BizLink Holding Inc. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2018 and 2017 and Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
BizLink Holding Inc.

Opinion

We have audited the accompanying consolidated financial statements of BizLink Holding Inc. and its subsidiaries (collectively referred to as the "Company"), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2018 are stated as follows:

Occurrence and Authenticity of Revenue from Major Customers

The Company's consolidated operating revenue stems from a small number of customers. There was a significant revenue increase from 2017 to 2018. The top 20 revenue-contributing customers whose sales increased by more than 20% amounted to 44% of consolidated operating revenue. Therefore, we identified revenue recognition related to the actual occurrence of the sales transaction with the top 20 revenue-contributing customers whose sales increased by more than 20% as a key audit matter.

In response, we performed the following audit procedures:

1. We understood the sales transaction internal controls over the top 20 revenue-contributing customers whose sales increased by more than 20% and assessed the effectiveness of the design and implementation thereof.

2. We examined the Company's background checks performed on the top 20 revenue-contributing customers whose sales increased by more than 20% and evaluated whether the transaction amounts and customer credit limits granted were reasonably compatible with the respective customers' sizes.

3. We performed substantive testing on the transactions with the top 20 revenue-contributing customers whose sales increased by more than 20% by inspecting third-party shipping documents, the customers' receipts of delivery and hub warehouse pull report in order to verify the occurrence of the transactions.

4. We have reviewed if there was significant sales return and allowance after December 31, 2018 from top 20 revenue-contributing costumers whose sales increased by more than 20% in order to verify the authenticity of consolidated operating revenue.

Impairment of Tangible and Intangible Assets and
Goodwill from Home Appliances Division Acquisition

During 2017, BizLink acquired Leoni AG Electrical Appliance Assemblies business group ("BizLink Home Appliances Division"). As of the acquisition date, BizLink has obtained property, plant and equipment, intangible assets and goodwill in a total amount of NT$1,229,022 thousand, as disclosed in Note 32 of the consolidated financial statements. As of December 31, 2018, the book values of property, plant and equipment, intangible assets and goodwill of BizLink Home Appliances Divisions were NT$608,347 thousand, NT$256,027 thousand and NT$391,792 thousand, respectively.

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

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

In response, we performed the following audit procedures:

1. We acquired evaluation reports issued by the Company to assess the process and basis of management's forecasted sales growth rate and profit margins for the future operating cash flows and whether they considered the current operating conditions, historical trends, industry-specific situation, etc., and were updated in due course.

2. We appointed a valuation specialist from our firm to assist in evaluating whether the weighted average cost of capital used by management, including the risk-free interest rates, volatility and risk premiums, is comparable with those of BizLink Home Appliance Division's present and industry-specific situation, and we re-performed and verified the calculation.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the 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 the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chung Chen Chen and Cheng Chuan Yu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2019

<u>*Notice to Readers*</u>

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

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

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018		2017 (Audited after Measurement Period Adjustment)	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 3, 4 and 6)	$ 3,560,272	20	$ 1,684,418	12
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 3, 4 and 7)	4,675	-	20,352	-
Debt investments with no active market - current (Notes 3, 4 and 10)	-	-	36,236	-
Notes receivable from unrelated parties (Notes 3, 4, 11 and 27)	69,267	-	178,592	1
Trade receivables from unrelated parties (Notes 3, 4, 11 and 27)	5,069,223	29	4,339,752	32
Other receivables (Notes 3 and 11)	104,967	1	142,882	1
Current tax assets (Notes 4 and 29)	17,720	-	8,082	-
Inventories (Notes 4 and 12)	4,457,156	25	3,240,166	24
Prepayments (Notes 19 and 20)	178,345	1	217,310	2
Other financial assets - current (Notes 3, 4, 20 and 39)	21,128	-	19,975	-
Other current assets (Note 20)	1,944	-	2,126	-
Total current assets	13,484,697	76	9,889,891	72
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 3, 4 and 8)	382,626	2	-	-
Financial assets measured at cost - non-current (Notes 3, 4 and 9)	-	-	239,640	2
Investments accounted for using equity method (Notes 4 and 14)	12,584	-	18,792	-
Property, plant and equipment (Notes 4, 15 and 39)	2,221,686	13	2,087,042	15
Investment properties (Notes 4, 16 and 39)	205,387	1	205,337	1
Goodwill (Notes 4, 17 and 32)	393,855	2	395,860	3
Other intangible assets (Notes 4 and 18)	528,113	3	426,666	3
Deferred tax assets (Notes 4 and 29)	156,067	1	118,571	1
Other financial assets - non-current (Notes 3, 4, 20 and 39)	183,252	1	210,970	2
Long-term prepayments for leases (Notes 4 and 19)	36,728	-	38,605	-
Other non-current assets (Notes 20 and 38)	131,107	1	143,632	1
Total non-current assets	4,251,405	24	3,885,115	28
TOTAL	$ 17,736,102	100	$ 13,775,006	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 21 and 39)	$ 64,500	-	$ 905,922	6
Financial liabilities at FVTPL - current (Notes 4, 7 and 22)	6,450	-	-	-
Derivative financial liabilities for hedging - current (Notes 4, 26 and 39)	3,473	-	-	-
Contract liabilities - current (Notes 3, 4 and 27)	22,507	-	-	-
Notes payable (Note 23)	133,522	1	186,066	1
Trade payables (Note 23)	3,831,669	22	3,248,355	24
Other payables (Note 24)	1,096,270	6	1,072,957	8
Current tax liabilities (Notes 4 and 29)	161,464	1	133,133	1
Current portion of long-term borrowings (Notes 21 and 39)	37,713	-	125,944	1
Other current liabilities (Note 24)	2,292	-	23,161	-
Total current liabilities	5,359,860	30	5,695,538	41
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 22)	2,891,598	16	-	-
Long-term borrowings (Notes 21 and 39)	341,348	2	404,297	3
Deferred tax liabilities (Notes 4 and 29)	56,887	1	48,998	1
Net defined benefit liabilities - non-current (Notes 4 and 25)	4,341	-	4,394	-
Other non-current liabilities (Note 24)	21,317	-	27,688	-
Total non-current liabilities	3,315,491	19	485,377	4
Total liabilities	8,675,351	49	6,180,915	45
EQUITY ATTRIBUTABLE TO OWNERS OF BIZLINK (Notes 4 and 26)				
Capital stock				
Common stock	1,185,174	7	1,155,664	8
Capital surplus	4,893,638	28	4,130,734	30
Retained earnings				
Legal reserve	487,839	3	371,593	3
Special reserve	604,558	3	304,631	2
Unappropriated earnings	2,506,543	14	2,340,969	17
Total retained earnings	3,598,940	20	3,017,193	22
Other equity	(671,797)	(4)	(709,500)	(5)
Total equity attributable to owners of the BizLink	9,005,955	51	7,594,091	55
NON-CONTROLLING INTERESTS (Note 26)	54,796	-	-	-
Total equity	9,060,751	51	7,594,091	55
TOTAL	$ 17,736,102	100	$ 13,775,006	100

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

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017 (Audited after Measurement Period Adjustment)	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 27 and 38)				
Sales	$ 21,392,398	100	$ 15,599,207	100
OPERATING COSTS (Notes 12, 18, 26, 28 and 38)				
Cost of goods sold	16,802,531	78	11,790,358	76
GROSS PROFIT	4,589,867	22	3,808,849	24
OPERATING EXPENSES (Notes 11, 18, 28 and 38)				
Selling and marketing expenses	883,145	4	693,751	4
General and administrative expenses	1,469,819	7	1,180,334	8
Research and development expenses	453,840	2	383,040	2
Expected credit loss reversed (Notes 3 and 11)	(5,765)	-	-	-
Total operating expenses	2,801,039	13	2,257,125	14
PROFIT FROM OPERATIONS	1,788,828	9	1,551,724	10
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4 and 28)	124,782	-	67,378	-
Other gains and losses (Notes 4, 14 and 28)	(640)	-	(62,347)	-
Finance costs (Notes 22 and 28)	(51,999)	-	(33,111)	-
Share of loss of associates (Notes 4 and 14)	(3,257)	-	(886)	-
Total non-operating income and expenses	68,886	-	(28,966)	-
PROFIT BEFORE INCOME TAX FROM OPERATIONS	1,857,714	9	1,522,758	10
INCOME TAX EXPENSE (Notes 4 and 29)	458,125	2	342,579	2
NET PROFIT FOR THE YEAR	1,399,589	7	1,180,179	8
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 25)	164	-	(435)	-
Unrealized gain on investments in equity instruments at FVTOCI (Notes 3, 4 and 26)	87,182	-	-	-
Gain on hedging instruments subject to basis adjustments (Notes 4, 26 and 37)	(3,429)	-	-	-

(Continued)

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017 (Audited after Measurement Period Adjustment)	
	Amount	%	Amount	%
Exchange differences on translation to the presentation currency (Notes 4 and 26)	$ 244,619	1	$ (675,297)	(4)
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 29)	824	-	74	-
	329,360	1	(675,658)	(4)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Notes 4 and 26)	(310,089)	(1)	362,848	2
Other comprehensive income (loss) for the year, net of income tax	19,271	-	(312,810)	(2)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,418,860	7	$ 867,369	6
NET PROFIT ATTRIBUTABLE TO:				
Owners of BizLink	$ 1,392,311	7	$ 1,180,179	8
Non-controlling interests	7,278	-	-	-
	$ 1,399,589	7	$ 1,180,179	8
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of BizLink	$ 1,411,347	7	$ 867,369	6
Non-controlling interest	7,513	-	-	-
	$ 1,418,860	7	$ 867,369	6
EARNINGS PER SHARE (Note 30)				
Basic	$11.86		$10.84	
Diluted	$11.35		$10.35	

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

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the BizLink											
			Retained Earnings			Other Equity						
	Capital Stock Common Stocks	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Gain or Loss on Effective Cash Flow Hedging Instruments	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Others	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2017	$ 1,029,593	$ 2,277,793	$ 280,598	$ 298,638	$ 1,978,609	$ (304,631)	$ -	$ -	$ (229,047)	$ 5,331,553	$ -	$ 5,331,553
Appropriation of the 2016 earnings (Note 26)												
Legal reserve	-	-	90,995	-	(90,995)	-	-	-	-	-	-	-
Special reserve	-	-	-	5,993	(5,993)	-	-	-	-	-	-	-
Cash dividends distributed by BizLink	-	-	-	-	(720,715)	-	-	-	-	(720,715)	-	(720,715)
Convertible bonds converted to common stock (Notes 22 and 26)	126,421	1,840,154	-	-	-	-	-	-	-	1,966,575	-	1,966,575
Stock-based payment arrangements (Notes 26, 28 and 31)	(350)	12,787	-	-	245	-	-	-	136,627	149,309	-	149,309
Net profit for the year ended December 31, 2017 (measurement period adjustment)	-	-	-	-	1,180,179	-	-	-	-	1,180,179	-	1,180,179
Other comprehensive loss for the year ended December 31, 2017 (measurement period adjustment) (Note 26)	-	-	-	-	(361)	(312,449)	-	-	-	(312,810)	-	(312,810)
Total comprehensive income (loss) for the year ended December 31, 2017	-	-	-	-	1,179,818	(312,449)	-	-	-	867,369	-	867,369
BALANCE AT DECEMBER 31, 2017 (MEASUREMENT PERIOD ADJUSTMENT)	1,155,664	4,130,734	371,593	304,631	2,340,969	(617,080)	-	-	(92,420)	7,594,091	-	7,594,091
Effect of retrospective application (Note 3)	-	-	-	-	9,292	-	-	(44,333)	-	(35,041)	-	(35,041)
BALANCE AT JANUARY 1, 2018 AS RESTATED	1,155,664	4,130,734	371,593	304,631	2,350,261	(617,080)	-	(44,333)	(92,420)	7,559,050	-	7,559,050
Appropriation of the 2017 earnings (Note 26)												
Legal reserve	-	-	116,246	-	(116,246)	-	-	-	-	-	-	-
Special reserve	-	-	-	299,927	(299,927)	-	-	-	-	-	-	-
Cash dividends distributed by BizLink	-	-	-	-	(809,210)	-	-	-	-	(809,210)	-	(809,210)
Change in percentage of ownership interests in subsidiaries (Notes 26 and 33)	-	502	-	-	-	-	-	-	-	502	(502)	-
Equity component of convertible bonds (Notes 22, 26 and 37)	-	169,777	-	-	-	-	-	-	-	169,777	-	169,777
Issuance of common stock for cash (Note 26)	30,000	600,000	-	-	-	-	-	-	-	630,000	-	630,000
Disposal of investments in equity instruments designated as at FVTOCI (Notes 8, 26 and 37)	-	-	-	-	3,701	-	-	(3,701)	-	-	-	-
Changes in non-controlling interests (Notes 26 and 32)	-	-	-	-	(14,821)	-	-	-	-	(14,821)	47,785	32,964
Stock-based payment arrangements (Notes 26, 28 and 31)	(490)	(7,375)	-	-	343	-	-	-	66,832	59,310	-	59,310
Net profit for the year ended December 31, 2018	-	-	-	-	1,392,311	-	-	-	-	1,392,311	7,278	1,399,589
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax (Note 26)	-	-	-	-	131	(65,705)	(2,572)	87,182	-	19,036	235	19,271
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	1,392,442	(65,705)	(2,572)	87,182	-	1,411,347	7,513	1,418,860
BALANCE AT DECEMBER 31, 2018	$ 1,185,174	$ 4,893,638	$ 487,839	$ 604,558	$ 2,506,543	$ (682,785)	$ (2,572)	$ 39,148	$ (25,588)	$ 9,005,955	$ 54,796	$ 9,060,751

