended December 31, 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	(55,232)	(115,954)
Acquired in the period	41,910	-
Disposals in the period	(28,191)	-
Transfers into level 3	72,170	18,375
Effect of exchange rate changes	19,292	(6,008)
At December 31	<u>\$ 986,704</u>	<u>\$ 936,755</u>

H. For the years ended December 31, 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:

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument: Unlisted shares	\$ 986,704	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

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 December 31, 2020 and 2019 if the net asset value increase or decrease by 1%.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

For the investees' information, refer to investees' independent accountant attestation report.

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 year ended December 31, 2020 that is translated using the monthly average exchange rate in 2020, others are translated using the spot rate at December 31, 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 March 26, 2021, 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 December 31, 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:

		Year ended December 31, 2020	
Company name	General ledger account	Amount	Ownership (%)
Dongguan Fuqiang Electronics Co., Ltd.	Purchases of goods	\$ 25,932,277	50%
Fugang Electronic (Dongguan) Co., Ltd.	Purchases of goods	\$ 13,145,389	26%
Fugang Electric (Xuzhou) Co., Ltd.	Purchases of goods	\$ 5,622,875	11%
Fushineng Electronics (Kunshan) Co., Ltd.	Purchases of goods	\$ 2,480,088	5%
Fugang Electric (Kunshan) Co., Ltd.	Purchases of goods	\$ 2,441,043	5%
Fu Gang Electronic (Nan Chang) Co., Ltd.	Purchases of goods	\$ 258,203	1%
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Purchases of goods	\$ 116,782	-
Fugang Electric (Maanshan) Co., Ltd.	Purchases of goods	\$ 106,734	-
		December 31, 2020	
Company name	General ledger account	Amount	Ownership (%)
Fugang Electronic (Dongguan) Co., Ltd.	Accounts payable	\$ 3,306,302	11%
Fugang Electric (Xuzhou) Co., Ltd.	Accounts payable	\$ 1,658,738	5%
Fushineng Electronics (Kunshan) Co., Ltd.	Accounts payable	\$ 1,412,157	4%
Fu Gang Electronic (Nan Chang) Co., Ltd.	Accounts payable	\$ 1,171,748	4%
Fugang Electric (Maanshan) Co., Ltd.	Accounts payable	\$ 50,080	-
Fuqiang Electric (Yancheng) Co., Ltd.	Accounts payable	\$ 117	-

- (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 year and at December 31, 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:

		<u>Year ended December 31, 2020</u>	
<u>Company name</u>	<u>General ledger account</u>	<u>Amount</u>	<u>Ownership (%)</u>
Dongguan Fuqiang Electronics Co., Ltd.	Raw materials purchased on behalf of others	\$ 21,415,150	53%
Fugang Electronic (Dongguan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 9,088,951	23%
Fugang Electric (Xuzhou) Co., Ltd.	Raw materials purchased on behalf of others	\$ 5,651,569	14%
Fushineng Electronics (Kunshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 1,791,763	4%
Fugang Electric (Kunshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 1,614,168	4%
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 287,469	1%
Fugang Electric (Maanshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 52,652	-
Fu Gang Electronic (Nan Chang) Co., Ltd.	Raw materials purchased on behalf of others	\$ 42,634	-
		<u>Year ended December 31, 2019</u>	
<u>Company name</u>	<u>General ledger account</u>	<u>Amount</u>	<u>Ownership (%)</u>
Fugang Electric (Kunshan) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 48,911	20%
Dongguan Fuqiang Electronics Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 44,487	18%
Fugang Electric (Xuzhou) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 30,985	13%
Fushineng Electronics (Kunshan) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 29,711	12%
Fugang Electronic (Dongguan) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 3,030	1%

Company name	General ledger account	December 31, 2020	
		Amount	Ownership (%)
Fugang Electric (Xuzhou) Co., Ltd.	Other receivables	\$ 2,180,418	15%
Fushineng Electronics (Kunshan) Co., Ltd.	Other receivables	\$ 1,492,710	10%
Dongguan Fuqiang Electronics Co., Ltd.	Other receivables	\$ 1,135,780	8%
Fugang Electric (Kunshan) Co., Ltd.	Other receivables	\$ 141,005	1%
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Other receivables	\$ 140,878	1%
Fugang Electric (Maanshan) Co. Ltd.	Other receivables	\$ 70,275	-
Fu Gang Electronic (Nan Chang) Co., Ltd.	Other receivables	\$ 66,336	-
Fuqiang Electric (Yancheng) Co., Ltd.	Other receivables	\$ 12,108	-
Fugang Electric (Yancheng) Co., Ltd.	Other receivables	\$ 444	-

(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:

Year ended December 31, 2020

	3C component department	Systems and peripheral products department	3C product retail department	Other operations	Adjustments	Total
External Revenue	\$ 34,144,461	\$ 44,289,953	\$ 10,589,485	\$ 528,201	\$ -	\$ 89,552,100
Revenue from Internal Customers	1,257,634	620,966	-	59,008	(1,937,608)	-
Segment Revenue	<u>\$ 35,402,095</u>	<u>\$ 44,910,919</u>	<u>\$ 10,589,485</u>	<u>\$ 587,209</u>	<u>(\$ 1,937,608)</u>	<u>\$ 89,552,100</u>
Segment Profit	<u>\$ 677,537</u>	<u>\$ 1,544,270</u>	<u>\$ 165,215</u>	<u>\$ 7,399</u>	<u>\$ -</u>	<u>\$ 2,394,421</u>

Year ended December 31, 2019

	3C component department	Systems and peripheral products department	3C product retail department	Other operations	Adjustments	Total
External Revenue	\$ 40,462,571	\$ 44,264,157	\$ 12,443,435	\$ 650,173	\$ -	\$ 97,820,336
Revenue from Internal Customers	2,155,154	1,781,064	-	242	(3,936,460)	-
Segment Revenue	<u>\$ 42,617,725</u>	<u>\$ 46,045,221</u>	<u>\$ 12,443,435</u>	<u>\$ 650,415</u>	<u>(\$ 3,936,460)</u>	<u>\$ 97,820,336</u>
Segment Profit	<u>\$ 860,100</u>	<u>\$ 1,225,483</u>	<u>\$ 174,273</u>	<u>\$ 21,834</u>	<u>\$ -</u>	<u>\$ 2,281,690</u>

(4) Reconciliation for segment profit (loss)

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

(5) Geographical information

Geographical information for the years ended December 31, 2020 and 2019 is as follows:

	Years ended December 31,			
	2020		2019	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 6,089,750	\$ 13,991,614	\$ 5,530,854	\$ 15,566,501
China	47,036,651	16,970,185	52,542,911	17,653,681
America	17,697,311	51,465	24,309,020	30,531
Hong Kong	3,990,822	1,092,025	2,770,724	749,964
Korea	1,777,075	38,658	1,876,842	32,229
Others	12,960,491	827,849	10,789,985	1,825,877
	<u>\$ 89,552,100</u>	<u>\$ 32,971,796</u>	<u>\$ 97,820,336</u>	<u>\$ 35,858,783</u>

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2020 and 2019 is as follows:

		Years ended December 31,			
		2020		2019	
		Revenue	Segment	Revenue	Segment
A	\$	7,370,646	Systems and peripheral products department	\$ 8,455,113	Systems and peripheral products department
D		17,848,507	3C component department	25,947,621	3C component department
	\$	<u>25,219,153</u>		<u>\$ 34,402,734</u>	

