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Cheng Uei Precision Industry Co., Ltd.

2020 Annual Report

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V. The name of any exchange where the Company's securities are traded offshore, and the method by which to access information on the said overseas securities

The company has no overseas securities listed for trading as of the date of publication

VI. Address of the Company's website: www.foxlink.com

Table of Contents

	<u>Page</u>
I. Letter to Shareholders.....	1
II. Company Profile.....	7
I. Date of establishment: July 14, 1986	7
II. Company History	7
Three. Corporate Governance Report	13
I. Organization System.....	13
II. Information on directors, supervisors, the General Manager, deputy general managers, associate managers, and supervisors of various departments and branches:.....	15
III. Remuneration paid to directors, supervisors, the President, and vice president(s) in the most recent year	25
IV. Corporate Governance Status	31
V. Information about CPA Professional Fees.....	73
VI. Changes in Accountant Information	74
VII. The Company's chairman, general manager, or the manager responsible for financing or accounting affairs, who has worked for the accounting firm to which CPAs belong or the affiliated enterprises in the past year: None.....	75
VIII. Directors, supervisors, managers, and shareholders whose shareholding ratio exceeds 10% share transfer and share pledge changes in status:	75
IX. Information about the relationships among top ten shareholders, such as related parties, spouses, or relatives within the second-degree of kinship: ..	76
X. The number of shares and comprehensive shareholding ratio held in any single reinvested enterprise by the Company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company, and consolidated calculation of comprehensive shareholding ratio:	78
IV. Status of Fundraising.....	79
I. Capital and Shares	79
I. Handling of corporate bonds	92
III. Disposal of preferred shares: None.	93
IV. Circumstances of handling overseas depositary receipts: None.....	93
V. Handling of employee stock options:	93
VI. M&A or transfer of shares of other companies to issue new shares: None...	93
VII. Implementation status of fund utilization plan: None.....	93
V. Overview of Operations	94
I. Business content.....	94
II. Market and production and sales overview	103

III.	In the last two years and as of the printing date of the annual report, numbers of employees in terms of average length of service, average age, and distribution ratio of academic qualifications	109
IV.	Environmental protection expenditure information	109
V.	Labor Relations.....	110
VI.	Important contracts:	115
VI.	Financial Overview	126
I.	Condensed balance sheet and consolidated income statement for the most recent five years	126
III.	The Audit Committee review report of the most recent financial report.....	136
IV.	The most recent annual financial reports	137
V.	Parent company only financial statement for the most recent fiscal year, certified by a CPA.....	139
VI.	In the most recent year and as of the publication date of the annual report, whether any financial difficulties occur at the Company that affects the Company's financial status: None.	277
VII.	Financial status and financial performance review analysis and risk issues.	396
I.	Review and analysis financial status.....	396
II.	Review and analysis of financial performance:	397
III.	Cash flow review and analysis	398
IV.	The impact of major capital expenditures in recent years on financial operations.....	398
V.	Reinvestment policy in the most recent year, main reasons for its profit or loss, improvement plan and investment plan for the next year	398
VI.	Risk management.....	399
VII.	Other important matters:	408
VIII.	Special Disclosures	411
I.	Related information of affiliated companies:	411
II.	Handling of privately placed securities in the most recent year and as of the date of publication of the annual report: None.....	439
III.	Status of holding or disposing of the Company's stocks by subsidiaries in the most recent year and as of the date of publication of the annual report:	439
IV.	Other necessary supplementary explanations: None.....	439
V.	In the most recent year and as of the printing date of the annual report, matters that have a significant impact on shareholders' equity or securities prices: None.	439

I. Letter to Shareholders

Here, a report on the business status of the Company in 2020 is given as follows:

The Company's consolidated net operating revenues for 2020 came to NTD 89,552,100 thousand; compared with consolidated net operating revenue of NTD 97,820,336 thousand in 2019, this marked a decrease of 8.45%. Net profit after tax in 2020 was NTD 1,967,432 thousand and after-tax earnings per share came to NTD 4.06. This represented a slight decline of 1% from the net profit after tax of NTD 1,987,361 thousand or NTD 4.1 per share seen in 2019. Last year, due to the impact of the pandemic, the Company's revenue performance declined slightly from the previous year. However, its level of profitability was still the same as the prior year. We would hereby like to thank all our colleagues who have not feared the pandemic, sacrificed their holidays, and stood by their posts in the past year.

Following the outbreak of COVID-19 last year, countries around the world saw slowdowns and severe declines in their economic growth due to the need for pandemic prevention measures. However, Taiwan's economic growth was still able to achieve 2.98% last year due to the country's strong performance in pandemic prevention as well as development of the remote and stay-at-home economies in response to the virus. This ranked Taiwan among the best in the world with its growth rate the highest among developed countries. This year, with the advent of vaccines and their widespread use, the global economy is expected to rebound from the bottom and head towards recovery. Commercial activities are also expected to see explosive growth. Nonetheless, in the follow-up we still need to observe the effectiveness of vaccine delivery and administration and whether the pandemic can be effectively slowed down and controlled. In addition, tensions between the United States and China have increased in recent years, and the strategic competition between the two countries has become increasingly obvious. This will impact the global and regional political and economic orders, and also forms a variable that cannot be ignored. In the past, Taiwan has always occupied a key position in the global technology supply chain. Recently, the global industrial division of labor has been reorganized due to the pandemic and the relationship between the US and China. If Taiwanese companies can accelerate their

transformation and upgrade and develop towards innovation, intelligence, and high value, this will further strengthen the key position of their country in the global supply chain system.

Cheng Uei has been committed to globalization in recent years so as to strengthen its competitiveness and to deepen its cooperation with customers. The Company expanded its production base in Chennai, India last year in line with customer needs, and will soon enter mass production and shipment this year. And this year, we will also launch our Southeast Asia Vietnam Investment Plan to add another overseas production base for the Company. In addition, the Company officially opened its newly-established “Research Base for Threefold Power Source Integration: Battery, Electric Motor and Electronic Control Module of Electric Vehicles, and Nano-Waterproof Technology” in Central Taiwan Science Park a few days beforehand. This will serve as an important R&D base for the Company’s development of threefold electric integration systems for electric vehicles, and for nano-waterproof technology, while also engaging in the production of active electrical cables (AEC), sharing electrical bicycles, EV battery packs, grid-connected smart energy storage systems (ESS), and other products. In the future, the Company will focus on industrial fields such as electric vehicles, green energy, 5G cloud applications, and audio-visual consumer electronics products while actively developing related peripheral components and system products.

In order for the Company to grow and thrive on a continuous and stable basis, and create greater profits for shareholders, we must be prepared to face challenges and solve problems. We have absolute confidence to move toward the set goals, create best business performance for the Company, and go after maximum profits for shareholders. I also hope that all shareholders can continue to provide support and encouragement to the company. Finally, I wish all shareholders all the best and that all your hopes be fulfilled.

I. 2020 business results

(I) Business plan implementation results

Unit: NTD Thousand

Item	2020	2019	Growth rate
Operating revenue	89,552,100	97,820,336	-8.45%
Operating costs	79,778,673	87,602,570	-8.93%
Operating gross profit	9,773,427	10,217,766	-4.35%
Operating Expenses	7,379,006	7,936,076	-7.02%
Operating profit	2,394,421	2,281,690	4.94%
Non-operating income and expenses	189,414	103,124	83.68%
Net profit before tax	2,583,835	2,384,814	8.35%
Net profit for the period	1,884,368	1,787,336	5.43%
Net after-tax of other comprehensive profits and losses for the current period	257,947	(895,567)	128.80%
Total comprehensive income for the period	2,142,315	891,769	140.23%

(II) Budget implementation

The Company did not prepared 2020 financial forecasts, so this is not applicable.

(III) Financial income and expenditure status

Unit: NTD Thousand

Item	2020	2019	Amount of change
Net cash inflow (outflow) from operating activities	5,653,099	5,685,177	(32,078)
Net cash inflow (outflow) from investing activities	(7,181,302)	(5,129,735)	(2,051,567)
Net cash inflow (outflow) from financing activities	6,003,142	589,978	5,413,164

(IV) Profitability analysis

Year		2020	2019
Return on assets (%)		2.78	2.86
Return on shareholders' equity (%)		6.46	6.36
Contribution to paid-in capital Percentage (%)	Operating profit	46.74	44.54
	Net profit before tax	50.43	46.55
Net profit margin (%)		2.10	1.83
Earnings per share for the period (NTD) (Note)		4.06	4.10

Note: Earnings per share is calculated based on the number of shares after retrospective adjustment.

(V) Research and development status of the Company

The main research and development directions and strategies of the Company are:

1. Closely integrate technology into products to generate differentiated competitive advantages.
2. Integrate the technical fields of materials, machinery, electronics, optics, electroacoustics, etc.; e.g., through: optical inspection automation, engineering analysis capabilities, secondary processing electroplating technology, antenna design, and wire nano coating development.
3. Build professional laboratories for high frequency technology, electroacoustic technology, surface technology, and so on.
4. Lead and continue to develop various halogen-free, lead-free materials and application products that meet future environmental protection requirements.
5. Participate in the development process of customers' new products to provide them with various solutions and technical support.
6. Strengthen the ability to integrate existing technologies and evaluate and introduce new product development technologies.
7. Integrate the technology platform of electro-optic sound to expand products and market share.

II. Business plan summary for 2021

(I) Business strategy

1. Business purpose:

With core capabilities in molds, forms, stamping, secondary processing, and automation, integrate materials, machinery, electronics, optics, electroacoustics, energy, assembly, and R&D technology. Establish a global marketing and supply chain management network to provide customers with high-quality products in a timely manner, oriented by consumer electronics, information, communications, and automotive market demand; and create value for customers by combining digital content, environmental protection, and energy saving. Constantly seek to surpass ourselves based on concepts of sincerity, a holistic view, and conscientiousness, using our team spirit to create an optimal business performance for the enterprise.

2. Business philosophy:

- (1) Sincerity: Simplicity and pragmatism, and being as good as one's word

Keeping promises is an important value to establish long-term cooperative relations with customers and suppliers, so as to take creation of long-term benefits for all three parties as a direction for our thinking.

- (2) Holistic view: Great things can only be achieved with tolerance, and small beginnings yield major trends

By applying technological innovation, accumulating practical experience, and constantly pursuing self-transcendence and accumulated achievements, only then can the Company become a representative of the high-tech industry.

- (3) Conscientiousness: Making an all-out effort, with a unity of knowledge and action

From the capital, technology, and human resources used to coordinate our plans and from execution to assessment, there is a complete and consistent operational system that demonstrates its performance in a wide range of work functions; and the results of these joint efforts have created the Company's core competitiveness.

(II) Expected sales volume and its basis

The Company's products are mainly components of communications and consumer electronics. With the active expansion of customers and the development of new products this year, it is expected that the sales volume of each product will reach a trend of steady growth.

(III) Important production and sales policies

Continuously improve internal management capabilities to reduce various production costs and provide customers with the best service and technical resources, establishing a good cooperative relationship with customers to achieve a win-win goal.

III. Future development strategy for the Company

1. The Company will position itself under the OEM, ODM, and JDM models as it commits to consumer electronics, computers, communications, automotive electronics, digital content, and other product markets.
2. We will utilize the Company's core capabilities: Development will center on molds, forms, stamping, secondary processing, and automation, and thereupon integrate technical fields encompassing materials, machinery, electronics, optics, electroacoustics, energy saving, and environmental protection. In this way, we can develop differentiated competitive advantages over our competitors.
3. We will use our customer orientation, closeness to market leaders, and joint development of new products to create value for the Company.
4. We will deeply cultivate existing customers, expand different product lines for current customers, and provide customers with diversified products and services.
5. From materials, parts, components to system products, we will leverage and strengthen the company's vertical integrated manufacturing advantages to reduce manufacturing costs and enhance competitiveness.
6. We will establish development and mass production manufacturing capabilities for key components in order to obtain an irreplaceable competitive advantage.

7. We will develop the retail channel market, be close to consumers and grasp market demand and trends, and then combine the advantages of production and sales to develop a new niche for the Company. This will also establish an irreplaceable competitive advantage.

IV. Effects of the external competitive environment, regulatory environment, and overall business environment

Due to the instantaneous changes in the external environment and industry, the competition faced by the Company is no longer limited to Taiwan, but in all parts of the world. The targets of the Company's services are world-class customers, so it must be able to meet the global competitive environment and survival requirements. "Cost reduction" and "value creation" will be the most important issues for the Company's sustainability. The Company needs to be able to reduce costs in order to gain a competitive advantage, attracting new customers and expanding into new markets. At the same time, we must be able to create product value, service value and differentiated value from this in order to retain customers and meet their various needs.

At the same time, in the retail channel market, it is necessary to be able to grasp the acceptance and preference of consumers for all kinds of new 3C products at any time. We must understand the consumption habits and tendencies of target consumers in various regions, so as to propose different sales strategies to respond. In addition, we should offer different services and product content from competitors to strengthen our competitive advantage.

Responsible person: T.C. Gou

Manager: T.C. Gou

Accountant in charge: Chen-Phan Pu

II. Company Profile

I. Date of establishment: July 14, 1986

II. Company History

- | | |
|------|--|
| 1986 | <ul style="list-style-type: none">• Cheng Uei Precision Industry Co., Ltd. established with capital of NTD 18,000 thousand and mainly focusing on the manufacturing, processing, assembly, and trading of plastic connector injection molded products and their components |
| 1995 | <ul style="list-style-type: none">• Increased capital to NTD 190,000 thousand and added machinery and equipment. Established the wire assembly business division, engaged in the development of connectors for personal computers and peripherals, mobile phone connectors, and personal computer network products• Passed ISO 9002 quality certification |
| 1996 | <ul style="list-style-type: none">• In line with plant expansion plans, capital was increased to NTD 360,000 thousand for the purchase of additional land in the Tucheng Industrial Zone• Established power supply and electronics business divisions engaged in the research and development and production of battery modules for mobile phones and notebook computers, and power management modules for large-scale uninterrupted power systems for cable TV networks• Launched mobile phone battery module products• Approved as a public company by the Securities and Futures Commission of the Ministry of Finance |
| 1997 | <ul style="list-style-type: none">• Paid-in capital after capitalization of retained earnings was NTD 420,000 thousand• Launched new product manufacturing and production of power management modules• In order to strengthen the operating lineup of the Company, undertook re-election of directors and supervisors, increased the number of supervisors from one to two, and elected T.C. Gou as chairman• To reduce costs and improve market competitiveness, invested in the establishment of subsidiary Cu International in the British Virgin Islands while also establishing a processing plant in mainland China. In the same year, invested in the establishment of subsidiary Culink in the British Virgin Islands for the establishment of overseas marketing service bases. To acquire 100% equity of Foxlink International Ltd., established sales offices in San Francisco, Los Angeles, and Chicago to develop new markets and increase market share• Obtained patents for USB electrical connectors and electronic connectors |
| 1998 | <ul style="list-style-type: none">• Paid-in capital after capitalization of retained earnings and cash capital increase was NTD 716,000 thousand• Moved international headquarters to new factory in the Tucheng Industrial Zone. The scale of production was expanded with this land area of about 1,200 pings and plant area of about 6,600 pings. |

- Launched laptop battery module products
 - Via the Culink subsidiary, invested in Foxlink Singapore Pte. to establish a Singapore sales base to develop new markets and serve customers
 - In order to strengthen the supervision of the Company's operations, an additional supervisor position was established
 - Recognized as an Excellent Supplier by Sanyo, an important customer of the Company
 - Obtained patent for USB duplex electrical connector
- 1999
- Paid-in capital after capitalization of retained earnings was NTD 818,000 thousand
 - In order to ensure the stability of the company's management rights, all directors and supervisors of the Company resigned, and five directors and three supervisors were elected in accordance with the Company's Articles of Incorporation.
 - The Company's stock was officially listed for trading on the Taiwan Stock Exchange Co., Ltd. in September
- 2000
- Paid-in capital after cash capital increase and capitalization of retained earnings was NTD 1,170,000 thousand
 - Invested in the establishment of Foxlink International Investment Ltd.
 - Signed a Component Purchase Agreement with Microsoft Corporation of the United States to cooperate in the production of connectors and cable assemblies used in Xbox game consoles
 - Obtained patent rights in the United States for "Structure of Jack for Modular Plugs"
 - Obtained patent rights in the United States for "Electrical Jack Assembly for Modular Plugs"
- 2001
- Paid-in capital after capitalization of retained earnings was NTD 1,435,000 thousand
 - Issued overseas unsecured convertible bonds, USD 50,000 thousand
 - Obtained patent rights in the United States for "Flexible Board Connector with Rotatable Cover"
 - The Fudong Factory in Dongguan, China was completed. The land area is 98,926 square meters, and the workshop area is 131,877 square meters, thus expanding production scale
- 2002
- As directors and supervisors are to be re-elected in accordance with the law upon expiration of their terms of office, five directors and three supervisors were elected including one independent director and one independent supervisor
 - Paid-in capital after capitalization of retained earnings was NTD 2,005,207 thousand
 - Obtained QS 9000 certification
 - Invested NTD 200 million in Well Shin Technology Co., Ltd., with a shareholding ratio of 33.27%
- 2003
- Paid-in capital after capitalization of retained earnings was

- NTD 2,282,378 thousand
- Obtained the right to set up in the Dingpu High-tech Park in Tucheng, Taipei County
 - Obtained patent rights in the United States for “Electrical Connector with Improved Terminals”
- 2004
- Invested in the establishment of Fu Uei International Investment Ltd.
 - Paid-in capital after capitalization of retained earnings was NTD 2,587,616 thousand
 - The first phase of the Kunshan plant in mainland China was completed
 - The laboratory of the Dongguan Fudong Factory won China’s National Laboratory Certification
- 2005
- Approved the establishment of the Hsinchu R&D Center
 - Paid-in capital after capitalization of retained earnings was NTD 2,926,377 thousand
 - Beijing marketing office officially opened
 - Won the Excellent Service Award from Microsoft
 - Issued overseas unsecured convertible bonds, USD 100,000 thousand
- 2006
- Passed ISO/TS16949 international certification
 - Paid-in capital after capitalization of retained earnings was NTD 3,732,207 thousand
 - Established Korea marketing office
 - Foxlink Group’s Dingpu R&D Building was officially opened
 - Issued domestic unsecured convertible bonds, NTD 5,000,000 thousand
- 2007
- Cheng Uei’s invested affiliate Well Shin Technology goes public
 - Paid-in capital after capitalization of retained earnings was NTD 4,015,817 thousand
 - Invested in the establishment of DU Precision Industry Co., Ltd.
 - Implemented QC 080000 green product management system
 - Issued 40,000 units of employee stock option certificates
- 2008
- Announced Lean Six Sigma to promote the results
 - Gumi Office in Gumi, South Korea was formally established
 - Passed QC080000 international certification
 - Invested in the establishment of Gaoqiang Optoelectronics Co., Ltd.
 - Paid-in capital after capitalization of retained earnings was NTD 4,374,609 thousand
- 2009
- Collaborated with Qualcomm to officially launch 4.5-generation Mirasol display manufacturing plant
 - Invested in Studio A to obtain 51% equity, officially entering the retail channel market
 - Paid-in capital after capitalization of retained earnings was NTD 4,539,655 thousand

- | | |
|------|--|
| 2010 | <ul style="list-style-type: none"> • Invested in Power Quotient International (PQI), a major memory module manufacturer, acquiring 15.29% equity in total • The Technology Development Committee joined National Taipei University of Technology in achieving fruitful results, publishing five improved technologies to improve product competitiveness • In the 2010 ranking of the top 100 patents in Taiwan, the Company placed third with 402 certifications • Entered the Electronic Procurement Platform and the Target Management System of the Formosa Plastics Network, under the Formosa Plastics Group, creating a high-quality e-commerce and workflow environment to provide customers with more product advantages and services • Paid-in capital after capitalization of retained earnings was NTD 4,635,093 thousand |
| 2011 | <ul style="list-style-type: none"> • Invested in Yancheng factory in Jiangsu to integrate manufacturing and marketing channel services • Established an Access Business Group cross-channel layout • Established Nanchang factory in Jiangxi to fully take advantage of flexible manufacturing • Invested in Shinfox Energy Co., Ltd. to step into the field of smart energy • Studio A set up a fourth boutique location in Hong Kong. Between April and November, established China based specialty stores located in Hefei (Jiangsu), Kunshan, Changzhou, and Huai'an (Hebei) |
| 2012 | <ul style="list-style-type: none"> • Invested in LED production equipment company Smart Vision Co., Ltd., acquiring a 31.25% equity stake • Invested affiliate Glory Science Co., Ltd. listed shares on the OTC market • Kunshan phase IV factory started construction • Embedded modules obtained Verizon 3G network certification |
| 2013 | <ul style="list-style-type: none"> • Invested to establish Cheng Uei Ma On Shan Science and Technology Park, with the park covering an area of 222 acres • Acquired private equity shares of PQI Company, increasing the shareholding ratio of PQI to 42.56% • Successfully entered the supply chain of electric vehicle components and obtained business opportunities and official shipments of wearable products • Studio A's channel layout in the mainland expanded from the original Jiangsu Province, Anhui Province, Zhejiang Province, and Shanghai to further add new store locations in Fujian Province |
| 2014 | <ul style="list-style-type: none"> • Dongguan Fu-Chan Electronics completed its 3rd factory where the plant covers an area of 168 acres. • Obtained cash capital increase shares of Glory Science and increased shareholding to 42.25% • Signed an agreement with Tamkang University for educational-industrial cooperation plan to carry out |

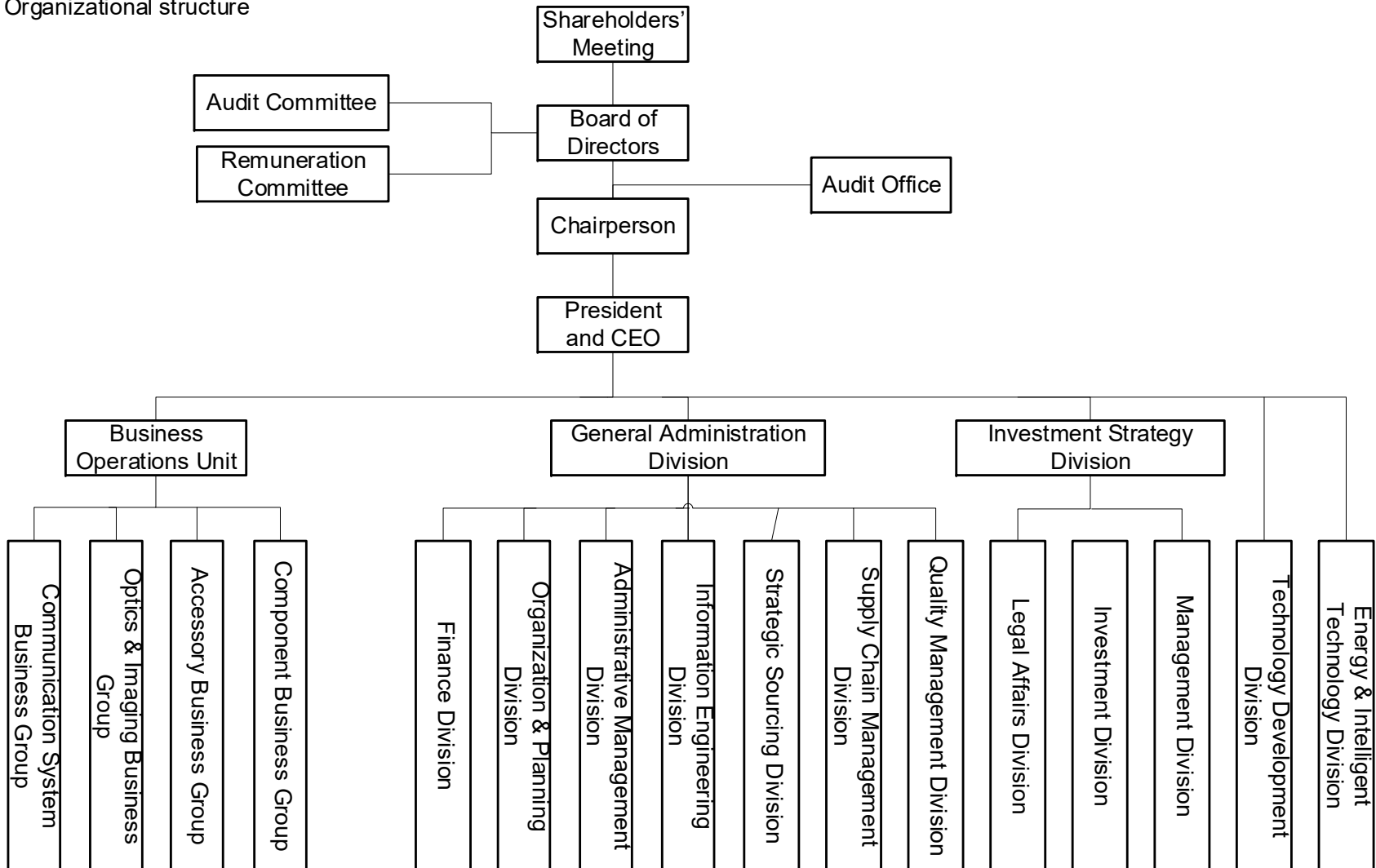
	comprehensive promotion and technology research and development cooperation both across the Taiwan Strait and internationally; aimed at developing and promoting digital writing tools completed by the digital e-pen calligraphy and painting system developed by Tamkang University as well as content and products related to dynamic handwriting.
	<ul style="list-style-type: none"> Completed development of 6-axis robotic arm and introduced of alternative materials for key components; carried out the construction and application promotions of the robotic arm production line
2015	<ul style="list-style-type: none"> Invested in cultural and creative business by acquiring 15,000 thousand shares of cash capital increase of Central Motion Picture Corporation, with shareholding ratio at 13.6% Completed corporate social responsibility report of Cheng Uei Co. The Company's annual turnover in 2015 reached a record high of NTD 108.2 billion
2016	<ul style="list-style-type: none"> Completed development of a new 6-axis 900 arm-length robotic arm, fully incorporating it into the production line Used Industry 4.0 concepts to improve mold production technology and increase production efficiency On February 6, a strong earthquake occurred in southern Taiwan and caused severe damage to the area around Tainan. Foxlink Group donated NTD 10 million to assist in post-disaster reconstruction
2017	<ul style="list-style-type: none"> As directors and supervisors are to be re-elected in accordance with the law upon expiration of their terms of office, nine directors were elected including three independent directors Set up an Audit Committee to fill in for the authority of supervisors Invested in the establishment of an Indian subsidiary with an initial investment amount of Rs 160 million In July 2017, the Maanshan factory in mainland China was officially opened, with a plant area of 133,464 square meters
2018	<ul style="list-style-type: none"> In April 2018, invested in the construction of the Xuzhou factory in Jiangsu Province. The initial investment amount was USD 8 million. Foxlink Group subsidiaries PQI, Foxlink Image, and Glory Science jointly established FIT Holding Co., Ltd. via conversion of shares. Acquired 100% equity of Hong Kong company Sinobest Brothers Ltd. and indirectly obtained 100% equity of Myanmar company Foxlink Myanmar Company Limited
2019	<ul style="list-style-type: none"> First-ever issue of NT\$3 billion of guaranteed general corporate bonds in 2019 Acquired 100% equity of Hong Kong company Journ Ta Brothers Limited and indirectly acquired 100% equity of Myanmar company Hua Tai Enterprise Company Limited
2020	<ul style="list-style-type: none"> A new subsidiary was established in southern India with an

- initial investment of NTD 300 million
- First issue of NT\$3.6 billion of guaranteed general corporate bonds in 2020
 - As directors and supervisors are to be re-elected in accordance with the law upon expiration of their terms of office, nine directors were elected with three being independent directors
 - Set up in Central Taiwan Science Park and established new Central Taiwan Science Park Branch
 - Subsidiary Shinfox Energy Co., Ltd. was listed on the Emerging Market board in December

III. Corporate Governance Report

I. Organization system

1. Organizational structure



2. Business operations of each department

Key departments	Business operations
Audit Division	<ol style="list-style-type: none"> 1. Operation and implementation of audits of the Company's internal control system 2. Inspection and evaluation of the soundness and effectiveness of the Company's internal control system
Communication System Business Group	<ol style="list-style-type: none"> 1. R&D and manufacturing of communication and system products 2. Responsible for improving and enhancing manufacturing technology and efficiency management
Optics & Imaging Business Group	<ol style="list-style-type: none"> 1. R&D and manufacturing of optoelectronic products 2. Responsible for improving and enhancing manufacturing technology and efficiency management
Component Business Group	<ol style="list-style-type: none"> 1. R&D and manufacturing of component products 2. Responsible for improving and enhancing manufacturing technology and efficiency management
Accessory Business Group	<ol style="list-style-type: none"> 1. R&D and manufacturing of accessory products 2. Responsible for improving and enhancing manufacturing technology and efficiency management
Finance Division	<ol style="list-style-type: none"> 1. The Company's overall financial and tax planning 2. Capital utilization scheduling and risk management 3. Planning and drafting of the Company's financial and accounting systems and operating procedures
Organization & Planning Division	<ol style="list-style-type: none"> 1. Responsible for the Company's development plan and budget preparation 2. Setting up organization, recruiting, order system, build system 3. Responsible for selecting, employing, educating, and retaining human resources
Administrative Management Division	<ol style="list-style-type: none"> 1. Planning and supervision of factory construction 2. Responsible for the purchase of supporting facilities for factory construction 3. Organizational maintenance and planning for administration, factory affairs, environmental safety and health, etc.
Information Engineering Division	<ol style="list-style-type: none"> 1. Information system and network architecture establishment and planning
Strategic Sourcing Division	<ol style="list-style-type: none"> 1. Responsible for the formulation of strategic procurement management system 2. Reduce procurement costs and control execution of major procurement cases
Supply Chain Management Division	<ol style="list-style-type: none"> 1. Plan and manage materials and finished products receiving and shipping operations of each factory 2. Manage global logistics and transportation business 3. Inventory management and audit 4. HUB storage location layout planning and management 5. Cost-effective control of logistics
Quality Management Division	<ol style="list-style-type: none"> 1. Establishment of the quality system and the promotion and audit of the quality management plan. 2. Responsible for laboratory energy establishment, product quality and product safety related testing and certification management.
Legal Affairs Division	<ol style="list-style-type: none"> 1. Handling of relevant legal documents and litigation cases within the group
Investment Division	<ol style="list-style-type: none"> 1. Strategic planning and investment management of intra-group transfer investments
Management Division	<ol style="list-style-type: none"> 1. Performance evaluation analysis and improvement tracking of various departments and business entities of the Company
Technology Development Division	<ol style="list-style-type: none"> 1. R&D and core technology development plan introduction and resource integration for the Group. 2. Intellectual property, trademark, patent application and management within the Group.
Energy & Intelligent Technology Division	<ol style="list-style-type: none"> 1. Introduction of new energy technologies 2. Integration of Group automation and process optimization technology to improve production technology 3. Application of advanced technology to realize intelligent production

II. Information on directors, supervisors, the General Manager, deputy general managers, associate managers, and supervisors of various departments and branches:

1. Directors and Supervisors:

Director information (I)

April 20, 2021 Unit: Thousand shares

Job Title	Nationality	Name	Gender	Date elected	Tenure	Initial selection Appointment date	Time of appointment Shareholding		Current Shareholding		Spouse and minor children current shares held		Shares held in the name(s) of others		Main educational and professional background	Office(s) concurrently held in the Company and other companies	Spouse or relatives within the second degree of kinship or closer acting as other supervisors, directors, or supervisors			Remarks
							Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Position	Name	Relationship	
Chairperson	Republic of China .	Hsin Hung International Investment Co., Ltd.	-	2020.06.19	Three years	1997.01.17	100,535	19.62%	100,535	19.62%	0	0	0	0	None	None	None	None	None	None
	Republic of China .	T.C. Gou (Note 1)	Male	2020.06.19	Three years	1997.01.17	6,009	1.17%	6,009	1.17%	46	0.01%	0	0	University graduate, President of Hon Hai Company	President, Cheng Uei Precision Industry; Corporate Chairperson of FIT Holding, Power Quotient International, Foxlink Image, Glory Science, Studio A, Microlink Communications, DU Precision, FII, Hsin Hung Investment, Central Motion Picture, Central Motion Picture Industry Co., CMPC Cultural & Creative, Central Motion Picture Bade Co., Central Motion Picture Culture City Co., Central Motion Picture International, Deepwaters, Shinfox Energy, Shinfox Natural Gas, Shih Fong, Central Motion Picture USA Corporation, Luminys Systems Corp.	None	None	None	Note 3
Director	Republic of China .	Hsin Hung International Investment Co., Ltd.	-	2020.06.19	Three years	1997.01.17	100,535	19.62%	100,535	19.62%	0	0	0	0	None	None	None	None	None	None
	Republic of China .	Chen-Phan Pu (Note 1)	Male	2020.06.19	Three years	2019.12.13	32	0.01%	32	0.01%	63	0.01%	0	0	College graduate, Vice President of Cheng Uei Company	Corporate supervisor of Microlink, Central Motion Picture, CMPC Cultural & Creative, Central Motion Picture International, Nanoshield Technology, Foxlink, Fulian, Zheng Fa, Zhiquan, Kunshan Fu Shi You, Glory (Yancheng), Glory (Suzhou), Glory (Yancheng),	None	None	None	None

Job Title	Nationality	Name	Gender	Date elected	Tenure	Initial selection Appointment date	Time of appointment Shareholding		Current Shareholding		Spouse and minor children current shares held		Shares held in the name(s) of others		Main educational and professional background	Office(s) concurrently held in the Company and other companies	Spouse or relatives within the second degree of kinship or closer acting as other supervisors, directors, or supervisors			Remarks
							Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Position	Name	Relationship	
																Yancheng Yaowei Technology, Queen Mao, Fugang (Yancheng), Fuqiang (Yancheng), PQI (Yancheng), Shanghai Fugang Electronic Trading, Shanghai Benchmark Information Technology, Ashop; corporate director of Taifu, Taiwan Fulin, Xinxian Kongqi, Dongguan Fuqiang, Fu-Chan (Shanghai), Fugang (Kunshan); corporate director of Foxlink Myanmar, Cync Design; details of other related companies given in pages 424-430 of the annual report.				
Director	Republic of China	Hsin Hung International Investment Co., Ltd.	-	2020.06.19	Three years	1997.01.17	100,535	19.62%	100,535	19.62%	0	0	0	0	None	None	None	None	None	None
	Republic of China	T.C. Wang (Note 1)	Male	2020.06.19	Three years	1998.06.11	24	0	24	0	0	0	0	0	University graduate, Chairperson of Quark Opto-Electronics	Chairperson, Core Pacific Development Corporation	None	None	None	None
Director	Republic of China	Foxlink International Investment Co., Ltd.	-	2020.06.19	Three years	1997.01.17	3,211	0.63%	3,211	0.63%	0	0	0	0	None	None	None	None	None	None
	Republic of China	James Lee (Note 2)	Male	2020.06.19	Three years	2002.05.30 (Note 3)	0	0	0	0	0	0	0	0	University graduate, Group General Manager of Communication System Business of Cheng Uei Company	Group General Manager of Communication System Business of Cheng Uei Company, President of Glory Science Co., Ltd.	None	None	None	None
Director	Republic of China	Foxlink International Investment Co., Ltd.	-	2020.06.19	Three years	1997.01.17	3,211	0.63%	3,211	0.63%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Eric Huang (Note 2)	Male	2020.06.19	Three years	2020.06.19	8	0.00%	8	0.00%	0	0	0	0	Research institute graduate, Component Business Group General Manager of Cheng Uei Company	Component Business Group General Manager, Cheng Uei Company	None	None	None	None
Director	Republic of China	Foxlink International Investment Co., Ltd.	-	2020.06.19	Three years	1997.01.17	3,211	0.63%	3,211	0.63%	0	0	0	0	None	None	None	None	None	None
	Republic	Jui-Hsia Wan	Female	2020.06.19	Three	2002.05.30	0	0	0	0	0	0	0	0	Research institute	Director, Healthconn Corp.	None	None	None	None

Job Title	Nationality	Name	Gender	Date elected	Tenure	Initial selection Appointment date	Time of appointment Shareholding		Current Shareholding		Spouse and minor children current shares held		Shares held in the name(s) of others		Main educational and professional background	Office(s) concurrently held in the Company and other companies	Spouse or relatives within the second degree of kinship or closer acting as other supervisors, directors, or supervisors			Remarks
							Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Position	Name	Relationship	
	of China .				years										graduate Accountant and Associate Professor					
Independent Director	Republic of China .	Randy Lee	Male	2020.06.19	Three years	2014.06.12	0	0	0	0	0	0	0	0	Master's Degree from Missouri University, U.S.A.; Chairman of ETtoday	Vice Chairman of the Chinese Cultural University Alumni Association	None	None	None	None
Independent Director	Republic of China	Chien-Chung Fu	Male	2020.06.19	Three years	2017.06.08	0	0	0	0	0	0	0	0	Ph.D., Karlsruhe Institute of Technology, Germany Assistant Professor/Associate Professor/Professor, Institute of Nano Engineering and Microsystems, National Tsing Hua University	Professor, Department of Power Machinery, National Tsing Hua University Independent director, Saultech Technology Co., Ltd.	None	None	None	None
Independent Director	Republic of China .	Jing-Mi Tang	Male	2020.06.19	Three years	2017.06.08	0	0	0	0	9	0.00%	0	0	Ph.D. in Aerospace Engineering from Georgia Institute of Technology, U.S.A. Associate Professor	Associate Professor, Tamkang University	None	None	None	None

Note 1: Representative: of Hsin Hung International Investment Co., Ltd.

Note 2: Representative: of Foxlink International Investment Co., Ltd.

Note 3: Served as a director of the Company from 2002.5.30 to 2014.6.11.

Note 4: If the Company's chairman and general manager or equivalent (top manager) are the same person, or spouse or relative within one degree of kinship to the other, the reason, rationality, necessity and relevant information of the corresponding measures should be explained (e.g., the number of independent directors should be increased, more than half of the directors should not be concurrent employees or managers, etc.). The Chairman of the Company also serves as the President, mainly to improve the efficiency of operation and management and the execution of decision-making. At present, more than half of the members of the Board of Directors are not concurrently serving as employees of the Company, so the independence of the board of directors is secure. In addition, the Chairman of the Board of Directors also closely communicates with the directors about the Company's operating status and planning guidelines to implement corporate governance. In the future, the Company plans to increase the number of independent directors to enhance the functions of the Board of Directors and strengthen the supervision function.

Major shareholders of corporate shareholders

Names of corporate shareholders	Major shareholders of corporate shareholders	Percentage of shareholding
Hsin Hung International Investment Co., Ltd.	British Virgin Islands Shangling Co., Ltd.	84.7%
Foxlink International Investment Co., Ltd.	British Virgin Islands Shangmeijia Co., Ltd.	87.5%

Major shareholders of major shareholders who are juridical persons

Names of corporations	Major shareholders of corporations	Percentage of shareholding
British Virgin Islands Shangling Co., Ltd.	Well Benefit Ltd.	100%
British Virgin Islands Shangmeijia Co., Ltd.	Well Benefit Ltd.	100%

Professional knowledge and independence of directors (II)

Terms Name	Has at least five years of relevant working experience and the following professional qualifications			Conform to the status of independence (Note 3)												Number of other public companies where he/she/it concurrently serves as an independent director
	Lecturer or above in a department related to business, legal affairs, finance, accounting or area related to the Company's business at a public or private college or university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Have work experience required for business, legal affairs, finance, accounting, or Company business	1	2	3	4	5	6	7	8	9	10	11	12	
T.C. Gou (Note 1)			✓						✓		✓	✓	✓	✓		None
Chen-Phan Pu (Note 1)			✓			✓			✓	✓	✓	✓	✓	✓		None
T.C. Wang (Note 1)			✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		None
Li Cheng (Note 2)			✓			✓		✓	✓	✓	✓	✓	✓	✓		None
Eric Huang (Note 2)			✓			✓		✓	✓	✓	✓	✓	✓	✓		None
Jui-Hsia Wan (Note 2)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		None
Randy Lee			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None
Chien-Chung Fu	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Jing-Mi Tang	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None

Note 1: Representative of Hsin Hung International Investment Co., Ltd.

Note 2: Representative of Foxlink International Investment Co., Ltd.

Note 3: For each director or supervisor who meets the following conditions during the two years before and during their tenure of office, please mark “ ” in the space below each condition code.

- (1) Not an employee of the Company or its affiliates.
- (2) Not a director or supervisor of the Company or its affiliates. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)
- (3) No one percent or more of the total issued shares of the Company are held by him/her or his/her spouse, or minor children or on his/her behalf, or none of their shareholding percentage is among top ten shareholders.
- (4) Not a manager listed in (1) or spouse or relative within the second degree of kinship of (2) or (3) or immediate blood relation within the third degree of kinship.
- (5) Directors and supervisors who are indirect shareholders who hold more than 5% of the company's total issued shares, the top five shareholders, or juristic

person shareholders who appoint representatives to act as company directors or supervisors in accordance with Article 27, Paragraphs 1 or 2 of the Company Act, or an employee thereof. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)

- (6) Not a director, supervisor, or employee of another company controlled by the same person with more than half of the shares with voting rights on the company's board of directors. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)
- (7) Not a director, supervisor, or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as that of the Company, or the spouse thereof. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)
- (8) Not a director, supervisor, manager, or shareholder holding more than 5% of a particular company or institution with financial or business dealings with the company. (However, in the case of a particular company or organization that holds more than 20% of the company's issued shares, but does not exceed 50%, and in the case of independent directors concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)
- (9) Not a partner, director, supervisor, manager, or spouse thereof of a company or institution that provides commercial, legal, financial, financial, accounting services or consultation to the company or any affiliate of the Company for amounts exceeding NT\$500,000 in the past two years. However, for members of the Remuneration Committee, Public Acquisitions Review Committee, or M&A Special Committee who perform their functions and powers in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Corporate Mergers & Acquisitions Act, this limitation shall not apply.
- (10) He/she is not the spouse or relative within the second degree of kinship of another director.
- (11) He/she does not fall into the circumstances in the provisions of Article 30 of the Company Act.
- (12) No provision to be elected by a government or juristic person or their representative under Article 27 of the Company Act.

2. Information on the general manager, deputy general managers, associate managers, and supervisors of various departments and branches:

April 20, 2021 Unit: Thousand shares

Job Title	Nationality	Name	Gender	Date assumed office	Shareholding		Spouse and minor children shares held		Shares held in the name(s) of others		Principal experience (education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Remarks
					Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Position	Name	Relationship	
President	Republic of China	T.C. Gou	Male	1996.01.01	6,009	1.17%	46	0.01%	0	0	Department of Law, National Chung Hsing University President of Hon Hai Precision Industry Co., Ltd.	President, Cheng Uei Precision Industry; Corporate Chairperson of FIT Holding, Power Quotient International, Foxlink Image, Glory Science, Studio A, Microlink Communications, DU Precision, FII, Hsin Hung Investment, Central Motion Picture, Central Motion Picture Industry Co., CMPC Cultural & Creative, Central Motion Picture Bade Co., Central Motion Picture Culture City Co., Central Motion Picture International, Deepwaters, Shinfox Energy, Shinfox Natural Gas, Shih Fong, Central Motion Picture USA Corporation, Luminys Systems Corp.	None	None	None	Note
Communication System Business Group General Manager	Republic of China	James Lee	Male	1986.07.14	0	0	0	0	0	0	University graduate, business manager of Hon Hai Company	President, Glory Science	None	None	None	None
Component Business Group General Manager,	Republic of China	Eric Huang	Male	2013.12.01	8	0	0	0	0	0	Master's degree in Department of Aeronautics and Astronautics from National Cheng Kung University Research fellow, Material and Chemical Research Laboratories, ITRI	None	None	None	None	None

Job Title	Nationality	Name	Gender	Date assumed office	Shareholding		Spouse and minor children shares held		Shares held in the name(s) of others		Principal experience (education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Remarks
					Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Position	Name	Relationship	
Optics & Imaging Business Group General Manager	Republic of China	Julius Chu	Male	2018.05.16	0	0	0	0	0	0	Graduated from Soochow University Vice President, Cheng Uei Precision Industry Co., Ltd.	Director of Glory Science, Glorytek (Yancheng), Glory Optics (Yancheng); President of Glorytek (Suzhou), Glorytek (Yancheng), Yancheng Yaowei Technology	None	None	None	None
Vice President	Republic of China	Chen-Phan Pu	Male	2002.02.08	32	0.01%	63	0.01%	0	0	Graduated from Bank Management Department, Tamsui Oxford University College Manager of Cathay United Bank Special Assistant, Directors' Office, Cheng Uei Company	Corporate supervisor of Microlink, Central Motion Picture, CMPC Cultural & Creative, Central Motion Picture International, Nanoshield Technology, Foxlink, Fulian, Zheng Fa, Zhiquan, Kunshan Fu Shi You, Glory (Yancheng), Glory (Suzhou), Glory (Yancheng), Yancheng Yaowei Technology, Queen Mao, Fugang (Yancheng), Fuqiang (Yancheng), PQI (Yancheng), Shanghai Fugang Electronic Trading, Shanghai Benchmark Information Technology, Ashop; corporate director of Taifu, Taiwan Fulin, Xinxian Kongqi, Dongguan Fuqiang, Fu-Chan (Shanghai), Fugang (Kunshan); corporate director of Foxlink Myanmar, Cync Design; details of other related companies given in pages 424-430 of the annual report.	None	None	None	None
Vice President	Republic of China	Malcolm Lin	Male	2006.08.01	5	0	0	0	0	0	Ph.D. of Electrical Engineering, University of Pennsylvania, USA Engineer, Electronic and Optoelectronic System Research Laboratories, ITRI	None	None	None	None	None

Job Title	Nationality	Name	Gender	Date assumed office	Shareholding		Spouse and minor children shares held		Shares held in the name(s) of others		Principal experience (education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Remarks
					Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Position	Name	Relationship	
Vice President	Republic of China	Y.Y. Wu	Male	2014.12.22	290	0.06%	5	0	0	0	Graduated from Hosei University, Japan Assistant Vice President, Cheng Uei Company	None	None	None	None	None
Vice President	Republic of China	Daniel Wu	Male	2017.07.01	0	0	1	0	0	0	PhD in Information Management, National Taiwan University of Science and Technology Assistant Vice President, Cheng Uei Company	None	None	None	None	None
Vice President	Republic of China	Wanson Hsu	Male	2018.01.09	0	0	0	0	0	0	Graduated from Institute of Electrical Engineering, National Cheng Kung University Assistant Vice President, Cheng Uei Company	None	None	None	None	None
Vice President	Republic of China	Spencer Yeh	Male	2019.03.04	0	0	0	0	0	0	PhD, National Cheng Kung University General Manager of NexPower Technology Corp. Assistant Vice President of Wah Hong Industrial Corp.	None	None	None	None	None
Vice President	Republic of China	Jack Lo	Male	2019.10.16	0	0	0	0	0	0	Graduated from National Chiao Tung University Assistant Vice President, Cheng Uei Company	None	None	None	None	None
Vice President	Republic of China	Luc Chu	Male	2020.08.11	0	0	0	0	0	0	Graduated from Tamkang University Assistant Vice President of Cheng Uei Precision Industry Co., Ltd.	None	None	None	None	None

Job Title	Nationality	Name	Gender	Date assumed office	Shareholding		Spouse and minor children shares held		Shares held in the name(s) of others		Principal experience (education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Remarks
					Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Position	Name	Relationship	
Head of Corporate Governance	Republic of China	Kufn Lin	Male	2021.03.26	582	0.11%	0	0	0	0	Department of Accounting, FJCU Special Assistant, Directors' Office, Cheng Uei Company	Special Assistant, Cheng Uei Co.; corporate director of Well Shin, Microlink, Smart Vision, Trinity Investment, Central Motion Picture, CMPC Cultural & Creative, Central Motion Picture International, Deepwaters, One Attitude Film, Foxlink, Taifu, Fulian, Taiwan Star Telecom, Weijie Biomedical, Foxwell Energy, Fushineng (Kunshan), Foxlink Automotive Technology, Fu Gang (Nan Chang), PQI (Yancheng), Sharetronic, etc.; Chairperson of Central Motion Picture Management Consulting, Deepwaters Xuanxiu, Sheng Ji, Xinxian Kongqi, Zheng Fa, Zhiqun, etc.; Deputy Chairperson of Fugang (Dongguan); supervisor of CYN Design, Fugang (Xuzhou), Fu-Chan (Shanghai) details of other related companies given in pages 424-430 of the annual report	None	None	None	None

Note: If the general manager or equivalent (top manager) and the chairperson is the same person, or spouse or relative within one degree of kinship to the other, the reason, rationality, necessity and relevant information of the corresponding measures should be disclosed (e.g., the number of independent directors should be increased, more than half of the directors should not be concurrent employees or managers, etc.)

The Chairman of the Company also serves as the President, mainly to improve the efficiency of operation and management and the execution of decision-making. At present, more than half of the members of the Board of Directors are not concurrently serving as employees of the Company, so the independence of the board of directors is secure. In addition, the Chairman of the Board of Directors also closely communicates with the directors about the Company's operating status and planning guidelines to implement corporate governance. In the future, the Company plans to increase the number of independent directors to enhance the functions of the Board of Directors and strengthen the supervision function.

III. Remuneration paid to directors, supervisors, the President, and vice president(s) in the most recent year

1. Remuneration paid to directors, supervisors, the President, vice president(s), etc., in 2020

(1) Remuneration to directors (including independent directors)

Unit: NTD Thousand

Title	Name	Directors' Remuneration								% of A, B, C and D to net profits after tax	Remuneration paid to part-time employees								% of A, B, C, D, E, F and G to net profits after tax	Compensation from parent company and business investments other than subsidiaries		
		Remuneration (A)		Pension (B)		Remuneration for Directors (C)		Expenses for Execution of Business (D)			Wages, rewards, special allowances, etc. (E)		Retirement Pensions (F)		Remuneration for Employees (G)							
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements			The Company	All companies included in the financial statements
																Cash amount	Stock amount	Cash amount	Stock amount			
Director	Hsin Hung International Investment Co., Ltd.	0	40	0	0	6,850	8,297	0	0	0.35%	0.42%	23,845	30,307	429	688	14,386	0	14,386	0	2.31%	2.73%	None
	Corporate representative: T.C. Gou																					
	Corporate representative: Chen-Phan Pu																					
	Corporate representative: T.C. Wang																					
Director	Foxlink International Investment Co., Ltd.	0	40	0	0	6,850	8,297	0	0	0.35%	0.42%	23,845	30,307	429	688	14,386	0	14,386	0	2.31%	2.73%	None
	Corporate representative: James Lee																					
	Corporate representative: Eric Huang																					
	Corporate representative: Jui-Hsia Wan																					
Independent Director	Randy Lee	0	0	0	0	3,150	3,150	0	0	0.16%	0.16%	0	0	0	0	0	0	0	0	0.16%	0.16%	None
	Chien-Chung Fu																					
	Jing-Mi Tang																					

1. Please state the policies, systems, standards and structure of independent directors' remuneration, and, according to the responsibilities, risks, time invested and other factors, describe the relevance to the remuneration amount: The remuneration of independent directors of the company is based on the evaluation results of the Board of Directors Performance Evaluation Measures and the Remuneration Committee Charter. It considers individual responsibilities and time put in, and also refers to the individual performance achievement rate and contribution rate of independent directors to provide appropriate remuneration; and after the approval of the remuneration committee, it is submitted to the Board of Directors for approval. 2. Except as disclosed in the above table, the remuneration for the services provided for all companies in the financial report by the directors of the Company in the most recent year (such as consultants who are not employees): Nil.

Note: 1. The amount of retirement pensions for 2020 constitutes the total amount set out in accordance with the old and new pension systems.

2. Based on the proposed employee compensation amount of NTD 220,000,000 in 2020 as approved by the Board of Directors of the Company, the proposed amount is estimated based on the actual amount allocated in the previous year.