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

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017 (Audited after Measurement Period Adjustment)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,857,714	$ 1,522,758
Adjustments for:		
Expected credit loss on trade receivables reversed	(5,765)	-
Impairment loss recognized on trade receivables	-	12,871
Depreciation expenses	334,078	273,821
Amortization expenses	100,536	65,673
Amortization of prepayments for leases	1,108	1,095
Net loss (gain) on fair value change of financial assets and liabilities designated as at FVTPL	65,725	(34,777)
Financial costs	51,999	33,111
Interest income	(39,755)	(17,946)
Compensation cost of employee stock options	59,310	149,309
Share of loss of associates	3,257	886
Loss on disposal of property, plant and equipment	9,253	6,187
Loss on disposal of intangible assets	152	32
Loss on disposal of associates accounted for using equity method	-	1,517
Impairment loss recognized on financial assets	3,351	-
Write-downs of inventories	96,988	64,641
Net (gain) loss on foreign currency exchange	(33,269)	108,444
Changes in operating assets and liabilities		
Decrease in financial assets held for trading	-	9,269
Decrease in financial assets mandatorily classified as at FVTPL	50,157	-
Decrease (increase) in notes receivable	112,928	(172,972)
Increase in trade receivables	(568,960)	(1,414,515)
Decrease in trade receivables from related parties	-	1,161
Decrease (increase) in other receivables	41,579	(816)
Increase in inventories	(1,169,775)	(1,219,374)
Decrease in prepayments	51,408	12,625
Decrease (increase) in other current assets	247	(2,175)
Decrease in financial liabilities held for trading	(104,871)	-
Decrease in contract liabilities	(36,738)	-
Decrease in notes payable	(57,432)	(59,972)
Increase in trade payables	463,887	1,245,322
Increase (decrease) in other payables	19,063	(347,838)
(Decrease) increase in deferred revenue	(7,369)	17,870
Increase in net defined benefit liabilities	111	86
Decrease in other current liabilities	(13)	(740)
Increase in other operating liabilities	1,626	9,981
Cash generated from operations	1,300,530	265,534
Interest received	39,755	17,946

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BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017 (Audited after Measurement Period Adjustment)
Interest paid	$ (13,802)	$ (19,322)
Income tax paid	(470,306)	(316,734)
Net cash generated from (used in) operating activities	856,177	(52,576)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at FVTOCI	(51,490)	(213,894)
Proceeds from sale of financial assets at FVTOCI	3,701	-
Proceeds from sale of financial assets at FVTPL	-	208,471
Proceeds from sale of debt investments with no active market	-	1,090,460
Acquisitions of associates accounted for using equity method	-	(20,000)
Proceeds from associates accounted for using equity method	-	1,457
Net cash outflow on acquisition of subsidiaries (Notes 32 and 34)	(104,199)	(1,059,407)
Purchases of financial assets measured at cost	-	(100,978)
Payments for property, plant and equipment	(439,789)	(290,529)
Proceeds from disposal of property, plant and equipment	39,017	9,482
Payments for intangible assets	(71,834)	(20,393)
Increase in refundable deposits	(6,416)	(5,059)
Decrease in refundable deposits	3,889	2,607
Increase in other financial assets	(9,873)	(184,055)
Decrease in other financial assets	77,211	36,174
Increase in other non-current assets	-	(33,790)
Increase in prepayments for equipment	(58,736)	(92,108)
Net cash used in investing activities	(618,519)	(671,562)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of convertible bonds	2,919,500	-
Payments for transaction costs attributable to issue of debt instruments	(27,221)	-
Proceeds from issuance of common stock for cash	630,000	-
Proceeds from short-term borrowings	-	573,785
Repayments of short-term borrowings	(852,359)	-
Proceeds from long-term borrowings	-	153,567
Repayments of long-term borrowings	(187,193)	(11,469)
Proceeds from guarantee deposits received	-	4,181
Refunds of guarantee deposits received	(1,382)	-
Dividends paid to owners of BizLink	(809,210)	(720,715)
Net cash generated from (used in) financing activities	1,672,135	(651)

(Continued)

BIZLINK HOLDING INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017 (Audited after Measurement Period Adjustment)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	$ (33,939)	$ (8,332)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,875,854	(733,121)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,684,418	2,417,539
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 3,560,272	$ 1,684,418

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

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements of BizLink and its subsidiaries, collectively referred to as the "Company", were approved by BizLink's board of directors on March 14, 2019.

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

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

   Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Company's accounting policies:

   1) IFRS 9 "Financial Instruments" and related amendments

      IFRS 9 supersedes IAS 39 "Financial Instruments: Recognition and Measurement", with consequential amendments to IFRS 7 "Financial Instruments: Disclosures" and other standards. IFRS 9 sets out the requirements for classification, measurement and impairment of financial assets and hedge accounting. Refer to Note 4 for information relating to the relevant accounting policies.

      Classification, measurement and impairment of financial assets

      On the basis of the facts and circumstances that existed as of January 1, 2018, the Company has performed an assessment of the classification of recognized financial assets and has elected not to restate prior reporting periods.

The following table shows the original measurement categories and carrying amount under IAS 39 and the new measurement categories and carrying amount under IFRS 9 for each class of the Company's financial assets and financial liabilities as of January 1, 2018.

Financial Assets	Measurement Category IAS 39	Measurement Category IFRS 9	Carrying Amount IAS 39	Carrying Amount IFRS 9	Remark
Cash and cash equivalents	Loans and receivables	Amortized cost	$ 1,684,418	$ 1,684,418	a)
Derivatives	Held-for-trading	Mandatorily at fair value through profit or loss (FVTPL)	18,201	18,201	-
Equity securities	Available-for-sale-financial assets amortized at cost	Fair value through other comprehensive income (FVTOCI) - equity instruments	239,640	227,319	b)
	Held-for-trading	Mandatorily at FVTPL	2,151	2,151	-
Notes receivable, trade receivables and other receivables	Loans and receivables	Amortized cost	4,528,831	4,506,111	a)
Time deposits with original maturities of more than 3 months	Loans and receivables	Amortized cost	36,236	36,236	a)
Other financial assets - current	Loans and receivables	Amortized cost	19,975	19,975	a)
Refundable deposits	Loans and receivables	Amortized cost	50,567	50,567	a)
Other financial assets - non-current	Loans and receivables	Amortized cost	210,970	210,970	a)

Financial Assets	IAS 39 Carrying Amount as of January 1, 2018	Reclassifi-cations	Remea-surements	IFRS 9 Carrying Amount as of January 1, 2018	Retained Earnings Effect on January 1, 2018	Other Equity Effect on January 1, 2018	Remark
FVTOCI							
Equity instruments	$ -						
Add: Reclassification from available-for-sale (IAS 39)	-	$ 239,640	$ (12,321)				-
	-	239,640	(12,321)	$ 227,319	$ 32,012	$ (44,333)	b)
Amortized cost							
Add: Reclassification from loans and receivables (IAS 39)	-	6,530,997	(22,720)				-
	-	6,530,997	(22,720)	6,508,277	(22,720)	-	a)
	$ -	$ 6,770,637	$ (35,041)	$ 6,735,596	$ 9,292	$ (44,333)	

a) Cash and cash equivalents, debt instruments with no active market - current, notes receivable, trades receivable, other receivables, other financial assets and refundable deposits, which were previously classified as loans and receivables under IAS 39, are classified as at amortized cost with an assessment of expected credit losses under IFRS 9. As a result of retrospective application, the adjustments comprised an increase in the loss allowance of $22,720 thousand and a decrease in retained earnings of $22,720 thousand on January 1, 2018.

b) Investments in unlisted stocks, previously measured at cost under IAS 39, have been designated as at FVTOCI under IFRS 9 and were remeasured at fair value. Consequently, a decrease of $12,321 thousand, a decrease of $44,333 thousand and an increase of $32,012 thousand were recognized in financial assets at FVTOCI, other equity - unrealized gain (loss) on financial assets at FVTOCI and retained earnings, respectively, on January 1, 2018.

2) IFRS 15 "Revenue from Contracts with Customers" and related amendments

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers and supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations. Refer to Note 4 for related accounting policies.

The Company elected only to retrospectively apply IFRS 15 to contracts that were not complete as of January 1, 2018 and recognize the cumulative effect of the change in retained earnings on January 1, 2018.

The impact on assets, liabilities and equity as of January 1, 2018 from the initial application of IFRS 15 is set out below:

	As Originally Stated	Adjustments Arising from Initial Application	Restated
Other liabilities - current			
Advance receipts (Note 24)	$ 20,928	$ (20,928)	$ -
Contract liabilities - current	-	20,928	20,928
Total effect on liabilities	$ 20,928	$ -	$ 20,928

Had the Company applied IAS 18 in the current year, the following adjustments should have been made to reflect the line items and balances under IFRS 15.

Impact on assets, liabilities and equity for current year

	December 31, 2018
Increase in contract liabilities - current	$ 22,507
Decrease in other liabilities - current	(22,507)
Change in liabilities	$ -

The impact of the initial application of the above New IFRSs is summarized below:
The Company elects to recognize the cumulative effect of initially applying IFRS 9 and IFRS 15 as an adjustment to assets, liabilities and equity on January 1, 2018, and the adjustments are summarized below:

	As Originally Stated	Adjustments Arising from Initial Application	Restated
Available-for-sale financial assets at amortized cost	$ 239,640	$ (239,640)	$ -
Investments in equity instruments designated as at FVTOCI	-	227,319	227,319
Trade receivables	4,339,752	(22,720)	4,317,032
Total effect on assets	$ 4,579,392	$ (35,041)	$ 4,544,351
Advances receipts (included in other current liabilities)	$ 20,928	$ (20,928)	$ -
Contract liabilities - current	-	20,928	20,928
Total effect on liabilities	$ 20,928	$ -	$ 20,928

(Continued)

	As Originally Stated	Adjustments Arising from Initial Application	Restated
Retained earnings	$ 3,017,193	$ 9,292	$ 3,026,485
Other equity	(709,500)	(44,333)	(753,833)
Total effect on equity	$ 2,307,693	$ (35,041)	$ 2,272,652

(Concluded)

Had the Company applied the prior year's accounting policies in the current year, the following adjustments should have been made to reflect the line items and balances under the above New IFRSs.

Impact on assets, liabilities and equity for current year

	December 31, 2018
Decrease in financial assets at FVTOCI - non-current	$ (382,626)
Available-for-sale financial assets at amortized cost - non-current	306,256
Increase in trade receivables	43,488
Decrease in assets	$ (32,882)
Increase in Advances receipts (included in other current liabilities)	$ 22,507
Decrease in contract liability - current	(22,507)
Decrease in liabilities	$ -
Increase (decrease) in retained earnings	$ 6,476
Increase (decrease) in other equity	(39,358)
Increase (decrease) in equity	$ (32,882)

Impact on total comprehensive income for current year

	For the Year Ended December 31, 2018
Decrease in operating expenses	$ 20,768
Increase in impairment losses	(5,000)
Increase (decrease) in disposal of investments in equity instruments designated as at FVTOCI	3,701
Increase in net profit for the year	19,469
Items that will not be reclassified subsequently to profit or loss:	
Decrease in financial assets at FVTOCI	(87,182)
Exchange differences on translation to the presentation currency	(210)
Increase (decrease) in other comprehensive income for the year, net of income tax	(87,392)
Increase (decrease) in total comprehensive income for the year	$ (67,923)

(Continued)

	For the Year Ended December 31, 2018
Impact on earnings per share:	
Increase in basic earnings per share	$ 0.16
Increase in diluted earnings per share	$ 0.15

(Concluded)

Impact on cash flows for current year

	For the Year Ended December 31, 2018
Net increase in cash inflow from operating activities	$ 19,469
Net increase in cash and cash equivalents	$ 19,469

b. Amendments to the IFRSs endorsed by the FSC for application starting from 2019

New, Amended or Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2015-2017 Cycle	January 1, 2019
Amendments to IFRS 9 "Prepayment Features with Negative Compensation"	January 1, 2019 (Note 2)
IFRS 16 "Leases"	January 1, 2019
Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"	January 1, 2019 (Note 3)
Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures"	January 1, 2019
IFRIC 23 "Uncertainty Over Income Tax Treatments"	January 1, 2019

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

Note 2: The FSC permits the election for early adoption of the amendments starting from 2018.