Cheng Uei Precision Industry Co., Ltd.
Loans to others
Year ended December 31, 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 year ended December 31, 2020	Balance at December 31, 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	1.50%	2	\$ -	Operations	\$ -	-	\$ -	\$ 4,752,511	\$ 9,505,021	
1	Fugang Electric (Kunshan) Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	"	Yes	103,824	-	-	-	2	-	"	-	-	-	3,593,298	3,593,298	
1	Fugang Electric (Kunshan) Co., Ltd.	FUQIANG ELECTRIC (YANCHENG) CO., LTD.	"	Yes	35,016	35,016	35,016	-	2	-	"	-	-	-	3,593,298	3,593,298	
1	Fugang Electric (Kunshan) Co., Ltd.	Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	"	Yes	24,074	24,074	24,074	-	2	-	"	-	-	-	3,593,298	3,593,298	
1	Fugang Electric (Kunshan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	Yes	172,200	-	-	-	2	-	"	-	-	-	3,593,298	3,593,298	
1	Fugang Electric (Kunshan) Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	"	Yes	34,040	-	-	-	2	-	"	-	-	-	3,593,298	3,593,298	
1	Fugang Electric (Kunshan) Co., Ltd.	Foxlink Technical India Private Limited	"	Yes	179,706	-	-	-	2	-	"	-	-	-	3,593,298	3,593,298	
2	World Circuit Technology Co., Ltd.	Proconn Technology Co., Ltd.	"	Yes	87,928	-	-	-	2	-	"	-	-	-	106,022	106,022	
2	World Circuit Technology Co., Ltd.	Microlink Communications Inc.	"	Yes	55,000	55,000	55,000	-	2	-	"	-	-	-	106,022	106,022	
3	Culink Tianjin Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	"	Yes	216,300	-	-	-	2	-	"	-	-	-	233,062	233,062	
4	Foxlink Energy (Tianjin) Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	Yes	168,714	-	-	-	2	-	"	-	-	-	173,907	173,907	
5	Foxlink International Investment Ltd.	Microlink Communications Inc.	"	Yes	67,000	-	-	-	2	-	"	-	-	-	1,437,207	1,437,207	
6	Fu Uei International Investment Ltd.	Cheng Uei Precision Industry Co., Ltd.	"	Yes	235,000	95,000	95,000	-	2	-	"	-	-	-	714,612	714,612	
7	FOXLINK TECHNOLOGY LIMITED	Cheng Uei Precision Industry Co., Ltd.	"	Yes	724,648	-	-	-	2	-	"	-	-	-	850,237	850,237	
7	FOXLINK TECHNOLOGY LIMITED	CU INTERNATIONAL LTD.	"	Yes	102,860	102,860	102,860	-	2	-	"	-	-	-	850,237	850,237	
7	FOXLINK TECHNOLOGY LIMITED	CU INTERNATIONAL LTD.	"	Yes	623,712	623,712	623,712	-	2	-	"	-	-	-	850,237	850,237	
7	FOXLINK TECHNOLOGY LIMITED	Proconn Technology Co., Ltd.	"	Yes	89,970	-	-	-	2	-	"	-	-	-	850,237	850,237	
8	Foxlink Tianjin Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	"	Yes	95,172	-	-	-	2	-	"	-	-	-	2,341,774	2,341,774	

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2020	Balance at December 31, 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 ELECTRIC (XUZHOU) Co., Ltd.	Other receivables - related parties	Yes	\$ 64,890	\$ -	\$ -	-	2	\$ -	Operations	\$ -	-	\$ -	\$ 2,341,774	\$ 2,341,774	
8	Foxlink Tianjin Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	"	Yes	389,340	-	-	-	2	-	"	-	-	-	2,341,774	2,341,774	
8	Foxlink Tianjin Co., Ltd.	Foxlink Technical India Private Limited	"	Yes	179,706	-	-	-	2	-	"	-	-	-	2,341,774	2,341,774	
9	Zhi De Investment Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	"	Yes	100,000	100,000	100,000	-	2	-	Group's capital management	-	-	-	191,170	191,170	
10	Foxlink Automotive Technology (Kunshan) Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	"	Yes	172,200	-	-	-	2	-	Operations	-	-	-	302,052	302,052	
11	Dongguan Fuqiang Electronics Co., Ltd.	Foxlink Technical India Private Limited	"	Yes	269,559	-	-	-	2	-	"	-	-	-	8,377,057	8,377,057	
11	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	"	Yes	590,895	590,895	590,895	-	2	-	"	-	-	-	8,377,057	8,377,057	
11	Dongguan Fuqiang Electronics Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	"	Yes	218,850	218,850	218,850	-	2	-	"	-	-	-	8,377,057	8,377,057	
12	Fugang Electronic (Dongguan) Co., Ltd.	Foxlink Technical India Private Limited	"	Yes	269,559	-	-	-	2	-	"	-	-	-	8,377,057	5,717,342	
12	Fugang Electronic (Dongguan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	"	Yes	253,866	253,866	253,866	-	2	-	"	-	-	-	5,717,342	5,717,342	
13	Fuzhan Electronics (Shanghai) Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	"	Yes	48,147	48,147	48,147	-	2	-	"	-	-	-	52,327	52,327	
14	Studio A Inc.	AShop Co., Ltd.	"	Yes	223,002	-	-	2.00%	2	-	"	-	-	-	251,609	251,609	
15	Studio A Technology Limited	Studio A Inc.	"	Yes	90,960	-	-	-	2	-	"	-	-	-	380,302	380,302	
15	Studio A Technology Limited	Kunshan Fugang Electric Trading Co., Ltd.	"	Yes	113,610	110,190	69,787	2.00%	2	-	"	-	-	-	380,302	380,302	
15	Studio A Technology Limited	AShop Co., Ltd.	"	Yes	142,500	142,400	105,376	2.00%	2	-	"	-	-	-	380,302	380,302	
16	FIT Holding Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	Yes	289,014	288,882	218,850	0.98%~1.20%	2	-	"	-	-	-	2,117,579	2,823,439	
16	FIT Holding Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	Yes	131,370	131,310	131,310	0.98%~1.20%	2	-	"	-	-	-	2,117,579	2,823,439	
17	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	"	Yes	300,000	300,000	143,000	0.85-1.2%	2	-	"	-	-	-	1,174,532	1,174,532	
17	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	"	Yes	648,000	600,000	425,000	0.89-1.23%	2	-	"	-	-	-	1,174,532	1,174,532	
18	Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	Yes	399,970	253,866	253,866	1.50%	2	-	"	-	-	-	309,072	309,072	
19	Glory Optics (BVI) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	Yes	93,060	-	-	-	2	-	"	-	-	-	-	-	
19	Glory Optics (BVI) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	Yes	75,068	-	-	-	2	-	"	-	-	-	-	-	

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2020	Balance at December 31, 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			
20	Glorytek (Suzhou) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Other receivables - related parties	Yes	\$ 28,026	\$ 28,013	\$ 28,013	3%	2	\$ -	Operations	\$ -	-	\$ -	\$ 477,261	\$ 477,261	
20	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	Yes	220,910	218,850	175,080	5%	2	-	"	-	-	-	477,261	477,261	
21	POWER QUOTIENT TECHNOLOGY (YANCHENG) CO., Ltd.	Jiangsu Foxlink New Energy Technology Co., Ltd.	"	Yes	457,600	-	-	-	2	-	Group's capital management	-	-	-	695,052	695,052	
22	Foxwell Energy Corporation Ltd.	Beiyuan Wind Power Ltd.	"	Yes	50,000	-	-	Over 1 month, 1.75%	2	-	"	-	-	-	-	-	-
22	Foxwell Energy Corporation Ltd.	Changyuan Wind Power Ltd.	"	Yes	50,000	-	-	Over 1 month, 1.75%	2	-	"	-	-	-	-	-	-
23	Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	"	Yes	50,000	50,000	-	1.60%	2	-	"	-	-	-	501,621	501,621	
23	Shinfox Energy Co., Ltd.	Foxwell Power Co., Ltd.	"	Yes	50,000	50,000	-	1.60%	2	-	"	-	-	-	501,621	501,621	
23	Shinfox Energy Co., Ltd.	Shinfox Natural Gas Co., Ltd.	"	Yes	60,000	60,000	-	1.5%~1.6%	2	-	"	-	-	-	501,621	501,621	

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
Year ended December 31, 2020

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

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 December 31, 2020	Outstanding endorsement/ guarantee amount at December 31, 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	\$ 11,881,277	\$ 982,368	\$ 922,752	\$ 89,541	\$ -	3.88	\$ 23,762,553	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	11,881,277	1,313,100	1,313,100	1,313,100	-	5.53	23,762,553	Y	N	Y	
0	Cheng Uei Precision Industry Co., Ltd.	Straight A Inc.	"	9,505,021	454,800	427,200	40,891	-	1.80	23,762,553	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	ASHOP Co., Ltd.	"	9,505,021	427,500	427,200	283,376	-	1.80	23,762,553	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Studio A Inc.	The Company's second-tier subsidiary	9,505,021	1,212,800	1,139,200	535,553	-	4.79	23,762,553	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Studio A Technology Limited	The Company's third-tier subsidiary	9,505,021	1,455,360	1,224,640	138,982	-	5.15	23,762,553	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	"	9,505,021	1,212,800	1,053,760	238,378	-	4.43	23,762,553	Y	N	Y	
1	Studio A Inc.	ASHOP Co., Ltd.	Studio A Inc.'s subsidiary	9,505,021	212,240	-	-	-	-	23,762,553	Y	N	N	
2	Fugang Electric (Kunshan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.'s other related party	11,881,277	1,201,268	1,201,268	1,201,268	-	5.06	23,762,553	Y	N	Y	
3	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	FIT Holding Co., Ltd.'s subsidiary	10,587,898	720,000	720,000	400,000	-	10.20	10,587,898	Y	N	N	
3	FIT Holding Co., Ltd.	Glory Science Co., Ltd.	"	10,587,898	1,260,000	1,121,310	625,000	-	15.89	10,587,898	Y	N	N	
3	FIT Holding Co., Ltd.	Foxwell Energy Corporation Ltd.	FIT Holding Co., Ltd.'s third-tier subsidiary	9,882,038	531,698	522,778	522,778	-	7.41	10,587,898	Y	N	N	
4	Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Glory Science Co., Ltd.'s subsidiary	1,159,023	185,070	-	-	-	-	1,159,023	Y	N	Y	
4	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Glory Science Co., Ltd.'s subsidiary	1,159,023	185,070	-	-	-	-	1,159,023	Y	N	Y	