Table of Remuneration Scales

Range of remuneration paid to each director of the Company	Director name			
	The total amount of the first four remuneration items (A+B+C+D)		The total amount of the first seven remuneration items (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Less than 1,000,000	0	0	0	0
1,000,000 (inclusive)~2,000,000 (exclusive)	Ordinary director: T.C. Gou, Chen-Phan Pu, T.C. Wang, James Lee, Eric Huang, Jui-Hsia Wan	Ordinary director: T.C. Gou, T.C. Wang, James Lee, Eric Huang, Jui-Hsia Wan	Ordinary director: T.C. Wang, James Lee, Jui-Hsia Wan	Ordinary director: T.C. Wang, Jui-Hsia Wan
	Independent director: Randy Lee, Chien-Chung Fu, Jing-Mi Tang	Independent director: Randy Lee, Chien-Chung Fu, Jing-Mi Tang	Independent director: Randy Lee, Chien-Chung Fu, Jing-Mi Tang	Independent director: Randy Lee, Chien-Chung Fu, Jing-Mi Tang
2,000,000 (inclusive)~3,500,000 (exclusive)	Ordinary director: Foxlink International Investment Co., Ltd., Hsin Hung International Investment Co., Ltd.	Ordinary director: Foxlink International Investment Co., Ltd., Hsin Hung International Investment Co., Ltd., Chen-Phan Pu	Ordinary director: Foxlink International Investment Co., Ltd., Hsin Hung International Investment Co., Ltd.	Ordinary director: Foxlink International Investment Co., Ltd., Hsin Hung International Investment Co., Ltd.
3,500,000 (inclusive)~5,000,000 (exclusive)	0	0	0	0
5,000,000 (inclusive)~10,000,000 (exclusive)	0	0	Ordinary directors: T.C. Gou, Chen-Phan Pu	Ordinary directors: T.C. Gou, Chen-Phan Pu, James Lee
10,000,000 (inclusive)~15,000,000 (exclusive)	0	0	0	0
15,000,000 (inclusive)~30,000,000 (exclusive)	0	0	Ordinary director: Eric Huang	Ordinary director: Eric Huang
30,000,000 (inclusive)~50,000,000 (exclusive)	0	0	0	0
50,000,000 (inclusive)~100,000,000 (exclusive)	0	0	0	0
Over NTD 100,000,000	0	0	0	0
Total	11	11	11	11

(2) Remuneration paid to President and vice president(s)

Unit: NTD Thousand

Position	Name	Salary (A)		Pension (B)		Rewards and Special expenses etc. (C)		Employee bonuses amount (D)				Sum of A, B, C, and D as percentage of income after tax (%)		compensation from parent company and subsidiaries
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements	The Company	All companies included in the financial statements		
								Cash amount	Stock amount				Cash amount	
President	T.C. Gou	26,427	34,574	1,340	1,599	29,913	30,778	23,262	0	23,262	0	4.11%	4.59%	0
Group General Manager	James Lee													
Group General Manager	Eric Huang													
Group General Manager	Julius Chu													
Vice President	Chen-Phan Pu													
Vice President	Malcolm Lin													
Vice President	Y.Y. Wu													
Vice President	Daniel Wu													
Vice President	Wanson Hsu													
Vice President	Spencer Yeh													
Vice President	Jack Lo													
Vice President	Luc Chu													

Note: 1. The amount of retirement pensions for 2020 constitutes the total amount set out in accordance with the old and new pension systems.

2. Based on the proposed employee compensation amount of NTD 220,000,000 in 2020 as approved by the Board of Directors of the Company, the proposed amount is estimated based on the actual amount allocated in the previous year.

Table of Remuneration Scales

Range of remunerations paid to President and vice president(s)	Name of General Manager and Deputy General Manager(s)	
	The Company	All companies included in the financial statements E
Less than 1,000,000	0	0
1,000,000 (inclusive)~2,000,000 (exclusive)	James Lee	0
2,000,000 (inclusive)~3,500,000 (exclusive)	Wanson Hsu, Spencer Yeh, Luc Chu	Wanson Hsu, Spencer Yeh, Luc Chu
3,500,000 (inclusive)~5,000,000 (exclusive)	Malcolm Lin, Y.Y. Wu	Malcolm Lin, Y.Y. Wu
5,000,000 (inclusive)~10,000,000 (exclusive)	T.C. Gou, Julius Chu, Chen-Phan Pu, Daniel Wu, Jack Lo	T.C. Gou, James Lee, Julius Chu, Chen-Phan Pu, Daniel Wu, Jack Lo

10,000,000 (inclusive)~15,000,000 (exclusive)	0	0
15,000,000 (inclusive)~30,000,000 (exclusive)	Eric Huang	Eric Huang
30,000,000 (inclusive)~50,000,000 (exclusive)	0	0
50,000,000 (inclusive)~100,000,000 (exclusive)	0	0
Over NTD 100,000,000	0	0
Total	12	12

Names of managerial officers entitled to employee bonuses and amounts entitled

December 31, 2020; Unit: NTD thousand

Item	Position	Name	Stock bonus amount	Cash bonus amount	Total	As percentage of income after tax (%)
Manager	President	T.C. Gou	0	23,262	23,262	1.18%
	Group General Manager	James Lee				
	Group General Manager	Eric Huang				
	Group General Manager	Julius Chu				
	Vice President	Chen-Phan Pu				
	Vice President	Malcolm Lin				
	Vice President	Y.Y. Wu				
	Vice President	Daniel Wu				
	Vice President	Wanson Hsu				
	Vice President	Spencer Yeh				
	Vice President	Jack Lo				
	Vice President	Luc Chu				

Note: Based on the proposed employee compensation amount of NTD 220,000,000 in 2020 as approved by the Board of Directors of the Company, the details of the employee remuneration scheme have not yet been decided as of the publication date of the annual report. Therefore, the proposed amount is estimated based on the actual disbursement amount of the previous year.

2. Amount of compensation paid in the last two years by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, general manager, and deputy general managers, and the respective proportion of such compensation to the income after tax in parent company only or individual financial statement, as well as the policies, standards, and packages by which it was paid, the procedures through which the compensation was determined, and its association with business performance and future risk.

- (1) Proportion to net profits after tax of the total of the remuneration paid to directors, general managers and deputy general managers by the Company and all companies in the consolidated financial statements in the most recent two years

Item Position	Proportion of total remuneration to net profit after tax				Proportion of increase (decrease)	
	2020		2019			
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Director	0.51%	0.58%	0.50%	0.57%	0.01%	0.01%
Supervisor	0%	0%	0%	0%	0%	0%
President and vice presidents	4.11%	4.59%	2.71%	3.17%	1.40%	1.42%

Note: Based on the proposed employee remuneration amount of NTD 220,000,000 in 2020 and directors' remuneration of NTD 10,000,000 as approved by the Board of Directors of the Company, the details of the employee remuneration scheme have not yet been decided as of the publication date of the annual report. Therefore, the proportion of total remuneration to net profit after tax is estimated based on the actual amount paid in 2019.

- (2) Correlation between the policies, standards and combinations of payment, procedures for determination of remuneration, business performance and future risks:

In respect to the proportion of remuneration distributed to the directors and managers of the company, according to Article 26 of the Articles of Incorporation of the Company, if the Company makes a profit during the year, it should allocate no less than 6% for employee remuneration and no more than 3% for directors' remuneration.

Managers' remuneration includes salary and bonuses. Out of this, salary is set in reference to industry standards as well as factors including titles, position, academic (professional) background, professional abilities and responsibilities, etc. Bonus schemes consider managers' performance appraisal items, which in turn incorporate financial metrics (such as achievement rates for the Company's revenues, net profit before tax, and net profit after tax) as well as non-financial metrics (e.g., serving as an instructor or evaluator for an innovation incubation plan, or the occurrence of major shortfalls in compliance with laws and regulations and operational risks in divisions under the manager's responsibility). Furthermore, and in line with the recommended allocation principles set forth by the Remuneration Committee, the Chairman shall examine and approve in accordance with operating performance.

IV. Corporate Governance Status

(I) Operation of the Board of Directors

The Board of Directors met 8 times in the most recent year (A) and directors' attendance was as follows:

Position	Name	Number of times actually attending (observing) (B)	Frequency of attendance	Actual attendance (observation) rate (%) [B/A]	Remarks
Chairperson	T.C. Gou (Note 1)	8	0	100%	Serving another term -
Director	Chen-Phan Pu (Note 1)	8	0	100%	Serving another term
Director	T.C. Wang (Note 1)	8	0	100%	Serving another term
Director	Liao Kuei-Lung (Note 2)	2	0	100%(Note 3)	Resigned as of 2020.6.19
Director	James Lee (Note 2)	6	0	100%(Note 3)	New term as of 2020.6.19
Director	Eric Huang (Note 2)	6	0	100%(Note 3)	New term as of 2020.6.19
Director	Jui-Hsia Wan (Note 2)	8	0	100%	Serving another term
Director	Wang Hsiu-Ming	2	0	100%(Note 3)	Resigned as of 2020.6.19
Independent Director	Randy Lee	7	1	87.5%	Serving another term
Independent Director	Chien-Chung Fu	8	0	100%	Serving another term
Independent Director	Jing-Mi Tang	8	0	100%	Serving another

					term
Other matters to be recorded:					
<p>I. If any of the following occurs in the operation of the Board, specify the date, the session, the content of the motion, the opinions of the Independent Directors, and the response of the Company to the opinions of the Independent Directors:</p> <p>(I) The circumstances referred to in Article 14-3 of the Securities and Exchange Act: For all the resolutions of the Board of Directors in 2020, please refer to pages 68 to 70 All resolutions on the matters listed in Article 14-3 of the Securities and Exchange Act have been approved by independent directors.</p> <p>(II) Further to the aforementioned matters, any adverse opinion or qualified opinion of the Independent Directors against the resolutions of the Board: None.</p> <p>II. For recusal of directors from motions due to conflicts of interest, specify the names of the Directors, the content of the motions, the reasons for recusal, and the participation in voting:</p> <p>1. On September 1, 2020, the Board of Directors approved the allocation of directors' remuneration for 2019. In regard to the remuneration of directors T.C. Gou, Chen-Phan Pu, T.C. Wang, Jui-Hsia Wan, Randy Lee, Chien-Chung Fu, and Jing-Mi Tang, all recused from discussion and voting in accordance with the law and based on their personal interests in the matter. After the remaining 8 directors passed the proposal without objection, the remuneration of the other directors was approved by all the directors present without objection.</p> <p>2. On September 1, 2020, the Board of Directors approved the allocation of managerial staff remuneration for 2019. In regard to the remuneration of directors concurrently serving as staff T.C. Gou, Chen-Phan Pu, James Lee, and Eric Huang, all recused from discussion and voting in accordance with the law and based on their personal interests in the matter. After the remaining 8 directors passed the proposal without objection, the remuneration of the other managerial staff was approved by all the directors present without objection.</p> <p>III. The Board of Directors status of evaluation and implementation</p>					
Assessment cycle	Assessment period	Assessment scope	Assessment method	Assessment content	
Implemented once per year	2020.1.1~2020.12.31	Board of Directors performance evaluation Board member performance evaluation Functional committee performance evaluation	Internal self-evaluation by the Board of Directors Board member self-evaluation	Board of Directors self-evaluation <ol style="list-style-type: none"> 1. Degree of participation in company operations 2. Improving the quality of board decisions 3. Board composition and structure 4. Election and continuing education of the directors 5. Internal Control Board member self-evaluation <ol style="list-style-type: none"> 1. Master the company's 	

					goals and tasks 2. Director's responsibilities 3. Degree of participation in company operations 4. Internal relationship management and communication 5. Director's professionalism and continuing education 6. Internal Control Functional committee self-evaluation 1. Degree of participation in company operations 2. Recognition of functional committee responsibilities 3. Improving decision-making quality of functional committees 4. Functional committee composition and member selection 5. Internal Control
<p>1. The performance evaluation indicators of the Board of Directors include five major aspects and a total of 41 indicators. The total average of the evaluation results is 4.95 points (maximum score being 5 points). This shows that the Board of Directors has the responsibility to guide and supervise the company's strategy, major business and risk management, and can establish a proper internal control system. The overall operation situation is optimal and meets the requirements of corporate governance.</p> <p>2. The performance evaluation indicators for board members include six major aspects and a total of 23 indicators. The overall average of the evaluation results is 4.88 points (maximum score being 5 points). This shows that the directors have positive comments on the efficiency and effectiveness of the operation of various indicators.</p> <p>3. Functional committees include the Audit Committee and the Remuneration Committee. The indicators include five major aspects and a total of 24 indicators. The total average of the evaluation results is 5 points (with the maximum score being 5 points). It shows that the overall operation of the functional committee is optimal and meets the requirements of corporate governance, effectively enhancing the functions of the Board of Directors.</p> <p>IV. Assessment of objectives (e.g. setting up an Audit Committee, enhancing the transparency of information, etc.) and implementation status in respect of strengthening the powers of the Board of Directors for the current and immediately past years to be carried out: The Company has established a Remuneration Committee and an Audit Committee, respectively assisting the Board of Directors in performing their supervisory duties.</p>					

Note 1: Corporate representative of Hsin Hung International Investment Co., Ltd.

Note 2: Corporate representative of Foxlink International Investment Co., Ltd.

Note 3: The Company re-elected directors on June 19, 2020. The Board of Directors convened 2 times before the re-election and 6 times after the re-election.

(II) Information on operation of the Audit Committee

Five meetings have been held by the Audit Committee in the most recent year.

Independent directors attended as follows:

Position	Name	Actual attendance Frequency (B)	Frequency of attendance	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Randy Lee	4	1	80%	Independent Director
Committee member	Chien-Chung Fu	5	0	100%	Independent Director
Committee member	Jing-Mi Tang	5	0	100%	Independent Director

Other matters to be recorded:

- I. If the operation of the Audit Committee falls into one of the circumstances, the date and duration of the meeting of the Board, details of proposals, resolutions of the Audit Committee, and how the Company deals with the opinions of the Audit Committee shall be stated.
 - (I) Matters listed in Article 14-5 of the Securities and Exchange Act: After the approval of the Audit Committee, they are reported to the Board of Directors.
 1. On March 31, 2020, the 21st meeting of the 12th Board of Directors approved:
 - (1) 2019 financial statements and operating status.
 - (2) 2019 profit distribution of a cash dividend of NTD 2.5 per share.
 - (3) a. Increased capital of 100%-owned subsidiary Culing International Ltd. to USD 3,500 thousand, and then through this subsidiary increased the capital of subsidiary Foxlink Technical India Private Limited in North India to USD 3,500 thousand.
 - b. The Company increased capital of 100%-owned subsidiary Foxlink International Investment Ltd. NTD 100 million, and then through this subsidiary increased capital of newly established South India subsidiary Foxlink India Electric Private Limited NTD 100 million.
 - c. Fu Uei International Investment Ltd., a 100%-owned subsidiary of the Company, will also use its own funds to jointly increase the capital of the South India subsidiary Foxlink India Electric Private Limited by NTD 200 million.
 - (4) First issue of guaranteed general corporate bonds in 2020 with a total issuance of no more than NTD 4 billion.

- (5) Assessment of the accountant's independence and competency
 - (6) Evaluation of the Effectiveness of the Internal Control System and the Internal Control System Statement for 2019.
2. On July 29, 2020, the 3rd meeting of the 13th Board of Directors approved:
 - (1) Due to needs of operating turnover for Foxwell Energy Corporation Ltd., a subsidiary of the Company, the Company intends to grant this company a guarantee-free short-term financing facility with a loan amount of NTD 4 billion.
3. On August 13, 2020, the 4th meeting of the 13th Board of Directors approved:
 - (1) The Company's consolidated financial statements for the second quarter of 2020.
4. On November 11, 2020, the 6th meeting of the 13th Board of Directors approved:
 - (1) The Company's consolidated financial statements for the third quarter of 2020
 - (2) Status of new bank syndicated loan and bank financing quota applications
 - (3) New establishment of Central Taiwan Science Park Branch, and plan to obtain the right to use assets from related parties
 - (4) Amendments to the Company's internal control system
 - (5) Drafting of the Company's internal audit plan for 2021
- (II) Further to the aforementioned matters, motions rejected by the Auditing Committee but passed by the Board at the consent of more than 2/3 of the Directors: None.
- II. For recusal of independent directors from motions due to conflicts of interest, specify the names of the independent directors, the content of the motions, the reasons for recusal, and the participation in voting: None.
- III. The communication between the independent directors and the audit supervisor and the CPAs (materiality, means, and result of communication on the financial position and operation of the Company should be covered).
 1. The Company's internal audit supervisor regularly reports on the implementation of internal audits to the quarterly audit committee. In 2020, the internal audit supervisor reported to the independent directors on the audit committee regarding the implementation of audit operations four times. After discussion and communication in the four meetings, the independent directors all had a grasp and understanding of the audit execution results. No other objections or suggestions were raised.
 2. After being reviewed or checked by a certified public accountant, the financial statements of the Company are sent to the Audit Committee

for discussion. And after its approval, a report or resolution is submitted to the Board of Directors. The CPAs usually discuss and communicate with independent directors by e-mail, but arranges at least 1-2 actual attendances of the Audit Committee every year. On March 31, 2020, the Audit Committee arranged for the CPAs to attend in person, and report and communicate with independent directors on matters such as the financial statement audit plan, major financial reports, and the update of accounting and auditing laws and regulations. After discussion and communication, the independent directors had no opinion on the accountants' reports. Therefore, the independent directors of the Company have good communication with the CPAs.

IV. Annual working focus and operational status of the Audit Committee:

(I) The Audit Committee of the Company held five meetings in 2020. All audit committee members attended each meeting, and their main working focus and authority were as follows:

1. Establishing or amending the internal control system in accordance with Article 14 of the Securities and Exchange Act.
2. Evaluation of the effectiveness of the internal control system.
3. Formulating or modifying the processing procedures for major financial business activities that acquire or dispose of assets, engage in derivative commodity transactions, lending of funds to others, endorse or provide guarantees to third parties.
4. Matters involving director self-interest.
5. Significant asset or derivative commodity transactions.
6. Significant capital loans, endorsements or guarantees.
7. Raising, issuing or private placement of equity securities.
8. Appointment, dismissal or remuneration of certified public accountants.
9. Appointment and removal of financial, accounting or internal audit supervisors.
10. Annual financial reports and quarterly financial reports.
11. Implementation of internal audit operations.
12. Other important matters specified by the Company or the competent authority.

(II) Operation of the Audit Committee in 2020

Meeting date	Proposal content, resolution status, and subsequent handling
2020.03.31	I. Proposal content: <ol style="list-style-type: none"> 1. Reported on the implementation of the company's internal audit operations 2. Reported accountant communication matters 3. Discussed the Company's 2019 financial

	<p>statements and business status.</p> <ol style="list-style-type: none"> 4. Discussed the Company's 2019 profit distribution 5. Discussed the Company's investment in India 6. Discussed planned issuance of first domestic issue of guaranteed general corporate bonds in 2020 7. Discussed assessment of the accountant's independence and competency 8. Discussed the Evaluation of the Effectiveness of the Internal Control System and the Internal Control System Statement for 2019. <p>II. Audit Committee resolution outcome: All members of the Audit Committee agreed to pass</p> <p>III. The Company's handling of the Audit Committee's opinions: Submitted to the Board of Directors and approved by all directors present</p>
2020.05.06	<p>I. Proposal content:</p> <ol style="list-style-type: none"> 1. Reported on the implementation of the company's internal audit operations. 2. Discussed proposal for the Company's consolidated financial statements for the first quarter of 2020. <p>II. Audit Committee resolution outcome: All members of the Audit Committee agreed to pass</p> <p>III. The Company's handling of the Audit Committee's opinions: Submitted to the Board of Directors and approved by all directors present</p>
2020.07.29	<p>I. Proposal content:</p> <ol style="list-style-type: none"> 1. Discussed the Company's capital loan case with subsidiary Foxwell Energy <p>II. Audit Committee resolution outcome: All members of the Audit Committee agreed to pass</p> <p>III. The Company's handling of the Audit Committee's opinions: Submitted to the Board of Directors and approved by all directors present</p>
2018.08.13	<p>I. Proposal content:</p> <ol style="list-style-type: none"> 1. Report on the implementation of the company's internal audit operations 2. Discussed proposal for the Company's consolidated financial statements for the second quarter of 2020. <p>II. Audit Committee resolution outcome: All members of the Audit Committee agreed to pass</p> <p>III. The Company's handling of the Audit Committee's opinions: Submitted to the Board of Directors and approved by all directors present</p>
2020.11.11	<p>I. Proposal content:</p> <ol style="list-style-type: none"> 1. Report on the implementation of the company's internal audit operations 2. Discussed proposal for the Company's consolidated financial statements for the third quarter of 2020. 3. Discussed the Company's new bank syndicated

		<p>loan and bank financing quota applications</p> <p>4. Discussed new establishment of Central Taiwan Science Park Branch, and obtaining the right to use assets from related party Glory Science Co., Ltd.</p> <p>5. Discussed amendments to the Company's internal control system</p> <p>6. Discussed drafting of the Company's internal audit plan for 2021</p> <p>II. Audit Committee resolution outcome: All members of the Audit Committee agreed to pass</p> <p>III. The Company's handling of the Audit Committee's opinions: Submitted to the Board of Directors and approved by all directors present</p>	
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(III) Status of corporate governance, and deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof:

Evaluation item	Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons
	Yes	No	Summary description	
I. Has the Company prepared and disclosed the Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies?	V		The Company has formulated a code of practice for corporate governance	No difference
II. The equity structure and shareholders' equity of the Company				
(I) Does the Company have internal operating procedures in place to deal with shareholder recommendations, doubts, disputes and litigation matters according to the procedures?	V		(I) The Company has a spokesperson, acting spokesperson, and stock affairs division responsible for handling shareholder suggestions, disputes, and other issues. There are also regulations for the management of external spokesperson activities to standardize related operations.	No difference
(II) Does the Company have a list of the major shareholders who actually control the Company, and the ultimate controllers of the major shareholders?	V		(II) The Company keeps track of shares held by directors, supervisors, managers, and major shareholders holding more than 10% of shares, and it reports such shareholdings in a timely manner.	
(III) Has the Company established and implemented the risk management, control and prevention mechanisms for affiliated companies?	V		(III) The Company has established transaction procedures and risk control management measures for related enterprises to control various operating procedures and various	

Evaluation item	Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons
	Yes	No	Summary description	
(IV) Has the Company established internal regulations that prohibit insiders from using unpublished information in the market to buy and sell securities?	V		risks, and to eliminate unconventional transactions. (IV) The Company has set up Procedures for Handling Material Inside Information and advocates these Procedures to insiders at least once per year.	
III. Composition and duties of the Board of Directors (I) Has the Board developed its policies in diversity relevant to the composition of the members and has it properly pursued these policies? (II) Does the Company voluntarily set up other functional committees other than the Remuneration Committee and the Audit Committee according to law?	V	V	(I) The directors of the Company have differing types of expertise in various fields, and this is helpful to the Company's development and operations (II) The Company has established a Remuneration Committee in accordance with the law, and the Audit Committee was established in 2017. The management and operation of the rest of the Company are handled by various departments in accordance with their duties. No other functional committees have been set up, and any such establishment will be evaluated as needed in the future.	Except for the second item which is still under planning, there is no difference
(III) Does the company formulate the board's performance assessment and evaluation method, conduct performance evaluation annually and regularly, and report the results of the performance evaluation to	V		(III) The Company has set up its Board of Directors Performance Evaluation Measures, and the scope of evaluation includes performance evaluation of the overall Board of Directors, individual	

Evaluation item	Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons
	Yes	No	Summary description	
<p>the board of directors, and apply it to individual directors' remuneration and nomination renewal?</p> <p>(IV) Has the Company assessed the independence status of the CPAs at regular intervals?</p>	V		<p>directors and functional committees. Evaluation methods include internal self-evaluation by the Board of Directors, self-evaluation by board members, appointment of external professional institutions, performance evaluation by experts or other appropriate methods. Metrics for the performance evaluation of the Board of Directors include the following five aspects</p> <ol style="list-style-type: none"> I. Participation in the operation of the Company. II. Improvement of the quality of the board of directors' decision making. III. Composition and structure of the board of directors. IV. Election and continuing education of the directors. V. Internal control. <p>(IV) The Company's Board of Directors regularly evaluates the independence and competence of CPAs every year. The accounting unit of the Company refers to the Accounting Act and Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10 to formulate its independence assessment</p>	

Evaluation item	Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons
	Yes	No	Summary description	
			items for evaluation. Furthermore, on March 26, 2021, the Board of Directors resolved to pass a proposal for the assessment of accountant independence and competency. Every year, the Company's CPAs submit the "Statement of Independence" of the Company. In addition, the rotation of the Company's CPAs is also handled in accordance with relevant regulations.	
IV. Is the TWSE / TPEX listed company equipped with qualified and appropriate number of corporate governance personnel, and appoint a corporate governance director responsible for corporate governance related matters (including but not limited to providing information needed by directors and supervisors to carry out business, assisting directors and supervisors to comply with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders' meeting in accordance with the law, and producing minutes of board meetings and shareholders' meetings)?	V		<p>In order to implement corporate governance and urge the Board of Directors to perform its due functions to protect the rights and interests of investors, the Board of Directors passed a resolution on March 26, 2021 and appointed Kufn Lin from the Investment Strategy Division of the Company as Head of Corporate Governance. The scope of authority of the Head of Corporate Governance and focus of business implementation in the current year are as follows:</p> <ol style="list-style-type: none"> 1. Handling of matters relating to board of directors meetings and shareholders meetings in compliance with law. 2. Preparation of minutes of the board of directors meetings and shareholders meetings. 3. Assistance in onboarding and continuing education of the directors and supervisors. 	No difference

Evaluation item	Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons
	Yes	No	Summary description	
			4. Provision of information required for performance of duties by the directors and supervisors. 5. Assistance in the directors' and supervisors' compliance of law. 6. Other matters described or established in the articles of incorporation or under contract.	
V. Has the Company established channels for the communications with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), and the section for the shareholders on the official website of the Company to respond to all concerns of the stakeholders on corporate social responsibility?	V		The Company's website has a special area for stakeholders and a dedicated person to serve as a communication channel with them; and it appropriately responds to important corporate social responsibility issues that are of concern to stakeholders.	No difference
VI. Has the Company appointed a professional share registration and investors service agent for handling matters pertaining to the Shareholders Meeting?	V		The Company has appointed a professional stock affairs agency, the Shareholders' Service Agency Department of Grand Fortune Securities Co., Ltd., to handle various stock affairs of the Company on its behalf	No difference
VII. Disclosure of Information (I) Has the Company installed a website for the disclosure of information on financial position and operation, as well as corporate governance?	V		(I) The Company has installed a website for the disclosure of various information on its financial position and operation as well as information on its corporate governance.	Except for the third item which is still under planning, there is no difference

Evaluation item	Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons
	Yes	No	Summary description	
(II) Has the Company adopted other means for disclosure (such as the installation of a website in the English language, appointment of designated persons for the collection and disclosure of information on the Company, the implementation of a spokesman system, and videotaping institutional investor conferences)? (III) Does the Company announce and declare its annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial reports and the monthly operating situation as early as possible within the prescribed time limit?	V	V	(II) The Company has set up a website in both Chinese and English, and has placed relevant information on institutional investor conferences and implemented a spokesperson system. In addition, a designated person is responsible for the collection and disclosure of Company information. (III) The Company completes relevant financial statements and reports on monthly operating conditions within the specified time limits	
VIII. Is there any other essential information that would help understand the pursuit of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, the continuing education of the directors and supervisors, the pursuit of a risk management policy and standard of risk assessment, the pursuit of a customer	V		1. Employee rights: The Company has formulated a number of employee welfare policies and management procedures that comply with local laws and regulations on labor relations, labor conditions and social responsibility, and protect the rights and interests of employees. 2. Employee care: In order to increase employees' choices of leisure activities, the Company subsidizes employee club	No difference

Evaluation item	Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons
	Yes	No	Summary description	
policy, and professional liability insurance coverage for the directors and supervisors)?			<p>activities and signs contracts with a number of leisure sports centers for employees to keep fit. In addition, the Company also regularly implements employee health checkups and provides medical consultations to maintain employees' physical and mental health. Furthermore, it continues to improve the working environment of employees to meet the requirements of international standards. Therefore, all employees can achieve the work agreed with the Company according to their wishes, without any physical or psychological coercion. Furthermore, they will not be discriminated against on the basis of any race, gender, age, religion or political orientation.</p> <p>3. Investor Relations: There is a stock affairs department and a spokesperson responsible for handling relevant stock affairs and shareholder suggestions and disputes.</p> <p>4. Supplier relationships: The Company has signed procurement contracts with its suppliers, and signs integrity commitments and confidentiality agreements; moreover, it has always been able to maintain good</p>	

Evaluation item	Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons
	Yes	No	Summary description	
			<p>relationships with them.</p> <p>5. Stakeholder rights: The Company has a spokesperson, and stakeholders can communicate through the Company's website, telephone and fax. At the same time, the Company's supervisors and the personnel of the Audit Division will also directly communicate with stakeholders if deemed necessary.</p> <p>6. Continuing education of directors and supervisors: The directors and supervisors of the Company have professional industry backgrounds and practical experience in operations and management. Moreover, the Company arranges for directors to participate in seminars on corporate governance topics from time to time.</p> <p>7. Pursuit of a risk management policy and standard of risk assessment: The Company focuses on its own business and cooperates with relevant laws and regulations to implement various policies for promotion, and it establishes various standard operation implementation specifications to reduce and avoid possible risks. However, please refer to pages 406 to 407 of the annual report for the implementation of the</p>	

Evaluation item	Status			Difference from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons
	Yes	No	Summary description	
			<p>Company's risk management policies and standard of risk assessment.</p> <p>8. Pursuit of a customer policy: The Company has operating bases both domestically and overseas. There is also a customer service department to provide channels for customer inquiries or services.</p> <p>9. Professional liability insurance coverage for the directors and supervisors: The Company has purchased liability insurance for all directors and supervisors.</p>	
<p>IX. Corrective action taken in response to the result of the Corporate Governance Evaluation conducted by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and the priority of action on issues pending for corrective action in the most recent year. (Not applicable for companies not evaluated by TSEC)</p> <p>The Company has set up an audit committee on June 8, 2017. Furthermore, in March 2021, the Board of Directors approved the establishment of a corporate governance officer to strengthen corporate governance matters.</p>				

(IV) The composition and operation of the Remuneration Committee:

1. Information of Remuneration Committee Members

ID classification (Note 1)	Terms Name	Has at least five years of relevant working experience and the following professional qualifications			Conform to the status of independence (Note 2)										Number concurrently serving as members of the remuneration committees of other publicly issued companies	Remarks
		Lecturer or above in a department related to business, legal affairs, finance, accounting or area related to the Company's business at a public or private college or university	Judges, prosecutors, lawyers, accountants or other certified professional and technical personnel who have passed national examinations required for corporate business	Have work experience required for business, legal affairs, finance, accounting, or Company business	1	2	3	4	5	6	7	8	9	10		
Independent Director	Randy Lee			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	None
Independent Director	Chien-Chung Fu	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	None
Independent Director	Jing-Mi Tang	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	None

Note 1: Please fill in as director, independent director or other.

Note 2: For members who meet the following conditions during the two years before and during their tenure of office, please mark "✓" in the space below each condition code.

- (1) Not an employee of the Company or its affiliates.
- (2) Not a director or supervisor of the Company or its affiliates. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)
- (3) No one percent or more of the total issued shares of the Company are held by him/her or his/her spouse, or minor children or on his/her behalf, or none of their shareholding percentage is among top ten shareholders.
- (4) The spouses or lineal relatives within the second-degree or third-degree of kinship of those who are not listed in (1), (2), or (3).
- (5) Directors and supervisors who are indirect shareholders who hold more than 5% of the company's total issued shares, the top five shareholders, or juristic person shareholders who appoint representatives to act as company directors or supervisors in accordance with Article 27, Paragraphs 1 or 2 of the Company Act, or an employee thereof. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)
- (6) Not a director, supervisor, or employee of another company controlled by the same person with more than half of the shares with voting rights on the company's board of directors. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)
- (7) Not a director, supervisor, or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as that of the

Company, or the spouse thereof. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)

- (8) Not a director, supervisor, manager, or shareholder holding more than 5% of a particular company or institution with financial or business dealings with the company. (However, in the case of a particular company or organization that holds more than 20% of the company's issued shares, but does not exceed 50%, and in the case of independent directors concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)
- (9) Not a partner, director, supervisor, manager, or spouse thereof of a company or institution that provides commercial, legal, financial, financial, accounting services or consultation to the company or any affiliate of the Company for amounts exceeding NT\$500,000 in the past two years. However, for members of the Remuneration Committee, Public Acquisitions Review Committee, or M&A Special Committee who perform their functions and powers in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Corporate Mergers & Acquisitions Act, this limitation shall not apply.
- (10) He/she does not fall into the circumstances in the provisions of Article 30 of the Company Act. Note 3: If the members are directors, please indicate whether they are in compliance with Article 6 Item 5 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded over the Counter.

2. Information on the operation of the Remuneration Committee
- (1) There are members of the Remuneration Committee of the Company.
 - (2) The current term of members: June 19, 2020 to June 18, 2023; the Remuneration Committee met 2 times (A) in the most recent year and member qualifications and attendance are as follows:

Position	Name	Actual number of attendances (B)	Frequency of attendance	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Randy Lee	2	0	100%	Serving another term
Committee member	Chien-Chung Fu	2	0	100%	Serving another term
Committee member	Jing-Mi Tang	2	0	100%	Serving another term

Other matters to be recorded:

I. Remuneration Committee's scope of authority:

(I) Committee members should faithfully perform the following functions and powers with the attention of good managers, and be responsible to the Board of Directors as they submit their suggestions to the Board of Directors for discussion:

1. Formulate and regularly review the policies, systems, standards and structures of directors, supervisors, and managers' performance evaluation and remuneration.
2. Regularly evaluate and determine the remuneration of directors, supervisors, and managers.

(II) When the Committee performs the functions and powers of the preceding article, they should be based on the following principles:

1. The performance evaluation and remuneration of directors, supervisors, and managers should refer to the usual level of payment in the industry. Furthermore, they should consider the reasonableness of the connection with personal performance, company operating performance and future risks.
2. Directors and managers should not be incentivized to engage in behaviors that exceed the Company's risk tolerance in pursuit of remuneration.
3. The ratio of dividends to directors and senior managers' short-term performance and the payment time of part of the variable salary shall be determined in consideration of industry characteristics and the nature of the Company's business.

(III) The salary remuneration referred to in the preceding two

paragraphs includes cash remuneration, stock options, employee stock bonuses, retirement benefits or severance payments, various allowances, and other measures with substantial incentives.

- II. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date and period of the Board of Directors, the content of the proposal, the resolution of the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee should be stated. (If the remuneration approved by the Board of Directors exceeds the recommendation of the Remuneration Committee, the differences and reasons should be stated): None.
- III. On resolutions of the Remuneration Committee, if members have objections or reservations and have records or written declarations, the date, period, proposal content, opinions of all members and the handling of the opinions of the members shall be stated: None.
- IV. Reasons for discussions and resolutions of the Remuneration Committee in 2020, and the company's handling of members' opinions:

Meeting date	Proposal	Resolution result	Company's handling
1st meeting of 2020, 2020.03.31	The Company's remuneration plan for directors for 2019	Approved by all members present	Proposed to the Board of Directors and approved by all directors present
	The Company's remuneration plan for employees for 2019		
2nd meeting of 2020 2020.09.01	The Company's distribution plan for directors' remuneration for 2019	Approved by all members present	Proposed to the Board of Directors and approved by all directors present
	The Company's distribution plan for manager and employee remuneration for 2019		

(V) Performance of social responsibility and its differences and reasons for differences with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies:

Evaluation item	Operational status (Note 1)			Differences and reasons for differences with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description (Note 2)	
I. Does the Company follow the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to company operations, and formulate relevant risk management policies or strategies? (Note 3)	V		The company has formulated a Corporate Social Responsibility Policy. At the same time as the Company is operating, it is actively implementing corporate social responsibility to comply with the international trend of balancing the development of the environment, society and corporate governance. The Company has set up an Internal Audit Department to inspect and evaluate the effectiveness of the internal control system, and provide suggestions for improvement in a timely manner. It does so to ensure the continuous and effective implementation of various systems, and to assist the Board of Directors and management to achieve and set goals by evaluating and improving risk management. Through the establishment and maintenance of the Company's internal audit system, the	No difference

			improvement plan is developed thereby.	
II. Has the Company established a designated full-time (or part-time) body or position for the advocacy of corporate social responsibility administered by the senior management at the empowerment of the Board and reporting to the Board regularly?	V		The Company has a Social Responsibility Division under its Human Resources Administration Office, and there are currently 4 staff members in this division. They are responsible for formulating corporate social responsibility implementation plans, regular audits, and promoting the operation of social responsibility every year, and for preparing corporate social responsibility reports and so on. Furthermore, they regularly report the handling of these matters to the Board of Directors.	No difference
III. Environmental Issues (I) Has the Company established an appropriate environmental management system based on its industrial characteristics?	V		(I) The Company has obtained ISO 14001, QC080000 and OHSAS18001 system certifications, fulfilling its commitment to environmental management policies. Among them, ISO 14001 was evaluated and certified on July 5, 2016. The current valid period of the certificate is 2018.10.20~2021.10.20.	No difference
(II) Has the Company committed itself to improving the utilization efficiency of various resources, and to using recycled	V		(II) The Company cooperates with suppliers such that scrap produced after production is sold	

<p>materials with low impact on the environment?</p> <p>(III) Does the Company assess the potential risks and opportunities of climate change for the Company now and in the future, and take measures to deal with climate-related issues?</p>	V		<p>to recycling companies to reduce the impact on the environment.</p> <p>(III) In order to better implement the corporate social responsibility of environmental protection, the Company established a green product management organization that advances management operations for the restricted substance system, thereby ensuring the effective operation of hazardous substance system management. We require attention be paid to the latest developments in international laws, regulations and standards, and timely internal conversion to ensure that customers' expectations for green product production are met. We also pay attention to each manufacturing link and process, identify risks and effectively implement management and control, and comply 100% with global environmental regulations and customer standards. Furthermore, we strive to establish mutual trust and mutually beneficial supplier</p>	
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<p>(IV) Does the company count greenhouse gas emissions, water consumption and the volume of total waste in the past two years, and formulate policies for energy saving and carbon reduction, greenhouse gas reduction, water management or other waste management?</p>	<p>V</p>		<p>partnerships, comply with environmental protection standards and ethics, and grow together with suppliers.</p> <p>(IV) The Company is committed to energy-saving and carbon-reducing measures. The greenhouse gas emissions of each plant are checked in accordance with the ISO14064-1 standard, which is based on caring for the Earth and energy saving and environmental protection. In the future, we will continue to promote energy saving and greenhouse gas reduction policies. With the goal of continuous reduction, we hope to become a low-carbon enterprise with sustainable environmental development.</p>	
<p>IV. Social Issues</p> <p>(I) Has the Company established related policies and procedures in accordance with applicable legal rules and the International Convention on Human Rights?</p>	<p>V</p>		<p>(I) The Company complies with relevant laws and regulations such as the Labor Standards Act, and it formulates various management methods to protect the rights and interests of both employers and employees, and to institutionalize various internal operations of the company. There</p>	<p>No difference</p>

(II) Has the Company formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and appropriately reflects business performance or results in employee compensation?	V		is also a social responsibility division to ensure that employees' basic rights and social responsibilities are followed and implemented.	
(III) Has the Company provided a safe and healthy work environment for the employees, and related education on occupational safety and health for the employees at regular intervals?	V		(II) The Company's internal regulations stipulate corporate ethics, and a reasonable salary and remuneration policy, as well as a clear performance appraisal, reward and punishment system, in line with corporate social responsibility policies.	
(IV) Has the Company provided effective training in career planning for employees?	V		(III) The Company implements labor safety promotions, firefighting seminars and drills for employees, and regularly implements employee health inspections and safety and health education and training.	
(V) Regarding customer health and safety, customer privacy, marketing and labeling of products and services, does the	V		(IV) The company currently trains personnel through on-the-job training to ensure that employees perform duties in existing positions and also learn to acquire necessary skills for promotion.	
			(V) The Company complies with the relevant regulations and international standards for marketing and labeling of	

<p>Company comply with relevant regulations and international standards, and formulate relevant consumer protection policies and appeal procedures?</p> <p>(VI) Has the Company formulated supplier management policies, where suppliers are required to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor and their implementation?</p>	V	<p>products and services. There is also a special area for stakeholders, providing a channel for customer questions, appeals or suggestions. The Company upholds the principle of good faith to protect the rights and interests of consumers.</p> <p>(VI) In addition to committing to self-regulation with the strictest standards, the company also promotes suppliers' compliance with social responsibilities. Taking RBA, laws and regulations, and customer requirements as the standard or content, we formulate supplier social responsibility management procedures and adopt multiple channels to communicate social responsibility policies and regulations to suppliers. Furthermore, we incorporate labor, human rights, ethics, and environment as principles to conduct social responsibility compliance audits on new suppliers and major suppliers. In this way, we encourage all suppliers to meet social responsibility requirements.</p>	
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V. Does the Company refer to the internationally-prepared reporting standards or guidelines, preparation of corporate social responsibility reports and other reports that disclose the company's non-financial information? Did the preliminary report obtain the confidence or assurance opinion of the third-party verification unit?	V		The Company compiles and issues its corporate social responsibility report in accordance with the GRI G4 guidelines of the Global Reporting Initiative (GRI). It thus discloses the Company's sustainability issues, strategies, goals and measures, and the achievement of various indicators, and so on. In addition to complying with international trends and meeting the needs of customers and investors, it also exposes non-financial information that is not presented in the annual financial report. The content includes achievements in the economic, social, environmental and other related fields. The corporate social responsibility report can be viewed on the Company's official website.	No difference
VI. If the Company has enacted the Corporate Social Responsibility Best Practice Principles in accordance with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, please describe the difference between its operation and the Principles: The Company has established its Corporate Social Responsibility Policies, and they have no major differences with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies				
VII. Other important information helpful for better understanding of the operation of corporate social responsibility: The Company's business philosophy can be summed up as "sincerity, a holistic view, and conscientiousness." Out of these, sincerity indicates "simplicity and pragmatism, and being as good as one's word;" a holistic view implies that "great things can only be achieved with tolerance, and small beginnings yield major trends;" and conscientiousness means "making an all-out effort, with a unity of knowledge and action." Therefore, keeping promises is an important value of our business management.				

In order to fulfill corporate social responsibility, the Company emphasizes that integrity must be regarded as the highest ethical principle for business operations and employee behavior. Only in this way can we attain recognition from the public while exerting a positive influence on and long-term presence in human society.

In 2011, the Company donated a total of approximately NTD 1.5 million to related public welfare organizations. Furthermore, at the end of the year the Company appealed to public welfare, charity, and environmental protection by inviting disadvantaged groups on scene to receive gifts and to watch or participate in performances with colleagues. Colleagues at the Company were also called upon to donate winter clothing, and this was delivered using a special representative vehicle to Xifu House in Tzu Chi Banqiao Park.

In 2012, the Company donated a total of approximately NTD 2 million to related Taiwanese public welfare organizations and also donated a total of approximately RMB 400,000 to charities and schools in mainland China. Furthermore, at the end of the year the Company appealed to public welfare, charity, and environmental protection by inviting disadvantaged groups on scene to receive gifts and to watch or participate in performances with colleagues. Colleagues at the Company were also called upon to donate winter clothing and various materials, and these were delivered using a special vehicle to related charities.

In 2013, the Company donated a total of approximately NTD 5 million to related Taiwanese public welfare organizations and also donated a total of approximately RMB 400,000 to charities and schools in mainland China. In addition, the Group's Welfare Committee initiated the establishment of the Foxlink Group Charity Club, which regularly organizes visits to social welfare organizations and volunteer activities every month. According to the needs of the care recipients, it provides material collection, wheelchair help, Group health performances, environmental management, and so on.

In 2014, the Company initiated a blood donation campaign among Group colleagues for the first time, doing our part to address blood bank shortages. The Charity Club also arranged visits to orphanages, conservation centers, and welfare foundations during festivals and holidays. In addition to donating general materials, they actually participated in the work of care assistance and carried out related group health and entertainment activities, in order to gain a feeling of warmth and care in society. In addition, the Company invited public welfare groups to participate in joyous activities at the annual meeting as usual; and we donated NTD 5 million as well as about RMB 400,000 to mainland schools. In all these ways, we fully met our corporate social responsibilities.

In 2015, the seven affiliated companies of the Foxlink Group jointly organized a mountain hike. During the event, NTD 5 million was donated to 25 Taiwan charity organizations, and a total of about RMB 400,000 was donated to charities and educational units in mainland China. In addition, after the dust explosion at Formosa Fun Coast in New Taipei City, the Company immediately called on colleagues to initiate donation activities. Colleagues thereupon donated a collective NTD 483,400 to related units. The company's Charity Club also launched three blood drives in 2015, encouraging colleagues to participate in blood donations to help others and contribute to public welfare activities.

On February 6, 2016, a strong earthquake occurred in southern Taiwan, which severely damaged the Tainan area. Foxlink Group donated NTD 10 million to assist in post-disaster reconstruction. In addition, a total of NT\$2.7 million was donated to 13 elementary schools in New Taipei City, while mainland schools and social welfare organizations donations totaling RMB 350,000. At the same time, Foxlink also donated NTD 60,000 to the Tucheng Community Development Association to assist the community's Double Ninth Respect for the Elderly social welfare promotion and health service activities.

In 2017, Foxlink Group held an annual charity year-end celebration and employee party, and during the event NTD 3 million was donated to 12 charity organizations. At the same time, a total of RMB 350,000 was donated to charitable organizations and schools in mainland China. In addition, a total of three blood drives were handled in 2017 for a total blood volume of 756 bags (189,000 cc). Indeed, Foxlink Group has organized blood donation activities with the Taipei Blood Center every year since 2014. As of March 2018, a total of 13 blood drives had been arranged for 3,475 bags of blood in total (868,750 cc).

In 2018, Foxlink Group held an annual charity year-end celebration and employee party, and during the event NTD 3 million was donated to 15 charity organizations. Also, a total of RMB 400,000 was donated to charitable organizations and schools in mainland China. The Charity Club arranged visits to orphanages, conservation centers, and welfare foundations during festivals and holidays. By donating general materials from time to time, colleagues were enabled to feel the warmth and care of society. In addition, a total of three blood drives were organized in 2018 with a total blood volume of 815 bags (203,750 cc) and 815 participants.

In 2019, Foxlink Group upheld its philanthropic principle of "Gratitude for Blessings, Giving Back to Society." Through continuous care and assistance to disadvantaged groups in society, we undertake public welfare, show love, actively fulfill our corporate social responsibilities, and persistently practice environmental protection along with public welfare and charity concepts. This year, our public welfare program launched a joint fundraising agency for the first time to integrate donations. It started by taking care of ethnic groups in neighboring areas, paying attention to local needs, and using local hands to solve local problems. In this joint proposal, 15 local social welfare units were recommended and 10 of them selected by the Company; 2 million resources were shared equally. Through the power of the company, the promotion of the assistance plan would be more stable. In addition, a total of three blood drives were organized in 2019 with a total blood volume of 836 bags (209,000 cc) and 836 participants.

In 2020, the Company continued undertaking charitable donation activities to related public welfare organizations, such as caring for the elderly in the community, organizing warm meals for them, and donating materials to social welfare organizations. In addition, a total of three blood drives were organized in 2020 with a total blood volume of 915 bags (228,750 cc) and 541 participants.

(VI) Ethical business performance conditions, as well as differences and reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
<p>I. Formulation of ethical management policy and plans</p> <p>(I) Has the Company specified its policy and method for the implementation of ethical corporate management in its internal rules and regulations and external documents, and have the Board and the management of the Company promised to pursue the policy of ethical corporate management?</p> <p>(II) Has the Company established an assessment mechanism for the risk of dishonesty, regularly analyzing and evaluating business activities with a high risk of dishonesty in the business scope, and formulated a plan to prevent dishonesty, and cover at a minimum the preventive measures for various acts under Article 7, Paragraph 2 of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?"</p>	<p>V</p> <p>V</p>		<p>(I) The Company's Board of Directors approved its Ethical Corporate Management Best Practice Principles on March 11, 2011. The stock affairs unit is responsible for the formulation and supervision of ethical corporate management policies and prevention plans, and regularly reports to the Board of Directors.</p> <p>(II) When conducting daily verifications, the internal audit unit will also include in the verification whether there is any dishonest behavior internally. When an employee demonstrates dishonest behavior, he or she shall be punished in accordance with the Employee Reward and Punishment Measures based on the circumstances and impact.</p>	No difference

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
(III) Does the Company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?	V		(III) In order to ensure the implementation of ethical management, all employees of the corporate Group have signed its Integrity Commitment Agreement. Furthermore, the occurrence of unethical business activities, bribery, and kickbacks through the verification mechanisms of the internal audit unit.	
II. Implementation of Ethical Corporate Management (I) Does the Company assess a trading counterpart's ethical management record and expressly state the ethical management clause in the contract to be signed with the trading counterpart?	V		(I) Both the Company and its suppliers sign a Supplier Integrity Commitment Agreement. When entering into the Agreement, the rights and obligations of both parties are specified in detail, and it is clearly stipulated that all suppliers should abide by it.	No difference
(II) Has the Company set up a special unit under the board of directors to promote corporate ethical management, and regularly reports (at least once a year) to the board of directors on its ethical management policies and plans to prevent dishonesty and supervision and implementation?	V		(II) The Company's stock affairs unit is responsible for the formulation, supervision, and implementation of ethical corporate management policies and prevention plans, and regularly reports to the Board of Directors.	
(III) Has the Company developed a policy to prevent				

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
<p>conflicts of interest, provided a proper presentation channel, and put such policy in place?</p> <p>(IV) Has the Company established an effective accounting system for the implementation of ethical management, internal control system, and the evaluation result of the risk of dishonesty by the internal audit unit, to formulate relevant audit plans, and check the compliance with the plan to prevent dishonesty, or entrusted an accountant to perform the audit?</p> <p>(V) Does the Company hold education training in ethical corporate management inside and outside the Company on a regular basis?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(III) All employees of the company signed an Employee Integrity Commitment Agreement and there is a channel for appeals. For any violations or appeals, employees may report to their direct supervisors, human resources, or the audit unit.</p> <p>(IV) The Company has established an effective accounting system and internal control system, and formulates an internal audit plan every year. The internal audit unit performs various audit operations in accordance with the audit plan, and will arrange additional special audits when special circumstances occur.</p> <p>(V) The Company has established its Ethical Corporate Management Best Practice Principles, and the Company's employees and suppliers have signed Integrity Commitment Agreements. The Company also promotes relevant norms for ethical management from time to time.</p>	

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary description	
III. Operation of the Company's reporting system (I) Has the Company put in place the specific whistle-blowing and reward system, established a convenient reporting channel, and assigned appropriate personnel to deal with whistle-blowing? (II) Has the Company established standard operating procedures for accepting complaints, follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms? (III) Has the Company taken measures to protect whistle-blowers from retaliation due to reporting?	V		(I) The Company has a complaint hotline and mailbox, and has dedicated personnel to handle related affairs as well as rules for conducting fraud inspections. (II) The Company has established a whistleblowing process, and the identity of an informant and the content of ant report will be kept confidential. (III) The Company has established a whistleblowing process and rules for conducting fraud inspections. It also expressly adopts measures to protect informants from improper handling as a result of a report.	No difference
IV. Strengthening information disclosure (I) Has the Company, on its website and on the Market Observation Post System, disclosed the content and promotion effectiveness of its Ethical Corporate Management Best Practice Principles?	V		(I) The Company discloses its corporate culture and business policies on the Company's website, and discloses ethical management information on the Market Observation Post System.	No difference

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof																																								
	Yes	No	Summary description																																									
V. If the Company has enacted the Ethical Corporate Management Best Practice Principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe the difference between its operation and the Principles: The Company has enacted its Ethical Corporate Management Best Practice Principles, and there are no major differences with the Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies.																																												
VI. Other information that enables a better understanding of the Company's ethical corporate management (for example, the Company's review and revision the Ethical Corporate Management Best Practice Principles, etc.): In adherence with the November 7, 2014 letter Taizheng Zhili Zi No. 1030022825 of the Taiwan Stock Exchange Corporation, the Company has revised relevant provisions of its Ethical Corporate Management Best Practice Principles. In addition, in order to implement its ethical management policies and prevent dishonest behavior, the Company also regularly organizes internal education and training courses on ethical management. The specific course topics, course hours, and number of participants are shown in the following table:																																												
<table><tr><th>Course title</th><th>Course hours</th><th>Course date</th><th>Number of courses</th></tr><tr><td>Talking about behaviors and responsibilities in insider trading</td><td>1.5</td><td>2018/9/4</td><td>337</td></tr><tr><td>Trade secrets and employee confidentiality obligations</td><td>2</td><td>2019/1/17</td><td>165</td></tr><tr><td>Trade secrets and employee confidentiality obligations</td><td>2</td><td>2019/2/21</td><td>215</td></tr><tr><td>Employee confidentiality obligations and contract seals</td><td>2</td><td>2019/12/19</td><td>25</td></tr><tr><td>Analysis of Trade Secrets Act and practical cases along with advocacy of confidentiality obligations</td><td>1</td><td>2020/10/7</td><td>613</td></tr><tr><td>Analysis of Trade Secrets Act and practical cases along with advocacy of confidentiality obligations</td><td>1</td><td>2020/10/14</td><td>46</td></tr><tr><td>Central points of risk prevention and control and evidence collection for sales and project contracts</td><td>2</td><td>2020/10/28</td><td>28</td></tr><tr><td>Prevention of legal risks in sales contracts</td><td>1</td><td>2020/11/6</td><td>58</td></tr><tr><td>Prevention of legal risks in sales contracts</td><td>1</td><td>2020/11/16</td><td>66</td></tr></table>					Course title	Course hours	Course date	Number of courses	Talking about behaviors and responsibilities in insider trading	1.5	2018/9/4	337	Trade secrets and employee confidentiality obligations	2	2019/1/17	165	Trade secrets and employee confidentiality obligations	2	2019/2/21	215	Employee confidentiality obligations and contract seals	2	2019/12/19	25	Analysis of Trade Secrets Act and practical cases along with advocacy of confidentiality obligations	1	2020/10/7	613	Analysis of Trade Secrets Act and practical cases along with advocacy of confidentiality obligations	1	2020/10/14	46	Central points of risk prevention and control and evidence collection for sales and project contracts	2	2020/10/28	28	Prevention of legal risks in sales contracts	1	2020/11/6	58	Prevention of legal risks in sales contracts	1	2020/11/16	66
Course title	Course hours	Course date	Number of courses																																									
Talking about behaviors and responsibilities in insider trading	1.5	2018/9/4	337																																									
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Central points of risk prevention and control and evidence collection for sales and project contracts	2	2020/10/28	28																																									
Prevention of legal risks in sales contracts	1	2020/11/6	58																																									
Prevention of legal risks in sales contracts	1	2020/11/16	66																																									

(VII) If the Company has established the Corporate Governance Best Practice Principles and the related regulations, it should disclose how to inquire about such principles: None.