Note 3: The Company shall apply these amendments to plan amendments, curtailments or settlements occurring on or after January 1, 2019.

- IFRS 16 "Leases"

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Definition of a lease

Upon initial application of IFRS 16, the Company will elect to apply IFRS 16 only to contracts entered into (or changed) on or after January 1, 2019 in order to determine whether those contracts are, or contain, a lease. Contracts identified as containing a lease under IAS 17 and IFRIC 4 will not be reassessed and will be accounted for in accordance with the transitional provisions under IFRS 16.

The Company as lessee

Upon initial application of IFRS 16, the Company will recognize right-of-use assets, or investment properties if the right-of-use assets meet the definition of investment properties, and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value and short-term leases will be recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Company will present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities will be classified within financing activities; cash payments for the interest portion will be classified within operating activities. Currently, payments under operating lease contracts are recognized as expenses. Prepaid lease payments for land use rights of land located in China are recognized as prepayments for leases. Cash flows for operating leases are classified within operating activities on the consolidated statements of cash flows.

The Company anticipates applying IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized on January 1, 2019. Comparative information will not be restated.

Lease liabilities will be recognized on January 1, 2019 for leases currently classified as operating leases with the application of IAS 17. Lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets will be measured at an amount equal to the lease liabilities. Except for the following practical expedients which are to be applied, the Company will apply IAS 36 to all right-of-use assets.

The Company expects to apply the following practical expedients:

a) The Company will apply a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.

b) The Company will adjust the right-of-use assets on January 1, 2019 by the amount of any provisions for onerous leases recognized as of December 31, 2018.

c) The Company will account for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.

d) The Company will exclude initial direct costs from the measurement of right-of-use assets on January 1, 2019.

e) The Company will use hindsight, such as in determining lease terms, to measure lease liabilities.

The Company as lessor

The Company will not make any adjustments for leases in which it is a lessor and will account for those leases with the application of IFRS 16 starting from January 1, 2019.

Anticipated impact on assets, liabilities and equity

	Carrying Amount as of December 31, 2018	Adjustments Arising from Initial Application	Adjusted Carrying Amount as of January 1, 2019
Prepayments	$ 178,345	$ (1,326)	$ 177,019
Prepayments for leases - non-current	36,728	(36,728)	-
Right-of-use assets	-	843,495	843,495
Total effect on assets	$ 215,073	$ 805,441	$ 1,020,514
Lease liabilities - current	$ -	$ 160,515	$ 160,515
Lease liabilities - non-current	-	644,926	644,926
Total effect on liabilities	$ -	$ 805,441	$ 805,441

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will not have significant impact to the Company's consolidated financial position and financial performance.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020 (Note 2)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020 (Note 3)

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

Note 2: The Company shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 3: The Company shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e. the Company's share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e. the Company's share of the gain or loss is eliminated.

2) Amendments to IFRS 3 "Definition of a Business"

The amendments clarify that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process applied to the input that together significantly contribute to the ability to create outputs. The amendments narrow the definitions of outputs by focusing on goods and services provided to customers, and the reference to an ability to reduce costs is removed. Moreover, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China (ROC). If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language consolidated financial statements shall prevail. However, the consolidated financial statements do not include the English translation of the additional footnote disclosures that are not required under IFRSs but are required by the FSC for their oversight purposes.

a. Statement of compliance

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

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. 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.

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

d. Basis of consolidation

- Principles for preparing consolidated financial statements

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

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

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

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

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

  See Note 13, Table 8 and Table 9 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

e. Business combinations

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

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

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

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

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

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

f. Foreign currencies

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

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

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

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

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

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

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

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

g. Inventories

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

h. Investment in associates

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

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

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

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

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

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

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

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

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

i. Property, plant and equipment

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

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

j. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

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

k. Goodwill

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

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

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

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

l. Intangible assets

1) Intangible assets acquired separately

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

2) Intangible assets acquired in a business combination

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

3) Derecognition of intangible assets

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

m. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

n. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

2018

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 37.

ii. Financial assets at amortized cost

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

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such a financial asset; and

ii) Financial assets that have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such a financial asset.

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

iii. Investments in equity instruments at FVTOCI

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

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

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

2017

Financial assets are classified into the following categories: Financial assets at FVTPL, available-for-sale financial assets and loans and receivables.

i. Financial assets at FVTPL

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

   A financial asset may be designated as at FVTPL upon initial recognition if:

   i) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

   ii) The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and has performance evaluated on a fair value basis in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

   iii) The contract contains one or more embedded derivatives so that the entire hybrid (combined) contract can be designated as at FVTPL.

   Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset. The fair value determination method is described in Note 37.

ii. Available-for-sale financial assets

   Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at FVTPL.

   Available-for-sale financial assets are measured at fair value. Changes in the carrying amounts of available-for-sale monetary financial assets (relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments) are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when such investments are disposed of or are determined to be impaired.

   Dividends on available-for-sale equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established.

   Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and presented in a separate line item as financial assets measured at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between the carrying amount and the fair value is recognized in other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

iii. Loans and receivables

Loans and receivables (including trade receivables, cash and cash equivalents, debt investments with no active market and other financial assets) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

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

b) Impairment of financial assets

2018

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

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

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

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

2017

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence, as a result of one or more events that occurred after the initial recognition of the financial assets, that the estimated future cash flows of the investment have been affected.

Financial assets at amortized cost, such as trade receivables, debt investments with no active market - current and other financial assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company’s past experience with collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as well as observable changes in national or local economic conditions that correlate with defaults on receivables.

For a financial asset at amortized cost, the amount of the impairment loss recognized is the difference between such an asset’s carrying amount and the present value of its estimated future cash flows, discounted at the financial asset’s original effective interest rate.

For financial assets at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment (at the date on which the impairment is reversed) does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty, breach of contract such as a default or delinquency in interest or principal payments, it becoming probable that the borrower will enter bankruptcy or financial re-organization, or the disappearance of an active market for those financial assets because of financial difficulties.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss is not reversed through profit or loss. Any increase in fair value subsequent to impairment is recognized in other comprehensive income. In respect of available-for-sale debt securities, impairment loss is subsequently reversed through profit or loss if an increase in the fair value of such an investment can be objectively related to an event occurring after the recognition of the impairment loss.

For a financial asset measured at cost, the amount of the impairment loss is measured as the difference between such an asset's carrying amount and the present value of its estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of a financial asset is reduced by the impairment loss directly for all financial assets, with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When trade receivables are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible trade receivables that are written off against the allowance account.

c) Derecognition of financial assets

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

Before 2018, on derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. Starting from 2018, on derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

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

- Financial liabilities at FVTPL

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

  Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividend paid on the financial liability.

  The fair value determination method is described in Note 37.

b) Derecognition of financial liabilities

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

4) Convertible bonds

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

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

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

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

5) Derivative financial instruments

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

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

Before 2018, derivatives embedded in non-derivative host contracts were treated as separate derivatives when they met the definition of a derivative; their risks and characteristics were not closely related to those of the host contracts; and the contracts were not measured at FVTPL. Starting from 2018, derivatives embedded in hybrid contracts, which contain financial asset hosts within the scope of IFRS 9, are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts, which are not financial assets within the scope of IFRS 9 (i.e. financial liabilities), are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

o. Hedge accounting

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

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments in the line items relating to the related hedged item in the same period in which the hedged item affects profit or loss. If a hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

Before 2018, hedge accounting was discontinued prospectively when the Company revoked the designated hedging relationship; when the hedging instrument expired or was sold, terminated, or exercised; or when the hedging instrument no longer met the criteria for hedge accounting. Starting from 2018, the Company discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that was previously recognized in other comprehensive income (from the period in which the hedge was effective) remains separately in equity until the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

p. Revenue recognition

2018

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

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

2017

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Allowances for sales returns and liabilities for returns are recognized at the time of sale based on the seller’s reliable estimate of future returns and based on past experience and other relevant factors.

1) Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

a) The Company has transferred to the buyer the significant risks and rewards of ownership of goods;

b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) The amount of revenue can be measured reliably;

d) It is probable that the economic benefits associated with the transaction will flow to the Company; and

e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Company does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve transfer of risks and rewards of materials ownership.

2) Dividend and interest income

Dividend income from investments is recognized when the stockholder’s right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

q. Leasing

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

1) The Company as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Lease incentives included in the operating lease are recognized as an asset. The aggregate cost of incentives is recognized as a reduction of rental income on a straight-line basis.

2) The Company as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

3) Leasehold land for own use

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

r. Government grants

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

s. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

t. Stock-based payment arrangements

Employee stock options granted to employee

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

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

Restricted stocks for employees

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

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

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

u. Taxation

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

1) Current tax

For the subsidiaries incorporated within the territory of the Republic of China, according to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the stockholders approve to retain the earnings.

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforward and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred tax for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of tangible and intangible assets and goodwill from home appliances division acquisition

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2018	2017
Cash on hand	$ 715	$ 1,107
Checking accounts and demand deposits	3,173,221	1,655,724
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	381,431	27,587
Bank acceptances	4,905	-
	$ 3,560,272	$ 1,684,418

The range of interest rates for deposits in banks on the balance sheet date were as follows:

	December 31	
	2018	2017
Deposits	0%-3.21%	0%-1.76%

7. FINANCIAL INSTRUMENTS AT FVTPL

	December 31 2018	December 31 2017
Financial assets at FVTPL - current		
Financial assets held for trading		
Derivative financial assets (not under hedge accounting)		
Copper futures contract (a)	$ -	$ 5,987
Foreign exchange forward contract (b)	-	12,214
Non-derivative financial assets		
Domestic and foreign quoted stocks	-	2,151
	$ -	$ 20,352
Financial assets mandatorily at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts (b)	$ 2,665	$ -
Non-derivative financial assets		
Domestic and foreign quoted stocks	2,010	-
	4,675	-
	$ 4,675	$ 20,352
Financial liabilities at FVTPL - current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Convertible bond options (Note 22)	$ 6,450	$ -

a. At the end of the reporting period, outstanding future contracts not under hedge accounting were as follows:

The Company entered into future copper contracts to avoid the risk of inventory pricing fluctuations in 2017.

	Maturity Date	Weight	Amount (In Thousands)
December 31, 2017	2018.01-2018.04	550 tons	$ 133,548 (RMB 29,255)

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

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2018			
Sell	USD/RMB	2019.01-2019.02	USD10,000/RMB69,278
December 31, 2017			
Sell	USD/RMB	2018.01-2018.04	USD26,000/RMB172,589

8. FINANCIAL ASSETS MEASURED AT FVTOCI - 2018

Investment in Equity Instruments at FVTOCI

	December 31, 2018
Non-current	
Domestic and foreign equity instruments	
Unlisted stocks	$ 382,626

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as it believes that recognizing short-term fluctuations in these investments' fair values in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes. These investments in equity instruments were classified as available-for-sale under IAS 39. Refer to Notes 3 and 9 for information relating to their reclassification and comparative information for 2017.

For the year ended December 31, 2018, the Company acquired domestic and foreign unlisted stock at $62,204 thousand for medium to long-term strategic purposes; the management designated these investments as FVTOCI.

In September of 2018, the Company sold its stock in Apfel Inc. in order to manage credit concentration risk. The sold stock had a fair value of $3,701 thousand and the Company transferred a gain of $3,701 thousand from other equity to retained earnings.

9. FINANCIAL ASSETS MEASURED AT COST - 2017

	December 31, 2017
Non-current	
Unlisted common stock	$ 239,640
Classified according to financial asset measurement categories	
Available-for-sale financial assets	$ 239,640

Management believed that the fair value of the above unlisted equity investments held by the Company cannot be reliably measured due to the significant range of reasonable fair value estimates; therefore, they were measured at cost at the end of reporting period.

10. DEBT INVESTMENTS WITH NO ACTIVE MARKET - 2017

	December 31, 2017
Current	
Time deposits with maturities of longer than 3 months	$ 36,236

As of December 31, 2017, the market interest rate of the time deposits with original maturities more than 3 months was 0.25%-4.15% per annum.

11. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2018	2017
Notes receivable		
At amortized cost		
Gross carrying amount	$ 69,267	$ 178,592
Less: Allowance for impairment loss	-	-
	$ 69,267	$ 178,592
Notes receivable - operating	$ 69,267	$ 178,592
Trade receivables		
At amortized cost		
Gross carrying amount	$ 5,118,249	$ 4,370,526
Less: Allowance for impairment loss	(49,026)	(30,774)
	$ 5,069,223	$ 4,339,752
Other receivables		
Tax refund receivable	$ 86,134	$ 132,395
Others	18,833	10,487
	$ 104,967	$ 142,882

a. Notes receivable

2018

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected credit loss provision for all notes receivable. The expected credit losses on notes receivable are referred by past default experience of the debtor and general economic conditions of the industry. As of December 31, 2018, the Company has no need to recognized expected credit loss on notes receivable.

2017

The average credit period on notes receivable outstanding was 90 to 180 days. In determining the recoverability of notes receivable, the Company considered any change in the credit quality of the notes receivable since the date credit was initially granted to the end of the reporting period. Based on historical experience, the Company did not recognize any allowance for bad debts. The Company uses its past experience with counterparties and analyzes their current financial situations in order to estimate any unrecoverable amount.

There were no overdue notes receivable and no allowance for bad debts recognized on notes receivable at the end of reporting period.

The aging of receivables was as follows:

	December 31	
	2018	2017
Up to 60 days	$ 30,958	$ 83,582
61 to 90 days	12,275	13,507
91 to 120 days	7,074	20,097
121 to 365 days	18,960	61,406
	$ 69,267	$ 178,592

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

b. Trade receivables

In 2018

At amortized cost

The average credit period on the sale of goods was 0 to 120 days after the end of the month in which sales occur. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk is significantly reduced.

The Company applies the simplified approach to the recognition of allowances for expected credit losses during the reporting period prescribed by IFRS 9, which permits the use of a lifetime expected losses allowance for all trade receivables. The expected credit losses on trade receivables are estimated using an allowance matrix by reference to past default experience with the respective debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the allowance for loss allowance, which is based on the past due status of receivables, is not further distinguished according to different segments of the Company's customer base.

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

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

December 31, 2018

	Not Past Due	Less than and Including 60 Days	61 to 90 Days	91 to 120 Days	121 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.06%	1.67%	10.34%	16.61%	22.09%	100%	
Gross carrying amount	$ 4,447,856	$ 588,827	$ 25,422	$ 12,002	$ 15,884	$ 28,258	$ 5,118,249
Loss allowance (Lifetime ECLs)	(2,800)	(9,837)	(2,628)	(1,994)	(3,509)	(28,258)	(49,026)
Amortized cost	$ 4,445,056	$ 578,990	$ 22,794	$ 10,008	$ 12,375	$ -	$ 5,069,223

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

	For the Year Ended December 31, 2018
Balance at January 1, 2018 per IAS 39	$ 30,774
Adjustment on initial application of IFRS 9	22,720
Balance at January 1, 2018 per IFRS 9	53,494
Less: Impairment losses reversed	(5,765)
Foreign exchange translation gains and losses	1,297
Balance at December 31, 2018	$ 49,026

In 2017

The Company applied the same credit policy in 2018 and 2017.The Company recognized an allowance for impairment loss of 100% against all receivables which have been due for over 365 days because historical experience was that receivables that are past due beyond 365 days are not recoverable. Allowance for impairment loss was recognized against trade receivables which have been due for between 120 days and 365 days based on the estimated irrecoverable amounts determined by reference to past default experience with the counterparties and an analysis of their respective current financial positions.

For some trade receivables balances that were past due at the end of the reporting period, the Company did not recognize an allowance for impairment because there was no significant change in the credit quality and the amounts were still considered recoverable. The Company did not hold any collateral or other credit enhancements for these balances.

	December 31, 2017
Not overdue	$ 3,830,917
Past due 1 to 60 days	381,125
Past due 61 to 90 days	55,768
Past due over 90 days	102,716
	$ 4,370,526

The above aging schedule was based on the number of days past due from the end of the credit term.

The aging of receivables that were past due but not impaired was as follows:

	December 31, 2017
Up to 60 days	$ 381,125
61 to 90 days	55,768
More than 90 days	71,942
	$ 508,835

The above aging schedule was based on the number of days past due from the end of the credit term.

Movements in the allowance for impairment loss recognized on trade receivables were as follows:

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2017	$ 15,159	$ -	$ 15,159
Add: Impairment losses recognized on receivables	12,871	-	12,871
Less: Amounts written off during the period as uncollectible	(205)	-	(205)
Acquisitions through business combinations	3,918	-	3,918
Foreign exchange translation gains and losses	(969)	-	(969)
Balance at December 31, 2017	$ 30,774	$ -	$ 30,774

As of December 31, 2017, the amounts of individually impaired trade receivables was $30,774 thousand. The Company did not hold any collateral over these balances.

c. Other receivables

In 2018

Other receivables consisted of interest receivable and tax refund receivable. The Company applied the policy only with good credit traders. The Company continued to trace and refer to past default experience of counterparties and analyzed their current financial position in order to evaluate whether there was a significant increase in credit risk or expected credit loss. As of December 31, 2018, the Company did not need to recognize expected credit loss on other receivables.

In 2017

For the other receivables' balances that were past due at the end of the reporting period, the Company did not recognize an allowance for impairment loss because there was no significant change in the credit quality and the amounts were still considered recoverable.

12. INVENTORIES

	December 31	
	2018	2017
Raw materials	$ 1,400,452	$ 1,125,421
Work in progress	249,325	202,294
Finished goods and merchandise	2,807,379	1,912,451
	$ 4,457,156	$ 3,240,166

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2018 and 2017 was NT$16,802,531 thousand and NT$11,790,358 thousand, respectively. The cost of goods sold included write-down of inventories of NT$96,998 thousand and NT$64,641 thousand, respectively.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2018	2017	Remark
BizLink Holding Inc.	BizLink Technology Inc.	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	
	OW Holding Inc.	Various investment activities.	90.58	100.00	a and b
	OptiWorks, Inc.	(1) Wholesale and retail of fiber optical passive components and fiber optical cables, (2) international trade, and (3) various investment activities.	-	100.00	a
	BizLink (BVI) Corp.	(1) Wholesale and retail of cable assemblies, connectors, power cords, (2) wholesale and retail of computer peripheral products and electronic materials, (3) international trade, and (4) various investment activities.	100.00	100.00	
	BizLink International Corp.	(1) Wholesale of cable assemblies, connectors and power cords, (2) international trade, and (3) financial center for BizLink's Asian operations.	100.00	100.00	
	Zellwood International Corp.	Various investment activities.	100.00	100.00	
	BizLink Technology (S.E.A.) Sdn. Bhd.	(1) Design, manufacture and sale of cable assemblies, power cords, and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	
	Adel Enterprises Corp.	(1) Wholesale and retail of cable assemblies, connectors, and power cords, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	
	BizLink Tech Inc.	(1) Design, manufacture, and sale of cable assemblies, (2) wholesale and retail of computer peripheral products and electronic materials, (3) production of fiberfill moldings, and (4) international business trade.	100.00	100.00	
	Accell Corp.	(1) Wholesale and retail of brand name connectors, cables and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) its own brand name.	100.00	100.00	
	BizLink Technology (Ireland) Ltd.	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	
	BizLink Japan	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	
	Bizwide Limited	Various investment activities.	100.00	100.00	
	Bizconn Technology Inc.	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	c
	EA Cable Assemblies (Hong Kong) Co., Limited	Various investment activities.	100.00	100.00	d
	EA Cable Assemblies GmbH	(1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade.	100.00	100.00	d
	BizLink Technology (Belgium) NV	(1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade.	100.00	100.00	d
	BizLink Technology (Slovakia) S.R.O.	(1) Manufacture and assembly of cable harnesses for electrical appliance, and (2) wholesale and retail of cable assemblies and power cords.	100.00	100.00	d and f
BizLink Technology Inc.	Bobi, LLC	Various leasing activities.	100.00	100.00	
OW Holding Inc.	OptiWorks, Inc.	(1) Wholesale and retail of fiber optical passive components and fiber optical cables, (2) international trade, and (3) various investment activities.	100.00	-	a
OptiWorks, Inc.	OptiWorks (Shanghai) Limited	(1) Manufacture, wholesale and retail of fiber optical passive components and fiber optical cables, and (2) international trade.	100.00	100.00	
	OptiWorks (Kunshan) Limited	(1) Production and development of optical communications optoelectronic devices, components and modules, and (2) sale of own products.	100.00	100.00	
BizLink (BVI) Corp.	Hwa Zhan Electronics Corp. (Shen Zhen)	Production and operations of computers and communications cables, connectors and fiber jumpers.	100.00	100.00	
	Jo Yeh Company Limited	(1) Wholesale and retail of connectors, and (2) international trade.	100.00	100.00	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2018	2017	Remark
Jo Yeh Company Limited	Foshan Nanhai Jo Yeh Electronic Co., Ltd.	Production and operations of electrical appliances, electronic equipment, and plug-in connectors.	100.00	100.00	
Zellwood International Corp.	Bizconn International Corp. (Samoa)	Various investment activities.	100.00	100.00	
	BizLink International Electronics (Shen Zhen) Co., Ltd.	Design, manufacture, sale and assembly of connectors, cables assemblies.	-	-	e
	BizLink (Kun Shan) Co., Ltd.	Design, manufacture and sale of cable assemblies, connectors and power cords.	100.00	100.00	
	Teralux Technology Co., Ltd.	Research, manufacture and retail of optical and optoelectronic device technology	100.00	-	g
Bizconn International Corp. (Samoa)	Bizconn International Corp. (China)	Design, manufacture, sale and assembly of connectors, tooling and cable assemblies.	100.00	100.00	
Adel Enterprise Corp.	BizLink Electronics (Xiamen) Co., Ltd.	Manufacture and assembly of power cords and cables.	100.00	100.00	
	Asia Wick Ltd.	Various investment activities.	100.00	100.00	
Asia Wick Ltd.	TongYing Electronics (Shen Zhen) Ltd.	Manufacture of wire extrusions and cable assemblies.	100.00	100.00	
Bizwide Limited	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	Design, manufacture and sale of cable assemblies, power cords, and connectors.	100.00	100.00	
BizLink Technology (S.E.A.) Sdn. Bhd.	BizLink Interconnect Technology (India) Private Limited	(1) Design, manufacture, and sale of cable assemblies, power cords, and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	100.00	100.00	
BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O.	(1) Manufacture and assembly of connectors and cable assemblies, and (2) wholesale and retail of cable assemblies, connectors and power cords.	100.00	100.00	d
EA Cable Assemblies (Hong Kong) Co., Limited	BizLink Technology (Chang Zhou) Limited	(1) Manufacture of smart instrumentational sensors, instrumentational connectors and instrumentational functional materials, (2) sale of own products, and (3) import and export business.	100.00	100.00	d
	BizLink Technology (Xiamen) Limited	(1) Manufacture of smart instrumentational sensors, instrumentational connectors, and instrumentational functional materials, (2) sale of own products, and (3) import and export business.	100.00	100.00	d

(Concluded)

Note a: On January 12, 2018, BizLink's board of directors resolved to acquire a 100%-equity interest in OW Holding Inc. by assigning 100%-equity interest of Optiworks, Inc. to OW Holding Inc.

Note b: OW Holding Inc. issued stocks in February 2018 to obtain intangible assets, which reduced BizLink's percentage of ownership to 89.29%. In addition, the non-controlling interest of the Company did not participate in the issuance of common stock for cash in June 2018 according to the original stockholding ratio. The stockholding ratio increased from 89.29% to 90.58%.

Note c: Bizconn Technology Inc. is not yet in operation.

Note d: EA Cable Assemblies (Hong Kong) Co., Limited, EA Cable Assemblies GmbH, BizLink Technology (Belgium) NV, BizLink Technology (Slovakia) S.R.O., BizLink Technology SRB D.O.O., BizLink Technology (Chang Zhou) Limited and BizLink Technology (Xiamen) Limited were acquired in May 2017.

Note e: BizLink International Electronics (Shen Zhen) Co., Ltd. was liquidated in September 2017.

Note f: As of November 2018, the Company paid capital to BizLink Technology (Slovakia) S.R.O. by assigning a monetary claim EUR13,271 thousand.

Note g: Teralux Technology Co., Ltd. was acquired in November 2018.

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Associates

	December 31	
	2018	**2017**
Associates that are not individually material	$ 12,584	$ 18,792

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

	December 31	
Name of Associates	**2018**	**2017**
Siriustek Inc.	40%	40%
Arise Solution Inc.	-	-

Refer to Table 8 for the nature of activities, principal places of business and countries of incorporation of the associates.

In October of 2017, the Company subscribed stocks of Siriustek Inc. through a private placement for cash of 20,000 thousand; after the subscription, the Company's percentage of ownership in Siriustek Inc. was 40% and the Company was able to exercise significant influence over Siriustek Inc. Included in the cost of investment in associates was goodwill of NT$6,991 thousand recognized from the acquisition of Siriustek Inc.