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 December 31 , 2020	Outstanding endorsement/ guarantee amount at December 31, 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	Proision of endorsements /guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/guarantor											
5	Foxwell Energy Corporation Ltd.	Bei yuan Wind Power Ltd.	Foxwell Energy Corporation Ltd.'s subsidiary	\$ 1,238,685	\$ 600,000	\$ -	\$ -	\$ -	-	\$ 1,238,685	Y	N	N	
6	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	Foxlink Image Technology Co., Ltd.'s subsidiary	4,110,865	600,000	600,000	200,000	-	8.50	4,404,498	N	N	N	
6	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	"	4,110,865	300,000	300,000	300,000	-	4.25	4,404,498	N	N	N	
7	Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	Shinfox Energy Co., Ltd.'s subsidiary	1,881,077	800,000	800,000	790,000	-	11.33	1,881,077	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)

December 31, 2020

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 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.	"	"	862	-	9.00	-	
CULINK INTERNATIONAL Ltd.	Occipital, Inc.	"	"	389	-	2.50	-	
CULINK INTERNATIONAL Ltd.	V5 Systems, Inc.	"	"	1,460	-	4.63	-	
CULINK INTERNATIONAL Ltd.	Motiv Inc.	"	"	273	-	1.70	-	
CULINK INTERNATIONAL Ltd.	LeadSun WINION Limited	"	"	3,000	85,440	40.07	85,440	
CULINK INTERNATIONAL Ltd.	MedWand Solutions Inc.	"	"	63	-	3.18	-	
FOXLINK TECHNOLOGY LIMITED	LEADSUN NEW STAR CORP.	"	"	875	23,622	12.50	23,622	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	Dongguan PowerWise Technology Co., Ltd.	"	"	1,250	43,770	4.00	43,770	
Foxlink Image Technology Co., Ltd.	TAIWAN STAR TELECOM CORPORATION LIMITED	N/A	"	50,000	350,000	0.91	350,000	
Foxlink Image Technology Co., Ltd.	Wellgen Medical Co., Ltd.	"	"	1,500	18,375	15.80	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	350,000	0.91	350,000	
Power Quotient International Co., Ltd.	STACK DEVICES CORPORATION	"	"	70	-	0.11	-	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2020				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
POWER QUOTIENT TECHNOLOGY (YANCHENG) Co., Ltd.	Jiangsu Foxlink New Energy Technology Co.,Ltd.	N/A	Financial assets at fair value through other comprehensive income-non-current	-	\$ 73,997	12.90	\$ 73,997	
Shinfox Energy Co., Ltd.	Corvus Energy Ltd.	"	"	22	-	0.12	-	
Shinfox Energy Co., Ltd.	SEC INTERNATIONAL INC.	"	"	54	-	9.00	-	
Foxwell Energy Corporation Ltd.	Full Entertainment Marketing Co., Ltd.	"	"	300	-	1.50	-	

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

Year ended December 31, 2020

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2020		Addition		Disposal				Balance as at December 31, 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 under the equity method	Capital Increase	Affiliated company	-	\$ -	79,800	\$ 957,600	-	\$ -	\$ -	\$ -	79,800	\$ 957,600
Foxwell Energy Corporation Ltd.	Common stock in Changyuan Wind Power Ltd.	"	Foxwell Energy Co., Ltd.	Other related party	23,000	197,206	-	-	23,000	319,150	193,660	125,490	-	-
Foxwell Energy Corporation Ltd.	Common stock in Beiyuan Wind Power Ltd.	"	Foxwell Energy Co., Ltd.	Other related party	16,000	129,109	-	-	16,000	240,187	125,827	114,360	-	-

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

Year ended December 31, 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	(\$ 14,660,823)	(21)	Note 1	Note 1	Note 1	\$ 3,071,851	9	
The Company	Hon Hai Precision Industry Co., Ltd..	This company's director is the second-degree relative of the Company's chairman	Sales	(1,450,887)	(2)	Note 1	Note 1	Note 1	201,200	1	
The Company	Dongguan Fuqiang Electronics Co., Ltd.	The Company's second-tier subsidiary	Purchases	25,932,277	50	Note 2	Note 2	Note 2	-	-	
The Company	Fugang Electronic (Dongguan) Co., Ltd.	"	Purchases	13,145,389	26	Note 2	Note 2	Note 2	(3,306,302)	(11)	
The Company	Fugang Electric (Kunshan) Co., Ltd.	"	Purchases	2,441,043	5	Note 2	Note 2	Note 2	-	-	
The Company	Fu Gang Electronic (Nan Chang) Co., Ltd.	"	Purchases	258,203	1	Note 2	Note 2	Note 2	(1,171,748)	(4)	
The Company	Fushineng Electronics (Kunshan) Co., Ltd.	"	Purchases	2,480,088	5	Note 2	Note 2	Note 2	(1,412,157)	(4)	
The Company	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	"	Purchases	106,734	-	Note 2	Note 2	Note 2	(50,080)	(0)	
The Company	Well Shin Technology Co., Ltd.	The investee of the company's investment accounted for using equity method	Purchases	335,935	1	Note 2	Note 2	Note 2	(46,411)	(0)	
The Company	FUGANG ELECTRIC (XUZHOU) Co., Ltd.	The Company's second-tier subsidiary	Purchases	5,622,875	11	Note 2	Note 2	Note 2	(1,658,738)	(5)	
The Company	Hon Hai Precision Industry Co., Ltd.	This company's chairman is the second-degree relative of the Company's chairman	Purchases	695,476	1	Note 2	Note 2	Note 2	(101,663)	(0)	
The Company	Foxlink Automotive Technology (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	Purchases	116,782	-	Note 2	Note 2	Note 2	-	-	
The Company	SINOBEST BROTHERS LIMITED	The Company's subsidiary	Purchases	204,813	-	Note 2	Note 2	Note 2	(87,731)	(0)	
FOXLINK INTERNATIONAL INC.	The Company	This company is the ultimate parent company of the company	Purchases	14,660,823	100	Note 2	Note 2	Note 2	(3,071,851)	(83)	

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)	
Dongguan Fuqiang Electronics Co., Ltd.	The Company	This company is the ultimate parent company of the company	Sales	(\$ 25,932,277)	(72)	Note 1	Note 1	Note 1	\$ -	-	
Fugang Electronic (Dongguan) Co., Ltd.	The Company	"	Sales	(13,145,389)	(66)	Note 1	Note 1	Note 1	3,306,302	63	
Fugang Electric (Kunshan) Co., Ltd.	The Company	"	Sales	(2,441,043)	(67)	Note 1	Note 1	Note 1	-	-	
Fu Gang Electronic (Nan Chang) Co., Ltd.	The Company	"	Sales	(258,203)	(91)	Note 1	Note 1	Note 1	1,171,748	99	
Fushineng Electronics (Kunshan) Co., Ltd.	The Company	"	Sales	(2,480,088)	(63)	Note 1	Note 1	Note 1	1,412,157	83	
FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	The Company	"	Sale	(106,734)	(33)	Note 1	Note 1	Note 1	50,080	48	
FUGANG ELECTRIC (XUZHOU) Co., Ltd.	The Company	This company is the ultimate parent company of the company	Sales	(5,622,875)	(68)	Note 1	Note 1	Note 1	1,658,738	99	
Foxlink Automotive Technology (Kunshan) Co., Ltd.	The Company	"	Sale	(116,782)	(7)	Note 1	Note 1	Note 1	-	-	
SINOBEST BROTHERS LIMITED	The Company	"	Sale	(204,813)	(53)	Note 1	Note 1	Note 1	87,731	96	
Fugang Electronic (Dongguan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	Sales	(2,612,563)	(13)	Note 1	Note 1	Note 1	376,621	7	
Fugang Electronic (Dongguan) Co., Ltd.	Fushineng Electronics (Kunshan) Co., Ltd.	"	Purchases	208,031	1	Note 2	Note 2	Note 2	(67,834)	(2)	
Fushineng Electronics (Kunshan) Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	"	Sale	(208,031)	(5)	Note 1	Note 1	Note 1	67,834	4	
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	"	Purchases	2,612,563	13	Note 2	Note 2	Note 2	(376,621)	(7)	
Dongguan Fuqiang Electronics Co., Ltd.	DU Precision Industry Co., Ltd.	"	Sale	(320,898)	(1)	Note 1	Note 1	Note 1	138,837	1	
DU Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	Purchases	320,898	100	Note 2	Note 2	Note 2	(138,837)	100	
Suntain Co., Ltd.	Hon Hai Precision Industry Co., Ltd.	This company's director is the second-degree relative of the Company's chairman	Purchases	174,572	57	Note 2	Note 2	Note 2	(8,607)	(89)	
Kunshan Fugang Electric Trading Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	Affiliated company	Sales	(519,502)	(55)	Note 1	Note 1	Note 1	233,733	100	
Shanghai Fugang Electric Trading Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	"	Purchases	519,502	58	Note 2	Note 2	Note 2	(233,733)	(100)	