(VIII) Other important information that is sufficient to improve the understanding of corporate governance operations that must be concurrently disclosed: None.

(IX) Implementation status of internal control system:

1. Internal Control System Statement:

Cheng Uei Precision Industry Co., Ltd.

Internal Control System Statement

Date: March 26, 2021

For the Company's Internal Control System of 2020, based on the results of self-assessment, the following is hereby declared:

- I. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board and managerial officers of the Company, and that such a system has been implemented within the Company. The purpose of the system is to reasonably ensure that the effectiveness and efficiency of operations (including profits, performance, and protecting the security of assets), reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws are achieved.
- II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. However, the company's internal control system has a self-supervision mechanism. Once the missing element is recognized, the company takes corrective action.
- III. The Company evaluates the design and execution of its internal control system based on the criteria specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations") to determine whether the existing system continues to be effective. The criteria defined in "the Regulations" include five elements depending on the management control process: 1. environment control, 2. risk assessment, 3. control process, 4. information and communication, and 5. supervision. Each constituent contains several criteria. Please refer to "the Regulations" for details.
- IV. The Company has adopted the said criteria to validate the effectiveness of its internal control system design and execution.
- V. Based on the results of examination, the Company believes that the design and implementation of its internal control system dated December 31, 2020 (including supervising and managing its subsidiaries), consisting of the effectiveness and efficiency of business operations, the preparation of reliable, timely and transparent financial statements, and their compliance with the relevant rules and regulations, are effective, and reasonably assure the achievement of the aforementioned goals.
- VI. This Statement will be a major part of the Company's annual report and prospectus, and will be made publicly available. The Company shall be held liable for misrepresentation or nondisclosure in the above content, according to Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement has been approved by the Company's Board of Directors at the meeting held on March 26, 2021, at which this Statement was unanimously endorsed by all 9 attending directors with 0 individuals having opposing opinions.

Cheng Uei Precision Industry Co., Ltd.

Chairman: T.C. Gou

President: T.C. Gou

2. If it is necessary to entrust an accountant to review the internal control system, the accountant's review report shall be disclosed: None

(X) In the most recent year and as of the date of publication of the annual report, whether the company and its internal personnel have been disciplined according to law, or whether the company has disciplined its internal personnel for violating the provisions of the Internal Control System. The content of the disciplinary measures should be listed, as well as the main deficiencies and improvements: None.

(XI) In the most recent year and as of the printing date of the annual report, important resolutions of the shareholders meeting and Board of Directors:

1. Board resolutions in 2020 and through April 30, 2021

Date	Resolution matters	Remarks
2020.03.31	<ol style="list-style-type: none"> 1. Approved the remuneration proposal for employees and directors as reviewed by the Remuneration Committee. 2. Approved the Company's 2019 financial statements and business status. 3. Approved 2019 profit distribution in the form of a cash dividend of NTD 2.5 per share. 4. Approved the Company's investment in India. 5. Approved the Company's application to a bank for a financing facility. 6. Approved the Company's first planned issue of guaranteed general corporate bonds in 2020 of NTD 4 billion. 7. Approved the assessment of the accountant's independence and competency. 8. Approved the Evaluation of the Effectiveness of the Internal Control System and the Internal Control System Statement for 2019. 9. Approved proposal for the re-election of directors of the Company after expiration of their terms of office. 10. Approved the date and discussion items of the Company's 2020 Annual General Meeting of Shareholders. 	
2020.05.06	<ol style="list-style-type: none"> 1. Reported the Company's consolidated financial statements for the first quarter of 2020. 2. The approved list of candidates for directors (including independent directors) is as follows: Ordinary director candidates are T.C. Gou, representative of Hsin Hung International Investment Co., Ltd.; Chen-Phan Pu, representative of Hsin Hung International Investment Co., Ltd.; T.C. Wang, representative of Hsin Hung International Investment Co., Ltd.; James Lee, representative of Foxlink International Investment Co., Ltd.; Eric Huang, representative of Foxlink International Investment Co., Ltd.; and Jui-Hsia Wan, representative of Foxlink International Investment Co., Ltd. Independent director candidates are Randy Lee, Chien-Chung Fu, and 	

Date	Resolution matters	Remarks
	<p>Jing-Mi Tang.</p> <p>3. Approved discharge of new directors and their representatives from non-competition restrictions.</p> <p>4. Approved the Company's application to a bank for a financing facility.</p> <p>5. Approved the new Board of Directors Performance Evaluation Measures.</p>	
2020.06.19	<p>1. Mr. T.C. Gou was elected Chairman of the Company.</p> <p>2. Approved appointment of Mr. Randy, Mr. Chien-Chung Fu, and Mr. Jing-Mi Tang to serve as members of the 4th Remuneration Committee of the Company.</p> <p>3. Approved to sign an agreement with National Tsing Hua University for industry-university cooperation and academic exchange mechanisms.</p>	
2020.07.15	<p>1. Report on the renewal of liability insurance for directors of the Company.</p> <p>2. Due to the retirement of Liao Kuei-Lung, manager of the R&D Branch Office (Hsinchu), the appointment of Liu Su-Fang as manager of the R&D Branch Office (Hsinchu) was therefore approved.</p>	
2020.07.29	<p>1. On the Company's capital loan case with subsidiary Foxwell Energy, the loan amount is NTD 4 billion.</p>	
2020.08.13	<p>1. Reported the Company's consolidated financial statements for the second quarter of 2020.</p> <p>2. Report the Company's budget target for the second half of the year.</p> <p>3. Approved the Company's application to a bank for a financing facility.</p>	
2020.09.01	<p>1. Reported on the implementation of the Company's internal audit plan.</p> <p>2. Reported on explanation of the Company's self-capability to prepare financial statements.</p> <p>3. Approved the 2019 remuneration distribution for directors as reviewed by the Remuneration Committee.</p> <p>4. Approved the 2019 remuneration distribution for managers and employees as reviewed by the Remuneration Committee.</p>	
2020.11.11	<p>1. Reported the Company's consolidated financial statements for the third quarter of 2020.</p> <p>2. Approved the Company's new bank syndicated loan and bank financing quota applications.</p> <p>3. Approved new establishment of Central Taiwan Science Park Branch, and obtaining the right to use assets from related party Glory Science Co., Ltd.</p> <p>4. Approved amendments to the Company's internal control system.</p> <p>5. Approved drafting of the Company's internal audit plan for 2021.</p>	
2021.03.26	<p>1. Approved the Company's 2021 business plan.</p> <p>2. Approved the 2020 remuneration proposal for employees and directors as reviewed by the Remuneration</p>	

Date	Resolution matters	Remarks
	<p>Committee.</p> <p>3. Approved the Company's 2020 financial statements and business status.</p> <p>4. Approved 2020 profit distribution in the form of a cash dividend of NTD 2.5 per share.</p> <p>5. Approved subsidiary capital increase and reinvestment in India.</p> <p>6. Approved a proposed application by the Company's subsidiary Shinfox Energy Co., Ltd. for equity transfer before stock listing.</p> <p>7. Approved the establishment of a Corporate Governance Officer position, and appointed Kufn Lin from the Investment Strategy Division of the Company to serve as the Company's Corporate Governance Officer.</p> <p>8. Approved the Company's 2020 Board of Directors performance evaluation.</p> <p>9. Passed the assessment of the accountant's independence and competency.</p> <p>10. Approved the Evaluation of the Effectiveness of the Internal Control System and the Internal Control System Statement for 2020.</p> <p>11. Approved the date and discussion items of the Company's 2021 Annual General Meeting of Shareholders.</p>	

2. Resolution matters and implementation status passed by all shareholders present at the General Meeting of Shareholders of June 19, 2020

Resolution matters	Implementation status
Approved 2019 business final account statement and profit distribution statement	Not applicable.
Re-election of directors	<p>Nine directors were elected in this instance, and the list of elected directors (including independent directors) is as follows:</p> <p>Hsin Hung International Investment Co., Ltd. representative: T.C. Gou Hsin Hung International Investment Co., Ltd. representative: Chen-Phan Pu Hsin Hung International Investment Co., Ltd. representative: T.C. Wang Foxlink International Investment Co., Ltd. representative: James Lee Foxlink International Investment Co., Ltd. representative: Eric Huang Foxlink International Investment Co., Ltd. representative: Jui-Hsia Wan Independent director: Randy Lee Independent director: Chien-Chung Fu Independent director: Jing-Mi Tang</p> <p>The term of office is from June 19, 2020 to June 18, 2023, with a term of three years.</p>
Approved discharge of new directors from non-competition restrictions.	<p>Removals of non-competition restrictions on directors in accordance with the resolution of the shareholders' meeting:</p> <p>1. Hsin Hung International Investment Co., Ltd. representative: T.C. Gou Chairman of FIT Holding Co., Ltd. Chairman of Shinfox Energy Co., Ltd. Chairman of Foxlink Image Technology Co., Ltd. Chairman of Power Quotient International Co., Ltd. Chairman of Microlink Communications Inc. Chairman of Glory Science Co., Ltd. Chairman of Studio A Inc. Chairman of Proconn Technology Co., Ltd. Chairman of Hsin Hung International Investment Co., Ltd. Chairman of Central Motion Picture Corporation Chairman of Central Motion Picture</p>

	<p>Industry Co., Ltd. Chairman of CMPC Cultural & Creative Co., Ltd. Chairman of Central Motion Picture Bade Co., Ltd. Chairman of Central Motion Picture Culture City Co., Ltd. Chairman of Central Motion Picture Central Motion Picture International Co., Ltd. Chairman of Deepwaters Digital Support Inc. Chairman of Shinfox Natural Gas Co., Ltd. Chairman of Shih Fong Power Co., Ltd.</p> <p>2. Hsin Hung International Investment Co., Ltd. representative: Chen-Phan Pu Director of Tai Fu International Investment Co., Ltd. Director of Foxlink Taiwan Industry Co., Ltd.</p> <p>3. Hsin Hung International Investment Co., Ltd. representative: T.C. Wang Chairperson, Core Pacific Development Corporation</p> <p>4. Foxlink International Investment Co., Ltd. representative: Eric Huang Director of Proconn Technology Co., Ltd.</p> <p>5. Foxlink International Investment Co., Ltd. representative: Jui-Hsia Wan Director, Healthconn Corp.</p>
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(XII) In the most recent year and up to the date of publication of the annual report, the major contents of the opposition to or qualified opinions expressed by directors or supervisors about the significant resolutions passed by the Board of Directors that have been noted in the records or declared in writing: None.

(XIII) Resignation or relief from office of the Chairman, President, Chief Accountant, Chief Financial Officer, Audit Supervisor, Chief of Corporate Governance, and Chief R&D Officer of the Company in the most recent year to the day this report was printed: None

V. Information about CPA Professional Fees

Breakdown of information about CPA professional fees

Accounting firm name	Accountant name		Audit Period	Remarks
PricewaterhouseCoopers, Certified Public Accountants	Lin Se-Kai	Liang Yi-Chang	2020.01~ 2020.12	

Unit: NTD Thousand

Amount range		Fee item	Audit fees	Non-audit fees	Total
1	Less than NTD 2,000 thousand				
2	NTD 2,000 thousand (inclusive) - NTD 4,000 thousand			V	
3	4,000 thousand (inclusive) - 6,000 thousand				
4	6,000 thousand (inclusive) - 8,000 thousand				
5	8,000 thousand (inclusive) - 10,000 thousand				
6	NTD 10,000 thousand (inclusive) and above		V		

- (I) If the non-audit fees paid to the CPAs, the accounting firms the CPAs work for and their affiliated companies account for more than one fourth of the audit fees, the amounts of audit and non-audit fees and the content of non-audited services should be disclosed:

Information about CPA Professional Fees

Unit: NTD Thousand

CPA matters Firm name	Accountants Name	Audit fees	Non-audit fees					Accountant audit period	Remarks
			System design	Business registration	Personnel Resources	Others (Note)	Subtotal		
PricewaterhouseCoopers, Certified Public Accountants	Se-Kai, Lin Yi-Chang, Liang	13,231	0	0	0	3,457	3,457	2020.01~ 2020.12	

Note: Other non-audit fees are mainly tax consulting fees.

- (II) If the accounting fees paid during the year when the accounting firm is replaced are less than the previous year, the amount, proportion and reasons for the reduction of audit fees should be disclosed: The Company has not changed its accounting firm.
- (III) If the audit fees are reduced by more than 10% compared with the previous year, the amount, proportion and reasons for the reduction in the audit fees shall be disclosed: Audit fees for this year decreased by less than 10% compared with the previous year.

VI. Changes in Accountant Information

(I) Previous CPA

Date of change	2019.1.1		
Reason of change and description	Due to internal restructuring at appointed accounting firm PricewaterhouseCoopers, CPAs therefore changed from Lin Se-Kai and Chou Hsiao-Tzu to CPAs Lin Se-Kai and Liang Yi-Chang.		
Description on whether or not the appointer or CPA terminates or refuses the appointment	Contractual parties status	CPAs	Appointor
	Voluntary termination of appointment	-	-
	No longer accept (continue) appointment	-	-
Comments and reasons for audit reports other than the unqualified opinion issued in the last two years	None		
Any discrepancies with the issuer	Yes		Accounting principles or practices
			Disclosure of financial reports
			Verification scope or steps
			Others
	None	V	
	Description		
Other disclosures (Contents required for disclosure according to Sub-paragraphs 1-4 to 1-7 of Paragraph 6 of Article 10 of these regulations)	None		

(II) CPA in succession

Name of accounting firm	PricewaterhouseCoopers, Certified Public Accountants
Accountant name	Lin Se-Kai, Liang Yi-Chang
Date of appointment	2019.1.1
Accounting treatment methods or accounting principles for specific transactions, and advisory matters and results that may be issued for financial reporting prior to appointment	None
Written opinions of the successive accountants different from opinion matters of the former accountants	None

(III) The former accountant's reply to Article 10, paragraph 6, item 1 and item 2 of item 3 of this Standard: None.

VII. The Company's chairman, general manager, or the manager responsible for financing or accounting affairs, who has worked for the accounting firm to which CPAs belong or the affiliated enterprises in the past year: None.

VIII. Directors, supervisors, managers, and shareholders whose shareholding ratio exceeds 10% share transfer and share pledge changes in status:

1. Changes to the shares held by directors, supervisors, managers and majority shareholders:

Unit: Thousand shares

Position	Name	2020		As of April 20, 2021	
		Number of shareholding Number increased (decreased)	Number of pledged shares Number increased (decreased)	Number of shares held Number increased (decreased)	Number of pledged shares Number increased (decreased)
Director	Hsin Hung International Investment Co., Ltd.	60	0	0	0
Chairman and President	Corporate representative: T.C. Gou	0	0	0	0
Director and Vice President	Corporate representative: Chen-Phan Pu	0	0	0	0
Director	Corporate representative: T.C. Wang	0	0	0	0
Director	Foxlink International Investment Co., Ltd.	0	0	0	0
Director and Group President	Corporate representative: James Lee	0	0	0	0
Director and Group President	Corporate representative: Eric Huang	0	0	0	0
Director	Corporate representative: Jui-Hsia Wan	0	0	0	0
Independent Director	Randy Lee	0	0	0	0
Independent Director	Chien-Chung Fu	0	0	0	0
Independent Director	Jing-Mi Tang	0	0	0	0
Group General Manager	Julius Chu	0	0	0	0
Vice President	Malcolm Lin	0	0	0	0
Vice President	Y.Y. Wu	0	0	0	0
Vice President	Daniel Wu	0	0	0	0
Vice President	Wanson Hsu	0	0	0	0
Vice President	Spencer Yeh	0	0	0	0
Vice President	Jack Lo	0	0	0	0
Vice President	Luc Chu	0	0	0	0

2. The counterparties of equity transfers and equity pledges are related parties: No such situation.

IX. Information about the relationships among top ten shareholders, such as related parties, spouses, or relatives within the second-degree of kinship:

Name (Note 1)	Self Shareholding		Spouse and minor children holding shares		Total holding of shares in the names of others		Name of a related party, spouse or second-grade relative, and relationships among top ten shareholders		Remarks
	Shares (thousand shares)	Shareholding Percentage of ownership	Shares	Percentage of ownership	Shares	Percentage of ownership	Name or designation	Relationship	—
Hsin Hung International Investment Co., Ltd. Representative: T.C. Gou	100,535	19.62%	0	0	0	0	Central Motion Picture Corporation	Chairperson the same individual	—
	6,009	1.17%	46	0.01%	0	0	Foxlink Image Technology Co., Ltd.	Chairperson of the company	—
Central Motion Picture Corporation Representative: T.C. Gou	32,584	6.36%	0	0	0	0	Hsin Hung International Investment Co., Ltd.	Chairperson the same individual	—
	6,009	1.17%	46	0.01%	0	0	Foxlink Image Technology Co., Ltd.	Chairperson of the company	—
Foxlink Image Technology Co., Ltd. Representative: T.C. Gou	27,503	5.37%	0	0	0	0	Hsin Hung International Investment Co., Ltd.	Chairperson the same individual	—
	6,009	1.17%	46	0.01%	0	0	Central Motion Picture Corporation	Chairperson of the company	—
Citibank as custodian of Norwegian Central Bank Investment Account	8,308	1.62%	0	0	0	0	—	—	—
Taiwan Cooperative Bank	7,224	1.41%	0	0	0	0	—	—	—
T.C. Gou	6,009	1.17%	46	0.01%	0	0	Hsin Hung International Investment Co., Ltd. Central Motion Picture Corporation Foxlink Image Technology Co., Ltd.	The company Chairperson	—
Chase in custody for Emerging Market Fund Investment Account of Vanguard Group Corporation	5,799	1.13%	0	0	0	0	—	—	—
Chase in custody for Vanguard	5,170	1.01%	0	0	0	0	—	—	—

Name (Note 1)	Self Shareholding		Spouse and minor children holding shares		Total holding of shares in the names of others		Name of a related party, spouse or second-grade relative, and relationships among top ten shareholders		Remarks
	Shares (thousand shares)	Shareholding Percentage of ownership	Shares	Percentage of ownership	Shares	Percentage of ownership	Name or designation	Relationship	—
Total International Stock Index Fund, a series of Vanguard Star Funds									
Su Lian Mei Ying	3,551	0.69%	0	0	0	0	—	—	—
Chiu Yu-Fa	3,465	0.68%	101	0.02%	0	0	—	—	—

- X. The number of shares and comprehensive shareholding ratio held in any single reinvested enterprise by the Company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company, and consolidated calculation of comprehensive shareholding ratio:

March 31, 2021 Unit: Thousand shares

Reinvested business	The Company's investment		Directors, supervisors, managers and direct or indirect control of investment in the business		Comprehensive investment	
	Shares	Percentage of shareholding	Shares	Percentage of shareholding	Shares	Percentage of shareholding
CU INTERNATIONAL LTD.	451,007	100.00%	0	0	451,007	100.00%
CULINK INTERNATIONAL LTD.	32,228	100.00%	0	0	32,228	100.00%
Foxlink International Investment Ltd.	378,750	100.00%	0	0	378,750	100.00%
Well Shin Technology Co., Ltd.	22,282	18.84%	40	0.03%	22,322	18.87%
Fu Uei International Investment Ltd.	285,000	100.00%	0	0	285,000	100.00%
Darts Technologies Corporation	35,995	97.00%	0	0	35,995	97.00%
DU Precision Industry Co., Ltd.	60,000	100.00%	0	0	60,000	100.00%
FOXLINK TECHNOLOGY LTD.	86,700	100.00%	0	0	86,700	100.00%
Suntain Co., Ltd.	19,500	100.00%	0	0	19,500	100.00%
SINOBEST BROTHERS LIMITED	20,704	100.00%	0	0	20,704	100.00%

IV. Status of Fundraising

I. Capital and Shares

(I) Sources of equity

1. Source of share capital

April 20, 2021 Units: NTD thousand, thousand shares

Year Month	Issued Price (NTD)	Approved share capital		Paid-in capital		Remarks		
		Shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
1986.07	1,000	18	18,000	18	18,000	Initial capital	None	Note 1
1995.12	10	19,000	190,000	19,000	190,000	Cash capital increase of NTD 172,000 thousand	None	Note 2
1996.10	10	36,000	360,000	36,000	360,000	Cash capital increase of NTD 170,000 thousand	None	Note 3
1997.07	10	42,100	421,000	42,100	421,000	Capitalization of retained earnings of NTD 54,000 thousand; capitalization of employee bonuses of NTD 7,000 thousand	None	Note 4
1998.07	15	100,000	1,000,000	71,600	716,000	Cash capital increase of NTD 200,000 thousand, capitalization of retained earnings of NTD 84,200 thousand; capitalization of employee bonuses of NTD 10,800 thousand	None	Note 5
1999.08	10	100,000	1,000,000	81,800	818,000	Capitalization of retained earnings of NTD 90,216 thousand; capitalization of employee bonuses of NTD 11,784 thousand	None	Note 6
2000.01	109	100,000	1,000,000	100,000	1,000,000	Cash capital increase of NTD 182,000 thousand	None	Note 7
2000.08	10	160,000	1,600,000	117,000	1,170,000	Capitalization of retained earnings of NTD 150,000 thousand; capitalization of	None	Note 8

Year Month	Issued Price (NTD)	Approved share capital		Paid-in capital		Remarks		
		Shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
						employee bonuses of NTD 20,000 thousand		
2001.07	10	225,000	2,250,000	143,500	1,435,000	Capitalization of retained earnings of NTD 234,000 thousand; capitalization of employee bonuses of NTD 31,000 thousand	None	Note 9
2002.02	10	225,000	2,250,000	152,720	1,527,203	Exchange of warrants for common shares, NTD 92,203 thousand	None	Note 10
2002.04	10	225,000	2,250,000	169,335	1,693,355	Exchange of warrants for common shares, NTD 166,152 thousand	None	Note 11
2002.07	10	305,000	3,050,000	200,521	2,005,207	Capitalization of retained earnings of NTD 254,003 thousand; capitalization of employee bonuses of NTD 57,000 thousand, and exchange of warrants for common shares, NTD 849 thousand	None	Note 12
2003.01	10	305,000	3,050,000	201,307	2,013,071	Exchange of warrants for common shares, NTD 7,864 thousand	None	Note 13
2003.07	10	305,000	3,050,000	228,238	2,282,378	Capitalization of retained earnings of NTD 201,307 thousand; capitalization of employee bonuses of NTD 68,000 thousand	None	Note 14
2004.07	10	400,000	4,000,000	258,762	2,587,616	Capitalization of retained earnings of NTD 228,238	None	Note 15

Year Month	Issued Price (NTD)	Approved share capital		Paid-in capital		Remarks		
		Shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
						thousand; capitalization of employee bonuses of NTD 77,000 thousand		
2005.07	10	400,000	4,000,000	292,638	2,926,377	Capitalization of retained earnings of NTD 258,761 thousand; capitalization of employee bonuses of NTD 80,000 thousand	None	Note 16
2005.10	10	400,000	4,000,000	296,005	2,960,045	Conversion of overseas convertible bonds to common shares, NTD 33,668 thousand	None	Note 17
2006.01	10	400,000	4,000,000	309,181	3,091,814	Conversion of overseas convertible bonds to common shares, NTD 78,436 thousand; transfer of shares, NTD 53,333 thousand	Darts Technologies stock, 25,600 thousand shares	Note 18
2006.04	10	400,000	4,000,000	321,520	3,215,201	Conversion of overseas convertible bonds to common shares, NTD 123,387 thousand	None	Note 19
2006.07	10	400,000	4,000,000	331,566	3,315,658	Conversion of overseas convertible bonds to common shares, NTD 100,457 thousand	None	Note 20
2006.09	10	400,000	4,000,000	373,221	3,732,207	Capitalization of retained earnings of NTD 322,303 thousand; capitalization of employee bonuses of NTD 73,500 thousand; and conversion of	None	Note 21

Year Month	Issued Price (NTD)	Approved share capital		Paid-in capital		Remarks		
		Shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
						overseas convertible bonds into ordinary shares, NTD 20,746 thousand		
2007.08	10	550,000	5,500,000	401,582	4,015,817	Capitalization of retained earnings of NTD 186,610 thousand; capitalization of employee bonuses of NTD 97,000 thousand	None	Note 22
2008.09	10	550,000	5,500,000	437,461	4,374,609	Capitalization of retained earnings of NTD 200,791 thousand; capitalization of employee bonuses of NTD 158,000 thousand	None	Note 23
2009.09	10	550,000	5,500,000	453,965	4,539,655	Capitalization of retained earnings of NTD 87,492 thousand; capitalization of employee bonuses of NTD 348,217 thousand	None	Note 24
2010.04	10	550,000	5,500,000	456,689	4,566,891	Executed subscription of employee stock option certificates, NTD 27,236 thousand	None	Note 25
2010.07	10	550,000	5,500,000	456,801	4,568,007	Executed subscription of employee stock option certificates, NTD 1,116 thousand	None	Note 26
2010.09	10	550,000	5,500,000	463,509	4,635,093	Capitalization of retained earnings of NTD 45,680 thousand; capitalization of employee bonuses of NTD 99,413 thousand	None	Note 27

Year Month	Issued Price (NTD)	Approved share capital		Paid-in capital		Remarks		
		Shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
2011.01	10	550,000	5,500,000	464,381	4,643,807	Executed subscription of employee stock option certificates, NTD 8,713 thousand	None	Note 28
2011.04	10	550,000	5,500,000	465,556	4,655,557	Executed subscription of employee stock option certificates, NTD 11,751 thousand	None	Note 29
2011.07	10	550,000	5,500,000	466,752	4,667,523	Executed subscription of employee stock option certificates, NTD 11,966 thousand	None	Note 30
2011.08	10	550,000	5,500,000	474,313	4,743,125	Capitalization of retained earnings of NTD 46,577 thousand; capitalization of employee bonuses of NTD 198,589 thousand	None	Note 31
2011.10	10	550,000	5,500,000	476,447	4,764,469	Executed subscription of employee stock option certificates, NTD 21,343 thousand	None	Note 32
2012.01	10	550,000	5,500,000	476,762	4,767,622	Executed subscription of employee stock option certificates, NTD 3,154 thousand	None	Note 33
2012.04	10	550,000	5,500,000	481,367	4,813,668	Executed subscription of employee stock option certificates, NTD 46,045 thousand	None	Note 34
2012.07	10	550,000	5,500,000	481,643	4,816,426	Executed subscription of employee stock option certificates, NTD 2,758	None	Note 35

Year Month	Issued Price (NTD)	Approved share capital		Paid-in capital		Remarks		
		Shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
						thousand		
2012.08	10	550,000	5,500,000	489,404	4,894,040	Capitalization of retained earnings of NTD 48,137 thousand; capitalization of employee bonuses of NTD 173,949 thousand	None	Note 36
2012.10	10	550,000	5,500,000	492,376	4,923,762	Executed subscription of employee stock option certificates, NTD 29,722 thousand	None	Note 37
2013.01	10	550,000	5,500,000	493,683	4,936,829	Executed subscription of employee stock option certificates, NTD 13,067 thousand	None	Note 38
2013.04	10	550,000	5,500,000	494,166	4,941,659	Executed subscription of employee stock option certificates, NTD 4,830 thousand	None	Note 39
2013.07	10	550,000	5,500,000	494,444	4,944,439	Executed subscription of employee stock option certificates, NTD 2,780 thousand	None	Note 40
2013.10	10	550,000	5,500,000	495,035	4,950,347	Executed subscription of employee stock option certificates, NTD 5,908 thousand	None	Note 41
2014.01	10	550,000	5,500,000	502,010	5,020,095	Executed subscription of employee stock option certificates, NTD 69,748 thousand	None	Note 42
2014.04	10	550,000	5,500,000	505,556	5,055,557	Executed subscription of employee stock option certificates,	None	Note 43

Year Month	Issued Price (NTD)	Approved share capital		Paid-in capital		Remarks		
		Shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash contributed as equity capital	Others
						NTD 35,462 thousand		
2014.07	10	550,000	5,500,000	506,624	5,066,237	Executed subscription of employee stock option certificates, NTD 10,680 thousand	None	Note 44
2014.10	10	550,000	5,500,000	509,209	5,092,087	Executed subscription of employee stock option certificates, NTD 25,850 thousand	None	Note 45
2015.01	10	550,000	5,500,000	512,327	5,123,269	Executed subscription of employee stock option certificates, NTD 31,182 thousand	None	Note 46

Note 1: Initial capital of NTD 18,000 thousand

Note 2: Cash capital increase of NTD 172,000 thousand

Note 3: October 21, 1996 (85) Taizaizheng (1) No. 62330 letter of approval

Note 4: July 7, 1997 (86) Taizaizheng (1) No. 53139 letter of approval

Note 5: July 10, 1998 (87) Taizaizheng (1) No. 58945 letter of approval

Note 6: August 4, 1999 (88) Taizaizheng (1) No. 72110 letter of approval

Note 7: December 13, 1999 (88) Taizaizheng (1) No. 103975 letter of approval

Note 8: June 27, 2000 (89) Taizaizheng (1) No. 55031 letter of approval

Note 9: June 26, 2001 (90) Taizaizheng (1) No. 140540 letter of approval

Note 10: January 29, 2002 Jingshoushangzi No. 09101035860 letter of approval

Note 11: April 10, 2002 Jingshoushangzi No. 09101122510 letter of approval

Note 12: June 18, 2002 Taizaizheng 1 No. 0910133030 letter of approval

Note 13: January 27, 2003 Jingshoushangzi No. 09201030380 letter of approval

Note 14: June 30, 2003 Taizaizheng 1 No. 0920128786 letter of approval

Note 15: June 23, 2004 Taizaizheng 1 No. 0930127828 letter of approval

Note 16: June 30, 2005 Taizaizheng 1 No. 0940126320 letter of approval

Note 17: October 13, 2005 Jingshoushangzi No. 09401203760 letter of approval

Note 18: December 26, 2005 Jinguangzheng 1 No. 0940155501 letter of approval

Note 19: April 14, 2006 Jingshoushangzi No. 09501067660 letter of approval

Note 20: July 20, 2006 Jingshoushangzi No. 09501150100 letter of approval

Note 21: July 5, 2006 Taizaizheng 1 No. 0950128616 letter of approval

Note 22: July 2, 2007 Jinguangzheng 1 No. 0960033542 letter of approval

Note 23: July 7, 2008 Jinguangzheng 1 No. 0970033755 letter of approval

Note 24: June 25, 2009 Jinguangzheng Fazi No. 0980031734 letter of approval

Note 25: April 12, 2010 Jingshoushangzi No. 09901069630 letter of approval

Note 26: July 15, 2010 Jingshoushangzi No. 099001158420 letter of approval

Note 27: June 29, 2010 Jinguangzheng Fazi No. 0990033598 letter of approval

Note 28: January 17, 2011 Jingshoushangzi No. 10001008210 letter of approval

Note 29: April 21, 2011 Jingshoushangzi No. 10001075290 letter of approval

Note 30: July 20, 2011 Jingshoushangzi No. 10001159720 letter of approval

Note 31: August 29, 2011 Jingshoushangzi No. 10001199230 letter of approval
 Note 32: October 18, 2011 Jingshoushangzi No. 10001238620 letter of approval
 Note 33: January 13, 2012 Jingshoushangzi No. 10101006390 letter of approval
 Note 34: April 16, 2012 Jingshoushangzi No. 10101066520 letter of approval
 Note 35: July 12, 2012 Jingshoushangzi No. 10101141200 letter of approval
 Note 36: August 9, 2012 Jingshoushangzi No. 10101163460 letter of approval
 Note 37: October 16, 2012 Jingshoushangzi No. 10101212660 letter of approval
 Note 38: January 14, 2013 Jingshoushangzi No. 10201007940 letter of approval
 Note 39: April 15, 2013 Jingshoushangzi No. 10201067800 letter of approval
 Note 40: July 18, 2013 Jingshoushangzi No. 10201140890 letter of approval
 Note 41: October 15, 2013 Jingshoushangzi No. 10201209790 letter of approval
 Note 42: January 21, 2014 Jingshoushangzi No. 10301010950 letter of approval
 Note 43: April 22, 2014 Jingshoushangzi No. 10301069490 letter of approval
 Note 44: July 18, 2014 Jingshoushangzi No. 10301146670 letter of approval
 Note 45: October 17, 2014 Jingshoushangzi No. 10301217070 letter of approval
 Note 46: January 14, 2015 Jingshoushangzi No. 10401004720 letter of approval

2. Class of issued shares

April 20, 2021 Unit: Shares

Shares Type	Approved share capital			
	Issued and outstanding shares (Note)	Unissued shares	Reserved for issuance of employee stock option certificates	Total
Common stock	512,326,940	137,673,060	50,000,000	700,000,000

Note: Listed shares

3. Information concerning the collective reporting system: Not applicable

(II) Shareholder structure:

April 20, 2021 Unit: Thousand shares

Shareholder structure Quantity	Government agency	Financial institution	Other juridical persons	Individuals	Foreign institutions and foreign individuals	Total
Number of individuals	1	10	90	60,982	234	61,317
Number of shares held	1,132	9,793	169,989	256,179	75,234	512,327
Percentage of shareholding	0.22%	1.91%	33.18%	50.00%	14.69%	100.00%

(III) Distribution of Equity

1. Distribution of common share equity:

April 20, 2021

Shareholding class	Number of shareholders (individuals)	Number of shares held (shares)	Percentage of shareholding
1 - 999	16,687	2,036,495	0.40%
1,000 - 5,000	34,902	71,175,430	13.89%
5,001 - 10,000	5,402	41,094,889	8.02%
10,001 - 15,000	1,593	19,680,937	3.84%
15,001 - 20,000	872	16,014,846	3.13%
20,001 - 30,000	740	18,684,812	3.65%
30,001 - 40,000	300	10,668,763	2.08%
40,001 - 50,000	197	9,138,959	1.78%
50,001 - 100,000	363	25,864,458	5.05%
100,001 - 200,000	133	18,577,998	3.63%
200,001 - 400,000	49	13,644,273	2.66%
400,001 - 600,000	31	15,046,778	2.94%
600,001 - 800,000	8	5,449,879	1.06%
800,001 to 1,000,000	9	8,095,463	1.58%
1,000,001 or more	31	237,152,960	46.29%
Total	61,317	512,326,940	100.00%

2. Distribution of preferred share equity: The Company has not issued preferred shares

(IV) List of major shareholders:

April 20, 2021 Unit: Shares

Name of major shareholders	Shares	Number of shares held	Percentage of shareholding
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	5.37%
Citibank as custodian of Norwegian Central Bank Investment Account		8,308,335	1.62%
Taiwan Cooperative Bank		7,224,000	1.41%
T.C. Gou		6,009,184	1.17%
Chase in custody for Emerging Market Fund Investment Account of Vanguard Group Corporation		5,798,673	1.13%
Chase in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		5,170,595	1.01%
Su Lian Mei Ying		3,550,714	0.69%
Chiu Yu-Fa		3,464,955	0.68%

(V) Information about market price, net value, earnings, and dividends per share in the most recent two years

Year		2019	2020	2021 through March 31, 2021
Item				
Market value per share (NTD)	High	48.40	49.20	51.50
	Low	22.15	23.40	43.65
	Average	35.77	39.74	46.91
Net value per share (NTD)	Before distribution	46.27	49.01	48.68
	After distribution	46.27	49.01	48.68
Earnings per share (Note 1)	Weighted average number of shares (thousand shares)		512,327	512,327
	Earnings per share (NT\$)	Before retrospective	4.10	4.06
		After retrospective	4.10	4.06
Dividend per share (NTD)	Cash dividend		2.5	2.5
	Stock dividends	Profit Distribution	None	None
		Additional paid in capital	None	None
	Accumulated unpaid dividends		None	None
Return on investment analysis	P/E ratio (after retrospective)		8.72	9.79
	Price to dividend ratio		14.31	15.90
	Cash dividend yield		6.99%	6.29%

Note: the 2020 profit distribution proposal, approved by the Board of Directors

(VI) Company dividend policy and implementation status:

1. Dividend policy:

The Company operates in information and communication-related industries, and is in the growth stage of the Company's life cycle. Therefore, in order to match the overall environment and the characteristics of industry growth, and to achieve the Company's goal of sustainable operations and stable operating performance, the Company's dividend policy directs that not more than 90% of the company's distributable earnings will be distributed to shareholders in the form of dividends. Furthermore, and in line with the future capital expenditure budget and capital demand situation, the cash dividend portion of the Company's dividends will not be less than 20%.

2. Proposed cash dividend distribution in this instance

The Company allocated NTD 1,280,817,350 from 2020 earnings as cash dividends, and distributed NTD 2.5 per share. This proposal was approved by the Board of Directors and authorized the Chairman to set separate matters such as the ex-dividend record date, distribution date, and other related matters.

(VII) The influence of stock dividends planned to be paid in the Shareholders Meeting of this year on the operation performance and earnings per share of the Company:

Unit: NTD Thousand

Item		Year	2021
Paid-in capital amount at the beginning of the period			5,123,269
Cash and stock dividends to be distributed in the current year (Note)	Cash dividend per share		2.5 per share (NTD)
	Capitalization of retained earnings to be distributed per share		None
	Capitalization of capital reserves to be distributed per share		None
Change in business performance	Operating profit		The Company did not prepare 2021 financial forecasts, so this is not applicable
	Increase (decrease) ratio of operating profit over the same period last year		
	Net profit after tax		
	Increase (decrease) ratio of net profit after tax compared with the same period last year		
	Earnings per share (NTD) (Before retrospective adjustment)		
	Earnings per share increase (decrease) ratio over the same period last year		
	Annual average return on investment (the reciprocal of the annual average P/E ratio)		
Proposed earnings per share and P/E ratio	Any capitalization of retained earnings is to be fully allocated to cash dividends	Projected earnings per share (NTD)	
		Proposed annual average return on investment	
	If capitalization of capital reserves has not been carried out	Projected earnings per share (NTD)	
		Proposed annual average return on investment	
	If the capitalization of retained earnings has not been handled and the capitalization of retained earnings has been paid by cash dividend	Projected earnings per share (NTD)	
		Proposed annual average return on investment	

Note: the 2020 profit distribution proposal, approved by the Board of Directors

(VIII) Remuneration of employees and directors

1. The percentage or scope of remuneration for employees, directors, and supervisors as set out in the Articles of Incorporation:
If the Company makes a profit during the year, it should allocate no less than 6% for employee remuneration and no more than 3% for directors' and supervisors' remuneration. However, when the Company has accumulated losses, the reserves for covering the losses shall be retained in advance. Employee remuneration as per the preceding paragraph can be paid in stock or cash, and can be directed to employees of the Company and employees of affiliated companies. The remuneration of directors and supervisors can only be paid in cash.
2. The amount of remuneration for employees, directors and supervisors estimated and presented in the current period shall be calculated based on the number of shares distributed to employees as remuneration, or actual amount paid to employees if different from the estimated amount:
If the Company makes a profit during the year (referring to profit before tax minus the profit before the distribution of employee remuneration and director and supervisor remuneration), it should allocate no less than 6% for employee remuneration and no more than 3% for directors' and supervisors' remuneration. However, when the Company has accumulated losses, the reserves for covering the losses shall be retained in advance.
The calculation basis of the number of shares to be distributed for employee stock dividends is based on the closing price on the day before the Board of Directors' resolution. However, if there is a discrepancy between the calculation basis of the number of shares and the actual distribution amount of the employee remuneration for stock distribution and the estimated amount, it will be regarded as a change in accounting estimates and listed as the actual distribution year's profit and loss.
3. Distribution of remuneration adopted by the Board of Directors:
 - (1) Amount of the remuneration paid to employees, directors and supervisors in cash or stock. If there is a discrepancy with the annual estimated amount of recognized expenses, the number of discrepancies, reasons and handling circumstances should be disclosed:
On March 26, 2021, the Board of Directors approved 2020 employee remuneration and directors' remuneration to be NTD 220,000,000 and NTD 10,000,000, respectively. The recognized amounts of employee remuneration and director remuneration in the 2020 financial statements are NTD 220,000,000 and NTD 10,000,000, respectively. There is no difference between the remuneration of employees and directors approved by the Board of Directors and recognized in the financial statements.
 - (2) The amount of employee bonuses distributed by stocks and its proportion to the total net profit and total employee bonuses in the parent company only financial report for the current period: No employee remuneration was distributed by stocks in this instance.
4. The actual payment of remuneration to the employees and the directors and

supervisors in the previous year (including the number of distributed shares, amounts, and stock price). If there is a difference with the recognized amount of remuneration for employees and directors and supervisors, the number of differences, the reasons and the handling circumstances should be stated.

The remuneration of employees and directors recognized for 2019 were as follows: the remuneration of employees was NTD 246,000,000; the remuneration of directors was NTD 10,000,000.

Furthermore, the actual amount of employee remuneration paid for the year was NTD 246,000,000; director's remuneration was NTD 10,000,000. There was no difference between the actual distribution amounts and the recognized amounts.

(IX) Repurchase of shares by the Company: None.

I. Handling of corporate bonds
(I) Information on corporate bonds

Corporate bond type		First domestic issue of guaranteed general corporate bonds in 2019	First domestic issue of guaranteed general corporate bonds in 2020
Issuance (handling) date		June 26, 2019	July 29, 2020
Par value		NTD 1 million	NTD 1 million
Issuing price		Fully issued at par value	Fully issued at par value
Total		NTD 3 billion	NTD 3.6 billion
Interest rate		Fixed annual interest rate of 0.80%	Fixed annual interest rate of 0.65%
Term		5 year maturity Maturity date: June 26, 2024	5 year maturity Maturity date: July 29, 2025
Guarantee agency		CTBC Bank, Taiwan Cooperative Bank, Mega International Commercial Bank, Chang Hwa Bank	CTBC Bank, Taiwan Cooperative Bank, Hua Nan Bank, Agricultural Bank of Taiwan, Mega International Commercial Bank
Trustee		Bank Sinopac Company Limited	Bank Sinopac Company Limited
Underwriting agency		CTBC Bank Co., Ltd.	CTBC Bank Co., Ltd.
Certifying attorney		Attorney Yang Wen-Yuan, Baker McKenzie	Attorney Yang Wen-Yuan, Baker McKenzie
Certified public accountant		Accountant Lin Se-Kai, PricewaterhouseCoopers	Accountant Lin Se-Kai, PricewaterhouseCoopers
Method of repayment		One-time principal repayment	One-time principal repayment
Outstanding principal		NTD 3 billion	NTD 3.6 billion
Redemption or prepayment terms		None	None
Restrictive covenants		None	None
Credit rating agency name, rating date, company debt rating results		None	None
Other rights attached	Amounts of ordinary shares, overseas depositary receipts, or other securities that have been converted (exchanged or subscribed) as of the publication date of the annual report	Not applicable	Not applicable
	Issuance and conversion method (exchanged or subscribed)	Not applicable	Not applicable
Issuance and conversion, exchange or subscription methods, issuance conditions, possible dilution of equity, and impact on existing shareholders' equity		None	None
Name of the depository institution of the exchange target		Not applicable	Not applicable

- (II) Information on conversion of corporate bonds: None.
- (III) Information on corporate bond exchange: None.
- (IV) General declaration and issuance of corporate bonds: None.
- (V) Information on corporate bonds with stock options: None.
- III. Disposal of preferred shares: None.
- IV. Circumstances of handling overseas depositary receipts: None.
- V. Handling of employee stock options:
 - (I) In respect to the Company's unexpired employee stock options, their handling status and impact on shareholders' rights and interests up to the date of publication of the annual report should be disclosed: The Company currently has no outstanding employee stock options.
 - (II) The names, acquisitions, and subscription status of managers obtaining employee stock option certificates and the top ten employees who can subscribe for stock option certificates accumulated through the printing date of the annual report: None.
 - (III) Handling of restricted employee shares: Up to now, no restricted employee shares have been issued.
 - (IV) The names, acquisitions, and subscription status of managers obtaining restricted employee shares and the top ten employees who can subscribe for stock option certificates accumulated through the printing date of the annual report: None.
- VI. M&A or transfer of shares of other companies to issue new shares: None.
- VII. Implementation status of fund utilization plan: None.

V. Overview of Operations

I. Business content

(I) Business Scope

1. The Company's principal business activities

The Company's business scope mainly covers the manufacturing, sales, and service of various connectors, cable products, batteries, and power products in the information industry, communications industry, automation equipment industry, precision machinery industry, and consumer electronics industry.

The product range currently produced by the Company encompasses:

- (1) CA02010 Manufacture of Metal Structure and Architectural Components
- (2) CB01010 Mechanical and Equipment Manufacturing
- (3) CB01030 Pollution Controlling Equipment Manufacturing
- (4) CB01990 Other Machinery Manufacturing
- (5) CC01020 Electric Wires and Cables Manufacturing
- (6) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
- (7) CC01040 Lighting Equipment Manufacturing
- (8) CC01060 Wired Communication Mechanical Equipment Manufacturing
- (9) CC01070 Wireless Communication Mechanical Equipment Manufacturing
- (10) CC01080 Electronics Components Manufacturing
- (11) CC01090 Manufacture of Batteries and Accumulators
- (12) CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing
- (13) CC01110 Computer and Peripheral Equipment Manufacturing
- (14) CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
- (15) CE01010 General Instrument Manufacturing
- (16) CE01030 Optical Instruments Manufacturing
- (17) CE01990 Other Optics and Precision Instrument Manufacturing
- (18) CI01010 Rope, Cable and Net Manufacturing
- (19) CQ01010 Mold and Die Manufacturing
- (20) E601020 Electric Appliance Installation
- (21) E603090 Lighting Equipment Construction
- (22) E701010 Telecommunications Engineering
- (23) E801010 Indoor Decoration
- (24) F107990 Wholesale of Other Chemical Products
- (25) F111090 Wholesale of Building Materials
- (26) F113050 Wholesale of Computers and Clerical Machinery Equipment
- (27) F118010 Wholesale of Computer Software
- (28) F207990 Retail Sale of Other Chemical Products
- (29) F211010 Retail Sale of Building Materials
- (30) F213030 Retail Sale of Computers and Clerical Machinery Equipment
- (31) F218010 Retail Sale of Computer Software
- (32) F401021 Restrained Telecom Radio Frequency Equipment and

Materials Import

- (33) G801010 Warehousing and Storage
- (34) I102010 Investment Consulting
- (35) I301010 Software Design Services
- (36) J101050 Sanitary and Pollution Controlling Services
- (37) J101060 Wastewater (Sewage) Treatment
- (38) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Distribution of business volume

The company's 2020 business volume distributions of various products are as follows:

Unit: NTD Thousand

Product item	Business volume	Ratio
3C components	34,144,461	38.13%
System and peripheral products	44,289,953	49.46%
Retail channels	10,589,485	11.82%
Others	528,201	0.59%
Total	89,552,100	100.00%

Note: The above business volumes constitute operating revenues from the consolidated financial statements

3. Current goods (services) of the Company

The Company's main products are 3C components, system products and retail channels, primarily as follows:

- (1) Cable connectors: Mainly used for signal and power transmission of various 3C products. The main product categories include USB cables, 1394 cables, and transmission cables and data cables used in game consoles, digital cameras and mobile phones.
- (2) Communication connectors: communication connectors are all kinds of connectors without cables. The products are mainly used in various consumer electronic products such as mobile phones, network peripherals, headsets and game consoles.
- (3) Battery modules: Battery module products are mainly used in products such as 3C electronics and electric vehicles.
- (4) Power management modules: Mainly used to control the uninterruptible power systems of cable TV networks; and the power supplies and converters of various 3C products.
- (5) System products: Including smart pens, headsets, joysticks for game consoles, electric scooters and electric bicycles.
- (6) Retail channels: There are retail channels for 3C electronic products.

4. New products planned for development

- (1) Wireless gaming headsets
- (2) Wireless gaming mice
- (3) AI drone battery modules
- (4) Indication Ring
- (5) Centrifugal plating technology
- (6) Interior lighting modules

- (7) E-Bike three-electric system integration technology development
- (8) Micro Bike electric bicycle vehicle and battery module development
- (9) UAV battery module development
- (10) Development of sensing lines for waterproof electric bicycles
- (11) Development of optical fiber type C cable
- (12) Optical fiber laser cutting process introduction
- (13) Robotic arm technology development
- (14) Development of grid-level energy storage container and monitoring management system
- (15) 3D printer technology
- (16) Deep drawing mold polishing technology

(II) Industry Overview

1. Current status and development of the industry

The Company is mainly engaged in manufacturing, sales and service of various connectors for the information, communication and consumer electronics industries, encompassing 3C component products such as cable products, batteries for mobile phones and NB, power management modules, and system products such as mobile phone assembly, game console joysticks, Bluetooth headsets and injection molded plastic parts. Due to the wide variety of products, the following gives an analysis and explanation of the connector, battery module, and power management module industries.

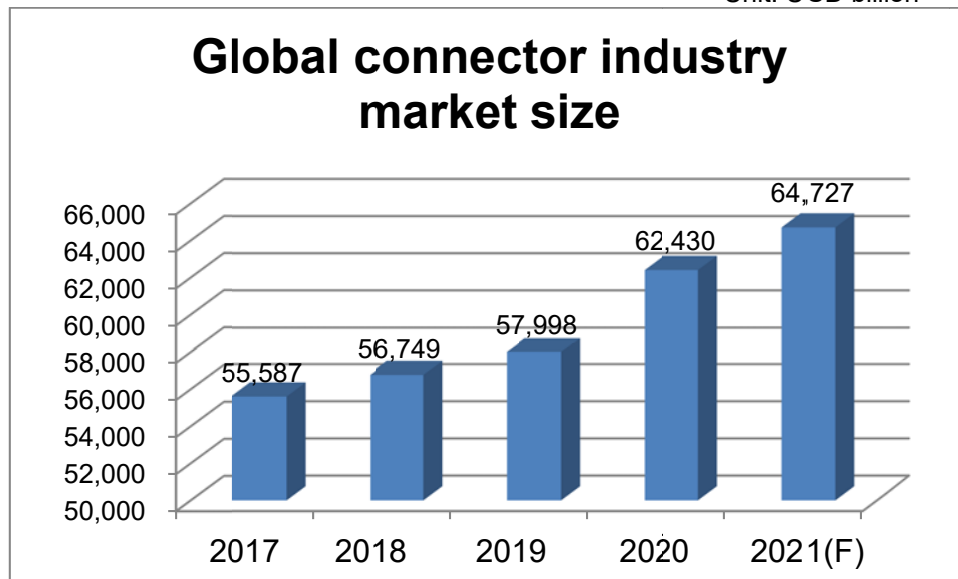
(1) Connector

Connectors are mainly used for the connection between components and are important bridges between connecting circuits and signals. Their quality affects the reliability of signal transmission, which in turn affects the quality of the entire electronic machine's operation. Therefore, to maintain the normal and stable functions of electronic products, the quality of the connector is very important. General connector products will require characteristics such as low contact impedance, high insertion and removal force resistance, high insertion and removal times, environmental resistance and high frequency stability, and so on. Fine pitch and SMT products are especially indispensable for connectors used in portable electronic products.

Connectors have a wide range of applications, and have been applied to personal computers and their peripheral products, communication products, instrumentation equipment, military, aerospace, medical equipment, automotive transportation, consumer electronics and other products. In other words, almost all products in the electrical field need to use connector products.

Given continuous economic growth and the introduction of new electronic products, statistics from IEK and Mordor Intelligence indicate that the global output value of connector products will reach USD 62.4 billion in 2020 and attain USD 64.7 billion in 2021, marking growth of 3.68%.