As of December 31, 2018, management of the Company carried out an impairment review. In determining the recoverable amount of Siriustek Inc., the Company applied the discounted cash flow method at 9% discount rate. Based on the assessment, the recoverable amount of the Company's interest in Siriustek Inc. which was less than the carrying amount by $3,351 thousand was recognized as impairment loss in other gains and losses.

In 2016, the Company held a 48% interest in Arise Solution Inc. and accounted for the investment as an associate. In April 2017, the Company sold 100% of its interest to a third party for proceeds of NT$1,457 thousand (received in May 2017) and thus ceased to have significant influence. This transaction resulted in the recognition of a loss in profit or loss, calculated as follows:

Proceeds of disposal	$ 1,457
Less: Carrying amount of investment on the date of disposal	(2,974)
Loss recognized	$ (1,517)

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of the investment were calculated based on the financial statements that have not been audited. Management believes there is no material impact on the equity method accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of Arise Solution Inc. and Siriustek Inc. that have not been audited.

Aggregate information of associates that are not individually material:

	For the Year Ended December 31	
	2018	2017
The Company's stock of:		
Loss from continuing operations	$ (3,257)	$ (886)
Total comprehensive loss for the year	$ (3,257)	$ (886)

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Transportation	Other Equipment	Total
Cost						
Balance at January 1, 2017	$ 409,440	$ 757,820	$ 1,096,549	$ 19,598	$ 230,725	$ 2,514,132
Additions	-	59,769	133,693	1,326	95,741	290,529
Disposals	-	(427)	(61,646)	(844)	(19,228)	(82,145)
Acquisitions through business combinations (after measurement period adjustment)	-	-	869,099	-	233,348	1,102,447
Reclassifications (a)	-	41,451	29,933	611	11,512	83,507
Effect of foreign currency exchange differences (after measurement period adjustment)	(10,536)	(30,313)	31,148	(369)	3,925	(6,145)
Transfer to investment property	(51,120)	(50,707)	-	-	-	(101,827)
Balance at December 31, 2017 (after measurement period adjustment)	$ 347,784	$ 777,593	$ 2,098,776	$ 20,322	$ 556,023	$ 3,800,498
Accumulated depreciation and impairment						
Balance at January 1, 2017	$ -	$ 205,704	$ 612,634	$ 10,967	$ 130,428	$ 959,733
Disposals	-	(427)	(48,487)	(719)	(16,843)	(66,476)
Reclassifications	-	-	(1,325)	-	1,325	-
Depreciation expense (after measurement period adjustment)	-	31,397	174,770	2,050	61,865	270,082
Acquisitions through business combinations (after measurement period adjustment)	-	-	427,989	-	118,617	546,606
Effect of foreign currency exchange differences (after measurement period adjustment)	-	(5,609)	19,200	(192)	4,001	17,400
Transfer to investment property	-	(13,889)	-	-	-	(13,889)
Balance at December 31, 2017 (after measurement period adjustment)	$ -	$ 217,176	$ 1,184,781	$ 12,106	$ 299,393	$ 1,713,456
Carrying amounts at December 31, 2017 (after measurement period adjustment)	$ 347,784	$ 560,417	$ 913,995	$ 8,216	$ 256,630	$ 2,087,042
Cost						
Balance at January 1, 2018 (after measurement period adjustment)	$ 347,784	$ 777,593	$ 2,098,776	$ 20,322	$ 556,023	$ 3,800,498
Additions	-	17,600	327,023	654	94,512	439,789
Disposals	-	-	(104,412)	(449)	(23,517)	(128,378)
Reclassifications (b)	-	1,169	51,719	-	2,004	54,892
Acquisitions through business combinations	-	17,630	25,097	-	6,123	48,850
Effect of foreign currency exchange differences	4,041	5,036	(35,905)	(213)	(5,619)	(32,660)
Balance at December 31, 2018	$ 351,825	$ 819,028	$ 2,362,298	$ 20,314	$ 629,526	$ 4,182,991
Accumulated depreciation and impairment						
Balance at January 1, 2018 (after measurement period adjustment)	$ -	$ 217,176	$ 1,184,781	$ 12,106	$ 299,393	$ 1,713,456
Disposals	-	-	(58,302)	(426)	(21,380)	(80,108)
Depreciation expense	-	34,316	211,698	2,180	82,187	330,381
Acquisitions through business combinations	-	11,962	7,550	-	5,447	24,959
Effect of foreign currency exchange differences	-	(1,819)	(21,579)	(128)	(3,857)	(27,383)
Balance at December 31, 2018	$ -	$ 261,635	$ 1,324,148	$ 13,732	$ 361,790	$ 1,961,305
Carrying amounts at December 31, 2018	$ 351,825	$ 557,393	$ 1,038,150	$ 6,582	$ 267,736	$ 2,221,686

a. Reclassifications from inventory and other non-current assets - prepayments for equipment to property, plant and equipment amounted to $72,159 thousand and $11,348 thousand, respectively.

b. Reclassifications from inventory and other non-current assets - prepayments for equipment to property, plant and equipment amounted to $40,649 thousand and $14,243 thousand, respectively.

No impairment assessments were performed for the years ended December 31, 2018 and 2017 as there were no indications of impairment.

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

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

Refer to Note 39 for the carrying amount of property, plant and equipment pledged by the Company to secure borrowings granted.

16. INVESTMENT PROPERTIES

	Freehold Land	Buildings	Total
Cost			
Balance at January 1, 2017	$ 43,715	$ 108,013	$ 151,728
Transferred from property, plant and equipment	51,120	50,707	101,827
Effect of foreign currency exchange differences	(3,375)	(8,083)	(11,458)
Balance at December 31, 2017	$ 91,460	$ 150,637	$ 242,097
Accumulated depreciation and impairment			
Balance at January 1, 2017	$ -	$ 20,772	$ 20,772
Depreciation expense	-	3,739	3,739
Transferred from property, plant and equipment	-	13,889	13,889
Effect of foreign currency exchange differences	-	(1,640)	(1,640)
Balance at December 31, 2017	$ -	$ 36,760	$ 36,760
Carrying amounts at December 31, 2017	$ 91,460	$ 113,877	$ 205,337
Cost			
Balance at January 1, 2018	$ 91,460	$ 150,637	$ 242,097
Effect of foreign currency exchange differences	1,294	3,199	4,493
Balance at December 31, 2018	$ 92,754	$ 153,836	$ 246,590

(Continued)

	Freehold Land	Buildings	Total
Accumulated depreciation and impairment			
Balance at January 1, 2018	$ -	$ 36,760	$ 36,760
Depreciation expense	-	3,697	3,697
Effect of foreign currency exchange differences	-	746	746
Balance at December 31, 2018	$ -	$ 41,203	$ 41,203
Carrying amounts at December 31, 2018	$ 92,754	$ 112,633	$ 205,387

(Concluded)

The above items of investment properties are depreciated on a straight-line basis over the estimated useful life of the asset as follows:

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

The determination of fair value was performed by the management of the Company by using the valuation model that market participants would use in determining the fair value. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

	December 31	
	2018	2017
Fair value	$ 296,364	$ 309,421

Refer to Note 39 for the carrying amount of investment properties pledged by the Company to secure borrowings granted.

17. GOODWILL

	For the Year Ended December 31	
	2018	2017
Cost		
Balance at January 1	$ 395,860	$ -
Additional amounts recognized from business combinations (Note 32)	2,042	346,781
Effects of foreign currency exchange difference	(4,047)	49,079
Balance at December 31	$ 393,855	$ 395,860
Accumulated impairment losses		
Balance at January 1	$ -	$ -
Effects of foreign currency exchange difference	-	-
Balance at December 31	$ -	$ -
Carrying amounts at January 1	$ 395,860	$ -
Carrying amounts at December 31	$ 393,855	$ 395,860

In January 2017, the board of directors resolved to acquire Leoni AG's Electrical Appliance Assemblies business group on May 2, 2017 and recognized goodwill of EUR11,129 and (translated into NT$391,792 thousand on December 31, 2018). Any excess of the cost of acquisition over the Company's stock of the net fair value of the obtained identifiable assets and liabilities is recognized as goodwill on the acquisition date with provisional prices determined based on the purchase pricing allocation report. The Company will conduct impairment tests on goodwill related to the identified cash generating units regularly in accordance with the recoverable amount based on a discounted cash flow analysis.

The comparative figures here have been restated based on the purchase price allocation report as if the initial accounting treatment and provisional prices were completed on the acquisition date.

Other balance sheet related adjustments increase (decrease):

	December 31, 2017 (Measurement Period Adjustment)	**Acquisition Date (Measurement Period Adjustment)**
Assets		
Current assets	$ -	$ (5,822)
Non-current assets		
Property, plant and equipment	(8,071)	(12,992)
Intangible assets	(88,742)	(85,514)
Goodwill	22,766	21,050
Others	-	(12,071)
Liabilities		
Current liabilities	(79,239)	(31,148)
Non-current liabilities	-	(8,519)
Equity		
Retained earnings	17,714	-
Other equity	(12,522)	-

Other comprehensive income related adjustments increase (decrease):

	For the Year Ended December 31, 2017
Depreciation expense	$ (614)
Amortization expense	$ (2,892)
Loss on foreign currency exchange	$ (14,208)
Exchange differences on translation to the presentation currency	$ (596)
Exchange differences on translating foreign operations	$ (11,926)

In July 2018, the board of directors resolved to acquire Teralux Technology Co., Ltd. and recognized goodwill of RMB 461 thousand (translated into NT$2,063 thousand on December 31, 2018). Any excess of the cost of acquisition over the Company's stock of the net fair value of the obtained identifiable assets and liabilities is recognized as goodwill on the acquisition date with provisional prices determined based on the purchase pricing allocation report.

18. OTHER INTANGIBLE ASSETS

	Patent	Computer Software	Trademark	Customer Relationships	Core Technology	Total
Cost						
Balance at January 1, 2017	$ 25,800	$ 191,844	$ 63	$ -	$ -	$ 217,707
Additions	-	20,393	-	-	-	20,393
Acquisition through business combination (after measurement period adjustment)	-	22,210	-	164,450	154,583	341,243
Reclassification (a)	-	12,541	-	-	-	12,541
Disposals	-	(1,988)	-	-	-	(1,988)
Effect of foreign currency exchange differences (after measurement period adjustment)	(1,992)	(3,115)	-	9,747	8,488	13,128
Balance at December 31, 2017 (after measurement period adjustment)	$ 23,808	$ 241,885	$ 63	$ 174,197	$ 163,071	$ 603,024
Accumulated depreciation and impairment						
Balance at January 1, 2017	$ 17,133	$ 82,653	$ 52	$ -	$ -	$ 99,838
Amortization expense (after measurement period adjustment)	1,826	26,916	6	17,504	19,421	65,673
Acquisition through business combination (after measurement period adjustment)	-	14,843	-	-	-	14,843
Disposals	-	(1,956)	-	-	-	(1,956)
Effect of foreign currency exchange differences (after measurement period adjustment)	(1,363)	(1,384)	-	362	345	(2,040)
Balance at December 31, 2017 (after measurement period adjustment)	$ 17,596	$ 121,072	$ 58	$ 17,866	$ 19,766	$ 176,358
Carrying amounts at December 31, 2017 (after measurement period adjustment)	$ 6,212	$ 120,813	$ 5	$ 156,331	$ 143,305	$ 426,666
Cost						
Balance at January 1, 2018 (after measurement period adjustment)	$ 23,808	$ 241,885	$ 63	$ 174,197	$ 163,071	$ 603,024
Additions	-	71,834	-	-	-	71,834
Acquisition through business combination (Note 32)	37,460	-	-	41,910	48,944	128,314
Reclassification (b)	-	1,411	-	-	-	1,411
Disposals	-	(2,451)	-	-	-	(2,451)
Effect of foreign currency exchange differences	1,147	(2,072)	-	(531)	(163)	(1,619)
Balance at December 31, 2018	$ 62,415	$ 310,607	$ 63	$ 215,576	$ 211,852	$ 800,513

(Continued)

	Patent	Computer Software	Trademark	Customer Relationships	Core Technology	Total
Accumulated depreciation and impairment						
Balance at January 1, 2018 (after measurement period adjustment)	$ 17,596	$ 121,072	$ 58	$ 17,866	$ 19,766	$ 176,358
Amortization expense	2,451	32,577	5	30,977	34,526	100,536
Disposals	-	(2,299)	-	-	-	(2,299)
Effect of foreign currency exchange differences	587	(1,469)	-	(606)	(707)	(2,195)
Balance at December 31, 2018	$ 20,634	$ 149,881	$ 63	$ 48,237	$ 53,585	$ 272,400
Carrying amounts at December 31, 2018	$ 41,781	$ 160,726	$ -	$ 167,339	$ 158,267	$ 528,113

(Concluded)

a. Reclassified other non-current assets - prepayments for equipment to intangible assets in the amount of NT$12,541 thousand for the year ended December 31, 2017.

b. Reclassified other non-current assets - prepayments for equipment to intangible assets in the amount of NT$1,411 thousand for the year ended December 31, 2018.