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)	
ACCU-IMAGE TECHNOLOGY LIMITED	Foxlink Image Technology Co., Ltd.	Affiliated company	Sales	(\$ 586,226)	(100)	Note 1	Note 1	Note 1	\$ 12,541	22	
Foxlink Image Technology Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	"	Purchases	586,226	75	Note 2	Note 2	Note 2	(12,541)	(4)	
Wei Hai Fu Kang Electric Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	"	Sales	(190,473)	(98)	Note 1	Note 1	Note 1	46,781	96	
ACCU-IMAGE TECHNOLOGY LIMITED	Wei Hai Fu Kang Electric Co., Ltd.	"	Purchases	190,473	33	Note 2	Note 2	Note 2	(46,781)	(100)	
Dongguan Fu Wei Electronics Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	"	Sales	(428,381)	(67)	Note 1	Note 1	Note 1	262,549	56	
ACCU-IMAGE TECHNOLOGY LIMITED	Dongguan Fu Wei Electronics Co., Ltd.	"	Purchases	428,381	72	Note 2	Note 2	Note 2	(262,549)	(69)	
Dong Guan Fu Zhang Precision Industry Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	"	Sales	(114,510)	(79)	Note 1	Note 1	Note 1	117,061	53	
ACCU-IMAGE TECHNOLOGY LIMITED	Dong Guan Fu Zhang Precision Industry Co.,Ltd.	"	Purchases	114,510	19	Note 2	Note 2	Note 2	(117,061)	(31)	
Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	"	Sale	(175,080)	(27)	Note 1	Note 1	Note 1	178,981	38	
Foxlink Image Technology Co., Ltd.	Dongguan Fu Wei Electronics Co., Ltd.	"	Purchases	175,080	22	Note 2	Note 2	Note 2	(178,981)	(60)	
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	Purchases	117,220	18	Note 2	Note 2	Note 2	(11,254)	(14)	

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

December 31, 2020

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 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	\$ 3,071,851	4.77	None	N/A	\$ 1,462,347	None
The Company	Fushineng Electronics (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	1,492,710	Note 1	"	"	410,060	"
The Company	Hon Hai Precision Industry Co., Ltd.	This company's director is the second-degree relative of the Company's chairman	201,200	7.21	"	"	-	"
The Company	Fugang Electric (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	141,005	Note 1	"	"	-	"
The Company	Foxlink Automotive Technology (Kunshan) Co., Ltd.	"	140,878	Note 1	"	"	-	"
The Company	FUGANG ELECTRIC (XUZHOU) CO., LTD.	"	2,180,418	Note 1	"	"	559,200	"
The Company	Dongguan Fuqiang Electronics Co., Ltd.	"	1,135,780	Note 1	"	"	1,053,765	"
The Company	Sinobest Brothers Limited	The Company's subsidiary	131,129	Note 1	"	"	-	"
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 2021	-	"
The Company	Suntain Co., Ltd.	The Company's subsidiary	150,155	Note 1	None	N/A	-	"
The Company	FOXLINK INDIA ELECTRIC PRIVATE LIMITED(FIE)	The Company's second-tier subsidiary	266,362	Note 1	"	"	-	"
Fushineng Electronics (Kunshan) Co., Ltd.	The Company	This company is the ultimate parent company of the company	1,412,157	1.76	"	"	-	"
Fu Gang Electronic (Nan Chang) Co., Ltd.	The Company	"	1,171,748	0.22	"	"	-	"
Fugang Electronic (Dongguan) Co., Ltd.	The Company	"	3,306,302	3.98	"	"	-	"
FUGANG ELECTRIC (XUZHOU) CO., Ltd.	The Company	"	1,658,738	3.39	"	"	-	"
Zhi De Investment Co., Ltd.	The Company	The Company's second-tier subsidiary	100,000	Note 1	100,000	Overdue receivable are expected to be gradually collected in 2021	-	"
CU INTERNATIONAL Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	134,247	Note 1	None	N/A	-	"

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 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	\$ 376,621	6.94	None	N/A	\$ -	None
Fugang Electronic (Dongguan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	"	280,330	Note 1	"	"	-	"
Fugang Electronic (Dongguan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	"	253,866	Note 1	253,866	Overdue receivables are expected to be gradually collected in 2021	-	"
Dongguan Fuqiang Electronics Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) CO., LTD.	"	328,208	Note 1	218,850	Overdue receivable are expected to by gradually collected in 2021	-	"
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	"	590,895	Note 1	590,895	Overdue receivables are expected to be gradually collected in 2021	-	"
Dongguan Fuqiang Electronics Co., Ltd.	Changde Fubo Intelligent Technology Co., Ltd.	"	335,796	Note 1	None	N/A	-	"
Dongguan Fuqiang Electronics Co., Ltd.	DU Precision Industry Co., Ltd.	"	138,837	2.31	"	"	-	"
Fugang Electric (Kunshan) Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	"	111,212	0.21	"	"	-	"
Fugang Electric (Kunshan) Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	"	132,646	Note 1	"	"	-	"
Fugang Electric (Kunshan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) CO., LTD.	"	315,576	Note 1	"	"	-	"
Foxlink Tianjin Co., Ltd.	CU INTERNATIONAL LTD.	"	361,832	Note 1	"	"	-	"
FOXLINK TECHNOLOGY LIMITED	CU INTERNATIONAL LTD.	"	726,572	Note 1	726,572	Overdue receivables are expected to be gradually collected in 2021	-	"
FUQIANG ELECTRIC (MAANSHAN) CO., LTD.	Dongguan Fuqiang Electronics Co., Ltd.	"	134,102	0.73	None	N/A	-	"
Studio A Inc.	ASHOP Co., Ltd.	The Company's subsidiary	105,376	Note 1	105,376	Overdue receivables are expected to be gradually collected in 2021	-	"
Kunshan Fugang Electric Triturating Co., Ltd.	Shanghai Fugang Electric Triturating Co., Ltd.	Affiliated company	233,733	2.22	None	N/A	-	"
Dongguan Fu Wei Electronics Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	"	262,549	1.37	"	"	-	"
Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	"	178,981	1.96	"	"	43,770	"
Dong Guan Fu Zhang Precision Industry Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	"	117,061	0.84	"	"	30,055	"
Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	"	103,223	0.33	"	"	11,238	"
Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	"	425,000	Note 1	"	"	-	"

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	Affiliated company	\$ 143,000	Note 1	None	N/A	\$ -	None
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	328,575	0.07	"	"	-	"
Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	507,221	Note 1	"	"	-	"
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	121,199	Note 1	"	"	-	"
Yancheng Yaowei Technology Co., Ltd.	Glorytek (Suzhou) Co., Ltd.	"	138,336	0.06	"	"	-	"
Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	177,144	Note 1	"	"	-	"
FIT Holding Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	"	131,310	Note 1	"	"	-	"
FIT Holding Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	"	219,054	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
 Year ended December 31, 2020