Unit: USD billion



(2) Battery module

Battery module products are an indispensable source of power supply for communication and information electronic products. Because the battery packs of portable electronic products such as laptops, mobile phones, and personal digital assistants must be assembled with small secondary battery cores before they can be used, therefore, the small secondary battery market will generally show a steady growth trend with the vigorous development of portable electronic products. At present, the commercialized secondary batteries on the market are successively produced according to their mass production time to market. There are three categories: nickel-cadmium batteries, nickel-metal hydride batteries and lithium batteries in sequence. Lithium batteries have become mainstream products with the largest demand specifications and the highest growth rate in the global secondary battery market. This is because lithium batteries have higher capacity density and superior electrical properties than nickel-cadmium batteries and nickel-hydrogen batteries, and the capacity density has continued to increase in recent years through the advancement of product technology and materials. As 3C electronic products have become lighter, thinner, shorter, and more versatile in recent years, the loading rate has reached more than 90% in major application areas such as mobile phones and notebook computers. Therefore, it has become the benchmark for the technical competitiveness of secondary batteries in all countries around the world.

(3) Power management module

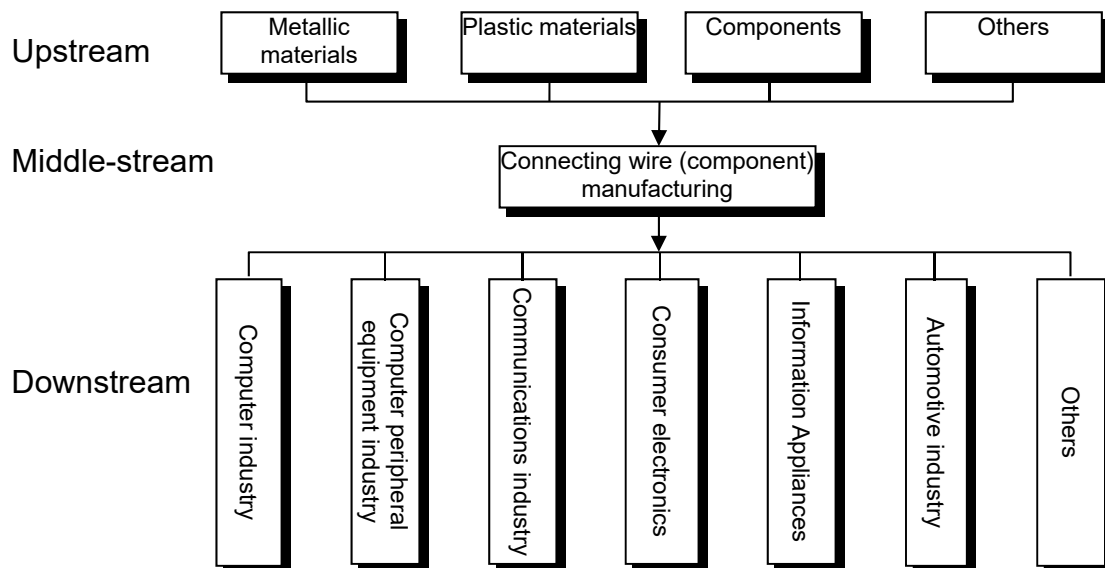
The power management module is an indispensable key component for all power electronic products. Its function is to convert the low-stability high-voltage AC power provided by the power company into the high-stability low-voltage DC power required by electronic products. It covers a wide range of industries and diversified products, with applications including communication products, computer peripherals, consumer electronics, and so on. In terms of power management modules, products mainly include power supplies for consumer electronic products such as mobile

phones and digital cameras, and UPS for servers. In recent years, digital home products have become proliferated substantially, including TVs, PCs, mobile phones, handheld devices, printers, audio-visual equipment, application devices, digital content, broadband Internet access, home networks and digital cameras, and more. Market demand for small, lightweight, and low-cost products will continue to increase, and especially portable communication products. Due to the advantages of smaller, thinner and portable electronic products, they promote market growth and form a virtuous circle. The communications market is thus expected to become the market with the greatest potential for power management modules.

2. Relationships with upstream, middle-stream, and downstream industries:

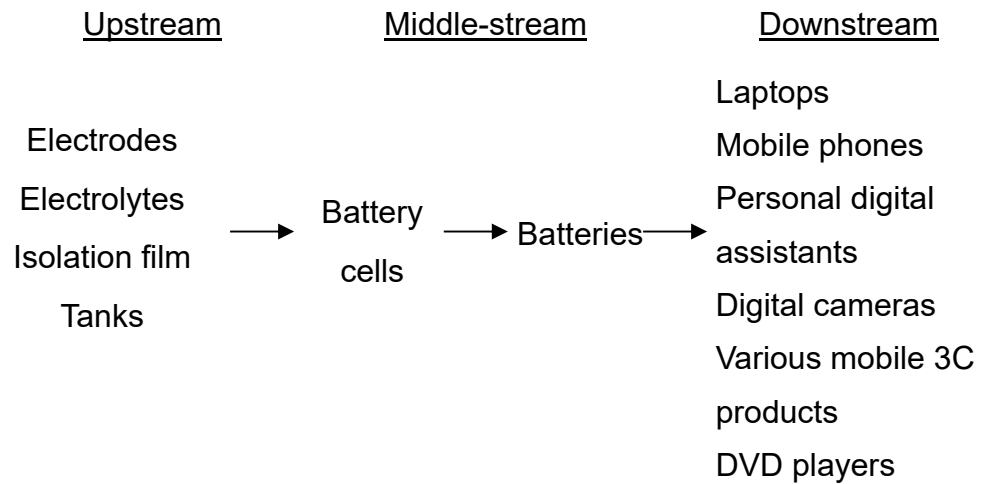
(1) Connectors

In the connector industry, the upstream materials are mainly plastic materials, copper alloy plates and electroplating materials. The industries covered include copper manufacturing, plasticization, and so on. As the domestic related manufacturer system is quite complete, there is no scarcity in its sources. Furthermore, it has wide application in downstream industries, mainly in computers and peripherals, network communication products, consumer electronics and other electrical appliances that require power and telecommunications. The industry's upstream, midstream, and downstream relevance are as follows:



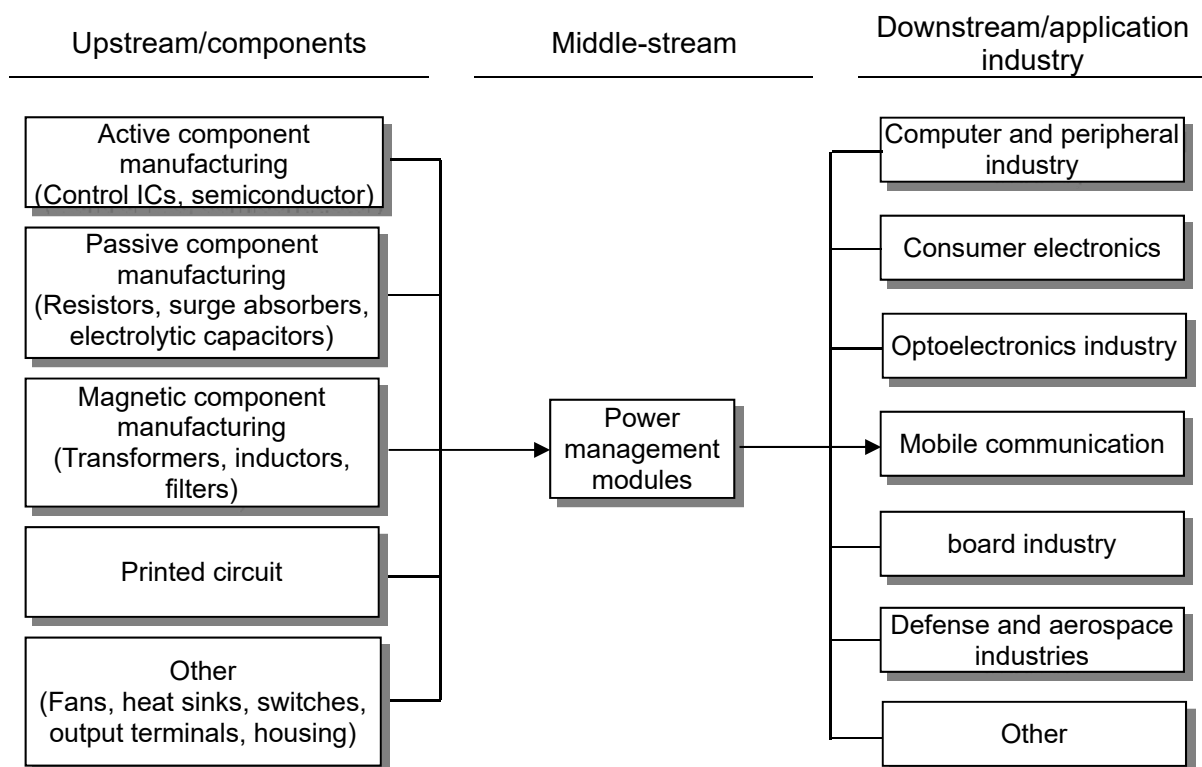
(2) Battery module

As far as the small secondary battery industry is concerned, it can be divided into three major categories: upstream raw material supply, midstream battery cell manufacturing and battery pack assembly, and downstream 3C applications.



(3) Power management module

The power management module sector falls within the electronics industry, and its industrial structure is mainly based on upstream electronic components. This includes active components, passive components, magnetic components and printed circuit boards, and so on. Downstream application fields cover various electronic product application industries. The industry's upstream, midstream, and downstream relevance are as follows:



3. Product trends

The Company's various products are mainly used in consumer electronics products. Consequently, with the development trend of electronic products towards portability, thinness and small size, and regardless whether it involves connectors, battery modules, power supplies, etc., all must be adjusted in line with market product trends.

(1) Product miniaturization

Various portable electronic products such as laptops and mobile phones will develop in the direction of lightness, thinness, shortness and smallness. Related components will also follow the trend of portable electronic products to be lighter, thinner, shorter, and smaller to meet demand. Therefore, the appearance and volume of connectors and battery pack products are expected to gradually develop towards miniaturization.

(2) High-capacity and long-lasting products

Daily standards of living continue to improve, mobile electronic products are increasing day by day, and consumers have higher and higher requirements for the functions of mobile electronic products. As electronic products become highly digitized, lighter, thinner, and shorter, the requirements for voltage accuracy, stability, and battery life continue to increase. To meet future market demand, greater efforts will be devoted to answering how to improve the energy and volume density of small secondary batteries and how to develop high-performance battery packs with high capacity and long service life.

(3) Industrial division of labor and internationalization trends

Under the trend of global trade liberalization, it is urgent for companies to move towards internationalization. At present, Taiwan's investment environment and labor costs are continuing to increase. In addition to relocating production bases, we are committed to reducing manufacturing costs, and are actively investing in research and development in accordance with the future development trend of the market. We are also developing new products to strengthen the international competitiveness of the Company's sustainable operations.

4. Market competition

(1) Connectors

The main application product categories of the Company's cable connectors include transmission lines and data cables used in mobile phones and various consumer electronic products. Communication connectors can be divided into two types: internal and external connectors. The main products include board-to-board connectors, SIM card connectors, I/O connectors, RF connectors, power supply and signal line connectors. Network connectors are used to connect to network peripheral equipment, while game console connectors are used on the host and joystick to connect to other equipment. The Company is a professional manufacturer of electronic connectors. With the benefit of product quality improvement and continuous development of new products, revenue and gross profit have both grown year by year. At present, the main domestic connector manufacturers include Ji-Haw, Speed Tech, and Acon. Due to the diversification of products in the industry, development times are short and product life cycles are also short.

Customers increasingly require suppliers to provide fast and high-quality services, including product design, manufacturing, quality control, and after-sales service. Therefore, we can stand out only by meeting the requirements of customers. In order to meet the needs of all customers, the company's OEM/ODM team uses professional R&D and manufacturing services, from components to complex assembly integration, to carry out projects, propose solutions or technical support. This ensures that the product can be accurately completed in the shortest time from samples to formal production.

(2) Battery modules

The Company's battery module products are mainly used in mobile phones, notebook computers and electric vehicles, and so on. In the entire battery assembly industry, major competitors include Simplo and Dynapack. Due to the prevalence of thin and light electronic products such as smart phones and Ultrabooks, the Company has gradually shifted its development focus from traditional lithium-ion batteries to the development of lithium polymer battery-related battery packs. Furthermore, it continues to improve the development of lithium battery protection circuits and capacity calculation-related circuits to match the trend and development of the communications market.

(3) Power management module

The company's power management module products are mainly used in various mobile 3C products and network routers, power supplies and converters for TV set-top boxes. Product applications include mobile phones, e-books, digital cameras, routers and set-top boxes, and main competitors include Delta, Phihong, Flextronics, Lite-On, and AcBel.

Under current conditions of rapid industrial integration, the development trend of "the big getting bigger" is quite clear. The low-cost advantages enjoyed by small and medium-sized enterprises have gradually been lost. In fact, if they fail to establish their own core values, they will be eliminated by the market in the future. Therefore, under the effect of market globalization, the Company will be guided by market leaders, approach international customers, and understand their needs. Further, we should gradually shift from the past OEM model to ODM or JDM, developing new products with customers and providing them with diversified products and technical services. Only in this way can the Company justify its existence and create new opportunities for long-term development.

(III) Technology and R&D Overview

The company's invested research and development expenses and successfully developed technologies or products are as follows:

Unit: NTD Thousand

Differentiation	2020	2021 (through 2021.03.31)
Expenses	2,386,035	481,250
Successful development New products or new technology	<ol style="list-style-type: none">1. 4D wireless display adapter2. Laser ball welding technology3. Vacuum AB glue filling technology4. Automatic determination technology for sound testing5. Sweeping robot battery module development6. Battery power SOC algorithm technology development7. Type C cable development8. Optical fiber processing process development9. 360-degree dynamic panoramic stitching technology10. Nano device design technology development11. Fireproof, heat-conducting, flame-retardant and anti-burn material technology12. CAE simulation technology upgrade	<ol style="list-style-type: none">1. Teams webcam2. Terminal pattern laser engraving technology to improve airtightness3. Power Station 500W product and technology development4. Heat not burn e-cigarettes5. Westunitis smart glasses battery6. E-Bike three-electric system integration technology7. Type C conn. technology to prevent sweat short circuits

(IV) Long-term and short-term business development plans

In response to future industry development trends and the overall economic environment, the Company formulates long-term and short-term plans to map out its future business direction and from there enhance its competitiveness. A summary of the company's short-term and long-term plans is given as follows:

1. Short-term business development plan
 - (1) Improve achievement rates, profitability, product differentiation, technical capabilities, product quality, and management capabilities.
 - (2) Reduce costs, expenses, product delivery, inventory, product development time, and so on.
 - (3) Take advantage of vertical integration to strengthen the integration of Group resources.
2. Short-term business development plan
 - (1) Continue to promote with core products and capabilities in line with support of optics, increasing market size and creating benefits of high-value output.
 - (2) Expand market operations and develop diversified products and services.
 - (3) Get a feel for market trends and make good use of the Group's technical resources.
 - (4) Continuously cultivate and develop human talent.

II. Market and production and sales overview

(I) Market Analysis

1. Main product sales areas

Unit: NTD Thousand

Region	2020	
	Amount	Proportion
Taiwan	6,089,750	6.80%
Mainland	47,036,651	52.52%
United States	17,697,311	19.77%
Hong Kong	3,990,822	4.46%
Korea	1,777,075	1.98%
Others	12,960,491	14.47%
Total	89,552,100	100.00%

Note: The above amounts constitute revenues from the consolidated financial statements

2. Market share and future market supply and demand status and growth of the market

(1) Connector

Given continuous economic growth and the introduction of new electronic products, statistics from IEK and Mordor Intelligence indicate that the global output value of connector products will reach USD 62.4 billion in 2020 and attain USD 64.7 billion in 2021, marking growth of 3.68%.

The Company's connector products constitute two types, namely, cable connectors and communication connectors. Looking at the global connector industry, connector products have a wide range of applications and their global output value in 2020 was thus seen reaching USD 62.4 billion. The company's connector and cable product sales amount was approximately NT\$ 30.3 billion. Therefore, the Company's share of the global connector market is only about 1.9%. Moreover, Taiwan's overall connector output value in 2020 is estimated to be NT\$230 billion. Therefore, the Company's share of the connector market in Taiwan is approximately 13%.

In the early days of Taiwan's connector industry, most of it developed along with the growth of the PC industry. But in recent years, due to the digitalization of life and the takeoff of the communications industry, Taiwan's connector manufacturers are shifting to the communications or consumer electronics markets. According to IDC statistics, global sales of smartphones reached 1.25 billion in 2020. It is estimated that the sales volume of global smartphones in 2021 will be 1.36 billion, an increase of about 8%.

(2) Battery modules and power management modules

Battery module products are an indispensable source of power supply for communication and information electronic products. According to IDC statistics, global sales of smartphones were seen reaching 1.25 billion in 2020. In 2021, it is estimated that the global sales of smart phones will be 1.36 billion. Business owners are actively expanding their ventures and increasing their production capacities. Given the excellent business development and production management capabilities of the domestic information industry, it should be expected to create superior results in the global battery module product market as the market demand for

mobile phones and notebook computers continues to expand in the future.

3. Advantages and disadvantages of our competitive niche, development prospects, and countermeasures

(1) Competitive Niche

A. Close cooperation with international manufacturers

The Company has been deeply involved in the field of 3C product components for many years and has rich experience in production and manufacturing. Because the product quality and technology are deeply trusted by customers, coupled with a sound financial structure, our sales targets are mostly internationally renowned first-line manufacturers. Moreover, we have been with each other for many years and we have a good understanding of cooperation and a high degree of trust. The Company thus enjoys a good reputation in the industry, and it is also an important supplier of 3C components that is indispensable for major international manufacturers. The Company has accumulated very significant product design capabilities based on its close cooperative relationship with major international manufacturers, and our new product development can quickly gain recognition from existing customers. In addition, as we have won the trust and recognition of international customers, we have thus laid out a niche for the Company's future business expansion and this is also conducive to striving to gain the business of potential new customers.

B. Joint research and development

In order to meet the needs of all customers, the company's OEM/ODM team uses professional R&D and manufacturing services, from components to complex assembly integration, to carry out projects, propose application solutions, or offer technical support. By using 24-hour R&D and manufacturing services to jointly develop new products with customers, and by providing customers with creativity and service support, this ensures that the product can be accurately completed in the shortest time from samples to formal production.

C. Quality advantages

In the spirit of excellence, the company is committed to pursuing the highest internationally recognized benchmarks for quality. Through an excellent quality management system, every work item is subject to strict control, evaluation, and analysis as we undertake continuous improvement to improve operational efficiency. Furthermore, we have implemented the ISO/TS 16949 quality management system to build a more complete customer oriented process as we strive to reach the ultimate goal of customer satisfaction.

D. Diversified products, high added value

The Company's product structure includes related components for information, communications, and portable electronic products. In response to the needs of the market, the Company continues to develop towards high-end, high value-added products, as a complete product portfolio will

benefit the flexibility of the company's operations and increase the ability to respond to rapid product changes.

- E. Possessing vertically integrated manufacturing capabilities, providing customers with diversified services

The Company has deep vertical integration capabilities in the production of 3C product components ranging from cable, product design, mold development, stamping, electroplating and molding to processing and assembly and so on. As these can be manufactured in our Company's factories, we therefore have the advantages of cost and quality. In addition, the company's product structure covers related components of communications, information, and portable electronic products. The products are diversified, which can meet the customers' demand for one-time purchases.

- F. Actively investing in the development of new products and technologies

As technology, consumer preferences and market conditions continue to change, newer and better products must be launched quickly. In order to cater to this trend, the Company started with the production of connectors and cable products early on. Development has now encompassed power supply and battery management modules, and in the future the R&D center will focus on the research and development of wireless communications and optical products. Therefore, in the future the Company will take the integration of optoelectronics as its development goal as it cooperates with the development and expansion of the wireless transmission field, making full use of the advantages of the Group and establishing a diversified product portfolio.

(2) Favorable factors for development prospects

- A. Product application areas such as mobile phones, game consoles and electric vehicle products are booming, driving the continuous growth of peripheral industries.
- B. With our product design capabilities, we can quickly develop new products to meet customer needs.
- C. Having won the trust and recognition of international customers, this is conducive to future business expansion and offers endless growth potential.
- D. Deep vertical integration extends from mold development to stamping, electroplating, forming and assembly; all these can be produced on their own with cost and quality advantages.
- E. Active expansion of product application areas ensures sources of growth momentum.
- F. Early development of process technology and material applications that meet future environmental regulations will improve competitive advantages and added value.
- G. Joint development of new products with major international manufacturers and accumulation of considerable technical and product design capabilities.

(3) Unfavorable factors for development prospects

- A. It is not easy to train and develop human resources in R&D.
- B. Prices of upstream materials have risen, reducing product profitability.

- C. Primary competitors are world-class manufacturers and competitive pressure is high.

(4) Countermeasures

- A. We cooperate with various universities and colleges for industry-university cooperation to cultivate and train talent in various disciplines over the long term. At the same time, we are improving employee welfare measures and strengthening professional training in order to improve manpower quality and reduce the turnover rate of personnel.
- B. We are taking advantage of the Group's bulk purchase capabilities to reduce the cost of input materials and maintain product profitability.
- C. We are introducing new automated production equipment and testing equipment and are committed to the improvement of production technology and process quality, to improve production efficiency and quality stability and thus become more competitive than our peers.
- D. We are enhancing our vertically integrated manufacturing capabilities and cooperating with precision mold development and automated processing testing technology to reduce costs and enhance our competitive advantages.
- E. We continue to develop new products and new technologies to reduce the impact of rising material prices, enhancing product profitability.
- F. We are enhancing our vertically integrated manufacturing capabilities and cooperating with precision mold development and automated processing testing technology to reduce costs and enhance our competitive advantages.
- G. We continue to promote process and production management improvement plans, introducing advanced production management technology to reduce production costs and enhance competitiveness.

(II) Important uses and production processes of main products

1. Important applications of major products

The company's main products are divided into cable connectors, communication connectors, battery modules, and power management modules. Cable connectors are mainly used for signal and power transmission of various 3C products. The main product categories include USB cables, 1394 cables, and transmission cables and data cables used in game consoles, digital cameras, mobile phones, GPS and other products.

The main application product categories of cable connectors include transmission lines and data cables used in mobile phones and various consumer electronic products. And mobile phone connectors can be divided into two types: internal and external connectors. The main products include board-to-board connectors, SIM card connectors, I/O connectors, RF connectors, power supply and signal line connectors. Network connectors are used to connect to network peripheral equipment, while game console connectors are used on the host and joystick to connect to other equipment.

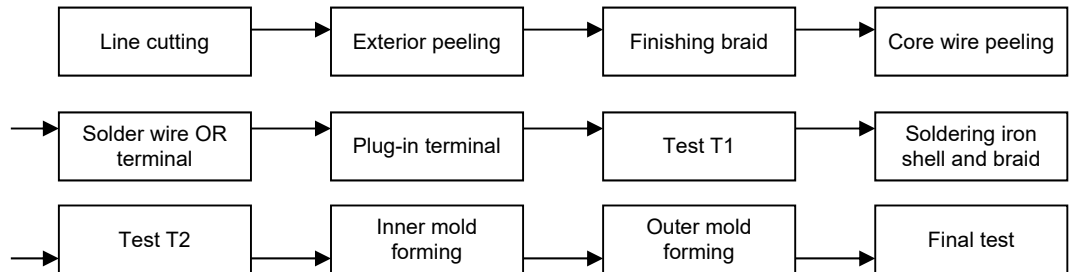
Battery module products are mainly used for portable electronic products such as mobile phones and laptops. The current product categories are mainly compatible battery products of the world's major

communication equipment brands, providing stable and reliable power.

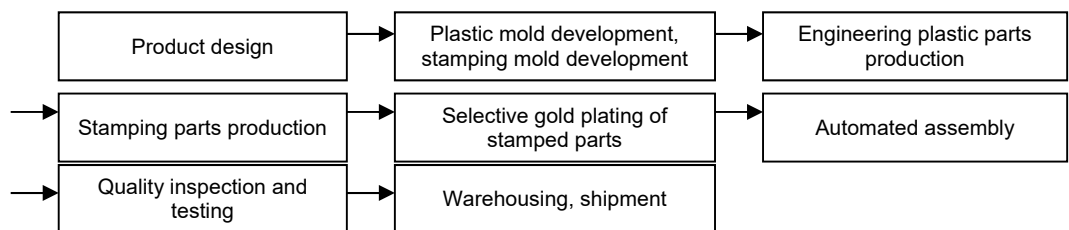
Power management modules are mainly used to control the uninterruptible power systems of cable TV networks and the power supplies and converters of various 3C electronic products.

2. Production procedures of major products

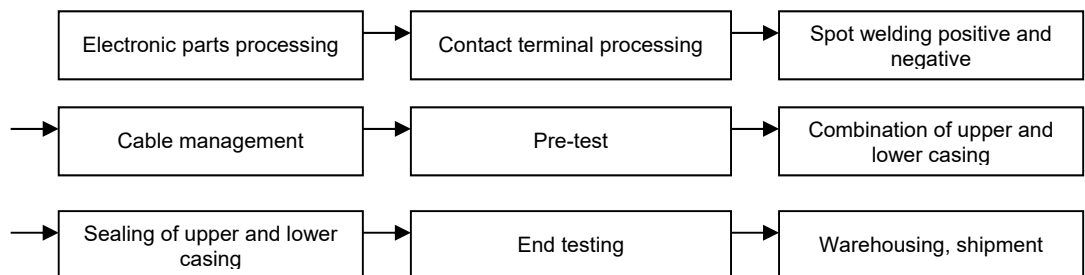
A. Cable products



B. Connectors



C. Battery modules



(III) Supply status of main raw materials

The Company's main raw materials include copper materials, plastic materials, cables, batteries, capacitors, ICs, and PCBs. The Company has established a stable supply cooperative relationship with various suppliers. For purchases of major components, purchasing sources are dispersed as much as possible to ensure smooth purchasing.

(IV) List of main sales customers

1. The names of customers who have accounted for more than 10% of the total sales amount and their sales amount and percentages:

Unit: NTD Thousand

Year	2019				2020				Through first quarter of 2021			
Item	Designation	Amount	Percentage of total annual net purchases (%)	Relationship with issuer	Designation	Amount	Percentage of total annual net purchases (%)	Relationship with issuer	Designation	Amount	Percentage of net purchases as of the first quarter of the year (%)	Relationship with issuer
1	Company A	11,235,719	15%	None	Company A	10,000,098	16%	None	Company A	3,645,131	27%	None
2	Company B	3,953,827	5%	None	Company B	6,275,136	10%	None	Company B	1,272,899	9%	None
Others		59,276,011	80%	-	Others	44,620,194	74%	-	Others	8,596,400	64%	-
Purchase of goods Net amount		74,465,557	100%	-	Purchase of goods' net amount	60,895,428	100%	-	Purchase of goods' net amount	13,514,430	100%	-

2. Names of customers who contributed to more than 10% of total sales amount in one of the most recent two years, and the corresponding sales amounts and percentages:

Unit: NTD Thousand

Year	2019				2020				Through first quarter of 2021			
Item	Designation	Amount	Percentage of total annual net sales (%)	Relationship with issuer	Designation	Amount	Percentage of total annual net sales (%)	Relationship with issuer	Designation	Amount	As a percentage of net sales for the year ended in the first quarter (%)	Relationship with issuer
1	Company "Four"	25,947,621	27%	None	Company "Four"	17,848,507	20%	None	Company "Four"	3,004,077	15%	None
2	Company "One"	8,455,113	9%	None	Company "One"	7,370,646	8%	None	Company "One"	2,029,269	10%	None
Others		63,417,602	64%	-	Others	64,332,947	72%	-	Others	14,840,816	75%	-
Sales Net amount		97,820,336	100%	-	Sales net amount	89,552,100	100%	-	Sales net amount	19,874,162	100%	-

(V) Production value in the last two years

Unit: Thousand items, NTD Thousand

Major Products	Year	2019			2020		
		Production capacity	Production volume	Production value	Capacity	Production volume	Production value
3C electronic products		2,305,591	1,791,338	93,540,683	1,609,825	1,501,299	89,954,317

(VI) Sales volume in the last two years

Sales volume units: Thousand items, NTD Thousand

Major Products \ Year	2019				2020			
	Domestic sales		Exports		Domestic sales		Exports	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
3C electronic products	43,070	5,530,854	1,826,703	92,289,482	44,738	6,089,750	1,449,306	83,462,350

- III. In the last two years and as of the printing date of the annual report, numbers of employees in terms of average length of service, average age, and distribution ratio of academic qualifications

April 30, 2021

Year		2019	2020	2021 through April 30
Number of employees	Staff	9,595	8,570	8,384
	Operational staff	26,783	28,030	23,039
	Total	36,378	36,600	31,423
Average age		34.50	33.91	34.31
Average Years of service		5.94	5.90	5.91
Education distribution ratio	Ph.D.	0.03%	0.03%	0.04%
	Master's degree	1.40%	1.17%	1.37%
	College and university	12.66%	12.11%	15.59%
	High school	11.74%	12.70%	15.18%
	Below high school	74.17%	73.99%	67.82%

IV. Environmental protection expenditure information

- (I) Description of pollution prevention and control status: The Company mainly produces electronic components such as connectors and battery modules, and its production processes do not produce harmful substances that will pollute the environment. With regard to the leftover materials generated by the company after production, such as PVC and copper parts, PVC is recycled through a crusher and copper is sold to recycling companies. For the small amounts of scrapped batteries and printed circuit boards, they are also entrusted to a qualified waste disposal company for disposal. In addition, waste water discharge has also obtained a certificate of takeover of the industrial zone, which is processed by the sewage treatment system of the industrial zone. Therefore, the Company's business scope has not caused any pollution.
- (II) The total amounts of losses and sanctions incurred due to environmental pollution in the most recent year and up to the publication date of the annual

report, and disclosure of the estimated amount and corresponding measures that may occur at present and in the future: The company has not been fined for pollution in the most recent year and as of the publication date of the annual report.

- (III) Response to implementation measures of the EU Restriction on the Use of Hazardous Substances: In response to rising awareness of environmental protection, the EU passed the Restriction on the Use of Hazardous Substances (RoHS) in 2003 as well as the Waste from Electronic and Electric Equipment (WEEE) protocol. As a member of the green supply chain, the company fully cooperates with customers' requirements in respect to various such directives. Building on our original experience with heavy metal controls, we comprehensively promote controls of banned substances and have drafted the Company's own environmental declaration. Furthermore, we launched our lead-free products on April 1, 2005. At the same time, we make every effort to develop materials that meet environmental protection requirements. At present, the company has successively obtained the green partner quality certification of important customers. The products shipped have also complied with relevant environmental protection regulations.

V. Labor Relations

The Company has an Employee Welfare Committee to facilitate the promotion of various welfare measures. The company has always treated employees with integrity, establishing a good relationship of mutual trust and mutual dependence with employees through a welfare system that enriches and stabilizes their lives and providing a good education and training system. Although there is no industrial union organization, over the years, the employees of the company have nonetheless also been able to demonstrate team spirit, cooperate with Company decisions, cooperate seamlessly with one another, and create an atmosphere of harmony between labor and management. Following are specific measures taken by the Company to work towards harmonious labor-management relations:

(I) Labor Retirement Reserve Supervision Committee

The Labor Retirement Reserve Supervision Committee was established in December 1989 in order to check the amount of labor retirement reserves, deposits and expenditures, payment and other matters, ensuring labor rights and interests.

(II) Benefits provided by the Company

1. Year-end commendation meeting to commend outstanding units and individuals.
2. Congratulations and condolences are given out by the Company when the employee experiences marriage, childbirth, hospitalization, or a death (including the employee's immediate family members).
3. All employees participate in labor insurance, group insurance, and so on.
4. There is a staff canteen providing staff lunches and evening buffets.
5. Staff uniforms are provided.
6. Health diagnosis subsidies are provided as well as medical consultations.
7. Awards and scholarships are provided to employees and their children every semester.
8. Colorful social gatherings are held.

9. Employee birthday bonuses are given out every month.
10. Various societies have been established, and subsidies provided for their activities.

(III) Continuing education and training

The company provides an open and diverse learning environment. Colleagues can further their studies by participating in professional functions, work ability improvement courses, and overseas training according to their job categories. The Company and all colleagues practice a policy of combining education and training with practical work, and this extends from the initial training of newcomers to professional functional courses after entry. In addition to helping new colleagues quickly learn and integrate themselves into the new workplace environment, this also assists in-service employees to improve their workplace skills and grow together with the company to achieve the purpose of retaining and cultivating talent.

Employees can enjoy diversified learning resources during their careers at Cheng Uei. We plan for exclusive knowledge and technology according to the different resources required by each business unit, so that the career development of colleagues can be followed. In 2020, the Company continued to add value to human capital through education and training, assisting personal development and achieving Company goals. Total hours of education and training came to 299,044 hours. Total training costs came to NTD 3.6 million.

The Company implements the following related training courses according to its annual education and training plan:

1. Pre-employment training for new employees:
On the day of a newcomer's arrival, courses are arranged to introduce the Company's history, organization, business philosophy, corporate culture, ethics, labor and human rights laws, rules and regulations, quality systems, environmental safety systems, occupational safety and health, and Responsible Business Alliance (RBA) Code of Conduct. This is done so that new employees can understand the Company's various systems and corporate culture as soon as possible, and integrate themselves into the Company faster. At the same time, the supervisor of the employing unit arranges a complete departmental education and training plan to help familiarize the employee with the future job responsibilities and quickly put their abilities to work.
2. Management training:
We survey different levels of supervisors for the management and leadership courses that will help train them and their subordinates. We offer this training in class to help them improve management and leadership capabilities, and enhance team performance and cohesion.
3. Professional training:
We integrate "professional functions" courses to investigate product technology and future technology trends of various business units. This extend the needs of customers and the Company's strategic goals, and we assist in handling courses that meet industry knowledge, quality process, production management, marketing, and procurement. The teaching staff encompasses senior colleagues and supervisors to pass on knowledge and experience as well as academic and industry expert lecturers hired to share and exchange.
The Company provides resources to consider the particular needs of a department's "professional functions" and the need for new knowledge

in professional seminars. Employees with further education requirements are allowed to train in professional training institutions to deepen their professional knowledge and skills. At the same time, the Company encourages employees to actively pursue on-the-job training to continuously learn new knowledge and enhance their own competitiveness.

4. General education and legal training:

We consolidate the self-expectations of colleagues and supervisors' expectations of subordinates for further training courses, in line with laws and regulations. We thus provide a variety of learning resources to encourage colleagues to improve their work skills and strengths, including general education courses such as trend lectures, software applications, presentation design, health knowledge, etc. This provides new knowledge related to work or life to enhance the soft power of colleagues in the workplace.

(IV) Employee code of conduct or ethics

In order to let employees understand ethical concepts, rights, obligations and codes of conduct, the Company formulates relevant measures and regulations to allow all employees to follow. The relevant measures are as follows:

1. Regulations on decision-making authority and hierarchical responsibility: In order to improve work efficiency, we strengthen hierarchical responsible management and effectively regulate the rights and interests of employees at all levels.
2. Organizational structure and duties of each position: We clearly regulate the organizational function of each unit and the scope of responsibility of each position.
3. We announce various management measures and assist all employees to understand the relevant internal measures and regulations of the Company.
 - (1) Personnel attendance management measures: We are improving the attendance system to establish good work discipline for employees, following the rules for employees to take leave and ask for leave.
 - (2) Rewards and punishments: We reward or punish employees' actions or actions leading to operating profits or gains and losses for the Company.
 - (3) Staff performance appraisal method: We annually assess the work results and performance of employees as the basis for salary adjustments, promotions, bonus distributions, and educational training course arrangements.

(V) Protective measures for working environment and employees' personal safety

1. An effective quality management system can provide a clear quality assurance framework. Not only can it enhance corporate image and build customer confidence, but it can also strengthen the quality awareness and improve the management system. The business's implementation of standardization can reduce the deviation of the operation internally, increase the accumulation of knowledge and the inheritance of experience, and then enhance the management ability of the enterprise, stabilize the product quality, reduce the defect rate and

reduce customer complaints. Externally, it can increase the confidence of customers, effectively enhancing competitiveness. This is conducive to expanding domestic and foreign markets to achieve the goal of sustainable business operations. The company has passed international management system verification reviews as follows: ISO9001, IATF16949, ISO13485, QC080000, ANSI ESD S20.20, ISO17025, ISO14001, OHSAS18001, C-TPAT and AEO. Among them, ISO 14001 was evaluated and certified on July 5, 2016. The current valid period of the certificate is 2018.10.20~2021.20.20.

2. The Company has a safety and health policy and promises to pursue the goal of zero injuries, zero occupational diseases, and zero accidents, thereby creating the best working environment for all employees.
3. Industrial safety: We have established a Safety and Disaster Prevention Center at the Tucheng headquarters, integrating real-time safety information of various factories and providing real-time safety and disaster prevention information. We also organize industrial safety lectures and drills regularly every year, and conduct contingency training for responders. These efforts strengthen the Group's safety and disaster prevention system.
4. Occupational health: The Company's Industrial Safety Department is responsible for checking the physical and chemical hazards of each unit in accordance with the annual safety and health management plan. It completes the operating environment monitoring plan with a sampling strategy, and the monitoring results are in compliance with legal standards.
5. Education training: In 2020, the number of safety and health education and training courses offered in response to the pandemic were increased. The total number of employees was 21,768, and the total number of hours was 49,398 hours.

(VI) Retirement system:

The Company's retirement system is implemented in accordance with Taiwan's Labor Standards Act and the Labor Pension Regulations, including:

1. Seniority under the Labor Standards Act (old system): defined benefit pension system
 - a. Employee retirement application: Employees must self-retire under conditions of "having worked for more than 15 years and reached the age of 55," "having worked for more than 25 years," or "having worked for more than 10 years and have reached the age of 60."
 - b. Employee pension payment: The average salary of one month when the approved employee retires is used as the calculation standard for the employee pension base. Calculation of the standard of payment is based on the employee's working experience, with two units granted for every one year of work through the first fifteen years, and one unit for one year of work for every year thereafter for a maximum of 45 units. For years of seniority less than half a year, they will be counted as one year; for years of seniority of over half a year, they will be counted as one year. However, according to Article 54 of the Labor Standards Act, employees who qualify for mandatory retirement due to the performance of their duties are subject to a 20% increase in their retirement pension according to the aforementioned regulations.
 - c. Supervision of employee pensions: The Labor Retirement Reserve

Supervision Committee was established in accordance with the law in December 1989 and the Committee is re-elected every four years; it reviews matters such as the amount of labor retirement reserves, deposits and expenditures, and payments to ensure labor rights and interests.

2. Seniority under the Labor Pension Act (old system): defined contribution pension system

- a. The Company allocates 6% to retirement pensions on a monthly basis: In accordance with the Scale Tables of Monthly Deposit for Labor Pension issued by the Bureau of Labor Insurance, appropriating 6% of an employee's wages to the employee's personal pension account every month.
- b. Voluntary contribution to an employee's personal pension: Employees may also voluntarily contribute up to 6% of their monthly wages according to their own preferences.

(VII) Whether there are any labor agreements or labor disputes suffered losses in the most recent year and up to the date of publication of the annual report :
The company's most recent year and as of the publication date of the annual report, there were no major labor disputes or labor disputes.

VI. Important contracts:

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
License agreement	HDMI Association	2004/9/12~until termination	Technology or software license	1.Privacy policy 2.Intellectual property rights guarantee clause
Manufacturing sales contract	Company B	2010/7/1~until termination	OEM production	1.Privacy policy 2.Intellectual property rights guarantee clause
Manufacturing sales contract	Company C	2011/01/13~until termination	OEM production	1.Privacy policy 2.Intellectual property rights guarantee clause
Manufacturing sales contract	Company A	2011/07/03~until termination	OEM production	1.Privacy policy 2.Intellectual property rights guarantee clause
License agreement	USB Association	2013/05/03~until termination	Trademark authorization	1.Privacy policy 2.Intellectual property rights guarantee clause
License agreement	USB Association	2013/09/09~until termination	Technology or software license	1.Privacy policy 2.Intellectual property rights guarantee clause
Manufacturing sales contract	Company A	2014/07/01~until termination	OEM production	1.Privacy policy 2.Intellectual property rights guarantee clause
Manufacturing sales contract	Company D	2019/07/07~2020/07/06	OEM production	1.Privacy policy 2.Intellectual property rights guarantee clause
License agreement	Qualcomm Incorporated	2010/5/4~until termination	CDMA Modem Cards & Subscriber Unit technology	1.Privacy policy 2.Intellectual property rights guarantee clause
Lease contracts	Company G	2020/06/01~2023/03/31	House leasing contracts	None
Purchase contract	Company F	2020/11/11 onwards	Fixed asset purchase contracts	None
Outsourcing	Company E	2020/04/01~2020/06/30	OEM production	1.Privacy policy 2.Intellectual property rights guarantee

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
				clause
Outsourcing	Company E	2020/10/01~2020/12/31	OEM production	1.Privacy policy 2.Intellectual property rights guarantee clause
Outsourcing	Company E	2021/01/01~2021/07/01	OEM production	1.Privacy policy 2.Intellectual property rights guarantee clause
Credit contract	Industrial and Commercial Bank of China Limited, Dongguan Dalang Sub-branch	2015/04/21~2020/04/20	Credit amount of RMB 35 million	None
Credit contract	Industrial and Commercial Bank of China Limited, Dongguan Dalang Sub-branch	2015/04/30~2020/04/20	Credit amount of RMB 300 million	None
Credit contract	Australia and New Zealand Banking Group Limited	2018/08/11~until termination	Credit amount of USD 50 million	None
Credit contract	O-Bank	2017/05/10~2020/5/9	Credit amount of NTD 500 million	None
Credit contract	Mizuho Bank Co., Ltd.	2017/12/13~2020/12/11	Credit amount of NTD 800 million	None
Credit contract	Far Eastern International Bank	2018/01/09~2021/01/09	Credit amount of NTD 500 million	None
Credit contract	Entie Commercial Bank	2018/01/24~2020/01/24	Credit amount of NTD 600 million	None
Credit contract	ANZ Bank ((Taiwan) Limited	2018/02/21~2020/03/21	Credit amount of NTD 1.2 billion	None
Credit contract	DBS Bank	2018/02/27~2020/02/27	Credit amount of USD 35 million	None
Credit contract	E.Sun Bank	2018/09/26~2021/09/26	Credit amount of NTD 500 million	None
Credit contract	Far Eastern International Bank	2018/12/19~2020/12/18	Credit amount of NTD500 million	None
Credit contract	ANZ Bank ((Taiwan)	2019/01/23~2020/09/30	Credit amount of NTD1.2 billion	None
Credit contract	Taiwan Cooperative Bank Ltd.	2019/02/12~2021/08/11	Credit amount of NTD500 million	None
Credit contract	DBS Bank Ltd.	2019/02/22~2021/02/22	Credit amount of USD 35 million	None
Credit contract	Chang Hwa Bank	2019/02/28~2020/02/28	Credit amount of NTD300 million	None
Credit contract	Yuanta	2019/03/27~2020/03/26	Credit amount of	None

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
	Commercial Bank Ltd.		NTD300 million	
Credit contract	Cathay United Bank	2019/04/25~2020/04/24	Credit amount of NTD300 million	None
Credit contract	Chang Hwa Bank	2019/04/30~2020/04/30	Credit amount of NTD300 million	None
Credit contract	Bank of Taiwan Ltd.	2019/06/10~2020/06/10	Credit amount of NTD800 million	None
Credit contract	Yuanta Commercial Bank Ltd.	2019/06/12~2020/6/11	Credit amount of NTD300 million	None
Credit contract	CTBC Bank Co., Ltd.	2019/06/12~2024/06/12	Credit amount of NTD3.036 billion	None
Credit contract	Bank of Taiwan Ltd.	2019/06/20~2020/06/20	Credit amount of USD30 million	None
Credit contract	Cathay United Bank Ltd.	2019/06/21~2021/06/21	Credit amount of NTD500 million	None
Credit contract	Mega International Commercial Bank Co. Ltd.	2019/06/26~2020/06/25	Credit amount of NTD2 billion	None
Credit contract	Export-Import Bank of the Republic of China	2019/07/08~2020/07/07	Credit amount of NTD500 million	None
Credit contract	Bank Sinopac Company Limited	2019/07/08~2020/07/07	Credit amount of NTD2.45 billion	None
Credit contract	Jih Sun International Bank, Ltd.	2019/07/17~2021/07/16	Credit amount of NTD300 million	None
Credit contract	Mega International Commercial Bank Co. Ltd.	2019/09/03~2020/09/03	Credit amount of NTD300 million	None
Credit contract	Bank of Panhsin	2019/09/11~2020/09/10	Credit amount of NTD300 million	None
Credit contract	Land Bank of Taiwan Ltd.	2019/09/12~2020/09/11	Credit amount of NTD800 million	None
Credit contract	Industrial and Commercial Bank of China Limited, Kunshan Branch	2019/09/18~2020/09/17	Credit amount of RMB 400 million	None
Credit contract	Taishin International Bank	2019/09/30~2020/09/30	Credit amount of NTD350 million	None
Credit contract	Industrial and Commercial Bank of China Limited, Kunshan Branch	2019/10/19~2020/10/18	Credit amount of RMB 100 million	None
Credit contract	First Commercial Bank	2019/10/22~2020/10/21	Credit amount of NTD500 million	None
Credit contract	Mizuho Bank (China) Co., Ltd. Shenzhen Branch	2019/12/02~2020/12/01	Credit amount of USD20 million	None
Credit contract	Shin Kong	2019/12/02~2020/12/02	Credit amount of	None

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
	Commercial Bank Co., Ltd.		NTD300 million	
Credit contract	Mizuho Bank Co., Ltd.	2019/12/12~2022/12/12	Credit amount of NTD900 million	None
Credit contract	E.SUN Commercial Bank Ltd.	2020/01/13~2021/01/13	Credit amount of NTD632 million	None
Credit contract	Sumitomo Mitsui Banking (China) Co., Ltd. Guangzhou Branch	2020/01/18~2020/09/30	Credit amount of USD 20million	None
Credit contract	HSBC (Taiwan) Bank	2020/02/12~2020/06/30	Credit amount of USD 30million	None
Credit contract	Industrial and Commercial Bank of China Limited Suzhou Branch, Sydney Branch, and Kunshan Branch	2020/03/01~2024/12/31	Credit amount of RMB 200 million	None
Credit contract	Industrial and Commercial Bank of China Limited Suzhou Branch, Sydney Branch, and Kunshan Branch	2020/03/01~2024/12/31	Credit amount of RMB 100 million	None
Credit contract	Cathay United Bank	2020/03/31~2022/03/31	Credit amount of NTD500 million	None
Credit contract	Taipei Fubon Bank	2020/04/07~2023/04/07	Credit amount of NTD1.5 billion	None
Credit contract	CTBC (Mandated Coordinating Arranger)	2020/04/17~2020/04/24	Credit amount of NTD3.045 billion	None
Credit contract	BNP Paribas	2020/04/28~2021/04/28	Credit amount of USD 30million	None
Credit contract	KGI Bank, Ltd.	2020/05/22~2021/07/02	Credit amount of NTD1 billion	None
Credit contract	Bank of Taiwan Ltd.	2020/06/20~2021/06/20	Credit amount of USD 120 million	None
Credit contract	Bank of Taiwan Ltd.	2020/06/20~2021/06/20	Credit amount of USD 30million	None
Credit contract	HSBC((Taiwan) Commercial Bank	2020/07/03~2021/07/03	Credit amount of USD 30million	None
Credit contract	Bank of Taiwan Ltd.	2020/07/10~2021/07/10	Credit amount of NTD800 million	None
Credit contract	CTBC Bank Co., Ltd./Taiwan Cooperative Bank Ltd./Agricultural Bank of Taiwan Corporation/Mega International Commercial Bank	2020/07/16~2025/07/16	Credit amount of NTD3,635.1 million	None

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
	Co. Ltd./Hua Nan Commercial Bank, Ltd.			
Credit contract	Yuanta Commercial Bank Ltd.	2020/07/23~2022/07/22	Credit amount of NTD300 million	None
Credit contract	Foxwell Energy Corporation Ltd.	2020/07/30~2020/09/30	Credit amount of NTD4 billion	None
Credit contract	Australia and New Zealand Banking Group Limited Taipei Branch	2020/08/21~2021/08/20	Credit amount of NTD600 million	None
Credit contract	Export-Import Bank of the Republic of China	2020/09/02~2021/09/02	Credit amount of NTD300 million	None
Credit contract	Export-Import Bank of the Republic of China	2020/09/02~2025/09/02	Credit amount of NTD300 million	None
Credit contract	Export-Import Bank of the Republic of China	2020/09/02~2025/09/02	Credit amount of NTD240 million	None
Credit contract	Mega International Commercial Bank Co. Ltd.	2020/09/15~2021/09/15	Credit amount of NTD1.5 billion	None
Credit contract	Foxwell Energy Corporation Ltd.	2020/10/01~2021/03/31	Credit amount of NTD4 billion	None
Credit contract	Land Bank of Taiwan Ltd.	2020/11/04~2021/10/30	Credit amount of NTD800 million	None
Credit contract	Bank of Taiwan Co., Ltd.	2020/11/23~2025/11/23	Credit amount of NTD8 billion	None
Credit contract	Mizuho Bank (China) Co., Ltd. Shenzhen Branch	2020/12/01~2021/12/01	Credit amount of USD 30 million	None
Credit contract	Taipei Fubon Commercial Bank Co., Ltd.	2020/12/18~2021/11/30	Credit amount of NTD 1.5 billion	None
Investment contract	Company H	2019/6/11 onwards	Investment amount of NTD 280 million	None
Investment contract	Company I	2020/09/14 onwards	Investment amount of NTD 210 million	None
Investment contract	Company J	2020/10/09 onwards	Investment amount of NTD 690 million	None
Credit contract	Jih Sun International Bank, Ltd.	2019/4/2~2021/1/24	Credit amount of NTD 300 million	None
Credit contract	Yuanta Commercial Bank Ltd.	2019/5/20~2021/5/20	Credit amount of NTD 300 million	None
Credit contract	Yuanta Commercial Bank	2019/12/4~2021/12/3	Credit amount of NTD 300 million	None

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
	Ltd.			
Credit contract	Bank Sinopac Company Limited	2020/08/31~2021/08/30	Credit amount of NTD 1 billion	None
Credit contract	Yuanta Commercial Bank Ltd.	2020/09/23~2022/09/22	Credit amount of NTD 300 million	None
Sales contract	Company K	2019/11/20~2022/11/19	Indirect sales of products	None
Product development	Company L	2019/10/01~2020/06/30	Optical lens product development	None
Purchase contract	Company M	2020/10/15 onwards	Equipment purchase	None
Purchase contract	Company N	2020/12/25 onwards	Equipment purchase	None
Credit contract	Yuanta Commercial Bank	2019/12/4~2021/12/3	Credit amount of NTD 300 million	None
Credit contract	Bank Sinopac Company Limited	2020/07/15~2021/06/30	Credit amount of NTD 300 million	None
Development contract	Company M	2010/11/22~termination date	Development contract	The Company shall bear responsibility for confidentiality of technical information
OEM contract	Company N	2013/11/01~termination date	OEM production	OEM production of the Company
OEM contract	Company O	2013/12/10~termination date	OEM production	OEM production of the Company
Sales contract	Company P	2014/01/13~termination date	Sales contract	1.Privacy policy 2.Intellectual property rights guarantee clause
Development contract	Company Q	2015/09/03~2020/12/31	Development contract	The Company shall bear responsibility for confidentiality of technical information
OEM contract	Company R	2017/1/20~termination date	OEM production	OEM production of the Company
Development contract	Company S	2017/5/18~termination date	Development contract	The Company shall bear responsibility for confidentiality of technical information
Development	Company T	2018/1/1~termination	Development	The Company

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
contract		date	contract	shall bear responsibility for confidentiality of technical information
License agreement	Company U	2019/3/15~termination date	Authorized sales contract	1.Privacy policy 2.Intellectual property rights guarantee clause
Development contract	Company U	2019/11/6~2020/6/5	Development contract	The Company shall bear responsibility for confidentiality of technical information
Manufacturing sales contract	Company N	2019/12/09~termination date	OEM production	1.Privacy policy 2.Intellectual property rights guarantee clause
Development contract	Company M	2020/02/26~2021/02/26	Development contract	The Company shall bear responsibility for confidentiality of technical information
Development contract	Company T	2020/04/22~2021/03/31	Development contract	The Company shall bear responsibility for confidentiality of technical information
Manufacturing sales contract	Company T	2020/04/22 onwards	OEM production	1.Privacy policy 2.Intellectual property rights guarantee clause
Manufacturing sales contract	Company T	2020/12/02 onwards	OEM production	1.Privacy policy 2.Intellectual property rights guarantee clause
Development contract	Company T	2020/04/22 onwards	Development contract	The Company shall bear responsibility for confidentiality of technical information
Development	Company T	2020/04/22 onwards	Development	The Company