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

Patent	5 years
Computer software	2-10 years
Trademark	10 years
Customer relationships	6.5-10.4 years
Core technology	5.5-10.4 years

	For the Year Ended December 31	
	2018	2017
An analysis of amortization by function		
Operating costs	$ 37,873	$ 23,546
Selling and marketing expenses	26,866	17,854
General and administrative expenses	32,189	21,511
Research and development expenses	3,608	2,762
	$ 100,536	$ 65,673

19. PREPAYMENTS FOR LEASES

	December 31	
	2018	2017
Current assets (included in prepayments)	$ 1,326	$ 1,251
Non-current assets	36,728	38,605
	$ 38,054	$ 39,856

As of December 31, 2018 and 2017, prepaid lease payments included land use rights with carrying amounts of NT$38,054 thousand and NT$39,586 thousand, respectively, which are located in mainland China.

20. OTHER ASSETS

	December 31	
	2018	2017
Current		
Prepayments (including prepayments for leases)	$ 178,345	$ 217,310
Others	1,944	2,126
	$ 180,289	$ 219,436
Other financial assets - current		
Pledged bank demand and time deposit (Note 39)	$ 21,128	$ 19,975
Non-current		
Prepayments for equipment	$ 78,948	$ 60,031
Prepayments for investments (Note 34)	-	33,034
Refundable deposits (Note 38)	52,159	50,567
	$ 131,107	$ 143,632
Other financial assets - non-current		
Time deposit with original maturity of more than 3 months *	$ 12,447	$ -
Pledged bank deposit (Note 39)	170,805	210,970
	$ 183,252	$ 210,970

* Time deposit with original maturity of more than 3 months was classified as debt investments with no active market under IAS 39. Since applied to IFRS 9, it was reclassified to other financial asset.

21. BORROWINGS

a. Short-term borrowings

	December 31	
	2018	2017
Secured borrowings (Note 39)		
Bank loans	$ 64,500	$ 64,500
Unsecured borrowings		
Bank loans	-	841,422
	$ 64,500	$ 905,922

The range of interest rates on bank loans was 1.04%-1.20% and 0.31%-2.28% per annum as of December 31, 2018 and 2017, respectively.

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

	December 31	
	2018	2017
Secured borrowings (Note 39)		
Bank loans	$ 379,061	$ 381,441
Less: Current portion (due in one year)	(37,713)	(6,904)
	341,348	374,537
Unsecured borrowings		
Bank loans	-	148,800
Less: Current portion (due in one year)	-	(119,040)
	-	29,760
Long-term borrowings	$ 341,348	$ 404,297

In February 2016 and May 2014, the long-term secured borrowings were provided with collateral in the form of freehold land and buildings valued at NT$237,980 thousand and US$5,800 thousand, respectively. Such loans are due in January 2026 and May 2021, respectively. As of December 31, 2018 and 2017, the annual effective interest rate range was 1.41%-4.32% and 1.41%-3.09%, respectively, per annum.

22. BONDS PAYABLE

	December 31	
	2018	2017
Overseas unsecured bonds	$ 3,071,500	$ -
Less: Unamortized bond discount	(179,902)	-
	$ 2,891,598	$ -

a. On February 3, 2016, BizLink issued the first five-year unsecured, zero-coupon overseas convertible bonds with US$250 thousand par value, in an aggregate principal amount of US$60,000 thousand, and additionally on or before March 4, 2016 with aggregate principal amount of US$20,000 thousand.

The following items are the primary clauses in the prospectus:

1) Term

From February 3, 2016 to February 3, 2021.

2) Conversion

Conversion period

Unless previously converted, redeemed or repurchased and cancelled, the bonds may be converted into fully paid common stock at the option of the bondholders at any time during the period from and including March 13, 2016 to and including the close of business on the tenth calendar day prior to the maturity date except during any closed period.

Conversion price and adjustments

The price used by BizLink in determining the number of common stock to be issued upon conversion is initially NT$179.40 per share with a fixed exchange rate applicable on conversion of bonds of NT$33.62=US$1.00. The conversion price will be subject to adjustment, according to a formula stated in the prospectus, due to any change in issuance of common stock. The conversion price as of September 30, 2017 was NT$161.30 per share.

3) Bondholders' put right

   a) On February 3, 2018 (2 years after issue date), each bondholder will have the right, at such holder's option, to require BizLink to redeem in whole or in part the principal amount thereof of such holder's bonds at 102.02%.

   b) In the event that the stocks cease to be listed or admitted for trading or are suspended from trading for a period equal to or exceeding 30 consecutive trading days on the TWSE, each bondholder shall have the right to require BizLink to redeem the bonds in whole or in part at their early redemption amount. Early redemption amount of a bond is determined so that it represents for the bondholders of the bonds a gross yield of 1.00% per annum, calculated on a semi-annual basis.

   c) If a change of control occurs, each bondholder shall have the right at such bondholder's option to require BizLink to redeem such bondholder's bonds in whole or in part.

4) Redemption

   a) BizLink may redeem the bonds in whole, but not in part, at their early redemption amount if more than 90% in principal amount of the bonds has already been converted or redeemed or repurchased and cancelled.

   b) BizLink may redeem the bonds in whole, but not in part, at their early redemption amount if the Company has become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or Republic of China (ROC).

5) The option and liability portions are accounted for separately, and the liability portion is respectively included in financial liabilities at FVTPL - current, bonds payable and capital surplus - options.

6) For the year ended December 31, 2017, the amount of converted convertible bonds of NT$2,092,846 thousand (US$62,250 thousand) was reclassified to common stock at NT$126,421 thousand and capital surplus - options at NT$1,966,425 thousand. Bonds payable discounts, financial liabilities at FVTPL - current and capital surplus - options on the conversion date in the amounts of NT$(126,593) thousand, NT$322 thousand and NT$123,686 thousand, respectively. For the year ended December 31, 2017, amortization of discount on bonds payable of NT$13,789 was included in financial cost. By the end of December 31, 2017, the Company redeemed all of the bonds.

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

   The following items are the primary clauses in the prospectus:

   1) Term

      From February 1, 2018 to February 1, 2023.

2) Conversion

Conversion period

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

Conversion price and adjustments

The price used by BizLink in determining the number of common stocks to be issued upon conversion is initially NT$320 per share with a fixed exchange rate applicable on conversion of the bonds of NT$29.075=US$1.00. The conversion price will be subject to adjustment, according to a formula stated in the prospectus, due to any change in the issuance of common stocks. The conversion price as of December 31, 2018 was NT$309.34 per share.

3) Bondholders' put rights

a) Unless previously converted, redeemed or repurchased and cancelled, at 2 years after the issue date, each bondholder will have the right, at such bondholder's option, to require BizLink to redeem, in whole or in part, the principal amount of such bondholder's bonds at 102.52%.

b) In the event that the stocks cease to be listed or admitted for trading or are suspended from trading on the TWSE, each bondholder shall have the right to require BizLink to redeem the bonds, in whole or in part, at their early redemption amount. The early redemption amount of a bond is determined so that it represents for the bondholders of the bonds a gross yield of 1.25% per annum, calculated on a semi-annual basis.

c) If a change of control occurs, each bondholder shall have the right at such bondholder's option to require BizLink to redeem such bondholder's bonds in whole or in part.

4) Redemption

a) BizLink may redeem the bonds in whole, but not in part, at their early redemption amount if more than 90% of the principal amount of the bonds has already been converted or redeemed or repurchased and cancelled.

b) BizLink may redeem the bonds in whole, but not in part, at their early redemption amount if the Company has become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or the Republic of China (ROC).

c) From two years to the day after the issue date to the maturity date, if the closing price for 20 transaction days of 30 consecutive business days of BizLink's common stock on the TWSE (converted into US dollars at the spot exchange rate) is greater than the early redemption price applicable on the day decided by the convertible ratio exceeds 130%, then BizLink may redeem the bonds in whole or part at the early redemption amount.

5) The option and liability portions are accounted for separately, and the liability portion is respectively included in financial liabilities at FVTPL - current, bonds payable and capital surplus - options.

6) From February 1, 2018 (the issue date) to December 31, 2018, amortization of discounts on bonds payable $38,197 thousand was included in finance costs. As of December 31, 2018, the second unsecured convertible overseas bonds issued were not converted.

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

Issued price (deducted transaction costs of $27,221 thousand)	$ 2,892,279
Equity component	(169,777)
Financial liabilities at FVTPL	(10,991)
Liability component at issue date	2,711,511
Amortized interest	38,197
Effect of foreign exchange rate	141,890
Liability component as of December 31, 2018	$ 2,891,598

23. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2018	2017
Notes payable		
Operating	$ 133,522	$ 186,066
Trade payables		
Operating	$ 3,831,669	$ 3,248,355

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

24. OTHER LIABILITIES

	December 31	
	2018	2017
Current		
Other payables		
Salaries or bonuses	$ 538,447	$ 541,330
Welfare funds	39,407	26,928
Payable for taxes	34,368	22,658
Payable for employee bonuses	141,133	76,493
Payable for remuneration to directors	9,044	9,132
Payable for professional fees	53,735	37,415
Payable for shipping	44,627	45,682
Payable for investment (Notes 32 and 34)	7,679	60,881
Others	227,830	252,438
	$ 1,096,270	$ 1,072,957
Other liabilities		
Advance receipts	$ -	$ 20,928
Receipts under custody	1,105	1,191
Others	1,187	1,042
	$ 2,292	$ 23,161
Non-current		

	December 31	
	2018	2017
Other liabilities		
Guarantee deposits	$ 7,664	$ 8,789
Deferred revenue - government grants	10,522	17,470
Others	3,131	1,429
	$ 21,317	$ 27,688

(Concluded)

25. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

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

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

	December 31	
	2018	2017
Present value of defined benefit obligation	$ 9,091	$ 10,351
Fair value of plan assets	(4,750)	(5,957)
Net defined benefit liabilities	$ 4,341	$ 4,394

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

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2017	$ 10,127	$ (6,254)	$ 3,873
Service cost			
Current service cost	257	-	257
Net interest expense (income)	89	(56)	33
Recognized in profit or loss	346	(56)	290
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3)	(3)
Actuarial loss - changes in demographic assumptions	488	-	488
Actuarial loss - changes in financial assumptions	(218)	-	(218)
Actuarial loss - experience adjustments	168	-	168
Recognized in other comprehensive income	438	(3)	435
Contributions from the employer	-	(204)	(204)
Benefit paid	(560)	560	-
Balance at December 31, 2017	$ 10,351	$ (5,957)	$ 4,394
Balance at January 1, 2018	$ 10,351	$ (5,957)	$ 4,394
Service cost			
Current service cost	263	-	263
Net interest expense (income)	117	(69)	48
Recognized in profit or loss	380	(69)	311
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(172)	(172)
Actuarial loss - changes in demographic assumptions	18	-	18
Actuarial loss - changes in financial assumptions	101	-	101
Actuarial loss - experience adjustments	(111)	-	(111)
Recognized in other comprehensive income	8	(172)	(164)
Contributions from the employer	-	(200)	(200)
Benefit paid	(1,648)	1,648	-
Balance at December 31, 2018	$ 9,091	$ (4,750)	$ 4,341

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

1) Investment risk: The plan assets are invested in domestic and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

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

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

	December 31	
	2018	**2017**
Discount rate (s)	1.000%	1.125%
Expected rate (s) of salary increase	2.250%	2.250%

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

	December 31	
	2018	**2017**
Discount rate(s)		
0.25% increase	$ (201)	$ (223)
0.25% decrease	$ 207	$ 229
Expected rate(s) of salary increase		
0.25% increase	$ 201	$ 223
0.25% decrease	$ (196)	$ (218)

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

	December 31	
	2018	**2017**
The expected contributions to the plan for the next year	$ 198	$ 206
The average duration of the defined benefit obligation	8.9 years	8.7 years

26. EQUITY

a. Capital stock

1) Common stock

	December 31	
	2018	**2017**
Number of stocks authorized (in thousands)	500,000	500,000
Stocks authorized	$ 5,000,000	$ 5,000,000
Number of stocks issued and fully paid (in thousands)	118,517	115,566
Stocks issued	$ 1,185,174	$ 1,155,664

Fully paid common stock, which have a par value of NT$10, carry one vote per share and carry a right to dividends.