Table 7

Expressed in thousands of NTD
 (Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INTERNATIONAL INC.	1	Sales	\$ 14,660,823	Sales prices are based on the mutual agreement	16
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INTERNATIONAL INC.	1	Accounts receivable	3,071,851	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	25,932,277	Purchase prices are based on the mutual agreement	29
0	Cheng Uei Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	1	Other receivables	1,135,780	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	2,441,043	Purchase prices are based on the mutual agreement	3
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	1	Other receivables	141,005	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	Fushineng Electronics (Kunshan) Co., Ltd.	1	Purchases	2,480,088	Purchase prices are based on the mutual agreement	3
0	Cheng Uei Precision Industry Co., Ltd.	Fushineng Electronics (Kunshan) Co., Ltd.	1	Other receivables	1,492,710	The collections depend on the financial situation after offsetting the receivables against the payables	2
0	Cheng Uei Precision Industry Co., Ltd.	Fushineng Electronics (Kunshan) Co., Ltd.	1	Accounts payable	1,412,157	"	2
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	1	Purchases	13,145,389	Purchase prices are based on the mutual agreement	15
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	1	Accounts payable	3,306,302	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	140,878	"	-
0	Cheng Uei Precision Industry Co., Ltd.	Fu Gang Electronic (Nan Chang) Co., Ltd.	1	Purchases	258,203	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	1,171,748	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	95,000	"	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Cheng Uei Precision Industry Co., Ltd.	CU INTERNATIONAL Ltd.	1	Prepaid expenses	\$ 345,878	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	1	Purchases	106,734	Purchase prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	1	Other receivables	70,275	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	1	Accounts payable	50,080	"	-
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	2,180,418	"	3
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (XUZHOU) Co., Ltd.	1	Purchases	5,622,875	Purchase prices are based on the mutual agreement	6
0	Cheng Uei Precision Industry Co., Ltd.	FUGANG ELECTRIC (XUZHOU) Co., Ltd.	1	Accounts payable	1,658,738	The collections depend on the financial situation after offsetting the receivables against the payables	2
0	Cheng Uei Precision Industry Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	1	Purchases	116,782	Purchase prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	Zhi De Investment Co., Ltd.	1	Other payables	100,000	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	SINOBEST BROTHERS LIMITED	1	Other receivables	131,129	"	-
0	Cheng Uei Precision Industry Co., Ltd.	SINOBEST BROTHERS LIMITED	1	Accounts payable	87,731	"	-
0	Cheng Uei Precision Industry Co., Ltd.	SINOBEST BROTHERS LIMITED	1	Purchases	204,813	Purchase prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	Suntain Co., Ltd.	1	Other receivables	150,155	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK TECHNICAL INDIA PRIVATE LIMITED	1	Other receivables	81,896	"	-
0	Cheng Uei Precision Industry Co., Ltd.	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	1	Other receivables	266,362	"	-
1	CU INTERNATIONAL Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	3	Other receivables	134,247	"	-
1	CU INTERNATIONAL Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	3	Prepaid expenses	162,129	"	-

Table 7 Page 2

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	CU INTERNATIONAL Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Accounts receivable	\$ 79,211	The collections depend on the financial situation after offsetting the receivables against the payables	-
1	CU INTERNATIONAL Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Other receivables	58,946	"	-
1	CU INTERNATIONAL Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Other payables	98,707	"	-
1	CU INTERNATIONAL Ltd.	Foxlink Tianjin Co., Ltd.	3	Other payables	361,832	"	-
1	CU INTERNATIONAL Ltd.	FOXLINK TECHNOLOGY LIMITED	3	Other payables	726,572	"	1
2	Fugang Electric (Kunshan) Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	3	Accounts receivable	111,212	"	-
2	Fugang Electric (Kunshan) Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	3	Other receivables	132,646	"	-
2	Fugang Electric (Kunshan) Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	3	Prepayments	206,432	"	-
2	Fugang Electric (Kunshan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	3	Other receivables	315,576	"	-
2	Fugang Electric (Kunshan) Co., Ltd.	Fushineng Electronics (Kunshan) Co., Ltd.	3	Accounts receivable	95,758	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Purchases	2,612,563	Purchase prices are based on the mutual agreement	3
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Other payables	280,330	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	376,621	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	3	Other receivables	328,208	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	FUQIANG ELECTRIC (MAANSHAN) Co., Ltd.	3	Accounts payable	134,102	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	3	Other receivables	590,895	"	1
3	Dongguan Fuqiang Electronics Co., Ltd.	Changde Fubo Intelligent Technology Co., Ltd.	3	Other receivables	335,796	"	-
3	Dongguan Fuqiang Electronics Co., Ltd.	DU Precision Industry Co., Ltd.	3	Accounts receivable	138,837	"	-

Table 7 Page 3

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
3	Dongguan Fuqiang Electronics Co., Ltd.	DU Precision Industry Co., Ltd.	3	Sales	\$ 320,898	Purchase prices are based on the mutual agreement	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Changde Fubo Intelligent Technology Co., Ltd.	3	Other payables	57,753	The collections depend on the financial situation after offsetting the receivables against the payables	-
4	Fugang Electronic (Dongguan) Co., Ltd.	Fushineng Electronics (Kunshan) Co., Ltd.	3	Accounts payable	67,834	"	-
4	Fugang Electronic (Dongguan) Co., Ltd.	Fushineng Electronics (Kunshan) Co., Ltd.	3	Purchases	208,031	Purchase prices are based on the mutual agreement	-
4	Fugang Electronic (Dongguan) Co., Ltd.	FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	3	Other receivables	253,866	The collections depend on the financial situation after offsetting the receivables against the payables	-
5	Studio A Inc.	ASHOP Co., Ltd.	3	Other receivables	105,376	"	-
5	Studio A Technology Limited	Kunshan Fugang Electric Trading Co., Ltd.	3	Other receivables	69,787	"	-
6	Kunshan Fugang Electric Trading Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	3	Sales	519,502	Sales prices are based on the mutual agreement	1
6	Kunshan Fugang Electric Trading Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	3	Accounts receivable	233,733	The collections depend on the financial situation after offsetting the receivables against the payables	-
7	FIT Holding Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	1	Other receivables	131,310	Based on the company's policy	-
7	FIT Holding Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	1	Other receivables	219,054	"	-
8	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	3	Other receivables	425,000	"	1
8	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	3	Other receivables	143,000	"	-
9	ACCU-IMAGE TECHNOLOGY LIMITED	Foxlink Image Technology Co., Ltd.	3	Sales	586,226	The flexible collection based on the financial situation	1
10	Wei Hai Fu Kang Electric Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	3	Sales	190,473	"	-
11	Dongguan Fu Wei Electronics Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	3	Sales	428,381	"	-
11	Dongguan Fu Wei Electronics Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	3	Accounts receivable	262,549	"	-
11	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Sales	175,080	"	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
11	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	\$ 178,981	The flexible collection based on the financial situation	-
12	Dong Guan Fu Zhang Precision Industry Co.,Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	3	Sales	114,510	"	-
12	Dong Guan Fu Zhang Precision Industry Co.,Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	3	Accounts receivable	117,061	"	-
13	Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	507,221	The collections depend on the financial situation after offsetting the receivables against the payables	1
13	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Accounts receivable	328,575	Based on the company's policy	-
13	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	121,199	Based on the company's policy	-
14	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	175,080	The collections depend on the financial situation after offsetting the receivables against the payables	-
15	Yancheng Yaowei Technology Co., Ltd.	Glorytek (Suzhou) Co., Ltd.	3	Accounts receivable	138,336	Based on the company's policy	-