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
contract			contract	shall bear responsibility for confidentiality of technical information
Credit contract	Jih Sun International Bank	2017/3/1~2020/2/29	Credit amount of NTD 300 million	None
Credit contract	Jih Sun International Bank	2018/11/29~2021/11/29	Credit amount of NTD 300 million	None
Credit contract	Export-Import Bank of the Republic of China	2019/1/19~2020/1/19	Credit amount of NTD 500 million	None
Credit contract	Yuanta Commercial Bank Ltd.	2019/11/12~2021/11/12	Credit amount of NTD 300 million	None
Credit contract	Export-Import Bank of the Republic of China	2019/12/25~2020/12/25	Credit amount of NTD 500 million	None
Credit contract	Yuanta Commercial Bank Ltd.	2019/12/4~2021/12/3	Credit amount of NTD 300 million	None
Credit contract	Bank Sinopac Company Limited	2019/5/31~2020/5/31	Credit amount of NTD 1 billion	None
Credit contract	KGI Bank, Ltd.	2019/6/14~2021/6/14	Credit amount of NTD 400 million	None
Credit contract	Cathay United Bank	2019/6/27~2021/3/31	Credit amount of USD 10 million	None
Credit contract	E.Sun Bank	2019/7/2~2020/7/2	Credit amount of NTD 400 million	None
Credit contract	Mega International Commercial Bank Co. Ltd. Tucheng Branch	2019/9/11~2020/9/11	Credit amount of NTD 300 million	None
Credit contract	Taiwan Cooperative Bank Ltd.	2019/9/18~2021/9/12	Credit amount of NTD 500 million	None
Credit contract	Bank of Taiwan Co., Ltd.	2020/02/03~2022/02/03	Credit amount of NTD 300 million	None
Credit contract	Cathay United Bank Ltd.	2020/03/31~2021/03/31	Credit amount of NTD 300 million	None
Credit contract	E.SUN Commercial Bank Ltd.	2020/07/20~2021/07/20	Credit amount of NTD 400 million	None
Credit contract	KGI Bank, Ltd.	2020/07/21~2021/07/21	Credit amount of NTD 400 million	None
Credit contract	Mega International Commercial Bank Tucheng Branch	2020/08/07~2021/08/06	Credit amount of NTD 300 million	None
Credit contract	Taiwan Cooperative Bank	2020/08/27~2022/08/27	Credit amount of NTD 500 million	None

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
	Ltd.			
Credit contract	Jih Sun International Bank, Ltd. Dunhua Branch	2020/09/23~2022/07/09	Credit amount of NTD 400 million	None
Credit contract	Entie Commercial Bank	2020/10/29~2022/09/30	Credit amount of NTD 300 million	None
License agreement	Company V	2016/10/01~until termination	Authorized sales contract	1.Privacy policy 2.Intellectual property rights guarantee clause
Agency sales contract	Company V	2019/12/24~2021/04/30	Agency sales contract	1.Privacy policy 2.Intellectual property rights guarantee clause
Agency sales contract	Company V	2020/02/27~2021/04/30	Agency sales contract	1.Privacy policy 2.Intellectual property rights guarantee clause
License agreement	Company V	2020/02/27~2021/06/30	Authorized sales contract	1.Privacy policy 2.Intellectual property rights guarantee clause
License agreement	Company V	2020/04/13~2021/06/30	Authorized sales contract	1.Privacy policy 2.Intellectual property rights guarantee clause
License agreement	Company V	2020/04/13~2021/06/30	Authorized sales contract	1.Privacy policy 2.Intellectual property rights guarantee clause
License agreement	Company V	2020/12/18 onwards	Authorized sales contract	1.Privacy policy 2.Intellectual property rights guarantee clause
Investment contract	Company W	2020/12/30~2020/12/30	Investment amount of USD 150 thousand	None
Debt assignment contract	Company X	2020/12/30~2021/11/25	Debt assignment contract	None
Purchase contract	Company Y	2019/03/15 onwards	Power generation equipment procurement	The Company shall bear responsibility for confidentiality
Contractor agreement	Company Z	2019/11/19~2025/07/08	Zhangbin Water Surface Solar Power Plant	None

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
			Construction Project	
Contractor agreement	Company F1	2020/06/15~2027/12/31	Offshore wind power construction with a contract amount of NTD 62.8 billion	None
Service contract	Company E1	2020/08/19~2025/12/31	Project management service of submitted documents	None
Contractor agreement	Company J1	2020/10/23~2029/05/05	Civil engineering contract	None
Contractor agreement	Company J1	2020/10/23~2029/09/06	Civil engineering contract	None
Investment contract	Company G1	2020/10/30 onwards	Investment amount	None
Investment contract	Company G1	2020/10/30 onwards	Investment amount of NTD 320 million	None
Investment contract	Company G1	2020/10/30 onwards	Investment amount of NTD 45 million	None
Setup of pledge of rights contract	Company H1	2020/11/11~2025/12/31	Setup of pledge of rights contract	None
Contractor agreement	Company H1	2020/11/11 onwards	Wind turbine transportation and installation,	None
Contractor agreement	Company L1	2020/11/13 onwards	Maritime drilling with a contract amount of NTD 230 million	None
Contractor agreement	Company C1	2020/11/26~2026/12/31	Contract for turnkey projects	None
Contractor agreement	Company K1	2020/11/30 onwards	Project contract	None
Contractor agreement	Company H1	2020/12/10 onwards	Device installation	None
Contractor agreement	Company I1	2020/12/15 onwards	Maritime drilling	None
Investment contract	Company F1	2020/12/29 onwards	Investment amount of NTD 150 million	None
Service contract	Company D1	2020/12/31~2039/12/31	System maintenance	None
Service contract	Company C1	2022/01/01 onwards	System maintenance	None
Contractor agreement	Company M1	2020/12/28 onwards	Mechanical and electrical engineering contract	None
Credit contract	Bank Sinopac Company Limited	2019/5/22~2020/5/31	Credit amount of NTD 1.2 billion	None

Contract nature	Contractual parties	Contract start and end date	Main content	Restrictive covenants
Credit contract	E.SUN Commercial Bank Ltd.	2019/11/6~2020/5/5	Credit amount of NTD 621 million	None
Credit contract	Mega International Commercial Bank Tucheng Branch	2019/12/18~2020/5/3	Credit amount of NTD 550 million	None
Credit contract	Bank Sinopac Company Limited	2019/4/22~2024/4/19	Credit amount of NTD 530 million	None
Credit contract	International Bills Finance Corporation Hsinchu Branch	2019/7/29~2020/7/28	Credit amount of NTD 500 million	None
Financial contract	Bank Sinopac Company Limited	2020/03/11 onwards	Assignment of claims with a contract amount of NTD 530 million	None
Credit contract	Bank Sinopac Company Limited	2020/06/16~2021/06/30	Credit amount of NTD 530 million	None
Credit contract	Bank Sinopac Company Limited	2020/06/16~2021/06/30	Credit amount of NTD 1.2 billion	None
Credit contract	International Bills Finance Corporation Hsinchu Branch	2020/09/25~2021/09/24	Credit amount of NTD 500 million	None
Credit contract	Bank Sinopac Company Limited	2020/09/30~2020/12/31	Credit amount of NTD 1.35 billion	None
Credit contract	Bank Sinopac Company Limited	2020/11/13~2020/12/30	Credit amount of NTD 1.935 billion	None
Credit contract	CTBC	2020/11/30~2020/12/30	Credit amount of NTD 1.14 billion	None

VI. Financial Overview

- I. Condensed balance sheet and consolidated income statement for the most recent five years
- (I) Balance sheet information
1. Consolidated condensed balance sheet - adopting International Financial Reporting Standards

Unit: NTD Thousand

Year Item		Financial data for the most recent five years (Note 1)					2021 through March 31, 2021 Financial data (Note 2)
		2016	2017	2018	2019	2020	
Current assets		34,541,865	37,803,629	35,934,940	37,437,621	49,290,306	44,563,240
Property, plant and equipment		20,045,665	19,529,163	21,962,875	23,397,983	20,850,423	20,729,767
Intangible assets		2,738,439	1,004,301	2,879,178	2,251,948	1,653,998	1,636,798
Other assets		10,663,955	10,274,664	10,392,042	10,208,852	10,467,375	11,110,358
Total assets		67,989,924	68,611,757	71,169,035	73,296,404	82,262,102	78,040,163
Current Liabilities	Before distribution	31,061,154	29,373,918	25,926,628	26,274,698	30,262,765	25,502,803
	After distribution	31,061,154	29,373,918	25,926,628	26,274,698	30,262,765	25,502,803
Non-current liabilities:		9,843,838	13,518,173	17,295,173	18,779,187	21,915,449	22,150,922
Total Liabilities	Before distribution	40,904,992	42,892,091	43,221,801	45,053,885	52,178,214	47,653,725
	After distribution	40,904,992	42,892,091	43,221,801	45,053,885	52,178,214	47,653,725
Equity attributable to owners of parent		23,636,716	23,361,746	21,902,774	22,431,878	23,762,553	23,601,951
Share capital		5,123,269	5,123,269	5,123,269	5,123,269	5,123,269	5,123,269
Additional paid-in capital		9,434,481	9,468,665	9,430,462	9,471,717	9,828,746	9,861,882
Retained Earnings	Before distribution	9,069,277	9,612,902	9,231,010	10,443,493	11,118,950	11,144,377
	After distribution	9,069,277	9,612,902	9,231,010	10,443,493	11,118,950	11,144,377
Other equity interest		9,689	-843,090	-1,609,901	-2,334,535	-2,036,346	-2,255,511
Treasury shares		-	-	-272,066	-272,066	-272,066	-272,066
Non-controlling interests		3,448,216	2,357,920	6,044,460	5,810,641	6,321,335	6,784,487
Equity Total	Before distribution	27,084,932	25,719,666	27,947,234	28,242,519	30,083,888	30,386,438
	After distribution	27,084,932	25,719,666	27,947,234	28,242,519	30,083,888	30,386,438

Note 1: The aforementioned financial information has been verified by an accountant for each year.

Note 2: Financial information of the current year through March 31, 2021 has been reviewed by an accountant.

2. Parent company only condensed balance sheet - adopting International Financial Reporting Standards

Unit: NTD Thousand

Item \ Year		Financial data for the most recent five years (Note 1)				
		2016	2017	2018	2019	2020
Current assets		23,041,235	23,425,699	21,855,682	24,257,908	25,949,569
Property, plant and equipment		2,199,851	2,055,351	1,950,409	1,880,955	1,857,292
Intangible assets		58,413	26,393	17,640	14,522	11,771
Other assets		27,814,250	29,188,495	29,585,152	31,059,180	32,569,498
Total assets		53,113,749	54,695,938	53,408,883	57,212,565	60,388,130
Current liabilities	Before distribution	22,003,757	20,644,909	18,875,213	23,039,773	20,303,239
	After distribution	22,003,757	20,644,909	18,875,213	23,039,773	20,303,239
Non-current liabilities:		7,473,276	10,689,283	12,630,896	11,740,914	16,322,338
Total liabilities	Before distribution	29,477,033	31,334,192	31,506,109	34,780,687	36,625,577
	After distribution	29,477,033	31,334,192	31,506,109	34,780,687	36,625,577
Equity attributable to owners of parent		23,636,716	23,361,746	21,902,774	22,431,878	23,762,553
Share capital		5,123,269	5,123,269	5,123,269	5,123,269	5,123,269
Additional paid-in capital		9,434,481	9,468,665	9,430,462	9,471,717	9,828,746
Retained earnings	Before distribution	9,069,277	9,612,902	9,231,010	10,443,493	11,118,950
	After distribution	9,069,277	9,612,902	9,231,010	10,443,493	11,118,950
Other equity interest		9,689	-843,090	-1,609,901	-2,334,535	-2,036,346
Treasury shares		-	-	-272,066	-272,066	-272,066
Non-controlling interests		-	-	-	-	-
Total equity	Before distribution	23,636,716	23,361,746	21,902,774	22,431,878	23,762,553
	After distribution	23,636,716	23,361,746	21,902,774	22,431,878	23,762,553

Note: The aforementioned financial information has been verified by an accountant for each year.

(II) Income statement information

1. Consolidated condensed comprehensive income statement - adopting International Financial Reporting Standards

Unit: NTD Thousand

Item \ Year	Financial data for the most recent five years (Note 1)					2021 through March 31, 2021 Financial data (Note 2)
	2016	2017	2018	2019	2020	
Operating revenue	90,499,529	93,624,086	87,910,961	97,820,336	89,552,100	19,874,162
Operating gross profit	9,220,773	9,488,635	7,660,806	10,217,766	9,773,427	2,105,780
Operating profit and loss	314,812	800,965	126,524	2,281,690	2,394,421	259,534
Non-operating income and expenses	1,005,763	433,547	756,514	103,124	189,414	108,780
Net profit before tax	1,320,575	1,234,512	883,038	2,384,814	2,583,835	368,314
Continuing operations Net profit for the period	768,081	405,402	544,185	1,787,336	1,884,368	201,430
Profit or loss from discontinued operations	-	-	-	-	-	-
Net profit for the period	768,081	405,402	544,185	1,787,336	1,884,368	201,430
Other comprehensive income, net of tax, for the period (Net of tax)	-2,047,885	-1,052,712	-709,585	-895,567	257,947	-224,001
Total comprehensive income for the period	-1,279,804	-647,310	-165,400	891,769	2,142,315	-22,571
Net profit attributable to owners of the parent	792,765	1,334,588	608,100	1,987,361	1,967,432	25,427
Net profit attributable to non-controlling interest	-24,684	-929,186	-63,915	-200,025	-83,064	176,003
Total comprehensive income attributable to owners of the parent company	-1,175,418	460,084	-88,303	1,256,389	2,254,491	-193,738
Total comprehensive profit and loss attributable to non-controlling interests	-104,386	-1,107,394	-77,097	-364,620	-112,176	171,167

Note 1: The aforementioned financial information has been verified by an accountant for each year.

Note 2: Financial information of the current year through March 31, 2021 has been reviewed by an accountant.

2. Parent company only condensed comprehensive income statement - adopting International Financial Reporting Standards

Unit: NTD Thousand

Item \ Year	Financial data for the most recent five years (Note 1)				
	2016	2017	2018	2019	2020
Operating revenue	74,335,975	79,715,755	70,868,737	73,856,717	69,135,238
Operating gross profit	1,405,158	1,534,829	1,003,663	1,811,723	3,394,211
Operating profit and loss	-192,653	-85,152	-476,952	82,090	1,848,239
Non-operating income and expenses	1,095,580	1,502,256	1,029,045	2,105,429	512,593
Net profit before tax	902,927	1,417,104	552,093	2,187,519	2,360,832
Continuing operations Net profit for the period	792,765	1,334,588	608,100	1,987,361	1,967,432
Profit or loss from discontinued operations	-	-	-	-	-
Net profit for the period	792,765	1,334,588	608,100	1,987,361	1,967,432
Other comprehensive income, net of tax, for the period (Net of tax)	-1,968,183	-874,504	-696,403	-730,972	287,059
Total comprehensive income for the period	-1,175,418	460,084	-88,303	1,256,389	2,254,491
Net profit attributable to owners of the parent	792,765	1,334,588	608,100	1,987,361	1,967,432
Net profit attributable to non-controlling interest	-	-	-	-	-
Total comprehensive income attributable to owners of the parent company	-1,175,418	460,084	-88,303	1,256,389	2,254,491
Total comprehensive profit and loss attributable to non-controlling interests	-	-	-	-	-
Earnings per share	1.55	2.60	1.20	4.10	4.06

Note: The aforementioned financial information has been verified by an accountant for each year.

(III) CPA name and audit opinion for the most recent five years

Year	Names of certified public accountants	Audit opinion	Reason for change in accountants
2016	Se-Kai, Lin and Hsiao-Tzu, Chou	Unqualified opinion	Internal administrative restructuring
2017	Se-Kai, Lin and Hsiao-Tzu, Chou	Unqualified opinion	
2018	Se-Kai, Lin and Hsiao-Tzu, Chou	Unqualified opinion	
2019	Se-Kai, Lin and Yi-Chang, Liang	Unqualified opinion	
2020	Se-Kai, Lin and Yi-Chang, Liang	Unqualified opinion	

II. Financial analysis for the last five years

Consolidated Financial Analysis-Adopting International Financial Reporting Standards

Year (Note 1) Analysis item		Five-Year Financial Analyses					2021 up to March 31, 2021 (Note 2)
		2016	2017	2018	2019	2020	
Financial structure (%)	Debt to asset ratio	60.16	62.51	60.73	61.47	63.43	61.06
	Ratio of long-term funds to property, plant, and equipment	184.22	200.92	205.99	200.96	249.39	253.44
Solvency %	Current ratio	111.21	128.70	138.60	142.49	162.87	174.74
	Quick ratio	77.81	83.83	81.33	93.22	115.15	110.06
	Interest coverage ratio	4.63	5.85	4.04	7.81	8.40	5.40
Operating ability	Accounts receivable turnover (times)	5.22	5.72	5.95	6.61	5.41	5.31
	Average cash collection days	69.92	63.81	61.34	55.22	67.47	68.74
	Inventory turnover (times)	7.22	7.78	6.21	6.85	6.25	4.76
	Payables turnover (times)	5.18	5.15	4.66	5.71	4.89	4.46
	Average sales days	50.55	46.91	58.77	53.28	58.40	76.68
	Property, plant, and equipment turnover rate (times)	4.30	4.73	4.24	4.31	4.05	3.82
	Total asset turnover (times)	1.26	1.37	1.26	1.35	1.15	0.99
Profitability	Return on assets (%)	1.49	0.90	1.11	2.86	2.78	1.34
	Return on equity (%)	2.72	1.54	2.03	6.36	6.46	2.66
	Net profit before tax to paid-in capital ratio (%) (Note 7)	25.78	24.10	17.24	46.55	50.43	28.76
	Net profit rate (%)	0.85	0.43	0.62	1.83	2.10	1.01
	Earnings per share (NTD)	1.55	2.60	1.20	4.10	4.06	0.05
Cash flows	Cash flow adequacy ratio (%)	24.78	19.88	14.94	21.64	18.68	-16.37
	Cash flow ratio (%)	84.48	92.21	73.71	85.95	113.99	78.69
	Cash reinvestment ratio (%)	12.81	9.34	4.61	7.55	6.12	-5.71
Leverage	Operational leverage	19.83	6.47	43.00	3.53	2.62	4.84
	Financial leverage	-6.39	1.47	-0.77	1.18	1.17	1.48

Please explain reasons for changes in financial ratios in the last two years:

1. The ratio of long-term funds to property, plant, and equipment increased by 24.10%, mainly due to the decrease in the net value of property, plant, and equipment in 2020 and the increase in net shareholders' equity.
2. The quick ratio increased by 23.52%, mainly due to an increase of pledged time deposits in a subsidiary in response to engineering needs in 2020, which caused a substantial increase in current assets.
3. Average cash collection days increased by 22.18%, mainly due to a longer average duration of customer collections in 2020.
4. Cash flow ratio increased by 32.62% mainly because of the increase in profits in recent years, which in turn increased the amount of cash inflows from operating activities.
5. Operating leverage was reduced by 25.78%, mainly due to cost reductions in 2020 and an increase in operating profit.

Note 1: The aforementioned financial information has been verified by an accountant for each year.

Note 2: Financial information of the current year through March 31, 2021 has been reviewed by an accountant.

2. Parent Company Only Financial Analysis-Adopting International Financial Reporting Standards

Analysis item		Year (Note 1)	Five-Year Financial Analyses				
			2016	2017	2018	2019	2020
Financial structure (%)	Debt to asset ratio		55.50	57.29	58.99	60.79	60.65
	Ratio of long-term funds to property, plant, and equipment		1414.19	1656.70	1770.59	1816.78	2158.24
Solvency %	Current ratio		104.72	113.47	115.79	105.29	127.81
	Quick ratio		93.23	92.36	93.11	89.73	118.24
	Interest coverage ratio		6.25	9.09	3.32	9.34	10.79
Operating ability	Accounts receivable turnover (times)		4.62	5.36	5.62	6.23	5.20
	Average cash collection days		79.00	68.10	64.95	58.59	70.19
	Inventory turnover (times)		32.43	24.89	18.43	22.05	29.92
	Payables turnover (times)		10.18	11.59	8.96	7.02	6.63
	Average sales days		11.26	14.66	19.80	16.55	12.20
	Property, plant, and equipment turnover rate (times)		33.17	37.47	35.38	38.55	36.99
	Total asset turnover (times)		1.33	1.48	1.31	1.34	1.18
Profitability	Return on assets (%)		1.68	2.75	1.49	3.97	3.67
	Return on equity (%)		3.21	5.68	2.69	8.97	8.52
	Net profit before tax to paid-in capital ratio (%) (Note 7)		17.62	27.66	10.78	42.70	46.08
	Net profit rate (%)		1.07	1.67	0.86	2.69	2.85
	Earnings per share (NTD)		1.55	2.60	1.20	4.10	4.06
Cash flows	Cash flow adequacy ratio (%)		17.47	-2.51	5.94	11.61	14.60
	Cash flow ratio (%)		83.64	92.34	40.17	54.40	82.66
	Cash reinvestment ratio (%)		4.75	-2.02	0.15	2.92	2.31
Leverage	Operational leverage		-0.86	-2.90	0.50	3.50	1.1
	Financial leverage		0.53	0.33	0.67	-0.46	1.15
Explain reasons for changes in financial ratios in the last two years: 1. Current ratio increased by 21.39%, mainly due to a significant decrease in payments due to related parties in 2020. 2. Quick ratio increased by 31.76%, mainly due to a decrease in inventories and prepaid accounts in 2020. 3. Inventory turnover rate increased by 35.69%, mainly due to a decrease in inventory amounts in 2020. 4. Average sales days decreased by 26.30%, mainly due to a decrease in inventory amounts in 2020. 5. Cash flow ratio increased by 25.73%, mainly due to a decrease in current liabilities in 2020. 6. Cash flow ratio increased by 51.95%, mainly due to the increase in cash inflows from operating activities in recent years. 7. Cash reinvestment ratio decreased by 20.63%, mainly due to the increase in the amount of cash dividends issued in 2020. 8. Operating leverage was reduced by 67.36%, mainly due to cost reductions in 2020 and a consequent increase in operating profit. 9. Financial leverage increased by 352.55%, mainly due to the increase in operating profit in 2020.							

Note 1: The aforementioned financial information has been verified by an accountant for each year.

1. Financial structure
 - (1) Liabilities to assets ratio = total liabilities/total assets.
 - (2) The ratio of long-term funds to property, plant, and equipment = (total equity + non-current liabilities) / net property, plant, and equipment.
2. Solvency
 - (1) Current ratio = current assets/current liabilities.
 - (2) Quick ratio = (current assets-inventory-prepaid expenses) / current liabilities.
 - (3) Interest coverage ratio = net profit before income tax and interest expense/interest expense in the current period.
3. Operating ability
 - (1) Accounts receivable (including accounts receivable and notes receivable due to business) turnover rate = net sales / average receivables in each period (including accounts receivable and notes receivable due to business) balance.
 - (2) Average cash collection days=365/receivable turnover rate.
 - (3) Inventory turnover rate = cost of goods sold / average inventory value.
 - (4) Payables (including accounts payable and bills payable due to business) turnover rate = cost of goods sold / average payables in each period (including accounts payable and bills payable due to business) balance.
 - (5) Average sales days = 365 / inventory turnover rate.
 - (6) Turnover rate of property, plant, and equipment = net sales/average net property, plant, and equipment.
 - (7) Total asset turnover ratio = net sales/average total assets.
4. Profitability
 - (1) Return on assets = (after-tax profit and loss + interest expense × (1-tax rate))/average total assets.
 - (2) Return on equity = profit and loss after tax/average total equity.
 - (3) Net profit rate = after-tax profit and loss/net sales.
 - (4) Earnings per share = (profit and loss attributable to owners of the parent company-preferred share dividends) / weighted average number of issued shares.
5. Cash flow
 - (1) Cash flow ratio = net cash flow from operating activities/current liabilities.
 - (2) Net cash flow ratio = net cash flow from operating activities in the last five years / the last five years (capital expenditure + inventory increase + cash dividend)
 - (3) Cash reinvestment ratio = (net cash flow from operating activities-cash dividends) / (gross property, plant, and equipment + long-term investment + other non-current assets + working capital)
6. Leverage:
 - (1) Operating leverage = (net operating income-variable operating costs and expenses) / business interests.
 - (2) Financial leverage = operating profit / (business profit-interest expense)

1. Financial structure
 - (1) Liabilities to assets ratio = total liabilities/total assets.
 - (2) Ratio of long-term capital to fixed assets = (Net shareholders' equity + long-term liabilities) / Net fixed assets.
2. Solvency
 - (1) Current ratio = current assets/current liabilities.
 - (2) Quick ratio = (current assets - inventory - prepaid expense) / current liabilities.
 - (3) Interest coverage ratio = net profit before income tax and interest expense/interest expense in the current period.
3. Operating ability
 - (1) Accounts receivable (including accounts receivable and notes receivable due to business) turnover rate = net sales / average receivables in each period (including accounts receivable and notes receivable due to business) balance.
 - (2) Average cash collection days=365/receivable turnover rate.
 - (3) Inventory turnover rate = cost of goods sold / average inventory value.
 - (4) Payables (including accounts payable and bills payable due to business) turnover rate = cost of goods sold / average payables in each period (including accounts payable and bills payable due to business) balance
 - (5) Average sales days = 365 / inventory turnover rate.
 - (6) Fixed asset turnover = Net sales / Net fixed assets.
 - (7) Total assets turnover = net sales / total assets.
4. Profitability
 - (1) Return on assets = (after-tax profit and loss + interest expense × (1-tax rate))/average total assets.
 - (2) Shareholders' return on equity=post-tax profit or loss/net average shareholders' equity
 - (3) Net profit rate = after-tax profit and loss/net sales.
 - (4) Earnings per share = (Net profit after tax - Dividends on preferred shares) / Weighted average number of shares outstanding.
5. Cash flow
 - (1) Cash flow ratio = net cash flow from operating activities/current liabilities.
 - (2) Net cash flow ratio = net cash flow from operating activities in the last five years / the last five years (capital expenditure + inventory increase + cash dividend)
 - (3) Cash reinvestment ratio = (net cash flow from operating activities-cash dividends) / (Gross fixed assets + long-term investment + other assets + working capital)
6. Leverage
 - (1) Operating leverage = (net operating income-variable operating costs and expenses) / business interests.
 - (2) Financial leverage = operating profit / (business profit-interest expense)

III. The Audit Committee review report of the most recent financial report

Audit Committee's Audit Report

The Company's Board of Directors has made a 2020 annual business report, financial statements, and profit distribution proposal. Among them, PWC Taiwan has audited the financial statements and issued an audit report. The above-mentioned business report, financial statements, and profit distribution proposal have been checked by the Audit Committee, and it believes there is no discrepancy. The reports are submitted for review in accordance with Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act.

Cheng Uei Precision Industry Co., Ltd.

Convener of the Audit Committee: Randy Lee

Published on March 26, 2021

**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.

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.

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	6(2) and 12(3)		-	-		129,150	-
1136	Current financial assets at amortised cost	6(4) and 8		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	6(5) and 12(2)		16,310,230	20		15,474,111	21
1180	Accounts receivable, net - related parties	7		603,705	1		430,979	1
1200	Other receivables	6(6)		203,599	-		359,717	1
1210	Other receivables - related parties	7		55,868	-		95,825	-
1220	Current income tax assets	6(30)		5,024	-		15,762	-
130X	Inventories	6(7)		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			49,290,306	60		37,437,621	51
1517	Financial assets at fair value through other comprehensive income-non-current	6(3) and 12(3)		986,704	1		936,755	1
1535	Non-current financial assets at amortised cost	6(4) and 8		146,394	-		127,584	-
1550	Investments accounted for under the equity method	6(8)		4,975,620	6		4,454,802	6
1600	Property, plant and equipment, net	6(9)		20,850,423	25		23,397,983	32
1755	Right-of-use assets	6(10) and 7		1,638,691	2		1,831,171	2
1760	Investment property, net	6(11)		584,072	1		591,774	1
1780	Intangible assets	6(12)		1,653,998	2		2,251,948	3
1840	Deferred income tax assets	6(30)		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	8		444,195	1		418,848	1
15XX	TOTAL NON-CURRENT ASSETS			32,971,796	40		35,858,783	49
1XXX	TOTAL ASSETS		\$	82,262,102	100	\$	73,296,404	100

(Continued)

LIABILITIES AND EQUITY			December 31, 2020		December 31, 2019	
			AMOUNT	%	AMOUNT	%
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	6(19)				
3110	Common stock		5,123,269	6	5,123,269	7
	Capital reserve	6(20)				
3200	Capital surplus		9,828,746	11	9,471,717	13
	Retained earnings	6(21)				
3310	Legal reserve		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	6(22)				
3400	Other equity interest		(2,036,346)	(2)	(2,334,535)	(3)
	Treasury shares	6(19)				
3500	Treasury shares		(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>

		Years ended December 31			
		2020		2019	
Items	Notes	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)

				Years ended December 31			
				2020		2019	
Items		Notes		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			\$ 257,947	-	(\$ 895,567)	(1)
8500	Total comprehensive income for the year			\$ 2,142,315	2	\$ 891,769	1
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			\$ 1,884,368	2	\$ 1,787,336	2
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			\$ 2,142,315	2	\$ 891,769	1
Basic earnings per share (in dollars)							
9750	Total basic earnings per share	6(31)		\$ 4.06		\$ 4.10	
Diluted earnings per share (in dollars)							
9850	Total diluted earnings per share	6(31)		\$ 4.02		\$ 4.05	

Year ended December 31, 2019

Balance at January 1, 2019		\$ 5,123,269	\$ 9,430,462	\$ 2,742,480	\$ 1,508,296	\$ 4,980,234	(\$ 1,294,410)	(\$ 315,491)	(\$ 272,066)	\$ 21,902,774	\$ 6,044,460	\$ 27,947,234
Net income (loss) for the year		-	-	-	-	1,987,361	-	-	-	1,987,361	(200,025)	1,787,336
Other comprehensive income (loss)	6(22)	-	-	-	-	(6,338)	(785,046)	60,412	-	(730,972)	(164,595)	(895,567)
Total comprehensive income (loss)		-	-	-	-	1,981,023	(785,046)	60,412	-	1,256,389	(364,620)	891,769
Appropriation of 2018 earnings	6(21)	-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	60,810	-	(60,810)	-	-	-	-	-	-
Special reserve		-	-	-	101,605	(101,605)	-	-	-	-	-	-
Cash dividend		-	-	-	-	(768,490)	-	-	-	(768,490)	-	(768,490)
Changes in ownership interests in subsidiaries	6(20)	-	-	-	-	(50)	-	-	-	(50)	978	928
Cash dividends distributed to subsidiaries	6(20)	-	41,255	-	-	-	-	-	-	41,255	-	41,255
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	129,823	129,823
Balance at December 31, 2019		\$ 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

Balance at January 1, 2020		\$ 5,123,269	\$ 9,471,717	\$ 2,803,290	\$ 1,609,901	\$ 6,030,302	(\$ 2,079,456)	(\$ 255,079)	(\$ 272,066)	\$ 22,431,878	\$ 5,810,641	\$ 28,242,519
Net income (loss) for the year		-	-	-	-	1,967,432	-	-	-	1,967,432	(83,064)	1,884,368
Other comprehensive income (loss)	6(22)	-	-	-	-	(11,130)	349,333	(51,144)	-	287,059	(29,112)	257,947
Total comprehensive income (loss)		-	-	-	-	1,956,302	349,333	(51,144)	-	2,254,491	(112,176)	2,142,315
Appropriation of 2019 earnings	6(21)	-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	198,736	-	(198,736)	-	-	-	-	-	-
Special reserve		-	-	-	724,633	(724,633)	-	-	-	-	-	-
Cash dividend		-	-	-	-	(1,280,818)	-	-	-	(1,280,818)	-	(1,280,818)
Difference between proceeds from acquisition or disposal of subsidiary and book value	6(20)	-	121,169	-	-	(27)	-	-	-	121,142	(21,587)	99,555
Changes in net equity of associates and joint ventures accounted for under the equity method	6(20)	-	167,141	-	-	-	-	-	-	167,141	-	167,141
Changes in ownership interests in subsidiaries	6(20)	-	(38)	-	-	-	-	-	-	(38)	-	(38)
Cash dividends distributed to subsidiaries		-	68,757	-	-	-	-	-	-	68,757	-	68,757
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	644,457	644,457
Balance at December 31, 2020		\$ 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

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)

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)	\$	10,993,540	\$	6,296,729

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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 Bei yuan, 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	<u>\$ 8,177,255</u>	<u>\$ 6,864,155</u>

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	<u>\$ -</u>	<u>\$ 129,150</u>

- 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

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

A. The Group has elected to classify equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. As of 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:

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

<u>Items</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
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
	<u>\$ 6,407,553</u>	<u>\$ 1,643,178</u>
Non-current items:		
Restricted deposits	\$ 14,591	\$ 1,768
Pledged time deposits	131,803	125,816
	<u>\$ 146,394</u>	<u>\$ 127,584</u>

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

(5) Accounts receivable

	December 31, 2020	December 31, 2019
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

	Central Motion Picture Corporation	
	December 31, 2020	December 31, 2019
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	\$ 12,617,036	\$ 12,642,267
Share in associate's net assets	\$ 1,959,717	\$ 1,964,129
Goodwill	-	-
Carrying amount of the associates	\$ 1,959,717	\$ 1,964,129

	Well Shin Technology Co., Ltd.	
	December 31, 2020	December 31, 2019
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	\$ 5,931,655	\$ 5,833,057
Share in associate's net assets	\$ 1,117,656	\$ 1,099,078
Goodwill	36,589	36,589
Carrying amount of the associates	\$ 1,154,245	\$ 1,135,667

Statement of comprehensive income

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

	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>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>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 Rights	Patent	Goodwill	Others	Total
At January 1					
Cost	\$ 50,068	\$ 451,126	\$ 3,882,120	\$ 303,904	\$ 4,687,218
Accumulated amortisation and impairment	(95)	(44,120)	(2,229,754)	(161,301)	(2,435,270)
	<u>\$ 49,973</u>	<u>\$ 407,006</u>	<u>\$ 1,652,366</u>	<u>\$ 142,603</u>	<u>\$ 2,251,948</u>
Opening net book amount	\$ 49,973	\$ 407,006	\$ 1,652,366	\$ 142,603	\$ 2,251,948
Additions	-	-	-	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 Rights	Patent	Goodwill	Others	Total
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

Type of borrowings	December 31, 2020	Interest rate range	Collateral
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>		
Type of borrowings	December 31, 2019	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	<u>\$ 2,038,744</u>	0.82%~1.9%	-

(14) Short-term notes and bills payable

	December 31, 2020	December 31, 2019
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

	December 31, 2020	December 31, 2019
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

	December 31, 2020	December 31, 2019
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:

- (a) Total initial issue amount: \$3,600,000.
- (b) Issue price: Issue at par value, \$1,000 each.
- (c) Issue period: 5 years, from July 29, 2020 to July 27, 2025.
- (d) Coupon rate: 0.65% fixed per annum.

- (e) Interest payment method: Interest is calculated from the date of issuance at the coupon rate, is a simple interest and is paid yearly.
 - (f) Principal repayment method: Pay entire amount at the maturity date.
 - (g) Guarantee method:
The joint guarantor banks including CTBC Bank Co., Ltd., Taiwan Cooperative Bank Co., Ltd., Hua Nan Commercial Bank Ltd., Agricultural Bank of Taiwan Corporation and Mega International Commercial Bank Co., Ltd. provide guarantees based on a joint engagement guarantee contract and bond-fulfilling guarantee obligation contract.
 - (h) Commitment:
The company should maintain the following financial ratios during the contract duration for semi-annual consolidated and annual consolidated financial statements:
 - i. Current assets to current liabilities ratio of at least 1:1;
 - ii. Liabilities not exceeding 200% of tangible net equity;
 - iii. Interest coverage of at least 400%; and
 - iv. Tangible net equity of at least NT\$15,000,000 thousand.
- B. The main terms of the \$3,000,000 1st secured corporate bonds issued by the Company on June 26, 2019 are as follows:
- (a) Total initial issue amount: \$3,000,000.
 - (b) Issue price: Issue at par value, \$1,000 each.
 - (c) Issue period: 5 years, from June 26, 2019 to June 26, 2024.
 - (d) Coupon rate: 0.80% fixed per annum.
 - (e) Interest payment method: Interest is calculated from the date of issuance at the coupon rate, is a simple interest and is paid yearly.
 - (f) Principal repayment method: Pay entire amount at the maturity date.
 - (g) Guarantee method:
The joint guarantor banks including CTBC Bank Co., Ltd., Taiwan Cooperative Bank Co., Ltd., Mega International Commercial Bank Co., Ltd. and Chang Hwa Commercial Bank, Ltd. provide guarantees based on a joint engagement guarantee contract and bond-fulfilling guarantee obligation contract.
 - (h) Commitment:
The company should maintain the following financial ratios during the contract duration for semi-annual consolidated and annual consolidated financial statements:
 - i. Current assets to current liabilities ratio of at least 1:1;
 - ii. Liabilities not exceeding 200% of tangible net equity;
 - iii. Interest coverage of at least 400%; and
 - iv. Tangible net equity of at least NT\$15,000,000 thousand.

(17) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2020
Long-term loan borrowings				
Bank's unsecured borrowings				
Cheng Uei				
- including covenants	Borrowing period is from September 2017 to March 2023; pay entire amount when due	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	3,200,000
				12,825,768
Less: Current portion				(502,471)
				<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:
- Current assets to current liabilities ratio of at least 1:1;
 - Liabilities not exceeding 200% of tangible net equity;
 - Interest coverage of at least 400%; and
 - 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:
- Current assets to current liabilities ratio of at least 1:1;
 - Liabilities not exceeding 200% of tangible net equity;
 - Interest coverage of at least 400%; and
 - 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:

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

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:

	December 31, 2020	December 31, 2019
Thousand shares	27,503	27,503
Book value	\$ 272,066	\$ 272,066

(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					
	Share premium	Treasury share transactions	Difference between proceeds from acquisition or disposal of subsidiary and book value	Changes in ownership interests in subsidiaries	Change in net equity of associates accounted for under the equity method	Total
At January 1	\$ 9,337,850	\$ 44,320	\$ 7,313	\$ 3,374	\$ 78,860	\$ 9,471,717
Cash dividends distributed to subsidiaries	-	68,757	-	-	-	68,757
Adjustments due to not participating in the capital increase of investees proportionately	-	-	121,169	(38)	167,141	288,272
At December 31	\$ 9,337,850	\$ 113,077	\$ 128,482	\$ 3,336	\$ 246,001	\$ 9,828,746

	2019					
	Share premium	Treasury share transactions	Difference between proceeds from acquisition or disposal of subsidiary and book value	Changes in ownership interests in subsidiaries	Change in net equity of associates accounted for under the equity method	Total
At January 1	\$ 9,337,850	\$ 3,065	\$ 7,313	\$ 3,374	\$ 78,860	\$ 9,430,462
Cash dividends distributed to subsidiaries	-	41,255	-	-	-	41,255
At December 31	\$ 9,337,850	\$ 44,320	\$ 7,313	\$ 3,374	\$ 78,860	\$ 9,471,717

(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
	<u>\$ 578,283</u>	<u>\$ 492,084</u>

(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
	<u>(\$ 382,175)</u>	<u>(\$ 354,994)</u>

(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
	<u>\$ 349,253</u>	<u>\$ 350,318</u>

(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:

	Years ended December 31,	
	2020	2019
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:

	Years ended December 31,	
	2020	2019
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

	Years ended December 31,	
	2020	2019
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	<u>3,883</u>	<u>-</u>
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	<u>\$ 3,048,669</u>	<u>\$ 2,262,799</u>

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			
		Weighted average number of ordinary shares outstanding	Earnings per share
	<u>Amount after tax</u>	<u>(share in thousands)</u>	<u>(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			
		Weighted average number of ordinary shares outstanding	Earnings per share
	<u>Amount after tax</u>	<u>(share in thousands)</u>	<u>(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						
	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						
	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	\$ 12,932	\$ -

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	\$ -	\$ 262

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

D. Research and development expense - Technical Service Compensation

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

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	80,914	73,098
	<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	868	-
	<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	110,542	115,241
	<u>\$ 160,726</u>	<u>\$ 230,091</u>
Other payables-Receipts under custody:		
- Associates	\$ 15,612	\$ 16,812
- Other related parties	-	85
	<u>\$ 15,612</u>	<u>\$ 16,897</u>

G. Property transactions

			<u>Year ended December 31, 2020</u>	
<u>Accounts</u>	<u>No. of shares</u>	<u>Objects</u>	<u>Disposal proceeds</u>	<u>Gain (loss) on disposal</u>
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.	<u>45,000</u>	<u>52</u>
			<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

	<u>Year ended December 31, 2019</u>
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:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
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	\$ 118,373	\$ 158,659

(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		
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 6,600,000	\$ -	\$ 6,574,982	\$ -

		December 31, 2019		
		Fair value		
	Book 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:

	<u>Listed shares</u>
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:

	2020	2019
	<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:

Company name	General ledger account	Year ended December 31, 2020	
		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	-
Company name	General ledger account	December 31, 2020	
		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:

		Year ended December 31, 2020	
Company name	General ledger account	Amount	Ownership (%)
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	-
		Year ended December 31, 2019	
Company name	General ledger account	Amount	Ownership (%)
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	Provision of endorsements /guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/guarantor											
5	Foxwell Energy Corporation Ltd.	Beiyuan 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	//	-

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	"	-

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	
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 Beiyuan 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%

**CHENG UEI PRECISION INDUSTRY CO.,
LTD.**

PARENT COMPANY ONLY 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.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 20000209

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

Opinion

We have audited the accompanying parent company only balance sheets of Cheng Uei Precision Industry Co., Ltd. (the "Company") as at December 31, 2020 and 2019, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only 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 parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2020 and 2019, and its parent company only financial performance and its parent company only cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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 parent company only 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 under the equity method

As described in Notes 6(5) and 9(2) to the parent company only financial statements, Central Motion Picture Corporation, an equity-method investment of the Company, 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 parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only 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 Company’s parent company only financial statements of the year ended December 31, 2020 are stated as follows:

Valuation of Goodwill impairment for the investments accounted for under the equity method / subsidiaries

Description

Please refer to Note 4(10) for accounting policies on investments accounted for under the equity method and Note 6(5) for details of investments accounted for under the equity method.

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 Company 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(9) for accounting policies on inventory, Note 5 for the uncertainty of accounting estimates and assumptions applied to inventory valuation, and Note 6(4) for details of inventory. Please refer to Note 4(10) for accounting policies on investments accounted for under the equity method, and Notes 8 and 9 for details of investments accounted for under the equity method.

As of December 31, 2020, the balances of inventory and allowance for inventory valuation losses were NT\$1,585,688 thousand and NT\$40,017 thousand, respectively; and the balance of investments accounted for under the equity method was NT\$32,050,674 thousand.

Cheng Uei Precision Industry Co., Ltd. and subsidiaries are 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 Company's operation and industry.
- B. Obtained an understanding of the Company'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 Company'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 parent company only financial statements of certain investees accounted for under the equity method which reflect the balance of investments of NT\$45,762 thousand and NT\$ 40,903 thousand as at December 31, 2020 and 2019, constituting 0.08% and 0.07% of total assets; total comprehensive income (including share of profit of subsidiaries, associates and joint ventures accounted for under the equity method, and share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under the equity method) of NT\$4,847 thousand and NT\$ 9,653 thousand, for the years ended December 31, 2020 and 2019, constituting 0.21% and 0.77% of total comprehensive income, respectively. Those financial statements and the information disclosed in Note 13 were audited by other auditors whose report thereon have been furnished to us, and our opinion expressed herein is based solely on the reports of the other auditors.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 parent company only 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 parent company only 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 Company'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 Company'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 parent company only 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 Company to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only 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 Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the company 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 parent company only 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 parent company only 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 parent company only 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.

ASSETS			December 31, 2020		December 31, 2019	
			AMOUNT	%	AMOUNT	%
CURRENT ASSETS						
1100	Cash and cash equivalents	6(1)	\$ 472,041	1	\$ 252,429	-
1150	Notes receivable, net		585	-	-	-
1170	Accounts receivable, net	6(2) and 12(2)	10,226,181	17	10,350,142	18
1180	Accounts receivable, net - related parties	7	3,312,220	5	2,632,739	5
1200	Other receivables	6(3)	103,883	-	132,316	-
1210	Other receivables - related parties	7	9,890,802	16	7,306,799	13
130X	Inventories	6(4)	1,545,671	3	2,740,083	5
1410	Prepayments	7	398,186	1	843,400	1
11XX	TOTAL CURRENT ASSETS		25,949,569	43	24,257,908	42
NON-CURRENT ASSETS						
1550	Investments accounted for under the equity method	6(5)	32,050,674	53	30,496,183	53
1600	Property, plant and equipment	6(6)	1,857,292	3	1,880,955	3
1755	Right-of-use assets	6(7)	99,887	-	68,664	-
1760	Investment property, net	6(8)	160,318	-	179,573	1
1780	Intangible assets	6(9)	11,771	-	14,522	-
1840	Deferred income tax assets	6(25)	214,905	1	294,005	1
1900	Other non-current assets	8	43,714	-	20,755	-
15XX	TOTAL NON-CURRENT ASSETS					
ASSETS			34,438,561	57	32,954,657	58
1XXX	TOTAL ASSETS		\$ 60,388,130	100	\$ 57,212,565	100

(Continued)

LIABILITIES AND EQUITY			December 31, 2020		December 31, 2019	
			AMOUNT	%	AMOUNT	%
CURRENT LIABILITIES						
2130	Current contract liabilities	6(18)	\$ 352,463	1	\$ 377,423	1
2170	Accounts payable		588,181	1	455,119	1
2180	Accounts payable - related parties	7	7,876,954	13	10,899,495	19
2200	Other payables	6(10)(27) and 7	10,762,201	18	10,431,906	18
2230	Current income tax liabilities	6(25)	450,385	1	106,816	-
2280	Current lease liabilities		31,003	-	22,713	-
2365	Current refund liabilities		234,142	-	239,035	-
2399	Other current liabilities, others		7,910	-	507,266	1
21XX	TOTAL CURRENT					
	LIABILITIES		20,303,239	34	23,039,773	40
NON-CURRENT LIABILITIES						
2530	Corporate bonds payable	6(11)	6,574,982	11	2,987,655	5
2540	Long-term borrowings	6(12)	8,781,250	15	7,830,000	14
2570	Deferred income tax liabilities	6(25)	597,970	1	596,043	1
2580	Non-current lease liabilities		70,489	-	46,559	-
2600	Other non-current liabilities	6(12)	297,647	-	280,657	1
25XX	TOTAL NON-CURRENT					
	LIABILITIES		16,322,338	27	11,740,914	21
2XXX	TOTAL LIABILITIES		36,625,577	61	34,780,687	61
EQUITY						
	Capital stock	6(14)				
3110	Common stock		5,123,269	8	5,123,269	9
	Capital reserve	6(15)				
3200	Capital surplus		9,828,746	16	9,471,717	17
	Retained earnings	6(16)				
3310	Legal reserve		3,002,026	5	2,803,290	5
3320	Special reserve		2,334,534	4	1,609,901	3
3350	Unappropriated earnings		5,782,390	10	6,030,302	10
	Other equity	6(17)				
3400	Other equity interest		(2,036,346)	(4)	(2,334,535)	(4)
	Treasury shares	6(14)				
3500	Treasury shares		(272,066)	-	(272,066)	(1)
3XXX	TOTAL EQUITY		23,762,553	39	22,431,878	39
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	TOTAL LIABILITIES AND EQUITY		\$ 60,388,130	100	\$ 57,212,565	100

Years ended December 31

	Items	Notes	2020		2019	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(18) and 7	\$ 69,135,238	100	\$ 73,856,717	100
5000	Operating costs	6(4)(22)(23) and 7	(65,741,027)	(95)	(72,044,994)	(98)
5900	Gross profit		<u>3,394,211</u>	<u>5</u>	<u>1,811,723</u>	<u>2</u>
	Operating expenses	6(23)(24) and 7				
6100	Sales and marketing expenses		(130,194)	(1)	(142,086)	-
6200	General and administrative expenses		(660,488)	(1)	(777,892)	(1)
6300	Research and development expenses		(757,174)	(1)	(821,601)	(1)
6450	Expected credit gain	12(2)	<u>1,884</u>	-	<u>11,946</u>	-
6000	Total operating expenses		<u>(1,545,972)</u>	<u>(3)</u>	<u>(1,729,633)</u>	<u>(2)</u>
6900	Operating income		<u>1,848,239</u>	<u>2</u>	<u>82,090</u>	-
	Non-operating income and expenses					
7100	Interest income	6(19)	27,004	-	6,404	-
7010	Other income	6(8)(20) and 7	317,615	-	347,842	1
7020	Other gains and losses	6(21)	51,427	-	202,385	-
7050	Finance costs	6(22)	(241,029)	-	(262,372)	-
7070	Share of profit of the subsidiaries, associates and joint ventures accounted for under the equity method	6(5)	<u>357,576</u>	<u>1</u>	<u>1,811,170</u>	<u>2</u>
7000	Total non-operating income and expenses		<u>512,593</u>	<u>1</u>	<u>2,105,429</u>	<u>3</u>
7900	Income before income tax		<u>2,360,832</u>	<u>3</u>	<u>2,187,519</u>	<u>3</u>
7950	Income tax expense	6(25)	(393,400)	-	(200,158)	-
8200	Net income		<u>\$ 1,967,432</u>	<u>3</u>	<u>\$ 1,987,361</u>	<u>3</u>
	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(13)	(\$ 15,509)	-	(\$ 7,168)	-
8330	Share of other comprehensive income of the subsidiaries, associates and joint ventures accounted for under the equity method, components of other comprehensive income that will not be reclassified to profit or loss		1,277	-	59,808	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	<u>3,102</u>	-	<u>1,434</u>	-
8310	Total Components of other comprehensive (loss) income that will not be reclassified to profit or loss		<u>(11,130)</u>	-	<u>54,074</u>	-
8361	Exchange differences arising on translation of foreign operations		414,743	-	(940,266)	(1)
8380	Share of other comprehensive income of the subsidiaries, associates and joint ventures accounted for under the equity method, components of other comprehensive income that will be reclassified to profit or loss		(29,221)	-	(42,766)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(25)	<u>(87,333)</u>	-	<u>197,986</u>	-
8360	Total Components of other comprehensive (loss) income that will be reclassified to profit or loss		<u>298,189</u>	-	<u>(785,046)</u>	<u>(1)</u>
8300	Other comprehensive (loss) income, net		<u>\$ 287,059</u>	-	<u>(\$ 730,972)</u>	<u>(1)</u>
8500	Total comprehensive income for the year		<u>\$ 2,254,491</u>	<u>3</u>	<u>\$ 1,256,389</u>	<u>2</u>
	Basic earnings per share (in dollars)	6(26)				
9750	Basic earnings per share		<u>\$ 4.06</u>		<u>\$ 4.10</u>	
	Diluted earnings per share (in dollars)	6(26)				
9850	Diluted earnings per share		<u>\$ 4.02</u>		<u>\$ 4.05</u>	

Year ended December 31, 2019

Balance at January 1, 2019		\$ 5,123,269	\$ 9,430,462	\$ 2,742,480	\$ 1,508,296	\$ 4,980,234	(\$ 1,294,410)	(\$ 315,491)	(\$ 272,066)	\$ 21,902,774
Net income for the year		-	-	-	-	1,987,361	-	-	-	1,987,361
Other comprehensive (loss) income		-	-	-	-	(6,338)	(785,046)	60,412	-	(730,972)
Total comprehensive income (loss)		-	-	-	-	1,981,023	(785,046)	60,412	-	1,256,389
Appropriation of 2018 earnings	6(16)									
Legal reserve		-	-	60,810	-	(60,810)	-	-	-	-
Special reserve		-	-	-	101,605	(101,605)	-	-	-	-
Cash dividends		-	-	-	-	(768,490)	-	-	-	(768,490)
Changes in ownership interests in subsidiaries	6(15)	-	-	-	-	(50)	-	-	-	(50)
Cash dividends distributed to subsidiaries	6(15)	-	41,255	-	-	-	-	-	-	41,255
Balance at December 31, 2019		<u>\$ 5,123,269</u>	<u>\$ 9,471,717</u>	<u>\$ 2,803,290</u>	<u>\$ 1,609,901</u>	<u>\$ 6,030,302</u>	<u>(\$ 2,079,456)</u>	<u>(\$ 255,079)</u>	<u>(\$ 272,066)</u>	<u>\$ 22,431,878</u>

Year ended December 31, 2020

Balance at January 1, 2020		\$ 5,123,269	\$ 9,471,717	\$ 2,803,290	\$ 1,609,901	\$ 6,030,302	(\$ 2,079,456)	(\$ 255,079)	(\$ 272,066)	\$ 22,431,878
Net income for the year		-	-	-	-	1,967,432	-	-	-	1,967,432
Other comprehensive (loss) income		-	-	-	-	(11,130)	349,333	(51,144)	-	287,059
Total comprehensive income (loss)		-	-	-	-	1,956,302	349,333	(51,144)	-	2,254,491
Appropriation of 2019 earnings	6(16)									
Legal reserve		-	-	198,736	-	(198,736)	-	-	-	-
Special reserve		-	-	-	724,633	(724,633)	-	-	-	-
Cash dividends		-	-	-	-	(1,280,818)	-	-	-	(1,280,818)
Changes in ownership interests in subsidiaries	6(15)	-	(38)	-	-	-	-	-	-	(38)
Difference between proceeds from acquisition or disposal of subsidiary and book value	6(15)	-	121,169	-	-	(27)	-	-	-	121,142
Changes in net equity of associates and joint ventures accounted for under the equity method	6(15)	-	167,141	-	-	-	-	-	-	167,141
Cash dividends distributed to subsidiaries	6(15)	-	68,757	-	-	-	-	-	-	68,757
Balance at December 31, 2020		<u>\$ 5,123,269</u>	<u>\$ 9,828,746</u>	<u>\$ 3,002,026</u>	<u>\$ 2,334,534</u>	<u>\$ 5,782,390</u>	<u>(\$ 1,730,123)</u>	<u>(\$ 306,223)</u>	<u>(\$ 272,066)</u>	<u>\$ 23,762,553</u>

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before tax		\$	2,360,832	\$	2,187,519
Adjustments					
Adjustments to reconcile profit (loss)					
Depreciation (including investment property)	6(6)(7)(8)(21)(23)		145,054		140,724
Amortisation	6(9)(23)		9,131		13,090
Expected credit gain	12(2)	(	1,884 )	(	11,946)
Interest expense	6(22)		241,029		262,372
Amortisation of discounts on bonds payable	6(11)(27)	(	12,673 )	(	12,345)
Interest income	6(19)	(	27,004 )	(	6,404)
Gain on long-term equity investment accounted for under the equity method	6(5)	(	357,576 )	(	1,811,170)
Gain on disposal of property, plant and equipment	6(21)	(	3,912 )	(	200)
Loss from disposal of investments accounted for under the equity method	6(21)		15,849		-
Changes in operating assets and liabilities					
Changes in operating assets					
Notes receivable		(	585)		800
Accounts receivable			125,845	(	2,764,746)
Accounts receivable - related parties		(	679,481)		464,861
Other receivables			28,433		70,935
Other receivables - related parties			1,415,997	(	818,663)
Inventories			1,194,412		893,033
Prepayments			442,729	(	194,874)
Other non-current assets		(	22,959 )	(	3,961)
Changes in operating liabilities					
Current contract liabilities		(	24,960)		157,402
Accounts payable			133,062	(	190,568)
Accounts payable - related parties		(	3,022,541)		2,372,806
Other payables			1,205,016		1,195,194
Current refund liabilities		(	4,744)		5,564
Other current liabilities, others			495		562,692
Other non-current liabilities			1,483		28,928
Cash inflow generated from operations			3,161,048		2,541,043
Interest received			27,004		6,404
Interest paid		(	239,938 )	(	262,372)
Income tax paid		(	53,036 )	(	5,936)
Dividend received			69,757		396,888
Net cash flows from operating activities			2,964,835		2,676,027

CASH FLOWS FROM INVESTING ACTIVITIES

Increase in other receivables - related parties		(	4,000,000)		-
Acquisition of long-term equity investment- subsidiary		(	492,115 )	(	599,491)
Proceeds from liquidation of investments accounted for under the equity method			27,066		-
Prepayments for long-term investments	6(5)	(	73,672 )	(	78,235)
Acquisition of property, plant and equipment	6(27)	(	181,904 )	(	19,561)
Proceeds from disposal of property, plant and equipment and investment property			91,639		667
Acquisition of intangible assets	6(9)	(	6,380 )	(	9,972)
Net cash flows used in investing activities		(	4,635,366 )	(	706,592)

CASH FLOWS FROM FINANCING ACTIVITIES

Increase in other payables - related parties	6(28)	(	856,522 )	(	66,494)
Repayment of lease liabilities	6(28)	(	23,767 )	(	22,825)
Proceeds from issuance of bonds	6(11)		3,600,000		3,000,000
Repayment of long-term borrowings	6(28)	(	18,030,750 )	(	4,500,000)
Increase in long-term borrowings	6(28)		18,482,000		430,000
Cash dividends paid	6(16)	(	1,280,818 )	(	768,490)
Net cash flows from (used in) financing activities			1,890,143	(	1,927,809)
Net increase in cash and cash equivalents			219,612		41,626
Cash and cash equivalents at beginning of year	6(1)		252,429		210,803
Cash and cash equivalents at end of year	6(1)	\$	472,041	\$	252,429

CHENG UEI PRECISION INDUSTRY CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
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 is 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 AUTHORIZATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These parent company only 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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 IFRS7, ‘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 Company’s financial condition and financial performance based on the Company’s assessment.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 Company's financial condition and financial performance based on the Company'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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

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

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional and 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 Company 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 Company 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.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - 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.