BizLink's board of directors approved a stock issuance for cash amounting to 3,000 thousand units of common stocks, with a par value of NT$210. The proceeds from the issuance of NT$630,000 thousand were fully received, and the issuance was listed on January 18, 2018.

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

	Number of Stocks (In Thousands of Stocks)	**Capital stock**
Balance at January 1, 2017	102,959	$ 1,029,593
Retirement of recognized employee restricted stocks	(35)	(350)
Arising from conversion of bonds	12,642	126,421
Balance at December 31, 2017	115,566	1,155,664
Issue of common stock for cash	3,000	30,000
Retirement of recognized employee restricted stocks	(49)	(490)
Balance at December 31, 2018	118,517	$ 1,185,174

b. Capital surplus

	December 31	
	2018	**2017**
May be used to offset a deficit, distributed as cash dividends, or transferred to capital stock (1)		
Stock premiums	$ 1,557,069	$ 894,762
Conversion of bonds	3,010,509	3,010,509
	$ 4,567,578	$ 3,905,271
May be used to offset a deficit only		
Conversion of employee stock options (2)	$ 68,087	$ 50,032
Share of changes in capital surplus of associates or joint ventures (3)	502	-
Others - expired stock option (2)	4,619	4,619
	$ 73,208	$ 54,651
May not be used for any purpose		
Employee stock options	$ -	$ 18,055
Employee restricted stocks	83,075	152,757
Stock warrants	169,777	-
	$ 252,852	$ 170,812

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital stock (limited to a certain percentage of the Company's capital surplus and once a year).

2) When employee stock options are exercised, capital surplus - options are transferred to capital surplus - stock premiums and when the options expired, capital surplus - options are transferred to capital surplus - others.

3) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

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

	Stock Premiums	Conversion of Employee Stock Options	Conversion of Bonds	Stock Warrants	Employee Restricted Stocks	Employee Stock Options	Others - Expired Stock Options	Changes in Percentage of Ownership Interests in Subsidiaries	Total
Balance at January 1, 2017	$ 827,037	$ 50,032	$ 1,046,669	$ 123,686	$ 225,750	$ -	$ 4,619	$ -	$ 2,277,793
Convertible bonds converted to common stock	-	-	1,963,840	(123,686)	-	-	-	-	1,840,154
Vested employee restricted stocks	67,725	-	-	-	(67,725)	-	-	-	-
Retirement employee restricted stocks (1)	-	-	-	-	(5,268)	-	-	-	(5,268)
Stock-based payment - issuance of common stocks for cash	-	-	-	-	-	18,055	-	-	18,055
Balance at January 1, 2018	894,762	50,032	3,010,509	-	152,757	18,055	4,619	-	4,130,734
Premium from equity stock-based payment under issue of common stock for cash	-	18,055	-	-	-	(18,055)	-	-	-
Issue of common stock for cash	600,000	-	-	-	-	-	-	-	600,000
Retirement employee restricted stocks (2)	-	-	-	-	(7,375)	-	-	-	(7,375)
Equity component of convertible bonds	-	-	-	169,777	-	-	-	-	169,777
Vested employee restricted stocks	62,307	-	-	-	(62,307)	-	-	-	-
Change in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	502	502
Balance at December 31, 2018	$ 1,557,069	$ 68,087	$ 3,010,509	$ 169,777	$ 83,075	$ -	$ 4,619	$ 502	$ 4,893,638

1) The reversed unearned benefit of $5,618 thousand for restricted stocks was net of retired capital of $350 thousand.

2) The reversed unearned benefit of $7,865 thousand for restricted stocks was net of retired capital of $490 thousand.

c. Retained earnings and dividend policy

Under the dividend policy by the Articles, BizLink may distribute profit in accordance with a proposal for distribution of profit prepared by the directors and approved by the members by an ordinary resolution at any general meeting. The directors shall prepare such proposal as follows: (1) The proposal shall begin with BizLink's annual net income and offset its losses in previous years that have not been previously offset, and then set aside a legal capital reserve at 10% of the profits left over, until the accumulated legal capital reserve equals the total capital of BizLink, (2) then BizLink shall set aside a special capital reserve, if one is required, in accordance with the applicable public company rules or as requested by the authorities in charge. Any balance left over may be distributed as dividends (including cash dividends or stock dividends) or bonuses in accordance with the statutes and the applicable public company rules and after taking into consideration financial, business and operational factors with the amount of profits distributed at not lower than 10% of profit after tax of the then current year and the amount of cash dividends distributed thereupon shall not be less than 10% of the profit proposed to be distributed of the then current year. Refer to employee's compensation and remuneration of directors in Note 28 (g) for details.

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

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

The appropriations of earnings for 2017 and 2016 were approved in the annual stockholders' meetings on June 21, 2018 and June 15, 2017, respectively.

	Appropriation of Earnings		Dividends Per Stock (NT$)	
	2017	2016	2017	2016
Legal reserve	$ 116,246	$ 90,995	$ -	$ -
Special reserve	299,927	5,993	-	-
Cash dividends	809,210	720,715	7.0	7.0

The appropriation of earnings for 2018 were proposed by BizLink's board of directors on March 14, 2019. The appropriation and dividends per share were as follows:

	Appropriations of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 139,231	$ -
Special reserve	41,651	-
Cash dividends	888,881	7.5

The appropriation of earnings for 2018 are subject to resolution in the stockholders' meeting to be held on June 12, 2019.

d. Other equity items

1) Exchange differences on translating foreign operations:

	For the Year Ended December 31	
	2018	2017
Balance at January 1	$ (617,080)	$ (304,631)
Exchange differences on translating foreign operations	(310,324)	362,848
Exchange differences on translation to presentation currency	244,619	(675,297)
Balance at December 31	$ (682,785)	$ (617,080)

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

	For the Year Ended December 31, 2018
Balance at January 1 per IAS 39	$ -
Adjustment on initial application of IFRS 9	(44,333)
Balance at January 1 per IFRS 9	(44,333)
Recognized during the period	
Unrealized gain (loss)	
Equity instruments	87,182
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	(3,701)
Balance at December 31	$ 39,148

3) Gain (loss) on hedging instruments

Cash flow hedges

	For the Year Ended December 31, 2018
Balance at January 1	$ -
Recognized during the period	
Gain (loss) on changes in fair value of hedging instruments	
Raw material price risk - copper futures contract	11,381
Transferred to initial carrying amount of hedged items	
Raw material price risk - copper futures contract	(14,810)
Related income tax	857
Balance at December 31	$ (2,572)

4) Employee unearned benefits

In the meeting of stockholders on June 15, 2016, the stockholders approved a restricted stock plan for employees (Note 31).

	For the Year Ended December 31	
	2018	2017
Balance at January 1	$ (92,420)	$ (229,047)
Stock-based payment expenses recognized	58,967	131,009
Retired employee restricted stocks*	7,865	5,618
Balance at December 31	$ (25,588)	$ (92,420)

* Deducted from unearned benefits of restricted stocks amounting to NT$7,865 thousand and NT$5,618 thousand for the years ended December 31, 2018 and 2017.

e. Non-controlling interests

	For the Year Ended December 31	
	2018	2017
Balance at January 1	$ -	$ -
Share in profit for the period	7,278	-
Other comprehensive income in the period		
Exchange differences on translating foreign operations	235	-
Subsidiary issued of stock to obtain non-controlling interest related to assets	47,785	-
Change in additional paid-in capital from share subscription not base on original ownership of OW Holding Inc.	(502)	-
Balance at December 31	$ 54,796	$ -

27. REVENUE

a. Contract information

Revenue from sales of goods

The main operating revenue of the Company was from the wholesale and retail of cable assemblies, power cords and connectors at fixed contract prices.

	For the Year Ended December 31	
	2018	**2017**
Revenue from contracts with customers		
Revenue from sale of goods	$ 21,392,398	$ 15,599,207
Rental income		
Rental income from properties (Note 28)	21,242	20,329
	$ 21,413,640	$ 15,619,536

b. Contract balances

	December 31, 2018
Notes receivable and trade receivables (Note 11)	$ 5,138,490
Contract liabilities - current	
Sales of goods	$ 22,507

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

	For the Year Ended December 31, 2018
From the beginning contract liabilities	
Sale of goods	$ 20,928

c. Sales details of customer contracts

Sales details are disclosed in Note 44

28. NET PROFIT (LOSS) FROM OPERATIONS

a. Other income

	For the Year Ended December 31	
	2018	2017
Rental income		
Operating rental income		
Investment properties	$ 20,546	$ 19,419
Others	696	910
Interest income		
Bank deposits	39,755	17,946
Government grants revenue	39,735	15,437
Others	24,050	13,666
	$ 124,782	$ 67,378

b. Other gains and losses

	For the Year Ended December 31	
	2018	2017
Fair value changes of financial assets and financial liabilities		
Financial assets held for trading	$ -	$ 29,815
Financial assets mandatorily classified as at FVTPL	34,128	-
Financial liabilities held for trading	(99,853)	4,962
Loss on disposal of property, plant and equipment	(9,253)	(6,187)
Loss on disposal of intangible asset	(152)	(32)
Loss on disposal of investment for using equity method	-	(1,517)
Loss on impairment of investment for using for equity method	(3,351)	-
Net foreign exchange gains (losses)	105,296	(81,766)
Others	(27,455)	(7,622)
	$ (640)	$ (62,347)

c. Finance costs

	For the Year Ended December 31	
	2018	2017
Interest on bank loans	$ (13,565)	$ (19,322)
Interest on convertible bonds	(38,197)	(13,789)
Other interest expenses	(237)	-
	$ (51,999)	$ (33,111)

d. Depreciation and amortization

	For the Year Ended December 31	
	2018	2017
Property, plant and equipment	$ 330,381	$ 270,082
Investment property	3,697	3,739
Intangible assets	100,536	65,673
	$ 434,614	$ 339,494
An analysis of depreciation by function		
Operating costs	$ 253,176	$ 206,524
Operating expenses	80,902	67,297
	$ 334,078	$ 273,821
An analysis of amortization by function		
Operating costs	$ 37,873	$ 23,546
Operating expenses	62,663	42,127
	$ 100,536	$ 65,673

e. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2018	2017
Direct operating expenses from investment properties rental income		
Generating rental income	$ 3,697	$ 3,739

f. Employee benefits expense

	For the Year Ended December 31	
	2018	2017
Short-term benefits	$ 3,423,811	$ 2,580,695
Post-employment benefits (see Note 25)		
Defined contribution plans	150,689	122,374
Defined benefit plans	311	290
	151,000	122,664
Other employee benefits	300,221	261,240
Stock-based payments*	59,310	149,309
Total employee benefits expense	$ 3,934,342	$ 3,113,908
An analysis of employee benefits expense by function		
Operating costs	$ 2,462,984	$ 1,835,507
Operating expenses	1,471,358	1,278,401
	$ 3,934,342	$ 3,113,908

* The stock-based payments included the stock-based payment of NT$58,967 thousand and NT$149,064 thousand for the years ended December 31, 2018 and 2017, respectively. Withdrawn accumulative stock dividends of NT$343 thousand and NT$245 thousand for the years ended December 31, 2018 and 2017, respectively.

g. Employees' compensation and remuneration of directors

BizLink accrued employees' compensation at the rates of no less than 1% and no higher than 10%, and remuneration to directors at no higher than 3% of net profit before income tax. The employees' compensation and remuneration of directors for the years ended December 31, 2018 and 2017, which were approved by BizLink's board of directors on March 14, 2019 and March 13, 2018, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2018	**2017**
Employees' compensation	3.35%	3.33%
Remuneration of directors	0.47%	0.58%

Amount

	For the Year Ended December 31			
	2018		**2017**	
	Cash	**Stock**	**Cash**	**Stock**
Employees' compensation	$ 64,640	$ -	$ 52,188	$ -
Remuneration of directors	9,044	-	9,132	-

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

The actual amounts of the employees' compensation and remuneration of directors paid for 2017 and 2016 were no different from the amounts recognized in the consolidated financial statements for the years ended December 31, 2017 and 2016.

Information for the employees' compensation and remuneration of directors resolved by BizLink's board of directors in 2019 and 2018 were available at the Market Observation Post System website of the Taiwan Stock Exchange.