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

Year ended December 31, 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 December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 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	\$ 12,844,679	\$ 12,844,679	451,007	100	\$ 22,397,404	(\$ 1,181)	\$ 225,278	
The Company	CULINK INTERNATIONAL LTD.	British Virgin IS.	Reinvestment business	917,840	532,505	32,228	100	901,356	143,347	143,347	
The Company	Foxlink International Investment Ltd.	TAIWAN	General investments holdings	2,950,000	2,950,000	368,750	100	3,321,768	(97,472)	(97,484)	
The Company	Fu Uei International Investment Ltd.	TAIWAN	General investments holdings	2,850,000	2,850,000	285,000	100	1,774,256	23,410	23,288	
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	1,154,245	424,076	79,905	
The Company	DARTS TECHNOLOGIES CORPORATION	TAIWAN	Manufacture of electronic telecommunication and wireless components	762,566	762,566	35,995	97	772,831	69,772	67,372	
The Company	DU Precision Industry Co., Ltd.	TAIWAN	Sale of raw materials and products of various connectors	600,000	600,000	60,000	100	48,283	(7,392)	(7,392)	
The Company	Foxlink (Vietnam) Inc.	VIETNAM	"	-	95,636	-	-	-	-	-	
The Company	FOXLINK TECHNOLOGY LIMITED.	HONG KONG	Reinvestment business	318,449	318,449	86,700	100	861,843	1,189	258	
The Company	SOLTERAS INC.	U.S.A	Sale of electronic telecommunication components	-	104,208	-	-	-	-	-	
The Company	Suntain Co., Ltd.	TAIWAN	Electroplating processing services	90,810	90,810	9,500	100	68,440	761	761	
The Company	SINOBEST BROTHERS LIMITED	HONG KONG	Reinvestment business	589,650	489,685	20,704	91.19	598,341	(8,932)	(7,518)	
FOXLINK TECHNOLOGY LIMITED.	SINOBEST BROTHERS LIMITED	HONG KONG	"	56,960	-	2,000	8.81	57,737	(8,932)	(1,414)	
SINOBEST BROTHERS LIMITED	FOXLINK MYANMAR COMPANY LIMITED	MYANMAR	Manufacture of electronic telecommunication components	646,610	489,685	22,704	100	650,200	(22,227)	(25,016)	
CU INTERNATIONAL LTD.	FOXLINK TECHNICAL INDIA PRIVATE LIMITED	INDIA	Manufacture of electronic telecommunication components	470,945	470,945	16,536	100	-	-	-	
CU INTERNATIONAL LTD.	KLEINE DEVELOPMENTS LTD.	British Virgin IS	Manufacture and sale of Magnesium products	280,414	280,414	9,846	100	810,574	74,147	74,147	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
CU INTERNATIONAL LTD.	SOLTERAS LIMITED	British Virgin IS	Reinvestment business	\$ 219,581	\$ 219,581	6	64.25	\$ 726,289	\$ 113,197	\$ 72,729	
CU INTERNATIONAL LTD.	FOX-E HOLDING CO., LTD.	MAURITIUS	"	244,928	244,928	8,600	100	2,948,488	(120,599)	(120,599)	
CU INTERNATIONAL LTD.	NEOSONIC LI-POLYMER ENERGY TECHNOLOGY CORP	British Virgin IS	Manufacture of electronic telecommunication components	91,933	91,933	209,400	37.27	69,259	(46,597)	(22,201)	
DU Precision Industry Co., Ltd.	CELINK INTERNATIONAL LTD.	British Virgin IS.	Sale of raw materials and products of various connectors	-	348,880	-	-	-	-	-	
Darts Technologies Corporation	BENEFIT RIGHT LTD.	British Virgin IS.	General investments holdings	56,960	56,960	1,960	100	-	-	-	
BENEFIT RIGHT LTD.	POWER CHANNEL LIMITED	HONG KONG	"	-	19,936	-	-	-	-	-	
CU INTERNATIONAL LTD.	NEW START INDUSTRIES LTD.	British Virgin IS.	Reinvestment business	-	153,792	-	-	-	-	-	
NEW START INDUSTRIES LTD.	SOLTERAS INC.	U.S.A	"	-	96,832	-	-	-	-	-	
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Foxlink Automotive Technology Co., Ltd.	TAIWAN	"	36,739	36,739	5,000	100	42,719	(580)	(580)	
CULINK INTERNATIONAL LTD.	PACIFIC WEALTH LIMITED	British Virgin IS.	General investments holdings	28,480	28,480	1,000	100	(92,429)	3,019	3,019	
CULINK INTERNATIONAL LTD.	FOXLINK TECHNICAL INDIA PRIVATE LIMITED	INDIA	Manufacture of electronic telecommunication components	154,752	25,831	54,879	62.73	116,388	(46,601)	(24,396)	
CULINK INTERNATIONAL LTD.	Foxlink Powerbank International Technology Private Limited	INDIA	"	624	624	160	0.73	630	515	15	
CULINK INTERNATIONAL LTD.	Glorytek Science India Private Limited	INDIA	Manufacture	624	624	160	0.73	629	559	10	
PACIFIC WEALTH LIMITED	FOXLINK INTERNATIONAL, INC.	U.S.A	Sale of electronic telecommunication components	14,240	14,240	500	100	(92,429)	3,019	3,019	
FOXLINK TECHNICAL INDIA PRIVATE LIMITED	Tegna Electronics Private Limited	INDIA	Manufacture	11,701	11,701	3,001	10	13,126	6,129	606	
Foxlink International Investment Ltd.	FIT Holding Co., Ltd.	TAIWAN	General investments holdings	1,517,670	1,517,670	58,303	23.67	1,571,949	179,775	17,898	
Foxlink International Investment Ltd.	Yixin Precision Industry Co., Ltd.	TAIWAN	Manufacture of electronic telecommunication components and electronic machinery equipment	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	(21,705)	1,438	308	
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	184,361	(12,342)	(8,584)	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Foxlink International Investment Ltd.	Linkmedia Co., Ltd.	TAIWAN	Manufacture and sale of electronic telecommunication components	\$ 25,000	\$ 25,000	2,500	100	\$ 20,230	\$ 5	\$ 5	
Foxlink International Investment Ltd.	Proconn Technology Co., Ltd.	TAIWAN	"	227,952	227,952	31,190	50.03	20,532	48,575	24,302	
Foxlink International Investment Ltd.	CENTRAL MOTION PICTURE CORPORATION	TAIWAN	Motion picture production	900,000	900,000	15,000	13.60	1,716,774	80,028	10,884	
Foxlink International Investment Ltd.	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	INDIA	Manufacture and sale of electronic telecommunication components	60,662	-	15,675	31.35	54,096	(22,892)	(6,349)	
Foxlink International Investment Ltd.	CYNC Design Co., Ltd.	TAIWAN	Sale of electronic telecommunication components	10,000	10,000	1,000	15.38	9,991	(53)	7	
SOLTERAS LIMITED	SOLTERAS INC.	U.S.A	"	-	56,960	-	-	-	-	-	
World Circuit Technology Co., Ltd.	VALUE SUCCESS LTD.	British Virgin IS.	Holding company and reinvestment business	182,272	182,272	5,000	100	31,337	(4,176)	(4,176)	
VALUE SUCCESS Ltd.	CAPITAL GUARDIAN LIMITED	HONG KONG	Sale of electronic telecommunication components	182,272	182,272	3,005	100	31,273	(4,176)	(4,176)	
CAPITAL GUARDIAN LIMITED	World Circuit Technology (Hong Kong) Limited	HONG KONG	"	32,007	32,007	-	100	31,273	(4,176)	(4,176)	
Fu Uei International Investment Ltd.	FIT Holding Co., Ltd.	TAIWAN	General investments holding	557,248	557,248	14,690	5.97	343,266	179,775	4,510	
Fu Uei International Investment Ltd.	Studio A Inc.	TAIWAN	Sale of electronic telecommunication components	96,200	96,200	13,196	51	331,448	149,100	76,041	
Fu Uei International Investment Ltd.	VA Product Inc.	TAIWAN	"	16,642	14,888	2,400	100	10,877	4,812	4,562	
Fu Uei International Investment Ltd.	Proconn Technology Co., Ltd.	TAIWAN	Manufacture and sale of electronic telecommunication components	4,050	4,050	810	1.3	(1,346)	48,575	631	