(5) 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.

(6) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company 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.

(7) 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 Company 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 Company recognises the impairment provision for lifetime ECLs.

(8) Derecognition of financial assets

The Company 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 Company 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 Company has not retained control of the financial asset.

(9) 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.

(10) Investments accounted for under the equity method / subsidiaries and associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company 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.
- 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 Company.
- C. The Company's share of its subsidiaries' 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 Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company recognise loss continuously in proportion to its ownership.
- 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 Company loses control of a subsidiary, the Company 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 Company 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.

- F. Associates are all entities over which the Company 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.
- G. The Company'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 Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.
- H. 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 Company's ownership percentage of the associate, the Company recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company'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 Company.
- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company'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 Company'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.
- K. When the Company 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.

- L. When the Company 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.
- M. Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the financial statements prepared with basis for consolidation. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared with basis for consolidation.

(11) 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 Company 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 years
Machinery and equipment	1~5 years
Office equipment	3 years
Miscellaneous equipment	3~8 years

(12) 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 Company. 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 Company 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.

(13) 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.

(14) Intangible assets

Computer software

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

(15) Impairment of non-financial assets

- A. The Company 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 Company of cash generating units that expects to benefit from business combination that will produce goodwill.

(16) 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.

(17) 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.

(18) Bonds payable

Ordinary corporate bonds issued by the Company 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'.

(19) 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.

(20) 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.

(21) 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.

(22) 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 parent company only 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 Company 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 research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(23) 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.

(24) 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.

(25) Revenue recognition

- A. The Company 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 Company's activities. Revenue arising from the sales of goods should be recognised when the Company 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 Company 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.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company'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

A. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company 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.

B. Impairment assessment of investments accounted for under the equity method

The Company assesses the impairment of an investment accounted for under the equity method as soon as there is any indication that it might have been impaired and its carrying amount cannot be recovered. The Company assesses the recoverable amounts of an investment accounted for under the equity method based on the present value of the Company's share of expected future cash flows of the investee or fair value less costs of disposal, and analyses the reasonableness of related assumptions.

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	\$ 857	\$ 622
Checking accounts and demand deposits	467,368	247,790
Time deposits	3,816	4,017
Total	<u>\$ 472,041</u>	<u>\$ 252,429</u>

A. The Company 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. The Company has no cash and cash equivalents pledged to others as collateral.

(2) Accounts receivable

	December 31, 2020	December 31, 2019
Accounts receivable	\$ 10,248,190	\$ 10,374,035
Less: Loss allowance	(22,009)	(23,893)
	<u>\$ 10,226,181</u>	<u>\$ 10,350,142</u>

- A. The information on the Company's ageing analysis of accounts receivable is provided in Note 12(2).
- B. As of December 31, 2020 and 2019, accounts and notes receivable were all from contracts with customers. And as of January 1, 2019, the balance of receivables from contracts with customers amounted to \$7,609,289.
- 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 Company's internal credit ranking policy is that the Company'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 Company has insured accounts receivable of certain customers and the Company will receive 80%~90% compensation if bad debts occur.
- D. The Company does not hold any collateral as security.
- E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(3) Transfer of financial assets

- A. The Company entered into a factoring agreement with the banks to sell its accounts receivable. Under the agreement, the Company 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 Company does not have any continuing involvement in the transferred accounts receivable. Thus, the Company 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
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%~1.1%	None
Bank of Taiwan	564,295	564,295	3,417,600	507,865	56,430	0.74%	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
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	71,146	2.52%~2.58%	None
Bank of Taiwan	347,197	347,197	3,597,600	312,477	34,720	2.54%~2.63%	None

B. For the years ended December 31, 2020 and 2019, the Company issued promissory notes to some banks for the factoring agreements signed.

(4) Inventories

December 31, 2020			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 28,757	(\$ 7,260)	\$ 21,497
Work in progress	13,771	(1,125)	12,646
Finished goods	1,543,160	(31,632)	1,511,528
	<u>\$ 1,585,688</u>	<u>(\$ 40,017)</u>	<u>\$ 1,545,671</u>
December 31, 2019			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 84,240	(\$ 5,687)	\$ 78,553
Work in progress	32,530	(3)	32,527
Finished goods	2,692,122	(63,119)	2,629,003
	<u>\$ 2,808,892</u>	<u>(\$ 68,809)</u>	<u>\$ 2,740,083</u>

The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2020	2019
Cost of inventories sold	\$ 65,770,133	\$ 72,070,059
Gain on reversal of decline in market value	(28,792)	(22,531)
Others (revenue from sale of scraps)	(314)	(2,534)
	<u>\$ 65,741,027</u>	<u>\$ 72,044,994</u>

The Company reversed from a previous inventory write-down because inventories with net realisable value lower than its cost were partially sold by the Company for the years ended December 31, 2020 and 2019.

(5) Investments accounted for under the equity method

Investee	December 31, 2020		December 31, 2019	
	Amount	Ownership percentage (%)	Amount	Ownership percentage (%)
CU INTERNATIONAL LTD.	\$ 22,397,403	100%	\$ 21,774,073	100%
Foxlink International Investment Ltd.	3,321,768	100%	3,344,259	100%
Fu Uei International Investment Ltd.	1,774,257	100%	1,693,166	100%
Well Shin Technology Co., Ltd.	1,154,245	18.84%	1,135,667	18.84%
CULINK INTERNATIONAL LTD.	901,356	100%	354,638	100%
Foxlink Technology Ltd.	861,843	100%	899,488	100%
Darts Technologies Corporation	772,831	97%	539,850	97%
Sinobest Brothers Limited	598,341	91.19%	517,093	100%
Suntain Co., Ltd.	68,440	100%	67,679	100%
DU Precision Industry Co., Ltd.	48,283	100%	57,061	100%
Foxlink (Vietnam) Inc.	-	-	34,974	100%
	31,898,767		30,417,948	
Add : Current prepayments for investments				
-JOURN TA BROTHERS LIMITED	151,907		78,235	
Total	\$ 32,050,674		\$ 30,496,183	

A. Please refer to Note 4(3) in the 2020 consolidated financial statements for the information regarding the Company's subsidiaries.

B. The gain on investments accounted for under the equity method amounted to \$357,576 and \$1,811,170 for the years ended December 31, 2020 and 2019, respectively, and were valued based on the investees' audited financial statements for the corresponding period.

C. Associates

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

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

Note: As the Company's management holds several seats in the Board of Directors of Well Shin Technology Co., Ltd., the Company is assessed to have significant influence.

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

Balance sheet

	Well Shin Technology Co., Ltd.	
	December 31, 2020	December 31, 2019
Current assets	\$ 2,174,993	\$ 1,997,171
Non-current assets	5,881,825	5,793,297
Current liabilities	(1,565,431)	(1,501,382)
Non-current liabilities	(559,732)	(456,029)
Total net assets	\$ 5,931,655	\$ 5,833,057
Share in associate's net assets	\$ 1,117,656	\$ 1,099,078
Goodwill	36,589	36,589
Carrying amount of the associates	\$ 1,154,245	\$ 1,135,667

Statement of comprehensive income

	Well Shin Technology Co., Ltd.	
	Years ended December 31,	
	2020	2019
Revenue	\$ 3,540,586	\$ 3,764,736
Profit for the year from continuing operations	\$ 424,076	\$ 520,487
Other comprehensive income (loss), net of tax	29,294	(148,874)
Total comprehensive income	\$ 453,370	\$ 371,613
Dividends received from associates	\$ 66,847	\$ 77,988

D. The fair value of the Company'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

E. As of December 31, 2020, the registration of the Company's prepayment for investments- JOURN TA BROTHERS LIMITED amounting to \$151,907 has not yet been completed.

F. Central Motion Picture Corporation, an equity-method investment of the Company, was 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 (2) for details on the lawsuit.

(6) Property, plant and equipment

	2020					
	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Total
At January 1						
Cost	\$ 412,428	\$ 1,837,910	\$ 220,266	\$ 18,063	\$ 159,836	\$ 2,648,503
Accumulated depreciation and impairment	-	(479,972)	(166,715)	(6,581)	(114,280)	(767,548)
	<u>\$ 412,428</u>	<u>\$ 1,357,938</u>	<u>\$ 53,551</u>	<u>\$ 11,482</u>	<u>\$ 45,556</u>	<u>\$ 1,880,955</u>
Opening net book amount	\$ 412,428	\$ 1,357,938	\$ 53,551	\$ 11,482	\$ 45,556	\$ 1,880,955
Additions	-	-	124,004	4,191	35,510	163,705
Disposals	-	(34,128)	(35,274)	(599)	(2,960)	(72,961)
Reclassifications	-	(16,381)	695	-	18,171	2,485
Depreciation charge	-	(36,929)	(51,772)	(4,685)	(23,506)	(116,892)
Closing net book amount	<u>\$ 412,428</u>	<u>\$ 1,270,500</u>	<u>\$ 91,204</u>	<u>\$ 10,389</u>	<u>\$ 72,771</u>	<u>\$ 1,857,292</u>
At December 31						
Cost	\$ 412,428	\$ 1,774,022	\$ 144,706	\$ 21,285	\$ 152,535	\$ 2,504,976
Accumulated depreciation and impairment	-	(503,522)	(53,502)	(10,896)	(79,764)	(647,684)
	<u>\$ 412,428</u>	<u>\$ 1,270,500</u>	<u>\$ 91,204</u>	<u>\$ 10,389</u>	<u>\$ 72,771</u>	<u>\$ 1,857,292</u>

2019						
	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Total
At January 1						
Cost	\$ 412,428	\$ 1,814,767	\$ 223,653	\$ 28,478	\$ 184,846	\$ 2,664,172
Accumulated depreciation and impairment	-	(440,555)	(143,987)	(13,734)	(115,487)	(713,763)
	<u>\$ 412,428</u>	<u>\$ 1,374,212</u>	<u>\$ 79,666</u>	<u>\$ 14,744</u>	<u>\$ 69,359</u>	<u>\$ 1,950,409</u>
Opening net book amount	\$ 412,428	\$ 1,374,212	\$ 79,666	\$ 14,744	\$ 69,359	\$ 1,950,409
Additions	-	17,156	15,572	2,812	3,414	38,954
Disposals	-	-	(467)	-	-	(467)
Reclassifications	-	4,446	-	-	-	4,446
Depreciation charge	-	(37,876)	(41,220)	(6,074)	(27,217)	(112,387)
Closing net book amount	<u>\$ 412,428</u>	<u>\$ 1,357,938</u>	<u>\$ 53,551</u>	<u>\$ 11,482</u>	<u>\$ 45,556</u>	<u>\$ 1,880,955</u>
At December 31						
Cost	\$ 412,428	\$ 1,837,910	\$ 220,266	\$ 18,063	\$ 159,836	\$ 2,648,503
Accumulated depreciation and impairment	-	(479,972)	(166,715)	(6,581)	(114,280)	(767,548)
	<u>\$ 412,428</u>	<u>\$ 1,357,938</u>	<u>\$ 53,551</u>	<u>\$ 11,482</u>	<u>\$ 45,556</u>	<u>\$ 1,880,955</u>

The Company has no property, plant and equipment were pledged to others as collateral.

(7) Leasing arrangements-lessee

A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 3 to 20 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	\$ 45,743	\$ 62,787
Buildings	54,144	5,877
	<u>\$ 99,887</u>	<u>\$ 68,664</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Land	\$ 13,492	\$ 13,492
Buildings	10,180	9,941
	<u>\$ 23,672</u>	<u>\$ 23,433</u>

C. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets amounted to \$54,896 and \$28,792, 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	\$ 1,091	\$ 1,457
Expense on short-term lease contracts	2,629	1,615

E. For the years ended December 31, 2020 and 2019, the Company's total cash outflow for leases amounted to \$26,396 and \$25,897, respectively.

(8) Investment property

	2020
	<u>Buildings and structures</u>
At January 1	
Cost	\$ 218,652
Accumulated depreciation and impairment	(39,079)
	<u>\$ 179,573</u>
Opening net book amount	\$ 179,573
Disposals	(14,765)
Depreciation charge	(4,490)
Closing net book amount	<u>\$ 160,318</u>
At December 31	
Cost	\$ 198,101
Accumulated depreciation and impairment	(37,783)
	<u>\$ 160,318</u>
	2019
	<u>Buildings and structures</u>
At January 1	
Cost	\$ 224,639
Accumulated depreciation and impairment	(35,716)
	<u>\$ 188,923</u>
Opening net book amount	\$ 188,923
Reclassifications	(4,446)
Depreciation charge	(4,904)
Closing net book amount	<u>\$ 179,573</u>
At December 31	
Cost	\$ 218,652
Accumulated depreciation and impairment	(39,079)
	<u>\$ 179,573</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 December 31,	
	2020	2019
Rental income from the lease of the investment property	<u>\$ 23,210</u>	<u>\$ 18,886</u>
Direct operating expenses arising from the investment property that generated rental income in the year	<u>\$ 4,490</u>	<u>\$ 4,904</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 Company as at December 31, 2020 and 2019 was \$277,601 and \$233,023, respectively, which was evaluated based on the market prices of similar real estate in the areas nearby, 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.

(9) Intangible assets

	2020		
	Software	Others	Total
At January 1			
Cost	\$ 31,621	\$ -	\$ 31,621
Accumulated amortisation and impairment	(17,099)	-	(17,099)
	<u>\$ 14,522</u>	<u>\$ -</u>	<u>\$ 14,522</u>
Opening net book amount	\$ 14,522	\$ -	\$ 14,522
Additions	6,380	-	6,380
Amortisation charge	(9,131)	-	(9,131)
Disposals	-	-	-
Closing net book amount	<u>\$ 11,771</u>	<u>\$ -</u>	<u>\$ 11,771</u>
At December 31			
Cost	\$ 19,927	\$ -	\$ 19,927
Accumulated amortisation and impairment	(8,156)	-	(8,156)
	<u>\$ 11,771</u>	<u>\$ -</u>	<u>\$ 11,771</u>
	2019		
	Software	Others	Total
At January 1			
Cost	\$ 50,782	\$ 1,229	\$ 52,011
Accumulated amortisation and impairment	(33,367)	(1,004)	(34,371)
	<u>\$ 17,415</u>	<u>\$ 225</u>	<u>\$ 17,640</u>
Opening net book amount	\$ 17,415	\$ 225	\$ 17,640
Additions	9,972	-	9,972
Amortisation charge	(12,865)	(225)	(13,090)
Closing net book amount	<u>\$ 14,522</u>	<u>\$ -</u>	<u>\$ 14,522</u>
At December 31			
Cost	\$ 31,621	\$ 1,229	\$ 32,850
Accumulated amortisation and impairment	(17,099)	(1,229)	(18,328)
	<u>\$ 14,522</u>	<u>\$ -</u>	<u>\$ 14,522</u>

(10) Other payables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Payable for purchases made by related parties on behalf of the Company	\$ 9,804,719	\$ 8,404,831
Financing payable to related parties	195,000	1,051,522
Payables on salary and bonus	290,819	286,633
Employees' compensation and remuneration for supervisors and directors	231,694	258,159
Payables on equipment	32,018	50,217
Others	207,951	380,544
	<u>\$ 10,762,201</u>	<u>\$ 10,431,906</u>

Please refer to Note 7 and table 1 of Note 13 for the details of financing payable to related parties.

(11) 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:

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

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

- (h) Commitment:

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

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

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

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

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

- h) Commitment:

The company should maintain the following financial ratios during the contract duration for semi-annual parent company only and annual parent company only 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.

(12) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2020
Long-term loan borrowings				
Bank's unsecured borrowings				
- 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%	2,235,500	2,981,250
Medium-term and long-term syndicated loans	Borrowing period is from November 2020 to November 2025. The Company may issue a drawing application before the maturity date of borrowing to repay the loan principal that was originally expired.	0.35%	4,800,000	3,200,000
				8,781,250
Less: Current portion				-
				<u>\$ 8,781,250</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				
- including covenants	Borrowing period is from December 2017 to May 2022 pay entire amount when due	1.20%~1.40%	\$ 3,300,000	\$ 700,000
- without covenants	Borrowing period is from July 2018 to July 2024 pay entire amount when due	1.16%~1.40%	2,399,300	2,030,000
Medium-term and long-term syndicated loans	Borrowing period is from March 2017 to March 2022. The Company may issue a drawing application before the maturity date of borrowing to repay the loan principal that was originally expired.	1.79%	2,400,000	5,600,000
				8,330,000
Less: Current portion				(500,000)
				<u>\$ 7,830,000</u>

A. In November 2020, the Company 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 old one 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 parent company only and annual parent company only financial statements:
 - i. Current assets to current liabilities ratio of at least 1:1;
 - ii. Liabilities not exceeding 200% of tangible net equity;
 - iii. Interest coverage of at least 400%; and
 - iv. Tangible net equity of at least NT\$15,000,000 thousand.
- (e) The loan period is decided by the borrower. The borrower may choose to early repay the loans during the contract period according to the syndicated loan contract.

B. The Company entered into the borrowing contracts with 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 parent company only and annual parent company only 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
The Company	Yuanta Commercial Bank	300,000	300,000

(13) Pensions

- A.(a) The Company has 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 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 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 will make contributions to cover the deficit by next March.
- (b) The amounts recognised in the balance sheet are as follows:

	December 31, 2020	December 31, 2019
Present value of defined benefit obligations	(\$ 359,082)	(\$ 338,787)
Fair value of plan assets	64,298	59,231
Net defined benefit liability	<u>(\$ 294,784)</u>	<u>(\$ 279,556)</u>

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2020</u>			
Balance at January 1	(\$ 338,787)	\$ 59,231	(\$ 279,556)
Current service cost	(2,626)	-	(2,626)
Interest (expense) income	(2,372)	415	(1,957)
Past service cost	(22,567)	-	(22,567)
	<u>(366,352)</u>	<u>59,646</u>	<u>(306,706)</u>
Remeasurements:			
Change in financial assumptions	(13,862)	-	(13,862)
Experience adjustments	(3,829)	2,182	(1,647)
	<u>(17,691)</u>	<u>2,182</u>	<u>(15,509)</u>
Pension fund contribution	-	2,470	2,470
Paid pension	<u>24,961</u>	<u>-</u>	<u>24,961</u>
Balance at December 31	<u>(\$ 359,082)</u>	<u>\$ 64,298</u>	<u>(\$ 294,784)</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	(\$ 304,954)	\$ 63,257	(\$ 241,697)
Current service cost	(2,394)	-	(2,394)
Interest (expense) income	(3,050)	633	(2,417)
Past service cost	(28,315)	-	(28,315)
	<u>(338,713)</u>	<u>63,890</u>	<u>(274,823)</u>
Remeasurements:			
Change in financial assumptions	(9,813)	-	(9,813)
Experience adjustments	<u>1,151</u>	<u>1,494</u>	<u>2,645</u>
	<u>(8,662)</u>	<u>1,494</u>	<u>(7,168)</u>
Pension fund contribution	-	2,435	2,435
Paid pension	<u>8,588</u>	<u>(8,588)</u>	<u>-</u>
Balance at December 31	<u>(\$ 338,787)</u>	<u>\$ 59,231</u>	<u>(\$ 279,556)</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 is 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	0.3%	0.7%
Future salary increases	3.00%	3.00%

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%
December 31, 2020				
Effect on present value of defined benefit obligation	\$ 8,754	(\$ 9,066)	(\$ 7,919)	(\$ 7,703)
December 31, 2019				
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 Company for the year ending December 31, 2021 amount to \$2,559.

(g) As of December 31, 2020, the weighted average duration of that retirement plan is 10 years.

B. Effective July 1, 2005, the Company has 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 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.

The pension costs under the abovementioned defined contribution pension plan for the years ended December 31, 2020 and 2019 were \$34,569 and \$32,678, respectively.

(14) 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 512,326,940 shares, with a par value of \$10 (in dollars) per share.

B. Treasury shares

Before becoming a subsidiary, Foxlink Image Technology Co., Ltd. held 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>

(15) Capital surplus

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

2020						
	Share premium	Treasury share transactions	Difference between proceeds from acquisition or disposal of subsidiary and book value	Changes in ownership interests in subsidiaries	Change in net equity of associates accounted for under the equity method	Total
At January 1	\$ 9,337,850	\$ 44,320	\$ 7,313	\$ 3,374	\$ 78,860	\$ 9,471,717
Cash dividends distributed to subsidiaries	-	68,757	-	-	-	68,757
Adjustments due to not participating in the capital increase of investees proportionately	-	-	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						
	Share premium	Treasury share transactions	Difference between proceeds from acquisition or disposal of subsidiary and book value	Changes in ownership interests in subsidiaries	Change in net equity of associates accounted for under the equity method	Total
At January 1	\$ 9,337,850	\$ 3,065	\$ 7,313	\$ 3,374	\$ 78,860	\$ 9,430,462
Cash dividends distributed to subsidiaries	-	41,255	-	-	-	41,255
Adjustments due to not participating in the capital increase of investees proportionately	-	-	-	-	-	-
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>

(16) 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 all amounted to \$665,206.
- E. (a) 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	<u>1,280,818</u>	<u>2.5</u>	<u>768,490</u>	<u>1.5</u>
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	<u>1,280,817</u>	<u>2.50</u>
Total	<u>\$ 1,178,257</u>	<u>\$ 2.50</u>

(17) Other equity items

	2020		
	Financial assets at fair value through other comprehensive income	Currency Translation	Total
At January 1	(\$ 255,079)	(\$ 2,079,456)	(\$ 2,334,535)
Adjustments under new standards	-	-	-
Balance at January 1 after adjustments			
investments	(255,079)	(2,079,456)	(2,334,535)
Valuation adjustment	(51,144)	-	(51,144)
Currency translation differences:			
- Company	-	331,794	331,794
- Associates	-	17,539	17,539
At December 31	(\$ 306,223)	(\$ 1,730,123)	(\$ 2,036,346)

	2019		
	Financial assets at fair value through other comprehensive income	Currency Translation	Total
At January 1	(\$ 315,491)	(\$ 1,294,410)	(\$ 1,609,901)
Adjustments under new standards	-	-	-
Balance at January 1 after adjustments			
investments	(315,491)	(1,294,410)	(1,609,901)
Valuation adjustment	60,412	-	60,412
Currency translation differences:			
- Company	-	(750,834)	(750,834)
- Associates	-	(34,212)	(34,212)
At December 31	(\$ 255,079)	(\$ 2,079,456)	(\$ 2,334,535)

(18) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Company 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	\$ 31,110,857	\$ 33,762,618
Systems and peripheral products	38,024,381	40,094,099
Total revenue from external customer contracts	<u>\$ 69,135,238</u>	<u>\$ 73,856,717</u>

B. Contract liabilities

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Contract liabilities:		
Contract liabilities-advance sales receipts	\$ <u>352,463</u>	\$ <u>377,423</u>

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

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Sales revenue received in advance	\$ <u>377,423</u>	\$ <u>220,021</u>

(19) Interest income

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Interest income	\$ <u>27,004</u>	\$ <u>6,404</u>

(20) Other income

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Revenue from technical service compensation	\$ 231,596	\$ 219,483
Revenue from management service fees	42,215	63,635
Rental revenue	23,210	18,886
Others	20,594	45,838
	\$ <u>317,615</u>	\$ <u>347,842</u>

Please refer to Note 7(2)D for details of revenue from technical service compensation.

(21) Other gains and losses

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Net currency exchange gains	\$ 57,446	\$ 232,564
Loss on disposal of investments	(15,849)	-
Depreciation charge on investment property	(4,490)	(4,904)
Net gain on disposal of property, plant and equipment	3,912	200
Others	10,408	(25,475)
	\$ <u>51,427</u>	\$ <u>202,385</u>

(22) Finance costs

	Years ended December 31,	
	2020	2019
Interest expense:		
Bank borrowings	\$ 194,284	\$ 238,178
Lease liabilities	1,091	1,457
Corporate bonds	45,654	22,737
	<u>\$ 241,029</u>	<u>\$ 262,372</u>

(23) Expenses by nature

	Years ended December 31,	
	2020	2019
Employee benefit expense	\$ 1,211,109	\$ 1,356,660
Depreciation expense	140,564	135,820
Amortisation charges	9,131	13,090
Transportation expenses	324,648	329,677
Advertising costs	1,260	26
Operating lease payments	2,629	1,615
Manufacture costs and operating expenses	<u>\$ 1,689,341</u>	<u>\$ 1,836,888</u>

(24) Employee benefit expense

	Years ended December 31,	
	2020	2019
Wages and salaries	\$ 1,013,906	\$ 1,147,629
Labour and health insurance fees	66,235	60,533
Pension costs	61,720	65,804
Directors' remuneration	10,000	10,000
Other personnel expenses	59,248	72,694
	<u>\$ 1,211,109</u>	<u>\$ 1,356,660</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 year 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 2020 as resolved at the Board of Directors were in agreement with those amounts recognised in the profit or loss of 2020.
- 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.

(25) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2020	2019
Current tax:		
Tax payable incurred in current period	\$ 436,887	\$ 82,169
Prior year income tax (over) under estimation	(40,283)	9,625
Total current tax	396,604	91,794
Deferred tax:		
Origination and reversal of temporary differences	(3,204)	108,364
Income tax expense	\$ 393,400	\$ 200,158

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

	Years ended December 31,	
	2020	2019
Currency translation differences	\$ 87,333	(\$ 197,986)
Remeasurement of defined benefit obligations	(3,102)	(1,434)
	\$ 84,231	(\$ 199,420)

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2020	2019
Tax calculated based on profit before tax and statutory tax rate	\$ 472,166	\$ 437,504
Effect from items disallowed by tax regulation	(38,483)	(246,971)
Prior year income tax (over) under estimation	(40,283)	9,625
Income tax expense	\$ 393,400	\$ 200,158

C. Amounts of deferred tax assets or liabilities as a result of temporary differences 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	\$ 3,562	\$ -	\$ -	\$ 3,562
Unrealised loss on slow-moving inventories	13,762	(5,759)	-	8,003
Unrealised profit from sales	43,689	(26,022)	-	17,667
Pension costs	3,919	(57)	-	3,862
Rent expense	122	(122)	-	-
Remeasurement of defined benefit plan	14,379	-	3,102	17,481
Unused compensated absences	8,235	(942)	-	7,293
Unrealised exchange loss	-	37,623	-	37,623
Currency translation differences	202,512	-	(87,333)	115,179
Others	3,825	410	-	4,235
Subtotal	<u>\$ 294,005</u>	<u>\$ 5,131</u>	<u>(\$ 84,231)</u>	<u>\$ 214,905</u>
-Deferred tax liabilities:				
Unrealised exchange gain	(\$ 15,273)	\$ 15,273	\$ -	\$ -
Gain on investments	(580,770)	(17,200)	-	(597,970)
Subtotal	<u>(\$ 596,043)</u>	<u>(\$ 1,927)</u>	<u>\$ -</u>	<u>(\$ 597,970)</u>
Total	<u>(\$ 302,038)</u>	<u>\$ 3,204</u>	<u>(\$ 84,231)</u>	<u>(\$ 383,065)</u>
2019				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
-Deferred tax assets:				
Bad debts expense	\$ 3,562	\$ -	\$ -	\$ 3,562
Unrealised loss on slow-moving inventories	18,268	(4,506)	-	13,762
Unrealised profit from sales	-	43,689	-	43,689
Pension costs	-	3,919	-	3,919
Rent expense	-	122	-	122
Remeasurement of defined benefit plan	12,945	-	1,434	14,379
Unused compensated absences	14,416	(6,181)	-	8,235
Tax losses	36,177	(36,177)	-	-
Currency translation differences	4,526	-	197,986	202,512
Others	3,348	477	-	3,825
Subtotal	<u>\$ 93,242</u>	<u>\$ 1,343</u>	<u>\$ 199,420</u>	<u>\$ 294,005</u>
-Deferred tax liabilities:				
Unrealised exchange gain	(\$ 39,984)	\$ 24,711	\$ -	(\$ 15,273)
Gain on investments	(444,132)	(136,638)	-	(580,770)
Pension costs	(2,220)	2,220	-	-
Subtotal	<u>(\$ 486,336)</u>	<u>(\$ 109,707)</u>	<u>\$ -</u>	<u>(\$ 596,043)</u>
Total	<u>(\$ 393,094)</u>	<u>\$ 108,364</u>	<u>\$ 199,420</u>	<u>(\$ 302,038)</u>

D. The Company's income tax returns through 2018 have been assessed and approved by the Tax Authority.

(26) Earnings per share

Year ended December 31, 2020			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,967,432	484,824	\$ 4.06
<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	-	4,671	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,967,432	489,495	\$ 4.02
Year ended December 31, 2019			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,987,361	484,824	\$ 4.10
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,987,361	484,824	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	5,371	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,987,361	490,195	\$ 4.05

(27) Supplemental cash flow information

Investment activities with partial cash payments:

	Years ended December 31,	
	2020	2019
Purchase of property, plant and equipment	\$ 163,705	\$ 38,954
Add: Opening balance of payable on equipment	50,217	30,824
Less: Ending balance of payable on equipment	(32,018)	(50,217)
Cash paid during the year	<u>\$ 181,904</u>	<u>\$ 19,561</u>

(28) Changes in liabilities from financing activities

	2020				
	Corporate bonds payable	Long-term borrowings	Lease liabilities	Other payables to related parties	Liabilities from financing activities - gross
At January 1	\$ 2,987,655	\$ 8,330,000	\$ 69,272	\$ 1,051,522	\$ 12,438,449
Changes in cash flow from financing activities	3,584,462	451,250	(23,767)	(856,522)	3,155,423
Interest expense paid	-	-	1,091	-	1,091
Changes in other non-cash items	2,865	-	54,896	-	57,761
At December 31	<u>\$ 6,574,982</u>	<u>\$ 8,781,250</u>	<u>\$ 101,492</u>	<u>\$ 195,000</u>	<u>\$ 15,652,724</u>

	2019				
	Corporate bonds payable	Long-term borrowings	Lease liabilities	Other payables to related parties	Liabilities from financing activities - gross
At January 1	\$ -	\$ 11,900,000	\$ 63,305	\$ 1,118,016	\$ 13,081,321
Changes in cash flow from financing activities	3,000,000	(3,570,000)	(22,825)	(66,494)	(659,319)
Interest expense paid	-	-	(1,457)	-	(1,457)
Changes in other non-cash items	(12,345)	-	30,249	-	17,904
At December 31	<u>\$ 2,987,655</u>	<u>\$ 8,330,000</u>	<u>\$ 69,272</u>	<u>\$ 1,051,522</u>	<u>\$ 12,438,449</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
CU International Ltd. (CU)	The subsidiary
Dongguan Fuqiang Electronics Co., Ltd. (DGFQ)	The subsidiary
Fugang Electronic (Dongguan) Co., Ltd. (FGEDG)	The subsidiary
Fugang Electric (Kunshan) Co., Ltd. (FGEKS)	The subsidiary
Kunshan Fugang Electric Trading Co., Ltd. (KFET)	The subsidiary
Foxlink Tianjin Co., Ltd. (FTJ)	The subsidiary

Names of related parties	Relationship with the Group
Foxlink Automotive Technology (Kunshan) Co., Ltd. (KAFE)	The subsidiary
Fushineng Electronics (Kunshan) Co., Ltd. (FSNK)	The subsidiary
Fu Gang Electronic (Nan Chang) Co., Ltd. (FENC)	The subsidiary
Fugang Electric (Yancheng) Co., Ltd. (FG YANCHENG)	The subsidiary
Fuqiang Electric (Yancheng) Co., Ltd. (FQ YANCHENG)	The subsidiary
Fugang Electric (Maanshan) Co., Ltd. (FG MAANSHAN)	The subsidiary
Fugang Electric (Xuzhou) Co., Ltd. (FG XuZhou)	The subsidiary
World Circuit Technology Co., Ltd. (WCT)	The subsidiary
Power Quotient International Co., Ltd. (PQI)	The subsidiary
Foxlink International Inc. (FOXLINK)	The subsidiary
Fu Uei International Investment Ltd. (FUII)	The subsidiary
Studio A Inc. (Studio A)	The subsidiary
Sinobest Brothers Limited (SINOBEST)	The subsidiary
Foxlink India Electric Private Limited (FIE)	The subsidiary
Foxlink Technical India Private Limited (FOXLINK INDIA)	The subsidiary
Straight A Inc. (Straight A)	The subsidiary
Studio A Technology Limited (Studio A Hong Kong)	The subsidiary
Ashop Co., Ltd. (ASHOP)	The subsidiary
Shinfox Energy Co., Ltd. (Shinfox)	The subsidiary
Foxwell Energy Corporation Ltd. (Foxwell Energy)	The subsidiary
Foxlink Technology Ltd. (FT)	The subsidiary
Suntain Co., Ltd. (Suntain)	The subsidiary
FIT Holding Co., Ltd. (FIT Holding)	The subsidiary
Foxlink Image Technology Co., Ltd. (Foxlink Image)	The subsidiary
Glory Science Co., Ltd. (Glory Science)	The subsidiary
Foxlink Automotive Technology Co., Ltd. (FAT)	The subsidiary (Note)
Well Shin Technology Co., Ltd. (Well Shin)	Associate
Microlink Communications Inc. (Microlink)	Associate
Sharetronic Data Technology Co., Ltd. (Sharetronic)	Associate
Hsin Hung International Investment Co., Ltd. (HSIN HUNG)	Other related party
Hon Hai Precision Industry Co., Ltd. (Hon Hai)	Other related party

Note : FAT was the associate of the Company and became the subsidiary of the Company after the Company acquired it from the original shareholders on September 3, 2019.

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2020	2019
Sales of goods:		
- Subsidiaries		
FOXLINK	\$ 14,660,823	\$ 20,780,771
Others	74,098	168,795
- Other related parties	1,450,887	1,807,697
	<u>\$ 16,185,808</u>	<u>\$ 22,757,263</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 Company purchased goods from the abovementioned subsidiaries and sold to the customers after selling raw materials to the factories located in Mainland China for finished goods production for the years ended December 31, 2020 and 2019. Revenue and operating cost of sales of raw materials amounting to \$40,394,110 and \$36,557,451, respectively, were excluded from purchase or sales of goods as they were offset in the aforementioned transactions. The collections depend on the financial situation after offsetting the receivables against the payables.

B. Purchases of goods

	Years ended December 31,	
	2020	2019
Purchases of goods:		
- Subsidiaries		
DGFQ	\$ 25,932,277	\$ 34,682,624
FGEDG	13,145,389	19,412,720
FG XuZhou	5,622,875	-
FGEKS	2,441,043	7,287,298
Others	3,221,643	8,702,207
- Associates	335,935	436,134
- Other related parties	695,476	528,475
	<u>\$ 51,394,638</u>	<u>\$ 71,049,458</u>

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

C. Research and development expense - Technical Service Compensation

	Years ended December 31,	
	2020	2019
Technical service compensation:		
- Subsidiaries	\$ 28,322	\$ 23,758
- Associates	1,153	44,587
	<u>\$ 29,475</u>	<u>\$ 68,345</u>

The Company 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.

D. Non-operating income - other income

	Years ended December 31,	
	2020	2019
Other income		
- Subsidiaries		
DGFAQ	\$ 231,596	\$ 219,483
Suntain	25,264	53,839
Others	46,054	43,595
- Associates	-	4,402
	<u>\$ 302,914</u>	<u>\$ 321,319</u>

The Company charged technical service compensation and management service fees from CU, Foxlink Image, Suntain, Microlink and DGFAQ, respectively, and collected the net balance after offsetting with payables to related parties and considering the financial situation.

E. Receivables from related parties

	December 31, 2020	December 31, 2019
Accounts receivable:		
- Subsidiaries		
FOXLINK	\$ 3,071,851	\$ 2,092,845
Others	38,742	182,577
- Associates	427	450
- Other related parties	201,200	356,867
	<u>\$ 3,312,220</u>	<u>\$ 2,632,739</u>

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other receivables-purchases on behalf of others		
- Subsidiaries		
FG XuZhou	\$ 2,180,418	\$ 1,844,857
FSNK	1,492,710	647,180
DGFQ	1,135,780	-
FGEKS	141,005	2,667,930
KAFE	140,878	823,391
FG MAANSHAN	70,275	784,338
Others	558,276	425,010
Other receivables- capital transaction receivables		
- Subsidiaries		
Foxwell Energy	4,000,000	-
Other receivables-revenue from technical service compensation and management service fees		
- Subsidiaries	89,740	113,660
Other receivables, others		
- Subsidiaries	79,533	433
- Associates	2,187	-
	<u>\$ 9,890,802</u>	<u>\$ 7,306,799</u>

The receivables for raw materials as well as fixtures and equipment, purchased by the Company on behalf of the subsidiaries, were excluded from the purchases or sales of goods of the Company. The details are provided in Note 13(3). The receivables and prepayments exceeding normal granting periods were transferred to other receivables in accordance with the regulation.

F. Prepayments

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Prepayments:		
- Subsidiaries		
CU	\$ 345,878	\$ 825,323
- Other related parties	140	140
	<u>\$ 346,018</u>	<u>\$ 825,463</u>

Prepayments mainly refer to prepayments to suppliers and the related transactions were based on financial situation of the Company.

G. Payables to related parties

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Accounts payable:		
- Subsidiaries		
FGEDG	\$ 3,306,302	\$ 4,381,332
FG XuZhou	1,658,738	-
FSNK	1,412,157	1,512,094
FENC	1,171,748	1,227,968
DGfQ	-	2,168,332
Others	179,886	1,397,965
- Associates	46,460	113,326
- Other related parties	101,663	98,478
	<u>\$ 7,876,954</u>	<u>\$ 10,899,495</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other payables-other financing payable		
- Subsidiaries		
FT	\$ -	\$ 716,522
FUII	95,000	235,000
Zhi De Investment	100,000	100,000
Other payables-Receipts under custody		
- Subsidiaries	56,236	129,692
- Associates	15,612	16,812
- Other related parties	-	85
	<u>\$ 266,848</u>	<u>\$ 1,198,111</u>

Details of accounts payable are provided in the abovementioned Note 7(2)B., and other payables refer to financing and receipts under custody.

H. Lease transactions - lessee

- The Company leases buildings from other related parties. The lease term was 3 years and rent was paid at the beginning of every month.
- The Company leases buildings from the subsidiaries. The lease term was 3 years and rent was paid at the mid of every month.
- Acquisition of right-of-use assets

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Subsidiaries	\$ 54,896	\$ -
Other related parties	-	9,428
	<u>\$ 54,896</u>	<u>\$ 9,428</u>

On January 1, 2019 (the date of initial application of IFRS 16), the Company increased right-of-use assets by \$18,856.

(d) Lease liability

i. Outstanding balance:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries	\$ 54,932	\$ -
Other related parties	-	9,510
	<u>\$ 54,932</u>	<u>\$ 9,510</u>

ii. Interest expense

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Other related parties	\$ -	\$ 253

I. Property transactions

(a) Acquisition of property, plant and equipment

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
- Subsidiaries		
Glory Science	\$ 68,041	\$ -
Others	12,794	7,781
	<u>\$ 80,835</u>	<u>\$ 7,781</u>

The Company purchased equipment from subsidiaries for the years ended December 31, 2020 and 2019. The payment terms are based on mutual agreement.

(b) Disposal of property, plant and equipment and investment property:

	<u>Year ended December 31, 2020</u>	
	<u>Disposal proceeds</u>	<u>Gain on disposal</u>
Subsidiaries	\$ 91,567	\$ 4,656

For the year ended December 31, 2020, the Company sold equipment to subsidiaries, the collection terms were based on mutual agreement.

J. Loans to related parties

Interest income:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
- Subsidiaries		
Foxwell Energy	\$ 22,126	\$ -

K. Endorsements and guarantees

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
- Subsidiaries		
Studio A Hong Kong	\$ 1,224,640	\$ 1,439,040
DGFQ	1,313,100	1,291,500
KFET	1,053,760	1,199,200
Studio A	1,139,200	1,199,200
FOXLINK	922,752	971,352
Others	<u>854,400</u>	<u>659,560</u>
	<u>\$ 6,507,852</u>	<u>\$ 6,759,852</u>

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Salaries and other short-term employee benefits	\$ 112,385	\$ 104,657
Post-employment benefits	1,621	1,376
Total	<u>\$ 114,006</u>	<u>\$ 106,033</u>

8. PLEDGED ASSETS

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

<u>Pledged asset</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	
Refundable deposits (Shown as other non-current assets)	<u>\$ 12,219</u>	<u>\$ 10,302</u>	Customs deposit

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>\$ 22,746</u>	<u>\$ 34,689</u>

(2) Central Motion Picture Corporation (the "Central Motion Picture"), an equity-method investment of the Company, 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, Article 5 and Article 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 an 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

Details of the appropriation of 2020 earnings as resolved by the Board of Directors on March 26, 2021 are provided in Note 6(16).

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company'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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company 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 amortised cost/loans and receivables		
Cash and cash equivalents	\$ 472,041	\$ 252,429
Notes receivable	585	-
Accounts receivable	13,538,401	12,982,881
Other receivables	9,994,685	7,439,115
Guarantee deposits paid	12,219	10,302
	<u>\$ 24,017,931</u>	<u>\$ 20,684,727</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Accounts payable	\$ 8,465,135	\$ 11,354,614
Other accounts payable	10,762,201	10,431,906
Long-term borrowings (including current portion)	8,781,520	8,330,000
Guarantee deposits received	2,864	2,864
	<u>\$ 28,011,720</u>	<u>\$ 30,119,384</u>

B. Risk management policies

- (a) The Company'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 Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.
- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company'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 Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company 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 Company entities to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Company 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 Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). 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	\$ 469,645	28.48	\$ 13,375,490
RMB : NTD	2,683	4.38	11,743
HKD : NTD	2,273	3.67	8,349
EUR : NTD	4,569	35.02	160,006
JPY : NTD	85,886	0.28	23,730
SGD : NTD	31	21.56	668
<u>Non-monetary items</u>			
HKD : NTD	\$ 6,517,309	3.67	\$ 23,938,076
USD : NTD	31,973	28.48	910,597
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 514,969	28.48	\$ 14,666,317
RMB : NTD	556	4.38	2,434
HKD : NTD	4,447	3.67	16,334
JPY : NTD	7,990	0.28	2,208
EUR : NTD	101	35.02	3,537

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	\$ 399,834	29.98	\$ 11,987,023
RMB : NTD	708	4.31	3,051
HKD : NTD	1,386	3.85	5,336
EUR : NTD	233	33.59	7,826
JPY : NTD	59,905	0.28	16,773
<u>Non-monetary items</u>			
HKD : NTD	\$ 6,023,546	3.85	\$ 23,190,654
USD : NTD	11,829	29.98	354,638
VND : NTD	29,892,079	0.0012	34,974
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 519,804	29.98	\$ 15,583,724
RMB : NTD	7,380	4.31	31,808
HKD : NTD	9,873	3.85	38,011
JPY : NTD	2,843	0.28	796
EUR : NTD	278	33.59	9,338

- iv. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for years ended December 31, 2020 and 2019 amounted to \$57,446 and \$232,564, respectively.

v. 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%	\$	7,950	\$ -
RMB : NTD	1%		63	-
HKD : NTD	1%		79	-
EUR : NTD	1%		37	-
JPY : NTD	1%		222	-
SGD : NTD	1%		7	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	144,449	\$ -
RMB : NTD	1%		20	-
HKD : NTD	1%		322	-
JPY : NTD	1%		35	-
EUR : NTD	1%		18	-
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%	\$	119,870	\$ -
RMB : NTD	1%		31	-
HKD : NTD	1%		53	-
EUR : NTD	1%		78	-
JPY : NTD	1%		168	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	155,837	\$ -
RMB : NTD	1%		318	-
HKD : NTD	1%		380	-
JPY : NTD	1%		8	-
EUR : NTD	1%		93	-

Cash flow and fair value interest rate risk

- i. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's interest rates of borrowings are fixed and floating rate. For the years ended December 31, 2020 and 2019, the Company's borrowings issued by floating rate are priced in New Taiwan 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 \$70,250 and \$66,640 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 Company 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 Company's credit policy, each local entity in the Company 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. Company treasury manages credit risk of cash in banks and other financial instruments based on the Company's credit policy. Because the Company's counterparties are determined based on the Company's internal control, only rated banks with an optimal rating and financial institutes with investment grade are accepted.
- iv. The Company 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 Company 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 Company classifies customers' accounts receivable in accordance with customer types. The Company applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
- vii. The Company 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	0.10%	1.44%	17.29%	100.00%	
Total book value	\$ 9,826,628	\$ 390,175	\$ 30,172	\$ 1,215	\$ 10,248,190
Loss allowance	\$ 9,652	\$ 5,778	\$ 5,364	\$ 1,215	\$ 22,009

	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	0.05%	1.25%	16.31%	100.00%	
Total book value	\$ 9,906,220	\$ 395,541	\$ 70,205	\$ 2,069	\$ 10,374,035
Loss allowance	\$ 5,440	\$ 4,936	\$ 11,448	\$ 2,069	\$ 23,893

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

	2020	2019
	Accounts receivable	Accounts receivable
At January 1	\$ 23,893	\$ 35,839
Provision for impairment (gain on reversal of impairment loss)	(1,884)	(11,946)
Effect of foreign exchange	-	-
At December 31	<u>\$ 22,009</u>	<u>\$ 23,893</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

- ii. The table below analyses the Company'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. The amounts 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					
Lease liabilities	\$ 31,618	\$ 33,204	\$ 31,847	\$ 7,717	\$ -
Long-term borrowings (including current portion)	-	4,100,744	1,212,000	3,584,051	-

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					
Lease liabilities	\$ 23,767	\$ 14,167	\$ 14,167	\$ 19,734	\$ -
Long-term borrowings (including current portion)	507,000	911,200	6,815,212	232,659	-

- iii. The Company 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.

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.

(2) Information on investees

For the information on investees, except for current profit (loss) for the year ended December 31, 2020 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 7.

(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 8.

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	-
		Year ended December 31, 2019	
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 period 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:

		Year ended December 31, 2020	
Company name	General ledger account	Amount	Ownership (%)
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	-

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

14. SEGMENT INFORMATION

None.