Fu Uei International Investment Ltd.	Zhi De Investment Co., Ltd.	TAIWAN	General investments holding	2,184,388	2,184,388	170,918	100	584,025	(2,236)	(2,236)	
Fu Uei International Investment Ltd.	CMPC Cultural & Creative Co., Ltd.	TAIWAN	Venture capital industry	150,000	150,000	15,000	42.86	124,242	1,855	796	
Fu Uei International Investment Ltd.	Shinfox Energy Co., Ltd.	TAIWAN	Mechanical installation and piping engineering	130,000	130,000	10,500	10.5	132,317	244,852	25,455	
Fu Uei International Investment Ltd.	FOXLINK INDIA ELECTRIC PRIVATE LIMITED	INDIA	Manufacture and sale of electronic telecommunication components	133,640	-	34,325	68.65	118,460	(22,892)	(16,543)	
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	113,742	37,553	37,553	
Studio A Inc.	Studio A Technology Limited	HONG KONG	"	9,366	9,366	2,550	51	193,954	58,309	29,738	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Studio A Inc.	Jing Jing Technology Co., Ltd.	TAIWAN	Sale of electronic telecommunication components	\$ 3,700	\$ 3,700	370	100	\$ 7,963	(\$ 5)	(\$ 5)	
Studio A Inc.	ASHOP CO., LTD.	KOREA SOUTH	"	284,800	284,800	675	100	5,967	10,441	10,441	
Studio A Technology Limited	Studio A Macau Limited	MACAO	"	1,837	1,837	-	100	1,653	(205)	(205)	
Proconn Technology Co., Ltd.	Advance Electronic Ltd.	SAMOA	Sale of rain materials and products of various connectors	-	201,724	-	-	-	-	-	
Advance Electronic Ltd.	SMART TECHNOLOGY INTERNATIONAL Ltd.	SAMOA	"	-	142,400	-	-	-	-	-	
Zhi De Investment Co., Ltd.	FIT Holding Co., Ltd.	TAIWAN	General investments holding	1,767,112	1,767,112	21,056	8.55	369,985	179,775	6,464	
Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	TAIWAN	Energy service management	672,000	672,000	67,200	100	848,087	185,566	185,566	
Shinfox Energy Co., Ltd.	SHINFOX ENERGY INTERNATIONAL INC.	SEYCHELLES	"	-	35,976	-	-	-	-	-	
Shinfox Energy Co., Ltd.	Shinfox Natural Gas Co., Ltd.	TAIWAN	"	120,000	15,000	12,000	80	103,015	(12,762)	(12,120)	
Shinfox Energy Co., Ltd.	Foxwell Power Co., Ltd.	TAIWAN	"	99,000	10,000	9,900	99	99,461	1,425	1,246	
Shinfox Energy Co., Ltd.	Shinfox Power Co., Ltd.	TAIWAN	"	-	-	-	Note	-	(52)	(52)	
Foxwell Energy Corporation Ltd.	Beiyuan Wind Power Ltd.	TAIWAN	Wind energy	-	160,000	-	Note	-	(3,280)	-	
Foxwell Energy Corporation Ltd.	Changyuan Wind Power Ltd.	TAIWAN	"	-	230,000	-	Note	-	(3,547)	-	
FIT Holding Co., Ltd.	Glory Science Co., Ltd.	TAIWAN	Manufacture and sale of optical instruments	2,214,868	2,214,868	95,970	100	772,681	(482,494)	(482,494)	
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	3,682,263	382,773	376,562	
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	2,211,702	212,885	211,174	
FIT Holding Co., Ltd.	Shih Fong Power Co., Ltd.	TAIWAN	Hydroelectricity	760,000	760,000	95,000	41.3	1,000,903	(2,634)	(1,952)	
FIT Holding Co., Ltd.	Foxwell Energy Co., Ltd.	TAIWAN	General investments holding	210,000	-	21,000	14	209,077	(6,592)	(923)	
Foxlink Image Technology Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	British Virgin IS.	Manufacture and sale of image scanners and multifunction printers	1,030,318	1,030,318	13,241	100	1,383,042	150,150	150,150	
Foxlink Image Technology Co., Ltd.	KLEINE DEVELOPMENTS LIMITED	British Virgin IS.	Manufacture and sale of Magnesium products	-	642,224	-	-	-	3	-	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Foxlink Image Technology Co., Ltd.	Shih Fong Power Co., Ltd.	TAIWAN	Hydroelectricity	\$ 957,600	\$ -	79,800	34.7	\$ 957,197	(\$ 2,634)	(\$ 403)	
Foxlink Image Technology Co., Ltd.	CENTRAL MOTION PICTURE CORPORATION	TAIWAN	Motion picture production	257,656	257,656	4,294	3.89	257,656	80,028	3,113	
ACCU-IMAGE TECHNOLOGY LIMITED	POWER CHANNEL LIMITED	HONG KONG	Reinvestment business	139,552	139,552	4	35.75	507,611	122,016	43,621	
Glory Science Co., Ltd.	Glory Tek (BVI) Co., Ltd.	British Virgin IS.	General investments holding	1,379,545	1,379,545	40,700	100	583,887	(336,236)	(336,236)	
Glory Tek (BVI) Co., Ltd.	GLORY TEK (SAMOA) CO., LTD.	SAMOA	"	780,074	780,074	25,051	100	692,930	(197,992)	(197,992)	
Glory Tek (BVI) Co., Ltd.	Glory Optics (BVI) Co., Ltd.	British Virgin IS.	Sales agent	494,837	494,849	16,000	100	(58,973)	(139,482)	(139,482)	
Glory Tek (BVI) Co., Ltd.	GLORYTEK SCIENCE INDIA PRIVATE LIMITED	INDIA	Manufacture	99,927	99,927	21,773	99.27	85,423	1,252	1,242	
GLORYTEK SCIENCE INDIA PRIVATE LIMITED	TEGNA ELECTRONICS PRIVATE LIMITED	INDIA	"	13,174	13,174	3,001	10	12,971	6,130	613	
Power Quotient International Co., Ltd.	POWER QUOTIENT INTERNATIONAL (H.K.) CO., LTD.	HONG KONG	Sale of electronic telecommunication components	389,705	389,705	106,100	100	(4,712)	(38)	(38)	
Power Quotient International Co., Ltd.	PQI Japan Co., Ltd.	JAPAN	"	23,129	23,129	24	100	(156,089)	(115)	(115)	
Power Quotient International Co., Ltd.	Syscom Development Co., Ltd.	British Virgin IS.	Specialized investments holding	309,378	309,378	10,863	100	(407,489)	2,210	2,210	
Power Quotient International Co., Ltd.	Apix Limited	British Virgin IS.	"	2,946,803	2,946,803	13	100	1,109,517	62,793	62,793	
Power Quotient International Co., Ltd.	PQI Mobility Inc.	SAMOA	Specialized investments holding	284,800	284,800	10,000	100	695,052	(12,589)	(12,589)	
Power Quotient International Co., Ltd.	Castles Technology Co., Ltd.	TAIWAN	Manufacture and sale of barcode application magnetic card and reader	43,061	48,831	10,847	12.11	176,017	198,122	23,993	
Power Quotient International Co., Ltd.	POWER SUFFICIENT INTERNATIONAL CO., LTD.	TAIWAN	Sale of medical instruments	10,000	10,000	1,000	100	8,935	731	731	
Power Quotient International Co., Ltd.	Shinfox Energy Co., Ltd.	TAIWAN	Energy service management	561,482	553,110	58,743	58.74	740,111	244,389	143,554	
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	5,412	198,122	733	
Syscom Development Co., Ltd.	PQI CORPORATION	U.S.A	Sale of electronic telecommunication components	199,360	199,360	7,000	100	(492,603)	303	303	
Syscom Development Co., Ltd.	Foxlink Powerbank International Technology Private Limited	INDIA	"	95,778	95,778	21,790	99.27	85,081	1,921	1,907	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Apix Limited	SINOCITY INDUSTRIES LIMITED	HONG KONG	Sale of 3C products	\$ 2,479,275	\$ 2,479,275	6,000	100	\$ 889,537	\$ 48,507	\$ 48,507	
Apix Limited	Perennial Ace Limited	British Virgin IS.	Specialized investments holding	606,624	606,624	-	100	219,848	14,286	14,286.00	
SINOCITY INDUSTRIES LIMITED	DG LIFESTYLE STORE LIMITED	MACAO	Sale of 3C products	357	357	100	100	635	(130,136)	(130,136)	
Perennial Ace Limited	Studio A Technology Limited	HONG KONG	"	4,998	4,998	1,225	24.50	93,174	58,309	14,286	
Foxlink Powerbank International Technology Private Limited	Tegna Electronics Private Limited	INDIA	Manufacture	11,649	11,649	3,001	10	12,915	6,130	613	

Note: The Group sold 100% of shares in the subsidiaries, Shinfox Power Co., Ltd., Changyuan Wind Power Ltd., and Bei yuan Wind Power Ltd., to other related parties on November 30, 2020.

Cheng Uei Precision Industry Co., Ltd.
Information on investments in Mainland China
Year ended December 31, 2020

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

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 years ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee as of December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the Years ended December 31, 2020 (Note 2)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Fugang Electronic (Dongguan) Co., Ltd.	Manufacture and sale of electronic telecommunication components	\$ 1,240,769	Investment through an existing company in the third area	\$ 1,240,769	\$ -	\$ -	\$ 1,240,769	\$ 387,205	100	\$ 387,205	\$ 5,717,342	\$ -	
Culink Tianjin Co., Ltd.	"	113,920	"	28,480	-	-	28,480	1,855	100	1,855	233,063	-	
Fugang Electric (Kunshan) Co., Ltd.	"	3,460,320	"	3,460,320	-	-	3,460,320	(348,896)	100	(348,896)	3,593,298	-	
Dong Guan Fu Shi Chang Co., Ltd.	"	3,438	"	3,438	-	-	3,438	-	100	-	2,454	-	
Dongguan Fuqiang Electronics Co., Ltd.	"	3,383,709	Investment through an existing company in the third area and the investee company in Mainland China	2,814,109	-	-	2,814,109	360,885	100	360,885	8,377,055	-	
Foxlink Automotive Technology (Kunshan) Co., Ltd.	"	191,263	"	85,440	-	-	85,440	97,166	100	97,166	302,051	-	
Foxlink Energy (Tianjin) Ltd.	"	113,920	Investment through an existing company in the third area	113,920	-	-	113,920	1,018	100	1,018	173,908	-	
Fushineng Electronics (Kunshan) Co., Ltd.	"	341,760	"	341,760	-	-	341,760	87,173	100	87,173	1,028,642	-	
Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	"	128,160	"	128,160	-	-	128,160	(11,771)	100	(11,771)	80,949	-	
Fu Gang Electronic (Nan Chang) Co., Ltd.	"	1,424,000	Investment through an existing company in the third area and the investee company in Mainland China	1,424,000	-	-	1,424,000	(281,881)	100	(281,881)	1,147,333	-	
Fugang Electric (YANCHENG) Co., Ltd.	"	85,440	Investment through an existing company in the third area	68,352	-	-	68,352	1,808	80	1,446	49,773	-	
FUQIANG ELECTRIC (YANCHENG) Co., Ltd.	"	284,800	"	284,800	-	-	284,800	(533)	100	(533)	(19,275)	-	
Foxlink Tianjin Co., Ltd.	"	512,640	"	148,096	-	-	148,096	(119,204)	100	(119,204)	2,342,626	-	
Kunshan Fugang Investment Co., Ltd.	Reinvestment business	854,400	Investment through the investee company in Mainland China	854,400	-	-	854,400	38,148	100	38,148	1,580,099	-	
FUGANG ELECTRIC (MAANSHAN) Co., Ltd.	Manufacture and sale of electronic telecommunication components	866,679	Investment through an existing company in the third area and the investee company in Mainland China	284,800	-	-	284,800	(140,890)	100	(140,890)	128,079	-	
Fuzhan Electronics (Shanghai) Co., Ltd.	"	427,200	Investment through the investee company in Mainland China	226,701	-	-	226,701	(7,868)	100	(7,868)	51,800	-	
Kunshan Fugang Electric Trading Co., Ltd.	Sale of electronic telecommunication components	170,900	"	-	-	-	-	11,161	51	5,692	6,026	-	
Kunshan Fu Shi You Trading Co., Ltd.	"	61,278	"	-	-	-	-	(51)	51	(26)	13,325	-	

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 years ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee as of December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the Years ended December 31, 2020 (Note 2)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Shanghai Fugang Electric Trading Co., Ltd.	Sale of electronic telecommunication components	\$ 8,754	Investment through the investee company in Mainland China	\$ -	\$ -	\$ -	\$ 13,877	51	\$ 7,077	(\$ 96,769)	\$ -		
Shanghai Standard Information Technology Co., Ltd.	"	4,377	"	-	-	-	(5,295)	51	(2,700)	(1,768)	-		
Suzhou Yuhang Electronic Technology Co., Ltd.	Manufacture of computers and memory cards	-	Investment through an existing company in the third area	142,400	-	142,400	-	Note 4	-	-	25,878		
Sharetronic Data Technology Co., Ltd.	Manufacture and sale of electronic telecommunication components	678,078	"	219,581	-	-	219,581	408,080	19.94	111,833	1,020,750	-	
FUQIANG ELECTRIC (MAANSHAN) Co., Ltd.	"	142,400	Investment through the investee company in Mainland China	-	-	-	-	521	100	521	141,666	-	
FUGANG ELECTRIC (XUZHOU) Co., Ltd.	"	768,960	Investment through an existing company in the third area	484,160	284,800	-	768,960	305,900	100	305,900	1,118,156	-	
Dongguan Banrin Robot Technology Co., Ltd.	Manufacture and sale of automated equipment	131,310	Investment through the investee company in Mainland China	-	-	-	(4,564)	31.03	(2,667)	123,930	-		
Suzhou Keyu Rui Automobile Technology Co., Ltd.	Manufacture	10,943	"	-	-	-	(3,666)	55.56	(2,037)	25,535	-		
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	General investments holding	437,700	Investment through an existing company in the third area	-	-	-	(5,574)	50	(2,787)	430,894	-		
Changde Fubo Intelligent Technology Co., Ltd.	Manufacture and sale of automated equipment	30,639	Investment through the investee company in Mainland China	30,639	-	-	30,639	(12,479)	70	(8,889)	22,270	-	
Dong Guan HanYang Computer Co., Ltd.	Manufacture of image scanners and multifunction printers and investment of real estate	174,828	Investment through an existing company in the third area	174,828	-	-	174,828	18,503	100	18,503	247,575	-	
Dong Guan Fu Zhang Precision Industry Co.,Ltd.	Mould development and moulding tool manufacture	231,037	"	169,897	-	-	169,897	(2,813)	100	(2,813)	261,020	-	
Wei Hai Fu Kang Electric Co., Ltd.	Manufacture and sale of parts and moulds of photocopiers and scanners	227,840	"	142,400	-	-	142,400	(15,610)	100	(15,610)	250,436	-	
Dongguan Fu Wei Electronics Co., Ltd.	Manufacture and sale of image scanners, multifunction and parts printers	170,880	"	151,181	-	-	151,181	73,942	100	73,942	513,673	-	
Glorytek (Suzhou) Co., Ltd.	Manufacture	398,720	"	398,720	-	-	398,720	(127,156)	100	(127,156)	477,261	-	
Glorytek (Yancheng) Co., Ltd.	"	256,320	"	256,320	-	-	256,320	(129,381)	100	(129,381)	(304,355)	-	
Yancheng Yaowei Technology Co., Ltd.	"	43,770	Investment through the investee company in Mainland China	-	-	-	(3,574)	100	(3,574)	143,422	-		
Glorytek (Yancheng) Co., Ltd.	"	944,412	Investment through an existing company in the third area and the investee company in Mainland China	329,444	-	-	329,444	(203,066)	100	(203,066)	631,079	-	
POWER QUOTIENT TECHNOLOGY (YANCHENG) Co., Ltd.	Manufacture and sale of electronic telecommunication components	569,600	Investment through an existing company in the third area	Note 1	-	-	-	(12,589)	100	(12,589)	695,052	-	
Jiangsu Foxlink New Energy Technology Co., Ltd.	"	678,435	Note 2	Note 2	-	-	-	-	Note 3	-	-	-	
PQI (Xuzhou) New Energy Co., Ltd.	Manufacture and sale of electronic telecommunication components	43,770	"	Note 2	-	-	-	12	100	12	43,782	-	

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 years ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee as of December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the Years ended December 31, 2020 (Note 2)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Kunshan Jiuwei Info Tech Co., Ltd.	Supply chain finance energy service management	\$ 1,424	Investment through an existing company in the third area and the investee company in Mainland China	\$ 1,424	\$ -	\$ -	\$ 1,424	\$ 3,466	100	\$ 3,466	\$ 13,714	\$ -	

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

Note 2: The financing amount remitted to PQI's indirect investment of Jiangsu Foxlink New Energy Technology Co., Ltd., and PQI (Xuzhou) New Energy Co., Ltd. were through POWER QUOTIENT TECHNOLOGY (YANCHENG) Co., Ltd.

Note 3: 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%.

Note 4: SUZHOU YUHANG ELECTRONICS TECH. CO., LTD. was cancelled on December 21, 2020, which was approved by the local government in Mainland China.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 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.	\$ 12,526,724	\$ 13,481,319	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.	771,956	923,199	1,761,799
Glory Science Co., Ltd.	984,484	1,194,736	463,992
Power Quotient International Co., Ltd.	1,424	622,146	1,704,187

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 year ended December 31, 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., Fugang Electric (MAANSHAN) Co., Ltd., Fuzhan Electronics (Shanghai) Co., Ltd., Fu Gang Electronic (Nan Chang) Co., Ltd., Foxlink Automotive Technology (Kunshan) Co., Ltd., Kunshan Fugang Electric Trading Co., Ltd., Kunshan Fu Shi You Trading Co., Ltd., Shanghai Fugang Electric Trading Co., Ltd., Shanghai Standard Information Technology Co., Ltd., Fuqiang Electric (MAANSHAN) Co., Ltd., Dongguan Banrin Robot Technology Co., Ltd., Suzhou Keyu Rui Automobile Technology Co., Ltd., and Changde Fubo Intelligent Technology Co., Ltd., 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

December 31, 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%