Item	Description	Amount
Cash on hand and petty cash		\$ 857
Checking accounts		
NTD deposits		1,900
HKD deposits	HKD 67 thousand; conversion rate was 3.67	246
Demand deposits		
NTD deposits		49,512
USD deposits	USD 13,889 thousand; conversion rate was 28.48	395,554
JPY deposits	JPY 40,129 thousand; conversion rate was 0.28	11,088
RMB deposits	RMB 722 thousand; conversion rate was 4.38	3,158
EUR deposits	EUR 53 thousand; conversion rate was 35.02	1,856
HKD deposits	HKD 1,081 thousand; conversion rate was 3.67	3,724
SGD deposits	SGD 15 thousand; conversion rate was 21.56	330
Time deposits	USD 134 thousand; conversion rate was 28.48	3,816
		<u>\$ 472,041</u>

Client Name	Description	Amount	Note
<u>Non-related parties</u>			
Apple Operations Europe Limited		\$ 1,171,753	
Luxshare Precision Limited		1,082,297	
Jiangxi Luxshare Intelligent Manufacture Co., Ltd.		897,190	
Goertek Technology Vina Co., Ltd.		883,739	
Avary Holding (Shenzhen) Co., Limited		616,322	
Goertek Inc.		600,263	
Others		4,996,626	Balance of each client has not exceeded 5% of total account balance
		<u>10,248,190</u>	
Less: Allowance for bad debts		(22,009)	
		<u>10,226,181</u>	
<u>Related parties</u>			
FOXLINK		3,071,851	
Hon Hai		201,200	
Others		39,169	
		<u>3,312,220</u>	
		<u>\$ 13,538,401</u>	

Item	Amount		Note
	Cost	Market Value	
Manufactures	\$ 1,543,160	\$ 1,776,844	Net realisable value
Work in progress	13,771	11,695	"
Material	28,757	28,604	"
	<u>1,585,688</u>	<u>\$ 1,817,143</u>	
Less: Allowance for loss on slow-moving inventories and valuation loss	(<u>40,017</u>)		
	<u>\$ 1,545,671</u>		

Investee	Opening Balance		Addition		Decrease		Ending Balance			Net Assets Value		Valuation Basis	For collateralize and pledge
	No. of shares (in thousands)	Amount	No. of shares (in thousands)	Amount (Note 1)	No. of shares (in thousands)	Amount (Note 2)	No. of shares (in thousands)	Percentage of Ownership	Amount	Unit Price (in dollars)	Total Amount		
CU INTERNATIONAL LTD.	451,007	\$ 21,774,073	-	\$ 661,045	- (\$ 37,715)		451,007	100%	\$ 22,397,403	-	\$ 22,389,392	Equity method	None
CULINK INTERNATIONAL LTD.	18,698	354,638	13,530	607,950	- (61,232)		32,228	100%	901,356	-	901,356	Equity method	None
Foxlink International Investment Ltd.	368,750	3,344,259	-	134,544	- (157,035)		368,750	100%	3,321,768	-	3,593,017	Equity method	None
Fu Uei International Investment Ltd.	285,000	1,693,166	-	88,458	- (7,367)		285,000	100%	1,774,257	-	1,786,529	Equity method	None
Well Shin Technology Co., Ltd.	22,282	1,135,667	-	85,425	- (66,847)		22,282	18.84%	1,154,245	-	1,117,656	Equity method	None
Darts Technologies Corporation	28,130	539,850	-	235,891	- (2,910)		28,130	97%	772,831	-	772,831	Equity method	None
SINOBEST BROTHERS LIMITED	17,194	517,093	3,510	93,169	- (11,921)		20,704	91.19%	598,341	-	598,341	Equity method	None
DU Precision Industry Co., Ltd.	60,000	57,061	-	-	- (8,778)		60,000	100%	48,283	-	69,986	Equity method	None
Foxlink (Vietnam) Inc.	-	34,974	-	7,942	- (42,916)		-	0%	-	-	-	Equity method	None
FOXLINK TECHNOLOGY LTD.	86,700	899,488	-	4,403	- (42,048)		86,700	100%	861,843	-	850,235	Equity method	None
Suntain Co., Ltd.	9,500	67,679	-	761	-		9,500	100%	68,440	-	68,440	Equity method	None
		30,417,948		1,919,588	(438,769)				31,898,767		32,147,783		
Current prepayments for investments		78,235		73,672	-				151,907		-		
-JOURN TA		\$ 30,496,183		\$ 1,993,260	(\$ 438,769)				\$ 32,050,674		\$ 32,147,783		

Note 1: Addition in the year including gain on investment, changes in net asset value of investees' equity, accumulated translation adjustment, unrealised gain or loss on financial instrument and amount of investment increase.

Note 2: Decrease in the year including loss from investment, accumulated translation adjustment, distributaion of cash dividends, changes in net asset value of investees' equity, disposal of investment and share returned from capital decrease of investee.

Item	Opening Balance	Addition	Decrease	Transference	Ending Balance	For collateralize and pledge	Note
Lands	\$ 412,428	\$ -	\$ -	\$ -	\$ 412,428	None	
Buildings and structures	1,837,910	-	(63,888)	-	1,774,022	"	
Machinery and equipment	220,266	124,698	(200,259)	-	144,705	"	
Office equipment	18,063	4,192	(969)	-	21,286	"	
Other equipment	159,836	53,681	(60,982)	-	152,535	"	
	<u>\$ 2,648,503</u>	<u>\$ 182,571</u>	<u>(\$ 326,098)</u>	<u>\$ -</u>	<u>\$ 2,504,976</u>		
<u>Investment property</u>							
Buildings and structures	<u>\$ 218,652</u>	<u>\$ -</u>	<u>(\$ 20,551)</u>	<u>\$ -</u>	<u>\$ 198,101</u>	"	

Item	Opening Balance	Addition	Decrease	Transference	Ending Balance	Note
Buildings and structures	\$ 479,972	\$ 36,929	(\$ 13,379)	\$ -	\$ 503,522	
Machinery and equipment	166,715	51,772	(164,985)	-	53,502	
Office equipment	6,581	4,685	(370)	-	10,896	
Other equipment	114,280	23,506	(58,022)	-	79,764	
	<u>\$ 767,548</u>	<u>\$ 116,892</u>	<u>(\$ 236,756)</u>	<u>\$ -</u>	<u>\$ 647,684</u>	
<u>Investment property</u>						
Buildings and structures	<u>\$ 39,079</u>	<u>\$ 4,490</u>	<u>(\$ 5,786)</u>	<u>\$ -</u>	<u>\$ 37,783</u>	

Client Name	Description	Amount	Note
<u>Non-related parties</u>			
APPLE INC.		\$ 151,012	
APPLE SALES INTERNATIONAL		95,721	
LYFT, INC.		50,538	
Others		290,910	Balance of each client has not exceeded 5% of total account balance
		<u>\$ 588,181</u>	
<u>Related parties</u>			
FGEDG		3,306,302	
FG XuZhou		1,658,738	
FSNK		1,412,157	
FENC		1,171,748	
Others		328,009	
		<u>7,876,954</u>	
		<u>\$ 8,465,135</u>	

Creditor	Description	Amount	Contract Period	Interest Rate	and pledge	Note
Bank of Taiwan	Unsecured syndicate credit long-term borrowing	\$ 320,000	2020/11/23~2025/11/22	0.35%	None	
Taiwan Cooperative Bank	"	240,000	"	"	"	
Land Bank	"	240,000	"	"	"	
Taipei Fubon Bank	"	240,000	"	"	"	
BANK SINOPAC CO., LTD.	"	240,000	"	"	"	
Yuanta Commercial Bank	"	240,000	"	"	"	
Hua Nan Commercial Bank	"	240,000	"	"	"	
Cathay Bank	"	240,000	"	"	"	
Mega Bank	"	240,000	"	"	"	
Agricultural Bank of Taiwan	"	160,000	"	"	"	
E.SUN BANK	"	200,000	"	"	"	
KGI Commercial Bank Co., Ltd.	"	240,000	"	"	"	
Far Eastern International Bank	"	120,000	"	"	"	
The Shanghai Commercial & Savings Bank, Ltd.	"	240,000	"	"	"	
		<u>3,200,000</u>				
Taipei Fubon Bank	Mid and long term unsecured borrowings	\$ 1,400,000	2020/12/18~2022/11/30	0.99%	None	
BANK SINOPAC CO., LTD.	"	1,200,000	2020/5/31~2023/5/31	1.00%	"	
Mizuho Bank	"	900,000	2019/12/12~2022/12/9	1.40%	"	
Cathay Bank	"	300,000	2020/3/31~2022/3/31	1.00%	"	
DBS Bank	"	800,000	2020/2/25~2022/2/25	1.00%	"	
First Bank	"	100,000	2020/10/23~2022/10/23	1.05%	"	
Yuanta Commercial Bank	"	300,000	2020/7/22~2022/7/22	0.99%	"	
Export-Import Bank of Republic of China	"	201,250	2015/11/29~2023/11/29	0.92%	"	
Export-Import Bank of Republic of China	"	180,000	2019/7/11~2024/7/11	0.87%	"	
Jih Sun International Bank	"	200,000	2020/5/14~2022/5/14	1.00%	"	
		<u>5,581,250</u>				
Total		<u>\$ 8,781,250</u>				

Item	Volume	Amount	Note
Electronic equipment (including components and other electronic related products)		\$ 69,251,447	
Less: Sales returns		(13)	
Sales discounts and allowances		(116,196)	
		<u>\$ 69,135,238</u>	

Item	Amount	Note
Raw materials at the beginning	\$ 84,240	
Add: Materials purchased for the year	13,905,057	
Less: Raw materials at the end	(28,757)	
Transferred to expenses	(47,924)	
Raw materials used in the year	13,912,616	
Direct labor	33,653	
Manufacturing Expenses	<u>552,779</u>	
Manufacturing costs	14,499,048	
Add: Work in progress at the beginning	32,530	
Less: Work in progress at the end	(13,771)	
Transferred to expenses	(29)	
Cost of finished goods	14,517,778	
Add: Finished goods at the beginning	2,692,122	
Finished goods purchased for the year	50,103,393	
Less: Finished goods at the end	(1,543,160)	
Manufacturing and selling costs	65,770,133	
Less: Revenue from sales of scraps	(314)	
Gain on reversal of decline in market value	(28,792)	
Total operating costs	<u>\$ 65,741,027</u>	

Item	Amount	Note
Freight	\$ 263,208	
Depreciation expense	34,213	
Indirect labor	82,806	
Processing fees	17,043	
Others	155,509	
	<u>\$ 552,779</u>	

Item	Amount	Note
Wages and Salaries	\$ 84,098	
Traveling expense	3,024	
Freight	6,694	
Others	36,378	
	<u>\$ 130,194</u>	

Item	Amount	Note
Wages and Salaries	\$ 286,437	
Depreciation expense	95,605	
Freight	36,055	
Professional service fee	29,178	
Others	213,213	
	<u>\$ 660,488</u>	

Item	Amount	Note
Wages and salaries	\$ 552,397	
Insurance expense	35,964	
Depreciation expense	10,359	
Research and development expenses	11,722	
Others	146,732	
	<u>\$ 757,174</u>	

Function Nature	Year ended December 31, 2020			Year ended December 31, 2019		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Wages and Salaries	90,974	922,932	1,013,906	100,130	1,047,499	1,147,629
Labour and health insurance fees	6,565	59,670	66,235	4,879	55,654	60,533
Pension costs	2,369	59,351	61,720	2,562	63,242	65,804
Directors' remuneration	-	10,000	10,000	-	10,000	10,000
Other personnel expenses	5,749	53,499	59,248	16,895	55,799	72,694
Depreciation expense (Note 1)	57,271	83,293	140,564	45,460	90,360	135,820
Amortisation charge	195	8,936	9,131	634	12,456	13,090

Note 1: For the years ended December 31, 2020 and 2019, the Company's depreciation expense recognised in non-operating expenses and loss amounted to \$4,490 and \$4,904, respectively.

Note 2: For the years ended December 31, 2020 and 2019, the Company had 782 and 756 employees, including 5 and 6 non-employee directors, respectively.

Note 3: For the years ended December 31, 2020 and 2019, the average employee benefit expense amounted to \$1,546 and \$1,796, respectively.

Note 4: For the years ended December 31, 2020 and 2019, the average employee salary expenses amounted to \$1,305 and \$1,530, respectively. For the year ended December 31, 2020, the average change in adjustments on salary expenses was (15%).

Note 5: The Company's policies on salary and remuneration (including directors, independent directors, managers and employees).

(a) For payment to directors and independent directors, the correlation between the Company's policy, standard and combination, procedures of setting remuneration, operating performance and future risk are as follows:

- i. The Company's remuneration of directors were paid based on the common standard of the Company's conference attendance fees and traveling fee approved by the Board of Directors.
 - ii. According to Article 23 of the Company's Articles of Incorporation: income before tax deduct income before employees' compensation and directors' remuneration, after offsetting deficits, if any, shall be distributed as employees' compensation not lower than 6% and directors' remuneration not higher than 3% after resolving by the Board of Directors.
- (b) For payment to managers, the correlation between the Company's policy, standard and combination, procedures of setting remuneration, operating performance and future risk are as follows:
- i. The Company's remuneration for managers shall based on the Company's regulation of performance assessment, individual's performance and operating contribution to the Company's operation taking into consideration the market standard within the same industry, and reported to the directors for approval after being reviewed by salary and remuneration committee.
 - ii. According to Article 23 of the Company's Articles of Incorporation: income before tax deduct income before employees' compensation and directors' remuneration, after offsetting deficits, if any, shall be distributed as employees' compensation not lower than 6% and directors' remuneration not higher than 3% after resolving by the Board of Directors.
- (c) For payment to employees, the correlation between the Company's policy, standard and combination, procedures of setting remuneration, operating performance and future risk are as follows:
- i. The Company's compensation for employees were determined based on individual ability, contribution to the company and performance which have positive correlation with operating performance.

The Company has adequately controlled the future risk, the policies of compensation also related with future risk. Whole combination of salary and compensation includes basic salary, bonus and employees' compensation and allowance.

As for the standard of compensation payment, basic salary were determined based on the market competitiveness of their positions and the Company's policy. Bonus and employees' compensation were determined through linking with employees' and segments' target or the Company's operating performance. The benefits were designed to meet employees' requirements under the related regulations in order to share the Company's operating result with employees.

- ii. According to Article 23 of the Company's Articles of Incorporation: income before tax deduct income before employees' compensation and directors' remuneration, after offsetting deficits, if any, shall be distributed as employees' compensation not lower than 6% and directors' remuneration not higher than 3% after resolving by the Board of Directors.

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	Provision of endorsements /guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/guarantor											
5	Foxwell Energy Corporation Ltd.	Beiyuan 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	//	-

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	"	-

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	
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 Beiyuan 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%

- VI. In the most recent year and as of the publication date of the annual report, whether any financial difficulties occur at the Company that affects the Company's financial status: None.

VII. Financial status and financial performance review analysis and risk issues

I. Review and analysis financial status

(1) Comparative analysis table of financial status

Unit: NTD Thousand

Item	Year	2020	2019	Difference	
				Amount	%
Current assets		49,290,306	37,437,621	11,852,685	31.65%
Property, plant and equipment		20,850,423	23,397,983	-2,547,560	-10.89%
Intangible assets		1,653,998	2,251,948	-597,950	-26.55%
Other assets		10,467,375	10,208,852	258,523	2.53%
Total assets		82,262,102	73,296,404	8,965,698	12.23%
Current liabilities		30,262,765	26,274,698	3,988,067	15.18%
Non-current liabilities:		21,915,449	18,779,187	3,136,262	16.70%
Total liabilities		52,178,214	45,053,885	7,124,329	15.81%
Equity attributable to owners of parent		23,762,553	22,431,878	1,330,675	5.93%
Capital stock		5,123,269	5,123,269	-	-
Additional paid-in capital		9,828,746	9,471,717	357,029	3.77%
Retained earnings		11,180,950	10,443,493	737,457	7.06%
Other equity interest		-2,036,346	-2,334,535	298,189	12.77%
Treasury shares		-272,066	-272,066	-	-
Non-controlling interests		6,321,335	5,810,641	510,694	8.79%
Total equity		30,083,888	28,242,519	1,841,369	6.52%
Reasons for increases or decreases in amounts in the last two years.					
1. Current assets increased by 31.65%, mainly due to an increase of pledged time deposits in a subsidiary in response to projects in 2020.					
2. Intangible assets decreased by 26.55%, mainly due to the impairment of goodwill in 2020.					

II. Review and analysis of financial performance:

Unit: NTD Thousand

Item	Year	2020	2019	Difference	
				Amount	%
Operating revenue		89,552,100	97,820,336	-8,268,236	-8.45%
Operating costs		79,778,673	87,602,570	-7,823,897	-8.93%
Operating gross profit		9,773,427	10,217,766	-444,339	-4.35%
Operating Expenses		7,379,006	7,936,076	-557,070	-7.02%
Operating profit		2,394,421	2,281,690	112,731	4.94%
Non-operating income and expenses		189,414	103,124	86,290	83.68%
Net profit before tax		2,583,835	2,384,814	199,021	8.35%
Income tax expense		699,467	597,478	101,989	17.07%
Net profit for the period		1,884,368	1,787,336	97,032	5.43%
Reasons for increases or decreases in amounts in the last two years.					
1. Non-operating income and expenses increased by 83.68%, mainly due to an increase in investment income from disposals in 2020.					

III. Cash flow review and analysis

Unit: NTD Thousand

Beginning cash balance	Annual net cash flows from operating activities	Annual cash outflows from investment and financing activities	Effect of exchange rate fluctuations	Cash surplus (insufficiency) amount	Remedial measures for cash shortages	
					Investment plan	Financing plan
6,296,729	5,653,099	(1,178,160)	221,872	10,993,540	-	-
1. Analysis of the changes in cash flows for the most recent year: (1) Operating activities: NTD 5,653,099 thousand (2) Investing activities: NTD (7,181,302) thousand (3) Financing activities: NTD 6,003,142 thousand 2. Remedial measures and liquidity analysis for cash shortage: None. 3. Analysis of cash liquidity in the coming year: With the Company's substantial growth in operations and increased profits in recent years, cash flows in the coming year will be sound.						

IV. The impact of major capital expenditures in recent years on financial operations

Unit: NTD Thousand

Year	Capital expenditure items	Sources of funds	Total funds	Effect on financial operations
2020	Acquisition of property, plant and equipment	Own funds and bank financing	2,429,984	Build additional factories and purchase production equipment to expand the scale of production and sales to meet market and customer needs.

V. Reinvestment policy in the most recent year, main reasons for its profit or loss, improvement plan and investment plan for the next year

1. Reinvestment analysis table

December 31, 2020; Unit: NTD thousand

Description Item	Investment amount	Policy	Profit or loss Primary reasons	Improvement program
CU International Ltd.	12,844,679	Investments in mainland companies via reinvestment in companies located in a third region	Loss of NTD 1,181 thousand	Strengthen management of the investee target company
Culink International Ltd.	917,840	Investments in Singapore and US companies via reinvestment in companies located in a third region	Profit of NTD 143,347 thousand	-
Foxlink International Investment Ltd.	2,950,000	Controlling stakes and investments in other companies	Loss of NTD 97,472 thousand	Strengthen management of the investee target

Description Item	Investment amount	Policy	Profit or loss Primary reasons	Improvement program company
Fu Uei International Investment Ltd.	2,850,000	Controlling stakes and investments in other companies	Profit of NTD 23,410 thousand	-
Well Shin Technology Co., Ltd.	270,065	Expanding the scale of operations to take full advantage of vertical integration	Profit of NTD 424,076 thousand	-
Darts Technologies Corporation	762,566	Expanding the scale of operations to take full advantage of vertical integration	Profit of NTD 69,772 thousand	-
DU Precision Industry Co., Ltd.	600,000	Expanding the scale of operations to take full advantage of vertical integration	Loss of NTD 7,392 thousand	Increase output and improve operational performance
Foxlink Technology Ltd.	318,449	Expanding the scale of operations to take full advantage of vertical integration	Profit of NTD 1,189 thousand	
Suntain Co., Ltd.	90,810	Expanding the scale of operations to take full advantage of vertical integration	Profit of NTD 761 thousand	
Sinobest Brothers Limited	589,650	Investments in Myanmar companies via reinvestment in companies located in a third region	Loss of NTD 8,932 thousand	Improve and enhance the operational efficiency of Myanmar companies

2. The Company's investment plan for the next year is expected to focus on expanding production capacity in response to market demand.

VI. Risk management

- (I) Most recent year impact of interest rate, exchange rate changes, and inflation on the Company's profit and loss and future countermeasures:
 1. Although the amount of bank borrowings increased in 2020 compared with 2019, the annual interest expense of NTD 349,253 thousand was equivalent to the interest expense of NTD 350,318 thousand seen in in 2019 due to a decline in market interest rates. In the future, the Company will regularly evaluate deposit and borrowing interest rates between banks and maintain good relationships with correspondent banks to obtain more favorable borrowing rates. At the same time, we will pay close attention to changes in interest rates to maintain the flexibility of financial operations.
 2. The Company's 2020 exchange loss was NTD 23,201 thousand mainly due to the appreciation of the New Taiwan Dollar. However, based on the

inconsistency of exchange rate changes in the market, it is difficult to accurately predict the future direction of exchange rate changes. Therefore, the Company's consistent practice is to reduce the net position exposed to the risk of exchange rate fluctuations as its main principle. At the same time, we will closely monitor market exchange rate fluctuations, and undertake forward foreign exchange transactions for risky positions to hedge risks. This will be done to reduce the impact of exchange rate fluctuations on the company's profits and losses.

3. Prices of raw materials such as international crude oil and basic metals have gradually risen in recent years, which has put pressure on the Company's overall material costs. In 2020, domestic water, oil, and electricity prices gradually increased. The Company thus will pay close attention to rising prices. At the same time, a relatively medium- to long-term procurement strategy will be formulated to reduce the impact of inflation on the Company's profits and losses.

(II) In the past year, policies for engagement in high risk and high leverage investment, loaning funds to others, guarantees/endorsements, and derivative trade, the main reason for profit or loss, and the response in the future:

1. Since its establishment, the Company has been committed to operations in its industry and has not engaged in high risk and high leverage investment behavior.
2. The Company's conduct of loans of funds to others and of endorsements and guarantees are all handled in accordance with the company's Operational Procedures for Loaning Funds to Others and Implementation Measures for Endorsements and Guarantees.
3. The Company did not engage in derivative operations in 2020. Any future derivative transactions will be for the purpose of hedging and will be handled in accordance with the Procedures for the Acquisition or Disposal of Assets.

(III) The most recent annual research and development plans, current progress of ongoing R&D plans, R&D expenses to be reinvested, estimated time before mass production is completed, and main factors influencing the success of future R&D:

1. The main future research and development directions and strategies of the Company will be:
 - (1) Closely integrate technology into products to generate differentiated competitive advantages.
 - (2) Integrate the technical fields of materials, machinery, electronics, optics, electroacoustics, etc.; e.g., through: optical inspection automation, engineering analysis capabilities, secondary processing electroplating technology, antenna design, and wire nano coating development.
 - (3) Build professional laboratories for high frequency technology, electroacoustic technology, surface technology, and so on.
 - (4) Lead and continue to develop various halogen-free, lead-free materials and application products that meet future environmental protection requirements.
 - (5) Participate in the development process of customers' new products to provide them with various solutions and technical support.
 - (6) Strengthen the ability to integrate existing technologies and evaluate and introduce new product development technologies.
 - (7) Integrate the technology platform of electro-optic sound to expand products and market share.
2. Cases that have been developed and completed as of the first quarter of this

year:

- (1) Teams webcam
 - (2) Terminal pattern laser engraving technology to improve airtightness
 - (3) Power Station 500W product and technology development
 - (4) Heat not burn e-cigarettes
 - (5) Westunitis smart glasses battery
 - (6) E-Bike three-electric system integration technology
 - (7) Type C conn. technology to prevent sweat short circuits
3. This year's planned development of ongoing cases is as follows, and it is expected that mass production and shipments will be attained by the end of this year.
- (1) Wireless gaming headsets
 - (2) Wireless gaming mice
 - (3) Stylus pens
 - (4) Indication Ring
 - (5) Centrifugal plating technology
 - (6) Interior lighting modules
 - (7) E-Bike three-electric system integration technology development
 - (8) Micro Bike electric bicycle vehicle and battery module development
 - (9) UAV battery module development
 - (10) Development of sensing lines for waterproof electric bicycles
 - (11) Development of optical fiber type C cable
 - (12) Optical fiber laser cutting process introduction
 - (13) Robotic arm technology development
 - (14) Development of grid-level energy storage container and monitoring management system
 - (15) 3D printer technology
 - (16) Deep drawing mold polishing technology
4. Actual consolidated R&D expenses of the Company and its subsidiaries came to NTD 2,386,034 thousand in 2020, equivalent to approximately 2.66% of consolidated operating income of the year. This marked a decrease of 2.31% from the consolidated R&D expenses of NTD 2,442,560 thousand seen in 2019. Through the first quarter of 2021, actual consolidated research and development expenses were approximately NTD 583,776, accounting for 3.10% of operating income. Moreover, it is estimated that the total R&D expenditures to be invested this year will be 2.5% of this year's operating income, and the total amount is seen reaching NT\$2.5 billion. Therefore, R&D expenditures yet to be invested this year come to approximately NT\$1.8 billion.

(IV) In the past year, the impact of important domestic and foreign policies and legal changes on the Company's financial business and corresponding measures:
The Company has a legal unit that keeps an eye on important domestic and foreign policies and changes in laws to propose impact assessments and response plans. At the same time, the Company has also appointed external legal counsel to make inquiries and deal with legal issues related to the Company.

(V) In the past year, the impact of technology changes on the Company's financial business and corresponding measures:

1. The advancement of science and technology is set to transform human life as well as impacting the ecology of the industry. In the past, our Company has developed from its start in the information industry to take its place in the communications industry, and is now set to expand into the consumer

electronics industry. The Company has thus always been able to master technological information and understand market needs, and has set out strategies that are beneficial to the Company's long-term development.

2. Information security risk assessment analysis

The Company has formulated an information security policy to strengthen information security management, ensuring the confidentiality, integrity, and availability of the information assets. It has done so in order to provide an information environment for the continuous operation of the Company's business, as well as freedom from internal and external threats whether deliberate or accidental. The Company has also formulated information security risk assessment procedures and conducts regular annual assessments.

(1) Information security policy scope

- A. Personnel management and information security education and training
- B. Network and computer system security management
- C. System access control, development and maintenance security management
- D. Information asset security management
- E. Physical and environmental safety management
- F. Planning and management of business continuity operation plan

(2) Information security policy responsibilities

- A. The Company has established an inter-departmental information security management team. The staff work of this group is the responsibility of the information unit, coordinating matters related to information security management.
- B. Supervisors at all levels of the Company should actively participate in and support the information security management system, and achieve cost policies through the relevant standards and procedures that have been established.
- C. All personnel of the company, outsourced service vendors and visitors should abide by these policies.
- D. When any personnel of the Company or outsourced service providers discover an information and security incident, the contact person of the information security team should be notified, and the person in charge of the information security team should be informed. At the same time, the information security contact person should report information security incidents or discovered weaknesses through the notification mechanism, and should also record them.
- E. Any act that endangers information security will be investigated for civil, criminal and administrative responsibilities according to the seriousness of the circumstances or will be dealt with in accordance with the relevant regulations of the Company.

The information security team's operations are to be implemented in accordance with the Company's procedures to ensure data integrity and security. As the results of the information security risk assessment are still optimal, the Company's information security has therefore experienced no major adverse effects and no major operational risks in the most recent year and as of the publication date of the annual report.

(VI) In the most recent year, the impact of corporate image change on corporate crisis management and countermeasures:

The Company has been committed to operations in its industry and with the goal of establishing a positive social image of the Company and exerting its social responsibility. Nothing has happened that would damage our corporate image.

(VII) Expected benefits and possible risks of mergers and acquisitions and countermeasures:

In the most recent year and up to the date of publication of the annual report, the Company has not had any mergers or acquisitions.

(VIII) Expected benefits and possible risks of plant expansion and countermeasures:

In order to meet the needs of future business growth, the company will continue to expand the production capacity of each production base to expand its market share.

(IX) Risks arising from purchase or sales concentration and countermeasures:

Sales: As the company's products are diversified, including cables, connectors, batteries, power modules and other system products, the application scope of terminal products covers communication and consumer electronics products and the sales target is mainly international brand manufacturers; therefore, risk is relatively low. At the same time, the company's products have gradually changed from OEM and ODM to JDM (joint design manufacturing with customers) in recent years, thus providing customers with multiple technical resources. Therefore, the close integration of customer relationships also greatly enhances the Company's R&D strength and competitiveness; and even in the face of an oligopolistic market for end products, the Company can also expand various new product areas and achieve the goal of stable growth in its annual performance.

Purchasing: Except for agency sales involving finished products bought back from subsidiaries, the Company requires a wide range of raw materials in view of the diversified nature of its products. As a result, actual purchasing counterparties are quite spread out and there is no risk of concentration.

(X) The influence and risk of the massive transfer of shares or the replacement of the directors, supervisors, or major shareholders holding more than 10% of the shares issued by the Company, and the response:

In the most recent year and up to the date of publication of the annual report, the Company has not faced the aforementioned situation.

(XI) The impact, risks and countermeasures of a change of management rights on the Company:

In the most recent year and up to the date of publication of the annual report, there has not been such a concern.

(XII) Litigation or non-litigation events:

1. The Company's current major litigation or non-litigation events or administrative disputes still being adjudicated:

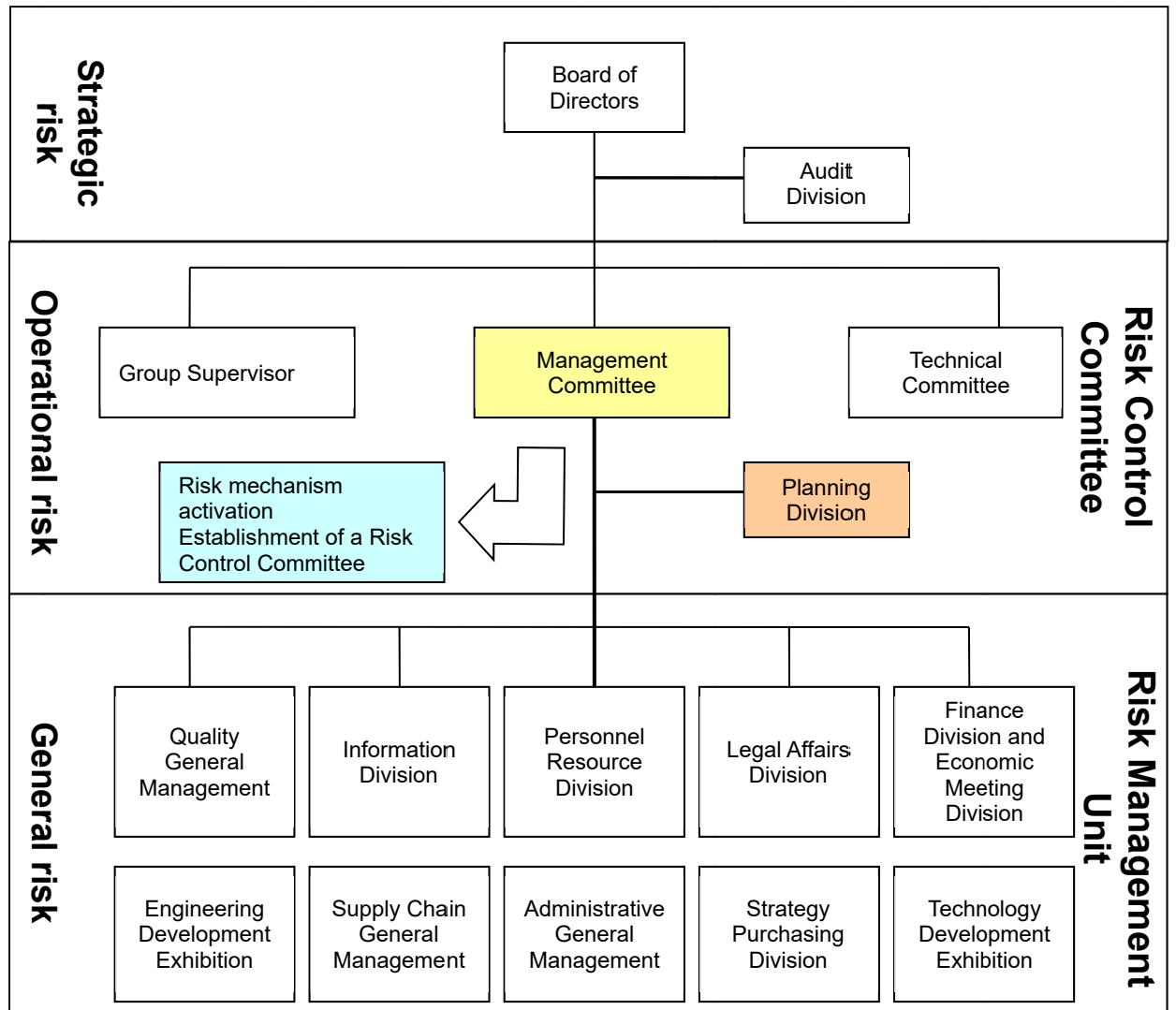
The Company	Counterparty	Year dispute began	Summary of facts	Targeted amount	Jurisdiction
Power Quotient International Co., Ltd.	PRIVATE LABEL PC, INC., etc.	2011	<p>On December 16, 2011, the Company received a notice from a US subsidiary of an accounts receivable dispute with customers in Central and South America. After investigation by the Company, it was discovered that a specific employee of the US subsidiary went to the freight contracting company to tamper with the relevant delivery documents and the goods were shipped to other areas other than the destination designated by the customer who placed the order; the estimated impact amount was USD 19,447 thousand (approximately NTD 577,633 thousand).</p> <p>According to the opinion of the attorney, the events listed above are claims on the specific employee. Based on the principles of prudent and conservatism, the US subsidiary will include all the above claims in bad debt losses. However, the actual loss has yet to be determined by the judicial authorities' investigation and recovery results. In this case, the judicial authorities of Taiwan and the United States have been invited to investigate and search for evidence, and the relevant personnel shall be held criminally responsible. The Company has appointed lawyers to file civil lawsuits in Taiwan and the United States respectively, and deposited NTD 2,500 thousand in the New Taipei District Court of Taiwan as</p>	Approximately NTD 577,633 thousand	United States court Taiwan court

The Company	Counterparty	Year dispute began	Summary of facts	Targeted amount	Jurisdiction
			<p>a guarantee for the execution of provisional seizure. According to the opinion of the attorney, the possibility of debt recovery has not yet been confirmed. In addition, the US subsidiary filed a complaint against PRIVATE LABEL PC, INC. (PLPC), etc. PLPC also filed a counterclaim against the Company, the US subsidiary, and the Hong Kong subsidiary and sought compensation of USD 3,224 thousand. The US subsidiary reached a settlement agreement with some of the defendants in advance, and in March and June 2015, settlement fees of USD 950 thousand and USD 400 thousand respectively were collected. On October 7, 2015, PLPC withdrew the complaint against the Hong Kong subsidiary. The prior litigation reached a settlement agreement with PLPC on July 25, 2016 and the Company did not need to pay a settlement fee. As each party has a confidentiality clause, settlement amounts are therefore exempt from disclosure. Both parties withdrew their respective suits on August 12. On November 30, 2016, the U.S. subsidiary obtained a judgment in a civil lawsuit against the two defendants. The civil litigation disputes with the other parties have been settled. Sentencing for criminal non-prosecution sanctions in Taiwan was confirmed for one of the defendants in the Japan case on March 22, 2017.</p>		

2. Major litigation or non-litigation events impacting the Company and its directors, supervisors, general managers, substantive persons in charge, and major shareholders whose shareholding ratio exceeds 10%, and major litigation or non-litigation events or administrative disputes confirmed or still being adjudicated for affiliated companies, where the outcomes may have a significant impact on shareholders' equity or the price of securities: None.
- (XIII) Other important risks and countermeasures: None.
1. Risk management policy of the Company:

In order to strengthen its risk management mechanisms and improve internal response to various risk issues, the Company has formulated its Risk Management Measures. These clearly define risk items, risk levels, notification and management procedures, risk control management organizational structure, supervision and tracking rights and responsibilities, and so on. This is done to enhance the Company's internal risk management awareness and reduce the possibility of risk. It is further hoped that the impact of risk items can be reduced so as to achieve the Company's vision and business goals.

2. Risk management organization framework:



3. Functional description of each organizational unit:
 Management Committee: Comprehensively coordinates the operation of various functional organizations; discuss and suggest optimal countermeasures
 Finance and Accounting Division: Financial risk assessment and control
 Information Division: Evaluation and control of information systems and computer hardware and software equipment
 Administrative Management Division: Evaluation and control of general affairs and industrial safety system planning
 Human Resources Division: Evaluation and control of talent cultivation and personnel management
 Legal Affairs Division: Evaluation and control of legal risks
 Spokesperson: The Company's unified external contact window

VII. Other important matters:

(I) Status of advanced training for directors:

Position	Name	Training date		Organizer Unit	Course Designation	Training Hours
		From	Until			
Director	T.C. Gou	2020.11.10	2020.11.10	Securities & Futures Institute	Advanced seminar for directors (including independent directors), supervisors, and corporate governance executives	3
Director	Chen-Phan Pu	2020.11.03	2020.11.03	Accounting Research and Development Foundation	Policy analysis and internal control management practices of the competent authority regarding "Assisting companies to improve their own financial reporting capabilities"	6
Director	Chen-Phan Pu	2020.11.25	2020.11.25	Accounting Research and Development Foundation	Analysis of the latest corporate governance policies and legal compliance audit practices of the establishment of "Corporate Governance Officers"	6
Director	Jui-Hsia Wan	2020.08.19	2020.08.19	Professional Education Committee, National Federation of CPA Associations of ROC	Latest tax laws and practices	7
Director	Jui-Hsia	2020.08.2	2020.08.2	Professional	The first step	3

Position	Name	Training date		Organizer Unit	Course Designation	Training Hours
		From	Until			
	Wan	0	0	Education Committee, National Federation of CPA Associations of ROC	towards capital markets	
Director	Jui-Hsia Wan	2020.09.08	2020.09.08	Professional Education Committee, National Federation of CPA Associations of ROC	Real estate trusts and real estate integration	3
Director	Jui-Hsia Wan	2020.09.10	2020.09.10	Professional Education Committee, National Federation of CPA Associations of ROC	Ministry of Economic Affairs investment business briefing session	3
Director	Jui-Hsia Wan	2020.09.16	2020.09.16	Professional Education Committee, National Federation of CPA Associations of ROC	Trends in the post-money laundering prevention era	3
Director	Jui-Hsia Wan	2020.10.12	2020.10.12	Professional Education Committee, National Federation of CPA Associations of ROC	Differential analysis of IFRSs	3

(II) Personnel involved in financial information transparency, participating in training or obtaining licenses:

1. Participation in training:

Year	Organizer	Course title	Course Hours	The Company's number of participating staff
2020	Accounting Research and Development Foundation	Policy analysis and internal control management practices of the competent authority regarding "Assisting companies to improve their own financial reporting capabilities"	6	2
2020	Accounting Research and Development Foundation	Analysis of the latest corporate governance policies and legal compliance audit practices of the establishment of "Corporate Governance Officers"	6	2
2020	Accounting Research and Development Foundation	Common deficiencies in the preparation of corporate financial statements and compliance with internal audit and internal control laws and regulations	6	1
2020	Accounting	Internal auditors' use of	6	1

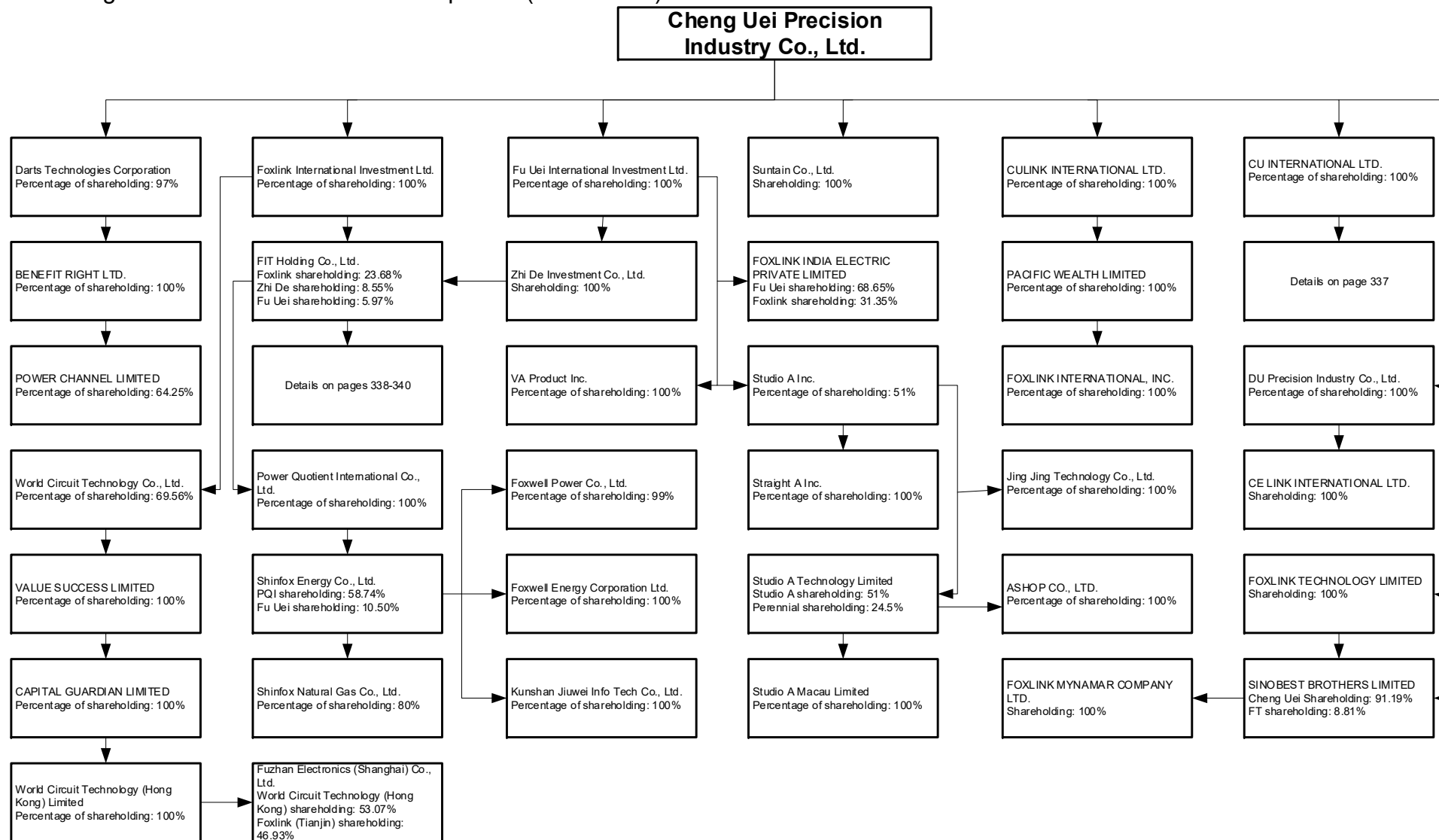
Year	Organizer	Course title	Course Hours	The Company's number of participating staff
	Research and Development Foundation	digital forensics in the protection of business secrets and investigations		
2020	Securities & Futures Institute	Pre-employment training seminar for new internal auditors of the enterprise	18	1

2. Circumstances of obtaining licenses:
Two individuals in the Internal Audit Department of the Company have obtained international internal auditor certificates.

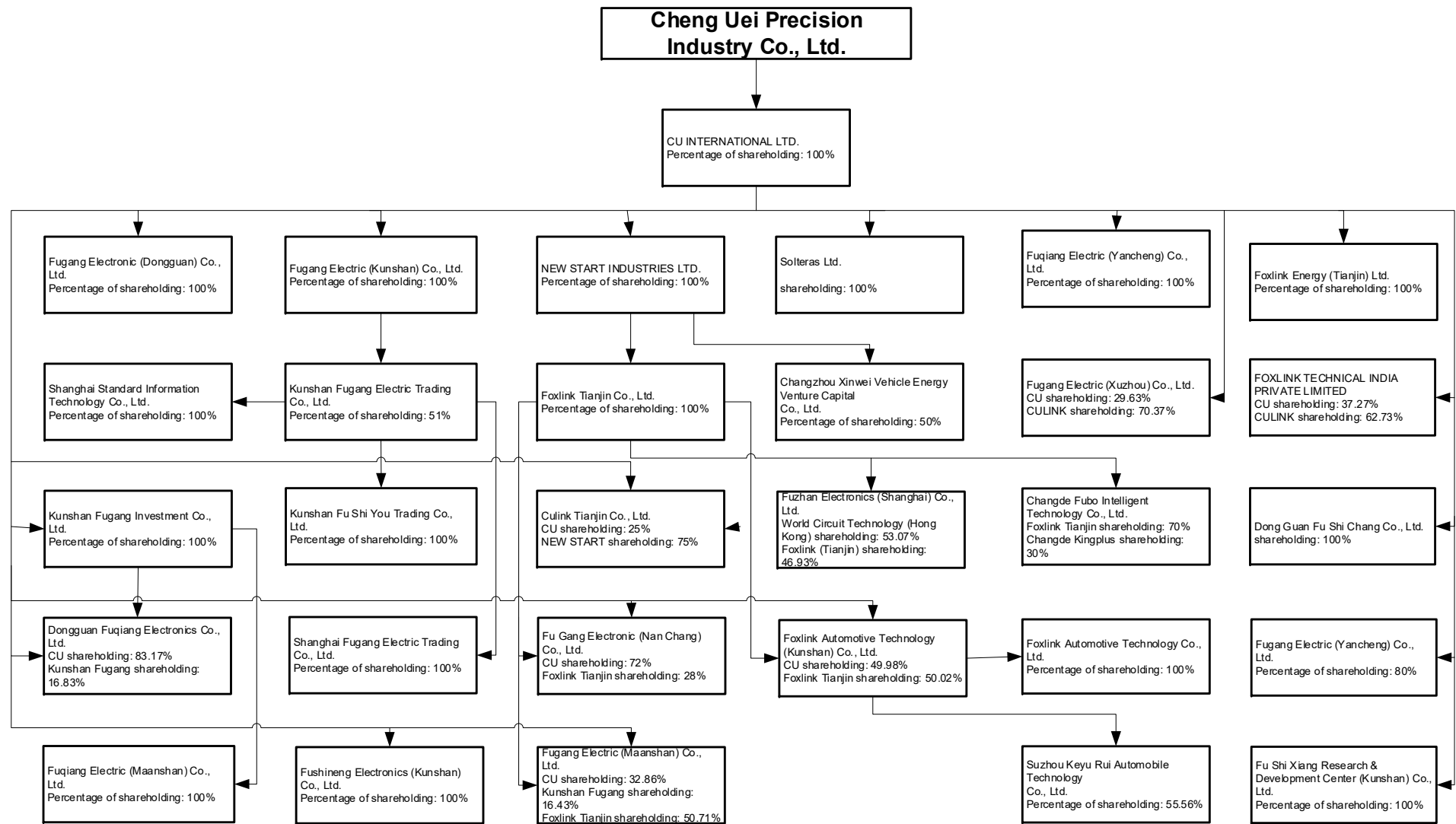
VIII. Special Disclosures

I. Related information of affiliated companies:

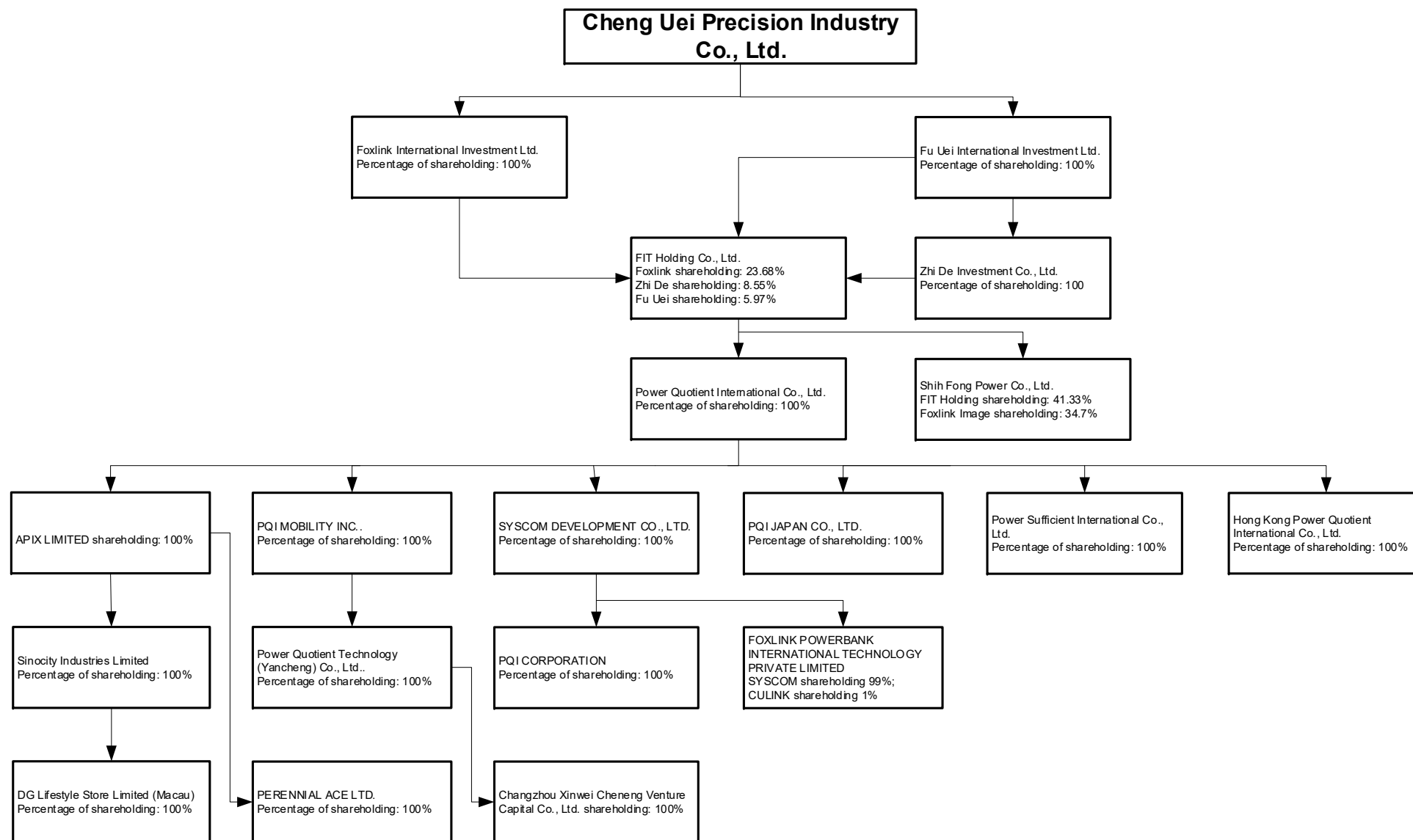
1. Organization chart of affiliated companies (2020.12.31)

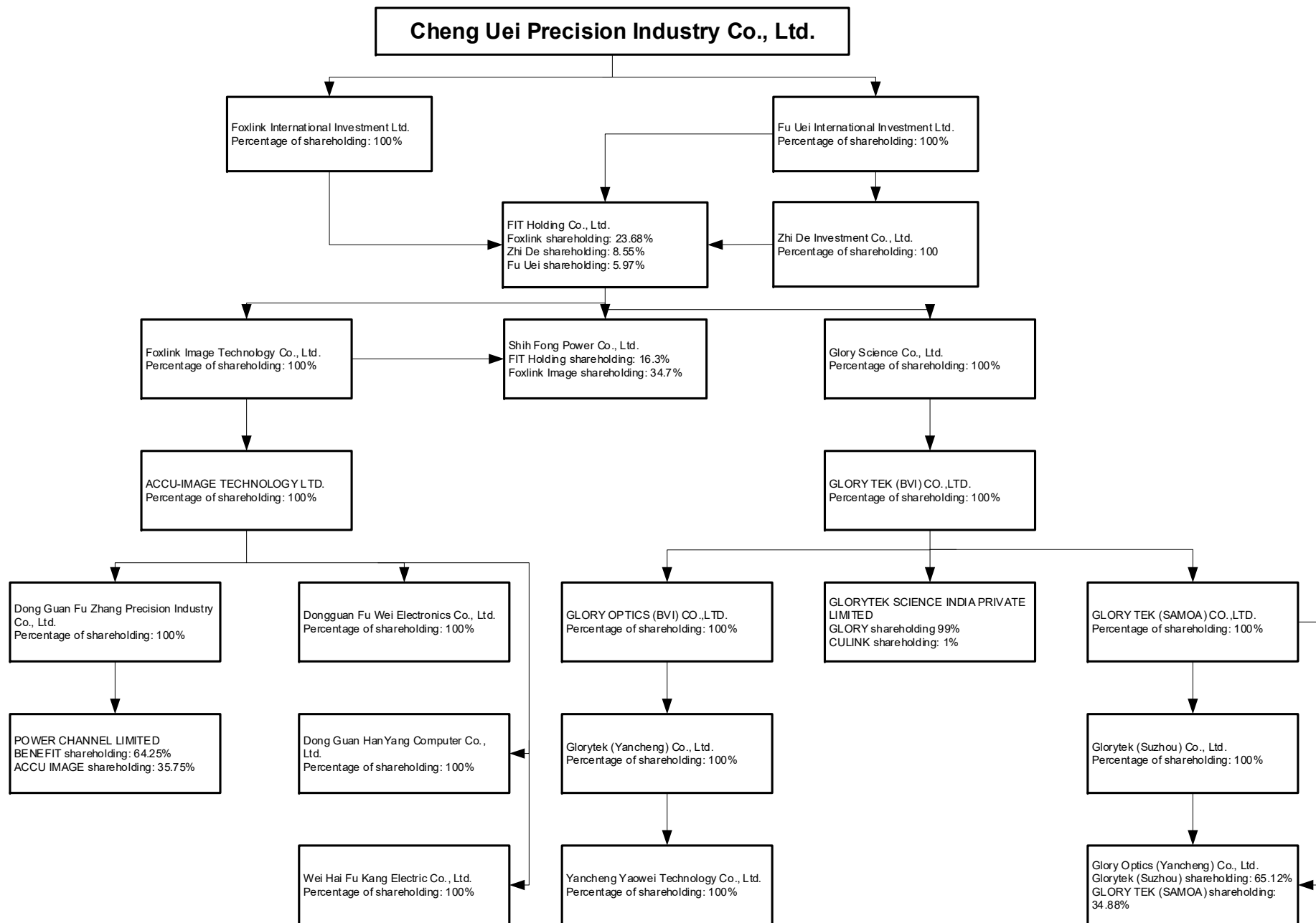


Organization chart of affiliates



Organization chart of affiliates





2. Basic information of each affiliated company

December 31, 2020

Enterprise Name	Date of establishment	Address	Paid-in capital amount	Main business or production items
CU INTERNATIONAL LTD.	1996.11.06	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	12,844,679	Manufacturing and reinvestment of electronic components and related businesses
CULINK INTERNATIONAL LTD.	1996.10.30	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	917,840	Investment in related business
PACIFIC WEALTH LTD.	1997.08.01	Huntlaw Building, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands	28,480	General investing
FOXLINK INTERNATIONAL, INC.	1994.07.15	360 N. Pastoria Ave., Sunnyvale CA 94085	14,240	Shipping center and marketing business
Foxlink International Investment Ltd.	2000.03.20	6th Floor, No. 260, Bade Road Section 2, Zhongshan District, Taipei City	3,687,500	General investing
NEW START INDUSTRIES LTD.	1998.12.18	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	244,928	Investment in related business
Foxlink Tianjin Co., Ltd.	1998.10.30	Jinnan Economic Development Zone, Tianjin City, Hebei Province, China	512,640	Manufacturing and trading of electronic components
Fugang Electronic (Dongguan) Co., Ltd.	1997.12.17	Room 101, Building 1, No.132 South Dongkeng Avenue, Dongkeng Town, Dongguan City, Guangdong Province, China	1,240,769	Electronic component manufacturing
Fugang Electric (Kunshan) Co., Ltd.	2002.04.03	Jinxi Development Zone, Jinxi Town, Kunshan City, Jiangsu Province, China	3,460,320	Electronic component manufacturing
Dong Guan Fu Shi Chang Co., Ltd.	2002.06.25	Yinhe Industrial Zone, Keji Road, Qingxi Town, Dongguan City, Guangdong Province, China	3,438	Electronic component manufacturing
Culink Tianjin Co., Ltd.	2002.11.08	No. 33, Fifth Avenue, Jinnan Economic Development Zone, Tianjin	113,920	Manufacturing and trading of electronic components

Enterprise Name	Date of establishment	Address	Paid-in capital amount	Main business or production items
World Circuit Technology Co., Ltd.	2003.09.15	No. 28-1, Zhongshan Road, Tucheng District, New Taipei City	225,000	Manufacturing and trading of flex PCBs and electronic components
VALUE SUCCESS LTD.	2003.04.15	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	182,272	Holding and reinvestment business
Fu Uei International Investment Ltd.	2004.11.15	6th Floor, No. 260, Bade Road Section 2, Zhongshan District, Taipei City	2,850,000	General investing
Dongguan Fuqiang Electronics Co., Ltd.	2005.02.24	Room 101, Building 1, No. 136, Dongkeng Keji Road, Dongkeng Town, Dongguan City, Guangdong Province, China	3,383,709	Manufacturing and trading of electronic components
Foxlink Energy (Tianjin) Ltd.	2004.11.23	No. 137, Huanghai Road, Tianjin Economic and Technological Development Zone	113,920	Manufacturing and trading of electronic components
Foxlink Automotive Technology (Kunshan) Co., Ltd.	2005.09.08	No. 2-18, Zhengwei Road, Jinxi Town, Kunshan City, Jiangsu Province, China	191,263	Manufacturing and trading of electronic components
CAPITAL GUARDIAN LTD.	2004.07.01	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	182,272	Holding and reinvestment business
World Circuit Technology (Hong Kong) Limited	1999.07.02	Units 901-4,9/F., Lu Plaza, No. 2 Wing Yip Street, Kwun Tong, Kowloon, Hong Kong	32,007	Trading of electronic components
Fuzhan Electronics (Shanghai) Co., Ltd.	2004.11.08	No. 1089, Chuanqiao Road, Jinqiao Export Processing Zone, Pudong, Shanghai, China	427,200	Manufacturing and trading of electronic components
Darts Technologies Corporation	2002.09.23	No. 49, Sec. 4, Zhongyang Rd., Tu Cheng Dist., New Taipei City	371,079	Manufacturing and trading of wired and wireless communication equipment
SOLTERAS LTD.	2006.04.06	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	56,960	General investing

Enterprise Name	Date of establishment	Address	Paid-in capital amount	Main business or production items
DU Precision Industry Co., Ltd.	2007.08.09	No. 28, Zhongshan Road, Tucheng District, New Taipei City	600,000	Trading of various connector materials and products
CE LINK INTERNATIONAL LTD.	2007.07.31	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	470,945	Trading of various connector materials and products
BENEFIT RIGHT LTD.	2007.08.15	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	280,414	General investing
Studio A Inc.	2007.03.22	6th Floor, No. 260, Bade Road Section 2, Zhongshan District, Taipei City	258,750	Trading of electronic components
Straight A Inc.	2009.08.25	6th Floor, No. 260, Bade Road Section 2, Zhongshan District, Taipei City	66,600	Trading of electronic components
Fushineng Electronics (Kunshan) Co., Ltd.	2007.09.06	No. 6, Zhengwei Road, Jinxi Town, Kunshan City, Jiangsu Province	341,760	Manufacturing and trading of electronic components
VA Product Inc.	2001.05.22	6th Floor, No. 260, Bade Road Section 2, Zhongshan District, Taipei City	24,000	Trading of electronic components
FOXLINK TECHNOLOGY LIMITED	2000.03.01	Unit 901-4, 9/F., Lu Plaza 2 Wing Yip Street, Kwun Tong, Kowloon Hong Kong	318,449	Reinvestment related business
Studio A Technology Limited	2010.02.11	Shop 101-102, First Floor, Frontline Touch, 310 Gloucester Road, Causeway Bay, Hong Kong	14,364	Trading of electronic components
Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	2010.02.10	North side of Jindong Road, Jinxi Town, Kunshan City, Jiangsu Province	128,160	Manufacturing and trading of electronic components
Zhi De Investment Co., Ltd.	1998.07.10	6th Floor, No. 260, Bade Road Section 2, Zhongshan District, Taipei City	1,709,183	General investing
Kunshan Fugang Electric Trading Co., Ltd.	2010.10.09	No. 6, Zhengwei West Road, Jinxi Town, Kunshan City, Jiangsu Province	170,900	Trading of electronic components
ASHOP CO., LTD.	1999.10.12	B1-23 Coex Mall, 159. Samseong-dong, Gangnam-gu, Seoul Korea	284,800	Trading of electronic components
Fu Gang Electronic (Nan	2010.11.09	No. 189, Huoju 3rd Road, Xingao	1,424,000	Manufacturing and trading of

Enterprise Name	Date of establishment	Address	Paid-in capital amount	Main business or production items
Chang) Co., Ltd.		District, Nanchang City, Jiangxi Province		electronic components
Shinfox Energy Co., Ltd.	2007.04.27	No. 49, Sec. 4, Zhongyang Rd., Tu Cheng Dist., New Taipei City	1,000,000	Energy service management
Jing Jing Technology Co., Ltd.	2010.11.17	6th Floor, No. 260, Bade Road Section 2, Zhongshan District, Taipei City	3,700	Trading of electronic components
Power Quotient International Co., Ltd.	1997.12.31	8F, No. 49, Sec.4, Zhongyang Rd., Tu Cheng Dist., New Taipei City	3,246,905	Manufacturing and trading of electronic components
Hong Kong Power Quotient International Co., Ltd.	1999.09.29	Unit 2018, Shatin Galleria, 18-24 Shan Mei Street, Fotan, New Territories, Hong Kong	389,705	Trading of electronic components
SYSCOM DEVELOPMENT CO.,LTD	2000.11.09	Office of Insinger Corporate Services Limited, Road Town, Tortola, British Virgin Islands.	309,378	Professional investment company
PQI CORPORATION	2002.11.26	3230 Fallow Field Drive, Diamond Bar, CA 91765	199,360	Trading of electronic components
Power Quotient Technology (Yancheng) Co., Ltd.	2001.04.12	Room 815, Commercial Building, Comprehensive Bonded Zone, No. 18, Hope Avenue South Road, Yancheng Economic and Technological Development Zone, Jiangsu Province, China	569,600	Manufacturing and trading of electronic components
PQI JAPAN CO.,LTD.	2002.04.09	5-1208 BIWAJIMA-TYO, NISHI-KU, NAGOYA CITY 451-0053, JAPAN	23,129	Trading of electronic components
Fugang Electric (Yancheng) Co., Ltd.	2011.08.05	Room 803, Commercial Building, Comprehensive Bonded Zone, No. 18, Hope Avenue South Road, Yancheng Economic and Technological Development Zone, Jiangsu Province	85,440	Manufacturing and trading of electronic components
Kunshan Fu Shi You Trading Co., Ltd.	2011.09.19	No. 2, Zhengwei Road, Jinxi Town, Kunshan City, Jiangsu Province, China	61,278	Trading of electronic components
Studio A Macau Limited	2011.10.03	17th Floor B, No. 369 Avenida Da	1,837	Trading of electronic

Enterprise Name	Date of establishment	Address	Paid-in capital amount	Main business or production items
		Praia Grande, Macau		components
Shanghai Fugang Electric Trading Co., Ltd.	2011.11.15	Room 102-20, No.438 South Ruijin Road, Xuhui District, Shanghai, China	8,754	Trading of electronic components
Fuqiang Electric (Yancheng) Co., Ltd.	2011.11.11	2# Standard Factory Building in Yancheng Comprehensive Bonded Zone, Jiangsu Province	284,800	Manufacturing and trading of electronic components
Sinocity Industries Limited	1991.12.10	Room 3906, Cable Building, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong	2,479,275	Trading of electronic products
APIX LIMITED	2012.12.13	Portcullis TrustNet Chambers, P.O Box 3444 Road Town, Tortola, British Virgin Islands	2,946,803	Professional investment company
PQI MOBILITY INC.	2012.12.14	Portcullis TrustNet Chambers, P.O Box 1225 Apia, Samoa	284,800	Professional investment company
DG Lifestyle Store Limited	2007.09.13	Shop 2109&2111, 3rd Floor, Shoppes at Venetian, Coloane Road, Macau	357	Trading of electronic products
PERENNIAL ACE LTD.	2012.01.17	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	606,624	Professional investment company
Foxwell Energy Corporation Ltd.	2013.02.08	No. 49, Zhongyang Road Section 4, Tucheng District, New Taipei City	672,000	Energy service management
Suntain Co., Ltd.	1991.04.30	4F, No.11, Minquan St., Tu Cheng Dist., New Taipei City	95,000	Electroplating service
Fugang Electric (Maanshan) Co., Ltd.	2013.01.17	No. 2161, Zhengwei Road, Ma'anshan Economic and Technological Development Zone	866,679	Manufacturing and trading of electronic components
Kunshan Fugang Investment Co., Ltd.	2014.03.04	No. 2, Zhengwei Road, Jinxi Town, Kunshan City, Jiangsu Province, China	854,400	Investment in related business
Shinfox Natural Gas Co., Ltd.	2014.04.11	6F, No. 49, Sec.4, Zhongyang Rd., Tu Cheng Dist., New Taipei City	150,000	Energy service management
Fuqiang Electric (Maanshan) Co., Ltd.	2013.03.13	1st Floor, Comprehensive Building, No. 259, Huxi Avenue South Road,	142,400	Manufacturing and trading of electronic components

Enterprise Name	Date of establishment	Address	Paid-in capital amount	Main business or production items
		Ma'anshan Economic and Technological Development Zone		
Power Sufficient International Co., Ltd.	2014.11.21	8F, No. 49, Zhongyang Road Section 4, Tucheng District, New Taipei City	10,000	Medical equipment sales
POWER CHANNEL LIMITED	2003.09.05	Room 1904, 19th Floor, Donghui Commercial Building, 109-111 Gloucester Road, Wanchai, Hong Kong.	359,133	General investing
Kunshan Jiuwei Info Tech Co., Ltd.	2017.06.01	Room 9606, Room 3, No. 28, Jinchang Road, Jinxi Town, Kunshan City, Jiangsu Province	1,424	Supply chain finance energy service management
Foxlink Automotive Technology Co., Ltd.	2008.02.27	3F, No. 49, Sec.4, Zhongyang Rd., Tu Cheng Dist., New Taipei City	50,000	Manufacturing and trading of electronic components
FOXLINK TECHNICAL INDIA PRIVATE LIMITED	2017.08.03	A-13, Sector 64, Noida Gautam Buddha Nagar, Uttar Pradesh, India	246,685	Manufacturing and trading of electronic components
Fugang Electric (Xuzhou) Co., Ltd.	2017.10.26	North side of Shenda Road, Xuzhou Economic and Technological Development Zone	768,960	Manufacturing and trading of electronic components
FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED	2018.01.16	A-13, Sector 64, Noida Gautam Buddha Nagar, Uttar Pradesh, India	96,402	Trading of electronic components
FIT Holding Co., Ltd.	2018.10.01	No. 49, Sec. 4, Zhongyang Rd., Tu Cheng Dist., New Taipei City	2,462,421	General investing
Foxlink Image Technology Co., Ltd.	1997.03.25	No. 49, Sec. 4, Zhongyang Rd., Tu Cheng Dist., New Taipei City	1,649,940	Manufacturing and trading of image scanners and electronic communication parts, etc.
Glory Science Co., Ltd.	2000.06.29	No. 22, Houke S. Rd., Houli Dist., Taichung City	959,704	Manufacturing and trading of optical instruments
ACCU-IMAGE TECHNOLOGY LIMITED	2000.07.18	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	1,030,318	Manufacturing and trading of image scanners and multi-function printers, etc.
Dongguan Fu Wei Electronics	2014.01.10	Yinhe Industrial Zone, Zhonghe	170,880	Sales and purchase of image

Enterprise Name	Date of establishment	Address	Paid-in capital amount	Main business or production items
Co., Ltd.		Management Zone, Qingxi Town, Dongguan		scanners, multi-function printers and their accessories
Wei Hai Fu Kang Electric Co., Ltd.	2011.07.12	No. 373, Shuangdao Road, Shuangdao Bay, Weihai High District	227,840	Manufacturing and sales of parts and molds such as photocopiers and scanners
Dong Guan Fu Zhang Precision Industry Co., Ltd.	2011.06.01	Yinhe Industrial Zone, Zhonghe Management Zone, Qingxi Town, Dongguan	231,037	Mold development and plastic parts
Dong Guan HanYang Computer Co., Ltd.	2000.11.24	Yinhe Industrial Zone, Zhonghe Management Zone, Qingxi Town, Dongguan	174,828	Manufacturing of image scanners and multi-function printers; investment in real estate
Glory Science (BVI) Co., Ltd.	2003.11.03	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	1,379,545	General investing
Glory Optics (BVI) Co., Ltd.	2003.12.24	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	494,837	Trading business
Glory Science (Samoa) Co., Ltd.	2003.10.31	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	780,074	General investing
Glorytek (Yancheng) Co., Ltd.	2011.11.11	1 Standard Factory Building in Yancheng Comprehensive Bonded Zone, Jiangsu Province	256,320	Trading and manufacturing business
Glorytek (Suzhou) Co., Ltd.	2004.01.09	Building 2, No. 2, Zhengwei Road, Jinxi Town, Kunshan City, Jiangsu Province	398,720	Trading and manufacturing business
Yancheng Yaowei Technology Co., Ltd.	2015.11.05	No. 50, Jiuhuashan Road, Yancheng Technology Development Zone, Jiangsu Province	43,770	Trading and manufacturing business
Glory Optics (Yancheng) Co., Ltd.	2017.05.23	Room 919, No. 18, Hope Avenue South Road, Yancheng Technology Development Zone, Jiangsu Province	944,412	Trading and manufacturing business

Enterprise Name	Date of establishment	Address	Paid-in capital amount	Main business or production items
GLORYTEK SCIENCE INDIA PRIVATE LIMITED	2017.08.14	C-3 in Unit No.532, Logix Technova, Tower B Plot No.A-4, Sector-132 Noida Gautam Buddha Nagar-201301	100,551	Trading and manufacturing business
Suzhou Keyu Rui Automobile Technology Co., Ltd.	2016.01.22	No. 1088, Jindong Road, Jinxi Town, Kunshan City, Jiangsu Province	10,943	Trading and manufacturing business
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	2018.12.14	Room 405, Block E, Building 3, High-Tech Park, Xinbei District, Changzhou City	437,700	General investing
SINOBEST BROTHERS LIMITED	2011.08.10	Room 902-4, 9th Floor, Zhen Wan Plaza, 2 Wing Yip Street, Kwun Tong, Kowloon, Hong Kong	646,610	Reinvestment related business
FOXLINK MYANMAR COMPANY LIMITED	2013.07.25	Plot C-8, Mingaladon Industrial Park, Mingaladon Township, Yangon, Myanmar	646,610	Manufacturing and trading of electronic components
Shih Fong Power Co., Ltd.	1995.01.18	No. 49, Sec. 4, Zhongyang Rd., Tu Cheng Dist., New Taipei City	2,300,000	Hydropower
Foxwell Power Co., Ltd.	2019.06.28	No. 49, Sec. 4, Zhongyang Rd., Tu Cheng Dist., New Taipei City	100,000	Energy service management
Shanghai Standard Information Technology Co., Ltd.	2018.12.12	Room 3805, 3rd Floor, 2879 Longteng Avenue, Xuhui District, Shanghai	4,377	Trading of electronic components
Changde Fubo Intelligent Technology Co., Ltd.	2019.08.09	Group 1, Caojiapeng Community, Baofeng Street, Shimen County, Changde City, Hunan Province (2nd Floor, Building 1, Light Textile Industrial Park)	30,639	Automated machinery and equipment manufacturing and trading
FOXLINK INDIA ELECTRIC PRIVATE LIMITED	2020.03.18	Plot 2, EMC I, Vikruthamala Village Yerpedu Mandal, Tirupati Airport Road CHITTOR Chittoor AP 517520 India.	194,302	Manufacturing and trading of electronic components
Changzhou Xinwei Cheneng Venture Capital Co., Ltd.	2020.06.18	North side of Shenda Road, Xuzhou Economic and Technological Development Zone	43,770	Manufacturing and trading of electronic components

3. The information of identical shareholders presumed to have control and subsidiary relationship: None.
4. The industries covered by the business of the overall related company: Including manufacturing, investment, trading, etc.

5. Information on directors, supervisors and general managers of related companies

December 31, 2020 Unit: Shares

Enterprise Name	Position	Name or representative	Shareholding	
			Shares	Percentage of shareholding
CU INTERNATIONAL LTD.	DIRECTOR	Chen-Phan Pu	-	-
	DIRECTOR	Kufn Lin	-	-
CULINK INTERNATIONAL LTD.	DIRECTOR	Chen-Phan Pu	-	-
	DIRECTOR	Kufn Lin	-	-
PACIFIC WEALTH LTD.	DIRECTOR	CULINK INTERNATIONAL LTD.	-	-
FOXLINK INTERNATIONAL, INC.	DIRECTOR	Chen-Phan Pu	-	-
Foxlink International Investment Ltd.	Chairperson	T.C. Gou (Note 1)	368,750,000	100.00%
	Director	Liu Su-Fang (Note 1)	368,750,000	100.00%
	Director	Kufn Lin (Note 1)	368,750,000	100.00%
	Supervisor	Chen-Phan Pu (Note 1)	368,750,000	100.00%
NEW START INDUSTRIES LTD.	DIRECTOR	Chen-Phan Pu	-	-
	DIRECTOR	Kufn Lin	-	-
Foxlink Tianjin Co., Ltd.	Legal representative	Chen-Phan Pu	-	-
Fugang Electronic (Dongguan) Co., Ltd.	Legal representative	Chen-Phan Pu	-	-
Fugang Electric (Kunshan) Co., Ltd.	Legal representative	Kufn Lin	-	-
Dong Guan Fu Shi Chang Co., Ltd.	Legal representative	Lan Chia-Cheng	-	-
Culink Tianjin Co., Ltd.	Legal representative	Kufn Lin	-	-
World Circuit Technology Co., Ltd.	Chairperson	Liu Su-Fang (Note 2)	15,650,000	69.56%
	Supervisor	Chen-Phan Pu	-	-
VALUE SUCCESS LTD.	DIRECTOR	Kufn Lin	-	-
Fu Uei International Investment Ltd.	Chairperson	Kufn Lin (Note 1)	285,000,000	100.00%
	Director	Teng Ching-Yueh (Note 1)	285,000,000	100.00%
	Director	285,000,000	285,000,000	100.00%
	Supervisor	Liu Su-Fang (Note 1)	285,000,000	100.00%
		Chen-Phan Pu (Note 1)		
Dongguan Fuqiang Electronics Co., Ltd.	Legal representative	Kufn Lin	-	-

Enterprise Name	Position	Name or representative	Shareholding	
			Shares	Percentage of shareholding
Foxlink Energy (Tianjin) Ltd.	Legal representative	Kufn Lin	-	-
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Legal representative	Kuo Shou-Fu	-	-
CAPITAL GUARDIAN LTD.	DIRECTOR	Kufn Lin	-	-
	DIRECTOR	Chen-Phan Pu	-	-
World Circuit Technology (Hong Kong) Limited	DIRECTOR	Kufn Lin	-	-
Fuzhan Electronics (Shanghai) Co., Ltd.	Legal representative	Hsu Jen-Chieh	-	-
Darts Technologies Corporation	Chairperson	Liu Su-Fang (Note 1)	35,994,690	97.00%
	Director	Teng Ching-Yueh (Note 1)	35,994,690	97.00%
	Director	Kufn Lin (Note 1)	35,994,690	97.00%
	Supervisor	Chen-Phan Pu (Note 16)	1,113,238	3.00%
SOLTERAS LTD.	DIRECTOR	Liu Su-Fang	-	-
DU Precision Industry Co., Ltd.	Chairperson	T.C. Gou (Note 1)	60,000,000	100.00%
CE LINK INTERNATIONAL LTD.	DIRECTOR	Chen-Phan Pu	-	-
	DIRECTOR	Chang Shao-Liang	-	-
BENEFIT RIGHT LTD.	DIRECTOR	Kufn Lin	-	-
	DIRECTOR	Leu Tzu-Keng	-	-
Studio A Inc.	Chairperson	T.C. Gou (Note 3)	13,196,250	51.00%
	Director	Kuan Hsin (Note 11)	12,678,750	49.00%
	Director	Kufn Lin (Note 3)	13,196,250	51.00%
	Supervisor	Chen-Phan Pu	-	-
	Supervisor	Su Yu-Lan	-	-
Straight A Inc.	Chairperson	Cheng Ying-Lung (Note 4)	6,660,000	100.00%
	Director		6,660,000	100.00%
	Director	Kufn Lin (Note 4)	6,660,000	100.00%
	Supervisor	Fu Chih-Fang (Note 4)	6,660,000	100.00%
		Chen-Phan Pu (Note 4)		
Fushineng Electronics (Kunshan) Co.,	Legal representative	Chen-Phan Pu	-	-

Enterprise Name	Position	Name or representative	Shareholding	
			Shares	Percentage of shareholding
Ltd.				
VA Product Inc.	Chairperson	Kufn Lin (Note 3)	2,400,000	100.00%
	Director	Liu Su-Fang (Note 3)	2,400,000	100.00%
	Director	Cheng Ying-Lung (Note 3)	2,400,000	100.00%
	Supervisor	Chen-Phan Pu (Note 3)	2,400,000	100.00%
FOXLINK TECHNOLOGY LIMITED	DIRECTOR	Kufn Lin	-	-
Studio A Technology Limited	DIRECTOR	Cheng Ying-Lung	-	-
	DIRECTOR	Kufn Lin	-	-
Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	Corporate representative	Kufn Lin	-	-
Zhi De Investment Co., Ltd.	Chairperson	Liu Su-Fang (Note 3)	170,918,308	100.00%
	Director	Kufn Lin (Note 3)	170,918,308	100.00%
	Director	Luo Chi-Wei (Note 3)	170,918,308	100.00%
	Supervisor	Chen-Phan Pu (Note 3)	170,918,308	100.00%
Kunshan Fugang Electric Trading Co., Ltd.	Legal representative	Kufn Lin	-	-
ASHOP CO., LTD.	DIRECTOR	Cheng Ying-Lung	-	-
		Kufn Lin		
Fu Gang Electronic (Nan Chang) Co., Ltd.	Legal representative	Koh, Hyunlim	-	-
		Chen-Phan Pu		
Shinfox Energy Co., Ltd.	Chairperson	T.C. Gou (Note 6)	58,743,000	58.74%
	Director	Kufn Lin (Note 6)	58,743,000	58.74%
	Director	Hu Hui-Sen (Note 6)	58,743,000	58.74%
	Director	Tu Tze-Chun	-	-
	Independent Director	Wang Shu-Fen	-	-
	Independent Director	Ong Chung-Hsiung	-	-
	Independent Director	Liu Wen-Shuai	-	-
Jing Jing Technology Co., Ltd.	Chairperson	Cheng Ying-Lung (Note IV)	370,000	100.00%
	Director		370,000	100.00%
	Director	Kufn Lin (Note 4)	370,000	100.00%

Enterprise Name	Position	Name or representative	Shareholding	
			Shares	Percentage of shareholding
	Supervisor	Fu Chih-Fang (Note 4) Chen-Phan Pu (Note 4)	370,000	100.00%
Power Quotient International Co., Ltd.	Chairperson	T.C. Gou (Note 5)	324,690,529	100.00%
	Director	Kufn Lin (Note 5)	324,690,529	100.00%
	Director	Cheng Ying-Lung (Note 5)	324,690,529	100.00%
	Supervisor	Chen-Phan Pu (Note 5)	324,690,529	100.00%
Hong Kong Power Quotient International Co., Ltd.	Director	Liu Su-Fang (Note 6)	106,100,000	100.00%
SYSCOM DEVELOPMENT CO.,LTD	Director	Liu Su-Fang (Note VI)	10,862,980	100.00%
PQI CORPORATION	Director	Liu Su-Fang (Note 7)	7,000,000	100.00%
Power Quotient Technology (Yancheng) Co., Ltd.	Director	Liu Su-Fang (Note 8)	(Capital contribution USD 20,000 thousand, unissued shares)	100.00%
PQI JAPAN CO.,LTD.	Director	Liu Su-Fang (Note 6)	24,300	100.00%
Fugang Electric (Yancheng) Co., Ltd.	Legal representative	Kufn Lin	-	-
Kunshan Fu Shi You Trading Co., Ltd.	Legal representative	Cheng Ying-Lung	-	-
Studio A Macau Limited	DIRECTOR	Cheng Ying-Lung	-	-
	DIRECTOR	Kufn Lin	-	-
Shanghai Fugang Electric Trading Co., Ltd.	Legal representative	Kufn Lin	-	-
Fuqiang Electric (Yancheng) Co., Ltd.	Legal representative	Kufn Lin	-	-
Sinocity Industries Limited	Director	Liu Su-Fang (Note 9)	6,000,000	100.00%
	Director	Cheng Ying-Lung	-	-
APIX LIMITED	Director	Liu Su-Fang (Note 6)	12,501	100.00%
PQI MOBILITY INC.	Director	Liu Su-Fang (Note 6)	10,000,000	100.00%
DG Lifestyle Store Limited	Director	Cheng Ying-Lung (Note 19)	100,000	100.00%
PERENNIAL ACE LTD.	Director	Liu Su-Fang (Note XIX)	(Capital contribution USD 21,300 thousand, unissued shares)	100.00%

Enterprise Name	Position	Name or representative	Shareholding	
			Shares	Percentage of shareholding
Foxwell Energy Corporation Ltd.	Chairperson	Hu Hui-Sen (Note 10)	67,200,000	100.00%
	Director	Kufn Lin (Note 10)	67,200,000	100.00%
	Director	Liu Su-Fang (Note 10)	67,200,000	100.00%
	Supervisor	Chen-Phan Pu (Note 10)	67,200,000	100.00%
Suntain Co., Ltd.	Director	Chen-Phan Pu (Note 1)	9,500,000	100.00%
Fugang Electric (Maanshan) Co., Ltd.	Legal representative	Kufn Lin	-	-
Kunshan Fugang Investment Co., Ltd.	Legal representative	Kufn Lin	-	-
Shinfox Natural Gas Co., Ltd.	Chairperson	T.C. Gou (Note 10)	12,000,000	80.00%
	Director	Hu Hui-Sen (Note 10)	12,000,000	80.00%
	Director	Kufn Lin (Note 10)	12,000,000	80.00%
	Supervisor	Chen-Phan Pu (Note 10)	12,000,000	80.00%
Fuqiang Electric (Maanshan) Co., Ltd.	Legal representative	Kufn Lin	-	-
Power Sufficient International Co., Ltd.	Chairperson	Liu Su-Fang (Note 6)	1,000,000	100.00%
	Director	Cheng Ying-Lung (Note 6)	1,000,000	100.00%
	Director	Kufn Lin (Note 6)	1,000,000	100.00%
	Supervisor	Chen-Phan Pu (Note 6)	1,000,000	100.00%
POWER CHANNEL LIMITED	DIRECTOR	Kufn Lin	-	-
Kunshan Jiuwei Info Tech Co., Ltd.	Legal representative	Hu Hui-Sen	-	-
Foxlink Automotive Technology Co., Ltd.	Chairperson	Kuo Shou-Fu (Note 14)	5,000,000	100.00%
FOXLINK TECHNICAL INDIA PRIVATE LIMITED	DIRECTOR	Kufn Lin	-	-
Fugang Electric (Xuzhou) Co., Ltd.	Legal representative	Chen-Phan Pu	-	-
FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED	Director	Liu Su-Fang (Note VII)	217,900,000	99.27%
		Ni Chia-Hsiung	-	-
FIT Holding Co., Ltd.	Chairperson	T.C. Gou (Note 2)	58,303,464	23.68%
	Director	Kufn Lin (Note 2)	58,303,464	23.68%
	Director	Cheng Ying-Lung (Note 2)	58,303,464	23.68%

Enterprise Name	Position	Name or representative	Shareholding	
			Shares	Percentage of shareholding
	Director	2)	14,690,257	5.97%
	Director	Lin Hui-Chuan (Note 3)	14,690,257	5.97%
	Director	Wang Hsiu-Ming (Note 3)	14,690,257	5.97%
	Independent Director		-	-
	Independent Director	Hu Hui-Sen (Note 3)	-	-
	Independent Director	Chen Tzu-Chien	-	-
		Chiang Chen-Jung		
		Wang Wei-Lin		
Foxlink Image Technology Co., Ltd.	Chairperson	T.C. Gou (Note 5)	164,993,974	100.00%
	Director	Lin Hui-Chuan (Note 5)	164,993,974	100.00%
	Director	Kufn Lin (Note 5)	164,993,974	100.00%
	Supervisor	Chen-Phan Pu (Note 5)	164,993,974	100.00%
Glory Science Co., Ltd.	Chairperson	T.C. Gou (Note 5)	95,970,371	100.00%
	Director	Kufn Lin (Note 5)	95,970,371	100.00%
	Director	Julius Chu (Note 5)	95,970,371	100.00%
	Supervisor	Chen-Phan Pu (Note 5)	95,970,371	100.00%
ACCU-IMAGE TECHNOLOGY LIMITED	DIRECTOR	Kufn Lin (Note 17)	13,241,034	100%
Dongguan Fu Wei Electronics Co., Ltd.	Legal representative	Kufn Lin (Note 18)	6,000,000	100%
Wei Hai Fu Kang Electric Co., Ltd.	Legal representative	Kufn Lin (Note XVIII)	8,000,000	100%
Dong Guan Fu Zhang Precision Industry Co., Ltd.	Legal representative	Kufn Lin (Note XVIII)	8,112,257	100%
Dong Guan HanYang Computer Co., Ltd.	Legal representative	Kufn Lin (Note 18)	47,598,184	100%
Glory Science (BVI) Co., Ltd.	Director	Kufn Lin	-	-
Glory Optics (BVI) Co., Ltd.	Director	Kufn Lin	-	-
Glory Science (Samoa) Co., Ltd.	Director	Kufn Lin	-	-
Glorytek (Yancheng) Co., Ltd.	Legal representative	Kufn Lin	-	-
Glorytek (Suzhou) Co., Ltd.	Legal representative	Kufn Lin	-	-
Yancheng Yaowei Technology Co., Ltd.	Legal representative	Kufn Lin	-	-
Glory Optics (Yancheng) Co., Ltd.	Legal representative	Kufn Lin	-	-
GLORYTEK SCIENCE INDIA	Director	Kufn Lin	-	-

Enterprise Name	Position	Name or representative	Shareholding	
			Shares	Percentage of shareholding
PRIVATE LIMITED		Mr. RAMESH BABU		
Suzhou Keyu Rui Automobile Technology Co., Ltd.	Legal representative	Kufn Lin	-	-
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	Legal representative	Ting Hsueh-Wen	-	-
SINOBEST BROTHERS LIMITED	DIRECTOR	Kufn Lin	-	-
FOXLINK MYANMAR COMPANY LIMITED	DIRECTOR	Kufn Lin	-	-
Shih Fong Power Co., Ltd.	Chairperson	T.C. Gou (Note 5)	95,000,000	
	Director	Hu Hui-Sen (Note 5)	95,000,000	41.30%
	Director	Kufn Lin (Note 5)	95,000,000	41.30%
	Director	Li Chin-Chun (Note 5)	95,000,000	41.30%
	Director	Peng Shao-Po (Note 20)	46,000,000	41.30%
	Supervisor	Chen-Phan Pu (Note 17)	79,800,000	20.00%
Foxwell Power Co., Ltd.	Chairperson	Hu Hui-Sen (Note X)	9,900,000	99%
	Director	Kufn Lin (Note 10)	9,900,000	99%
	Director	Hao Hsia-Peng (Note 10)	9,900,000	99%
	Supervisor	Chen-Phan Pu	-	-
Shanghai Standard Information Technology Co., Ltd.	Legal representative	Cheng Ying-Lung	-	-
Changde Fubo Intelligent Technology Co., Ltd.	Legal representative	Wang Wen-Ching	-	-
FOXLINK INDIA ELECTRIC PRIVATE LIMITED	DIRECTOR	Kufn Lin	-	-
Changzhou Xinwei Cheneng Venture Capital Co., Ltd.	Legal representative	Spencer Yeh (Note 13)	(Capital contribution CNY 10,000 thousand, unissued shares)	-

Note 1: Representative of Cheng Uei Precision Industry Co., Ltd.

Note 2: Representative of Foxlink International Investment Ltd.

Note 3: Representative of Fu Uei International Investment Ltd.
Note 4: Representative of Studio A Inc.
Note 5: Representative of FIT Holding Co., Ltd.
Note 6: Representative of Power Quotient International Co., Ltd.
Note 7: Representative of Syscom Development Co., Ltd.
Note 8: Representative of PQI Mobility Inc.
Note 9: Representative of Apix Limited
Note 10: Representative of Shinfox Energy Co., Ltd.
Note 11: Representative of British Virgin Islands Shanglong Yin Co., Ltd.
Note 12: Representative of Foxlink Taiwan Industry Co., Ltd.
Note 13: Representative of Power Quotient Technology (Yancheng) Co., Ltd.
Note 14: Representative of Foxlink Automotive Technology (Kunshan) Co., Ltd. of China
Note 15: Representative of Foxwell Energy Corporation Ltd.
Note 16: Representative of Zhengfa Investment Co., Ltd.
Note 17: Representative of Foxlink Image Technology Co., Ltd.
Note 18: Representative: of Accu-Image Technology Limited
Note 19: Representative of Sinocity Industries Limited
Note 20: Representative of the National Development Fund, Executive Yuan of the R.O.C.

6. Overview of operations of affiliated companies

(1) The financial status and financial performance of each affiliated company in 2020:

December 31, 2020; Unit: NTD thousand

Enterprise Name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Current profit and loss (after tax)	Earnings per share (NTD) (after tax)
CU INTERNATIONAL LTD.	12,844,679	24,237,229	1,847,837	22,389,392	0	-310,219	-1,181	0.00
CULINK INTERNATIONAL LTD.	917,840	915,687	14,331	901,356	0	-38	143,347	4.31
PACIFIC WEALTH LTD.	28,480	0	0	0	0	0	3,019	3.02
FOXLINK INTERNATIONAL, INC.	14,240	3,576,763	3,669,469	-92,706	15,782,813	283	3,019	6.04
Foxlink International Investment Ltd.	3,687,500	3,616,126	22,293	3,593,833	14,406	13,774	-97,472	-0.26
NEW START INDUSTRIES LTD.	244,928	2,951,360	2,896	2,948,464	0	0	-120,599	-14.02
Foxlink Tianjin Co., Ltd.	512,640	2,341,954	182	2,341,772	0	-31,308	-119,204	Note
Fugang Electronic (Dongguan) Co., Ltd.	1,240,769	10,296,723	4,579,381	5,717,342	19,768,089	525,139	387,205	Note
Fugang Electric (Kunshan) Co., Ltd.	3,460,320	9,576,724	5,983,426	3,593,298	3,647,445	-578,176	-348,896	Note
Dong Guan Fu Shi Chang Co., Ltd.	3,438	3,198	744	2,454	0	0	0	Note
Culink Tianjin Co., Ltd.	113,920	235,112	2,049	233,063	0	0	1,855	Note
World Circuit Technology Co., Ltd.	225,000	265,075	20	265,055	0	-113	-12,342	-0.55
VALUE SUCCESS LTD.	182,272	31,337	0	31,337	0	0	-4,176	-0.84
Fu Uei International Investment Ltd.	2,850,000	1,788,415	1,886	1,786,529	0	-570	23,410	0.08
Dongguan Fuqiang Electronics Co., Ltd.	3,383,709	23,495,098	15,118,043	8,377,055	36,147,934	395,563	360,885	Note
Foxlink Energy (Tianjin) Ltd.	113,920	174,053	145	173,908	0	-44	1,018	Note
Foxlink Automotive Technology (Kunshan) Co., Ltd.	191,263	1,288,299	986,248	302,051	1,558,353	62,677	97,166	Note
CAPITAL GUARDIAN LTD.	182,272	31,273	0	31,273	0	0	-4,176	-1.39
World Circuit Technology (Hong Kong) Limited	32,007	31,273	0	31,273	0	0	-4,176	Note

Enterprise Name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Current profit and loss (after tax)	Earnings per share (NTD) (after tax)
Fuzhan Electronics (Shanghai) Co., Ltd.	427,200	52,348	22	52,326	0	-528	-7,868	Note
Darts Technologies Corporation	371,079	811,579	16,152	795,427	0	-87	69,772	1.88
SOLTERAS LTD.	56,960	0	0	0	0	0	0	0.00
DU Precision Industry Co., Ltd.	600,000	264,000	194,014	69,986	2,549	2,433	-7,392	-0.12
CELINK INTERNATIONAL LTD.	470,945	0	0	0	0	0	0	0.00
BENEFIT RIGHT LTD.	280,414	814,000	3,426	810,574	0	0	74,147	7.53
Studio A Inc.	258,750	1,591,321	962,299	629,022	4,104,424	34,716	149,100	5.76
Straight A Inc.	66,600	186,276	72,535	113,742	885,654	46,885	37,553	5.64
Fushineng Electronics (Kunshan) Co., Ltd.	341,760	3,225,793	2,197,151	1,028,642	3,946,838	69,418	87,173	Note
VA Product Inc.	24,000	36,659	25,753	10,906	149,648	7,636	4,812	2.01
FOXLINK TECHNOLOGY LIMITED	318,449	823,429	-26,806	850,235	20,709	0	1,189	0.01
Studio A Technology Limited	14,364	590,254	209,952	380,302	1,666,136	170,806	58,309	11.66
Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	128,160	106,082	25,133	80,949	4,256	-11,481	-11,771	Note
Zhi De Investment Co., Ltd.	1,709,183	478,005	80	477,925	0	-85	-2,236	-0.01
Kunshan Fugang Electric Trading Co., Ltd.	170,900	454,922	447,363	7,558	915,597	10,294	11,161	Note
ASHOP CO., LTD.	284,800	448,614	442,329	6,285	1,754,133	12,106	10,441	1,044.10
Fu Gang Electronic (Nan Chang) Co., Ltd.	1,424,000	1,249,338	102,005	1,147,333	283,373	-175,052	-281,881	Note
Shinfox Energy Co., Ltd.	1,000,000	1,675,087	421,036	1,254,051	268,271	55,157	244,852	2.86
Jing Jing Technology Co., Ltd.	3,700	7,993	30	7,963	0	-32	-5	-0.01
Power Quotient International Co., Ltd.	3,246,905	3,431,984	1,132,996	2,298,988	132,114	-37,137	212,885	0.07
Hong Kong Power Quotient International Co., Ltd.	389,705	684	5,396	-4,712	0	-61	-38	0.00
SYSCOM DEVELOPMENT	309,378	88,356	495,220	-407,489	0	-312	2,210	Not

Enterprise Name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Current profit and loss (after tax)	Earnings per share (NTD) (after tax)
CO.,LTD								applicable
PQI CORPORATION	199,360	2,421	495,024	-492,603	0	-196	303	Not applicable
Power Quotient Technology (Yancheng) Co., Ltd.	569,600	744,516	49,469	695,047	0	-1,304	-12,589	Note
PQI JAPAN CO.,LTD.	23,129	3,374	159,463	-156,089	-37	-61	-115	0.00
Fugang Electric (Yancheng) Co., Ltd.	85,440	63,810	1,594	62,216	0	-26	1,808	Note
Kunshan Fu Shi You Trading Co., Ltd.	61,278	21,905	8,580	13,325	2,314	-51	-51	Note
Studio A Macau Limited	1,837	1,689	36	1,653	0	0	-205	Note
Shanghai Fugang Electric Trading Co., Ltd.	8,754	231,984	328,808	-96,825	468,051	16,597	13,877	Note
Fuqiang Electric (Yancheng) Co., Ltd.	284,800	102,735	122,010	-19,275	0	-6,454	-533	Note
Sinocity Industries Limited	2,479,275	617,184	162,907	454,277	1,476,099	53,134	48,507	Note
APIX LIMITED	2,946,803	1,109,517	0	1,109,517	0	0	62,793	0.02
PQI MOBILITY INC.	284,800	695,052	0	695,052	0	0	-12,589	-004
DG Lifestyle Store Limited	357	62,054	61,419	635	85,801	-11,759	-130,136	Note
PERENNIAL ACE LTD.	606,624	219,848	0	219,848	0	0	14,286	Not applicable
Foxwell Energy Corporation Ltd.	672,000	6,342,290	5,457,514	884,776	147,195	211,083	185,566	2.10
Suntain Co., Ltd.	95,000	277,262	204,309	72,953	317,588	5,721	761	Note
Fugang Electric (Maanshan) Co., Ltd.	866,679	2,468,435	2,340,355	128,080	328,067	-190,300	-140,890	Note
Kunshan Fugang Investment Co., Ltd.	854,400	1,580,150	51	1,580,099	0	-132	38,148	Note
Shinfox Natural Gas Co., Ltd.	150,000	131,192	2,423	128,769	0	-12,755	-12,762	0.00
Fuqiang Electric (Maanshan) Co., Ltd.	142,400	141,861	195	141,666	0	-1,044	521	Note

Enterprise Name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Current profit and loss (after tax)	Earnings per share (NTD) (after tax)
Power Sufficient International Co., Ltd.	10,000	8,935	0	8,935	0	0	731	0.07
POWER CHANNEL LIMITED	359,133	1,066,779	0	1,066,779	0	0	113,197	12,121.51
Kunshan Jiuwei Info Tech Co., Ltd.	1,424	21,062	7,348	13,714	25,112	3,562	3,466	Note
Foxlink Automotive Technology Co., Ltd.	50,000	72,070	26,159	45,911	113,468	-1,603	-580	-0.12
FOXLINK TECHNICAL INDIA PRIVATE LIMITED	246,685	289,302	103,786	185,516	65,966	-44,403	-46,597	-0.77
Fugang Electric (Xuzhou) Co., Ltd.	768,960	4,304,808	3,190,955	1,113,853	8,237,887	159,298	305,900	Note
FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED	96,402	85,901	195	85,706	0	-116	1,921	0.09
FIT Holding Co., Ltd.	2,462,421	8,229,229	1,170,630	7,058,599	102,367	77,450	179,775	0.73
Foxlink Image Technology Co., Ltd.	1,649,940	7,675,920	4,739,590	2,936,330	3,811,950	217,565	382,773	2.32
Glory Science Co., Ltd.	959,704	2,616,686	1,844,004	772,682	287,487	-212,534	-482,494	-5.03
ACCU-IMAGE TECHNOLOGY LIMITED	1,030,318	1,869,964	486,923	1,383,041	1,182,618	11,783	150,150	Note
Dongguan Fu Wei Electronics Co., Ltd.	170,880	609,256	95,583	513,673	638,289	71,419	73,942	Note
Wei Hai Fu Kang Electric Co., Ltd.	227,840	294,965	44,529	250,436	195,042	-10,158	-15,610	Note
Dong Guan Fu Zhang Precision Industry Co., Ltd.	231,037	333,194	72,174	261,020	186,253	1,305	-2,813	Note
Dong Guan HanYang Computer Co., Ltd.	174,828	249,167	1,592	247,575	0	-7,806	18,503	Note
Glory Science (BVI) Co., Ltd.	1,379,545	716,464	0	719,464	0	0	-336,236	-8.26
Glory Optics (BVI) Co., Ltd.	494,837	-58,973	0	-58,973	0	-10,770	-139,482	-8.72
Glory Science (Samoa) Co., Ltd.	780,074	692,930	0	692,930	0	0	-197,992	-7.90
Glorytek (Yancheng) Co., Ltd.	256,320	516,158	820,513	-304,355	167,754	-139,722	-129,381	Note
Glorytek (Suzhou) Co., Ltd.	398,720	631,663	154,401	477,262	29,568	-472	-127,156	Note
Yancheng Yaowei Technology Co.,	43,770	143,448	26	143,422	11,134	-4,601	-3,574	Note

Enterprise Name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Current profit and loss (after tax)	Earnings per share (NTD) (after tax)
Ltd.								
Glory Optics (Yancheng) Co., Ltd.	944,412	1,549,945	918,866	631,079	206,479	-198,325	-203,066	Note
GLORYTEK SCIENCE INDIA PRIVATE LIMITED	100,551	86,266	215	86,051	0	-138	1,252	0.06
Suzhou Keyu Rui Automobile Technology Co., Ltd.	10,943	16,577	1,166	15,411	5,171	-3,726	-3,666	Note
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	437,700	862,057	0	862,057	0	-17,155	-5,574	Note
SINOBEST BROTHERS LIMITED	646,610	783,451	128,017	655,434	388,266	17,960	-8,932	Note
FOXLINK MYANMAR COMPANY LIMITED	646,610	687,811	22,361	665,450	110,538	-22,563	-22,227	0.00
Shih Fong Power Co., Ltd.	2,300,000	2,457,995	6,481	2,451,514	0	-3,399	-2,634	-0.01
Foxwell Power Co., Ltd.	100,000	119,193	18,728	100,465	95,227	1,534	1,425	0.14
Shanghai Standard Information Technology Co., Ltd.	4,377	8,084	9,412	-1,328	5,891	-4,804	-5,295	Note
Changde Fubo Intelligent Technology Co., Ltd.	30,639	185,013	153,199	31,814	353,770	-13,814	-12,479	Note
FOXLINK INDIA ELECTRIC PRIVATE LIMITED	194,302	445,936	273,380	172,556	0	-22,892	-22,892	-0.46
Changzhou Xinwei Cheneng Venture Capital Co., Ltd.	43,770	43,787	4	43,783	0	-4	12	Note

Note: As a limited company, this is not applicable

- (2) Consolidated financial statements of affiliated enterprises: For the consolidated financial statements of the parent and subsidiary companies, please refer to pages 136 to 276 of this book.
- (3) Report on relationships of affiliated companies: Not applicable

7. Information on endorsements by affiliated companies, loans of funds to others, and derivative transactions

(1) Status of endorsements/guarantees

March 31, 2021; Unit: NTD thousand

Endorsement/guarantee company name	Counterparty of endorsement/guarantee	Endorsement/guarantee balance at the end of period	Endorsement/guarantee maximum amount
Fugang Electric (Kunshan) Co., Ltd.	Fugang Electric (Maanshan) Co., Ltd.	1,192,211	23,601,951
Fugang Electric (Kunshan) Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	73,848	23,601,951
FIT Holding Co., Ltd.	Foxwell Energy Corporation Ltd.	505,587	10,538,841
FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	720,000	10,538,841
FIT Holding Co., Ltd.	Glory Science Co., Ltd.	1,120,320	10,538,841
Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	300,000	3,955,269
Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	600,000	3,955,269

(2) Loans of funds to others

March 31, 2021; Unit: NTD thousand

Company lending funds	Loan of funds and counterparty	Loan of funds and balance at end of period	Reasons for necessity of short term financing	Loan of funds and total limit
Fugang Electric (Kunshan) Co., Ltd.	Fuqiang Electric (Yancheng) Co., Ltd.	34,752	Business turnover	3,412,064
Fugang Electric (Kunshan) Co., Ltd.	Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	23,892	Business turnover	3,412,064
World Circuit Technology Co., Ltd.	Microlink Communications Inc.	55,000	Business turnover	106,191
Fu Uei International Investment Ltd.	Cheng Uei Precision Industry Co., Ltd.	32,000	Business turnover	746,294
FOXLINK TECHNOLOGY	CU INTERNATIONAL LTD.	624,917	Business turnover	849,660

Company lending funds	Loan of funds and counterparty	Loan of funds and balance at end of period	Reasons for necessity of short term financing	Loan of funds and total limit
Zhi De Investment Co., Ltd.	CU INTERNATIONAL LTD.	100,000	Business turnover	197,510
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	586,440	Business turnover	8,088,154
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Maanshan) Co., Ltd.	217,200	Business turnover	8,088,154
Fugang Electronic (Dongguan) Co., Ltd.	Fugang Electric (Maanshan) Co., Ltd.	251,952	Business turnover	5,649,424
Fuzhan Electronics (Shanghai) Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	47,784	Business turnover	51,933
Studio A Technology Limited	Kunshan Fugang Electric Trading Co., Ltd.	110,100	Business turnover	397,810
Studio A Technology Limited	Ashop Co., Ltd.	165,503	Business turnover	397,810
FIT Holding Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	130,320	Business turnover	2,810,357
FIT Holding Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	286,704	Business turnover	2,810,357
Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	425,000	Business turnover	1,054,738
Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	221,000	Business turnover	1,054,738
Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	217,200	Business turnover	432,778
Glorytek (Suzhou) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	27,802	Business turnover	432,778
Power Quotient Technology (Yancheng) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	251,952	Group funds Schedule planning	690,407
Shinfox Energy Co., Ltd.	Shinfox Natural Gas Co., Ltd.	60,000	Group funds Schedule planning	606,502
Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	50,000	Group funds Schedule planning	606,502

Company lending funds	Loan of funds and counterparty	Loan of funds and balance at end of period	Reasons for necessity of short term financing	Loan of funds and total limit
Shinfox Energy Co., Ltd.	Foxwell Power Co., Ltd.	50,000	Group funds Schedule planning	606,502

(3) Engagement in derivative trading: None of the Company's affiliated companies is engaged in derivative transactions.

II. Handling of privately placed securities in the most recent year and as of the date of publication of the annual report: None.

III. Status of holding or disposing of the Company's stocks by subsidiaries in the most recent year and as of the date of publication of the annual report:

Units: NTD thousands; thousand

shares; %

Subsidiary name	Paid-in capital amount	Sources of funds	Percentage of shareholding of the Company	Date of acquisition or disposal	Number and amount of shares acquired	Disposal of shares and amount	Investment gains and losses	Number and amount of shares held as of the publication date of the annual report	Setting of pledges	The Company's endorsement/guarantee amounts for subsidiaries	The company's loan amounts to subsidiaries
Foxlink Image Technology Co., Ltd.	1,649,940	Own funds	38.19% (Note)	2018.10.1	27,503 thousand shares NTD 272,066 thousand	0	0	27,503 thousand shares NTD 272,066 thousand	None	0	0

Note: A 100% owned subsidiary of FIT Holding Co., Ltd.

IV. Other necessary supplementary explanations: None.

V. In the most recent year and as of the printing date of the annual report, matters that have a significant impact on shareholders' equity or securities prices: None.

Cheng Uei Precision Industry Co., Ltd.

Chairman: T.C. Gou