29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2018	**2017**
Current tax		
In respect of the current year	$ 498,807	$ 326,753
Income tax on unappropriated earnings	-	207
Adjustments for prior periods	(14,095)	19,954
	484,712	346,914

(Continued)

	For the Year Ended December 31	
	2018	2017
Deferred tax		
In respect of the current year	$ (25,802)	$ (56,124)
Adjustments to deferred tax attributable to changes in tax rates and laws	(785)	51,789
	(26,587)	(4,335)
Income tax expense recognized in profit or loss	$ 458,125	$ 342,579

(Concluded)

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

	For the Year Ended December 31	
	2018	2017
Profit before tax from operations	$ 1,857,714	$ 1,522,758
Income tax expense calculated at the statutory rate	$ 417,363	$ 325,053
Nondeductible expenses in determining taxable income	24,876	7,466
Tax-exempt income	(50)	(201)
Additional income tax under the Alternative Minimum Tax Act	3,871	4,916
Income tax on unappropriated earnings	-	207
Unrecognized loss carryforwards/deductible temporary differences	26,945	(14,816)
Effect of tax rate changes	(785)	-
Adjustments to prior years' tax	(14,095)	19,954
Income tax expense recognized in profit or loss	$ 458,125	$ 342,579

In 2017, the applicable corporate income tax rate used by the group entities in the ROC is 17%. However, the Income Tax Act in the ROC was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%, effective in 2018. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings will be reduced from 10% to 5%.

The applicable tax rate used by subsidiaries in China is 25% except for BizLink (Kun Shan) Co., Ltd., OptiWorks (Kunshan) Limited, Bizconn International Corp. (China) and Xiang Yao Electronics (Shen Zhen) Co., Ltd. in the year ended December 31, 2018 and 2017, the four of which used a tax rate of 15%, due to their status as holders of high-tech enterprise certificates. The applicable tax rates in the year ended December 31, 2018 and 2017 used by the subsidiaries in the US are 21% and 34%, respectively for federal tax and 8.84% for California state tax. The applicable tax rate in the year ended December 31, 2018 and 2017 used by the subsidiaries in Ireland is 12.5% according to local law. The applicable tax rate in the year ended December 31, 2018 and 2017 used by the subsidiaries in Slovakia is 21% according to local law. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

In December 2017, the United States amended Article of the Income Tax Law, which reduces a federal tax rate from 34% to 21%, effective since 2018.

The Company's applies ROC corporate income tax rate, as its status of the 2019 appropriations of earnings is uncertain, the potential income tax consequences of 2018 unappropriated earnings are not reliably determinable.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2018	2017
Deferred tax		
In respect of the current year:		
Actuarial gains and losses on defined benefit plan	$ 33	$ (74)
Cash flow hedges	(857)	-
Total income tax recognized in other comprehensive income	$ (824)	$ (74)

c. Current tax assets and liabilities

	December 31	
	2018	2017
Current tax assets		
Tax refund receivable	$ 17,720	$ 8,082
Current tax liabilities		
Income tax payable	$ 161,464	$ 133,133

d. Deferred tax assets and liabilities

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

	For the Year Ended December 31, 2018					
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Acquisition Through Business Combination	Exchange Differences	Closing Balance
Deferred tax assets						
Temporary differences						
Property, plant and equipment	$ 3,861	$ 818	$ -	$ -	$ (71)	$ 4,608
Payable for annual leave	14,294	3,719	-	-	482	18,495
Write-down of inventories	20,455	8,710	-	-	475	29,640
Defined benefit obligation	632	(32)	(33)	-	-	567
Unrealized profit	56,326	12,681	-	-	2,047	71,054
Allowance for impaired receivable	-	6,515	-	-	123	6,638
Cash flow hedges	-	-	857	-	11	868
Others	23,003	709	-	-	485	24,197
	$ 118,571	$ 33,120	$ 824	$ -	$ 3,552	$ 156,067
Deferred tax liabilities						
Temporary differences						
Property, plant and equipment	$ 3,570	$ 6,353	$ -	$ -	$ 27	$ 9,950
Unappropriated earnings of subsidiaries	44,301	(605)	-	-	1,309	45,005
Others	1,127	785	-	-	20	1,932
	$ 48,998	$ 6,533	$ -	$ -	$ 1,356	$ 56,887

	For the Year Ended December 31, 2017					
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Acquisition Through Business Combination	Exchange Differences	Closing Balance
Deferred tax assets						
Temporary differences						
Property, plant and equipment	$ 261	$ (138)	$ -	$ 3,694	$ 44	$ 3,861
Payable for annual leave	14,958	548	-	-	(1,212)	14,294
Write-down of inventories	26,262	(8,664)	-	4,583	(1,726)	20,455
Defined benefit obligation	573	(15)	74	-	-	632
Unrealized profit	71,534	(9,906)	-	-	(5,302)	56,326
Others	18,060	5,781	-	143	(981)	23,003
	$ 131,648	$ (12,394)	$ 74	$ 8,420	$ (9,177)	$ 118,571
Deferred tax liabilities						
Temporary differences						
Property, plant and equipment	$ 7,806	$ (4,190)	$ -	$ 402	$ (448)	$ 3,570
Unappropriated earnings of subsidiaries	59,469	(10,479)	-	-	(4,689)	44,301
Others	2,364	(2,060)	-	815	8	1,127
	$ 69,639	$ (16,729)	$ -	$ 1,217	$ (5,129)	$ 48,998

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

	December 31	
	2018	2017
Loss carryforwards		
Expiry in 2020	$ 856	$ 1,748
No expiry date	56,715	61,012
	$ 57,571	$ 62,760
Investment credits	$ 10,753	$ 10,432
Deductible temporary differences	$ 159,604	$ 135,637

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

As of December 31, 2018, investment tax credits comprised:

Tax Credit Source	Remaining Creditable Amount	Expiry Year
Research and development expenditures	$ 740	2020
	4,882	2021
	3,499	2022
	1,632	2023
	$ 10,753	

Loss carryforwards as of December 31, 2018 were comprised of:

Unused Amount	Expiry Year
$ 856	2020
56,715	No expiry date
$ 57,571	

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

As of December 31, 2018 and 2017, the taxable temporary differences associated with investment in subsidiaries and branch for which no deferred tax liabilities have been recognized were $3,718,388 thousand and $2,860,710 thousand, respectively.

h. Income tax assessment

As of December 31, 2018, the Company has no unsettled lawsuit.

30. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2018	2017
Basic earnings per share		
Net income	$ 1,392,311	$ 1,180,179
Weighted average number of common stocks in computation of basic earnings per thousand share	117,429	108,850
Basic earnings per share	$ 11.86	$ 10.84

(Continued)

	For the Year Ended December 31	
	2018	2017
Diluted earnings per share		
Net income	$ 1,392,311	$ 1,180,179
Effect of potentially dilutive common stocks:		
Interest on convertible bonds (after tax)	27,842	13,789
Gain on valuation of converted bonds	(8,035)	(4,962)
Earnings used in the computation of diluted earnings per thousand share from continuing operation	$ 1,412,118	$ 1,189,006
Weighted average number of common stocks in computation of basic earnings per share	117,429	108,850
Effect of potentially dilutive common stocks:		
Convertible bonds	6,074	5,209
Employees' compensation or bonuses issued to employees	269	231
Employee restricted stocks	686	536
Weighted average number of common stocks in computation of diluted earnings per thousand share	124,458	114,826
Diluted earnings per share	$ 11.35	$ 10.35

(Concluded)

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

31. SHARE-BASED PAYMENT ARRANGEMENTS

a. Restricted Stocks

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

1) Employees who acquire the restricted stocks but have not met the vesting conditions cannot sell, pledge, transfer, donate or in any other way dispose of these stocks except through inheritance.

2) The handling or execution of the related proposal, statements, voting rights and other equity-related matters are delegated to trust custody agencies.

3) Employees who acquire the restricted stocks but have not met the vesting conditions have other rights the same as the holders of the issued common stocks of the Company.

4) The stocks should be held in a stock trust. The restricted stocks should be held in a trust after being issued and non-refundable before meeting the vesting conditions.

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

Compensation costs of $58,967 thousand and $131,009 thousand were recognized within the vesting period, withdrawn accumulative stock dividends of NT$343 thousand and NT$245 thousand for the years ended December 31, 2018 and 2017.

b. Stock issuance for cash reserve for employees

In December 2017, the BizLink's board of directors approved stock issuance for cash 10% reserved for employees. The grant date was the approval date and option was available for vesting. Compensation costs recognized were $18,055 thousand in 2017.

32. BUSINESS COMBINATION

a. Subsidiaries acquired

1) Subsidiaries acquired

	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Leoni AG's Electrical Appliance Assemblies business group *	Wholesale, manufacture and retail of material cable assemblies, cable connectors, power cables, smart instrumentational sensors, instrumentational connectors, and instrumentational functional materials.	May 2, 2017	100.00	$ 1,682,279
Teralux Technology Co., Ltd.	Research, manufacture and retail of optical and optoelectronic device technology	November 30, 2018	100.00	$ 28,068

* Leoni AG's Electrical Appliance Assemblies business group included EA Cable Assemblies GmbH, BizLink Technology (Belgium) NV, BizLink Technology (Slovakia) S.R.O., EA Assemblies (Hong Kong) Co., Limited, BizLink Technology (Xiamen) Limited, BizLink Technology (Chang Zhou) Limited, and BizLink Technology SRB D.O.O.

The Company acquired Leoni AG's Electrical Appliance Assemblies business group on May 2, 2017 and Teralux Technology Co., Ltd. on November 30, 2018, to obtain European and Chinese production base, to expand employees and market capabilities and increase market competitiveness in high speed transmission of internet data center industry.

2) Obtain the business

The Company issued stocks of the subsidiary OW Holding Inc. and paid US$2,000 thousand in order to obtain the business unit of optical fiber communication components (with a fair value on the acquisition date of US$3,100 thousand) to expand operations.

b. Consideration transferred

	Leoni AG's Electrical Appliance Assemblies Business Group	Teralux Technology Co., Ltd.
Cash	$ 1,682,279	$ 28,068

	OW Holding Inc.
Cash	$ 57,890
Equity instruments issued	32,964
	$ 90,854

The above transaction resulted in a decrease of the Company's percentage of ownership from 100% to 89.29%. The Company maintained control over the subsidiary and accounted for the transaction as an equity transaction.

	OW Holding Inc.
Consideration of acquired assets	$ 90,854
Cash payment	(57,890)
The proportionate share of the carrying amount of net assets of the subsidiary transferred to non-controlling interests	(47,785)
Differences recognized from equity transactions	$ (14,821)

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

	Leoni AG's Electrical Appliance Assemblies Business Group	Teralux Technology Co., Ltd.
Current assets		
Cash and cash equivalents	$ 561,991	$ 15,465
Trade and other receivables	1,157,860	14,924
Inventories	590,639	26,044
Prepayments and others	123,403	4,452
Non-current assets		
Property, plant and equipment	555,841	23,891
Other intangible assets	326,400	37,460
Others	8,420	-
Current liabilities		
Short-term borrowings	(283,479)	-
Trade and other payables	(1,536,917)	(27,838)
Others	(161,227)	(38,345)

(Continued)

	Leoni AG's Electrical Appliance Assemblies Business Group	Teralux Technology Co., Ltd.
Non-current liabilities		
Long-term borrowings	$ -	$ (30,027)
Others	(7,433)	-
	$ 1,335,498	$ (26,026)

(Concluded)

The figure here has been restated based on the purchase price allocation report as if the initial accounting treatment and provisional prices were completed on the acquisition date.

	OW Holding Inc.
Intangible assets	
Customer relationships	$ 41,910
Core technology	48,944
	$ 90,854

d. Goodwill bargain purchases recognized on acquisitions

	Leoni AG's Electrical Appliance Assemblies Business Group	Teralux Technology Co., Ltd.
Consideration transferred	$ 1,682,279	$ 28,068
Less: Fair value of identifiable net assets acquired	(1,335,498)	(26,026)
Goodwill recognized on acquisitions	$ 346,781	$ 2,042

The goodwill recognized in the acquisition of Leoni AG's Electrical Appliance Assemblies Group and Teralux Technology Co., Ltd. mainly represent the control premiums included in the costs of the combination.

e. Net cash outflow on acquisition of subsidiaries

	Leoni AG's Electrical Appliance Assemblies Business Group	Teralux Technology Co., Ltd.
Consideration paid in cash	$ 1,682,279	$ 28,068
Less: Cash and cash equivalent balances acquired	(561,991)	(15,465)
Other payables	(60,881)	-
	$ 1,059,407	$ 12,603

f. Impact of acquisitions on the results of the Company

The results of the acquisition of Leoni AG's Electrical Appliance Assemblies Group and Teralux Technology Co., Ltd. since the acquisition date included in the consolidated statements of comprehensive income were as follows:

	Leoni AG's Electrical Appliance Assemblies Business Group	Teralux Technology Co., Ltd.
	From May 2, 2017 to December 31, 2017	From November 30, 2018 to December 31, 2018
Revenue	$ 3,924,350	$ 290
Profit	$ 73,834	$ (369)

Had these business combinations been in effect at the beginning of the annual reporting period, the Company's revenue from continuing operations would have been $21,394,152 thousand and $17,303,228 thousand respectively, and the profit from continuing operations would have been $1,481,521 thousand and $1,124,109 thousand respectively for the years ended December 31, 2018 and 2017. This pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Company that actually would have been achieved had the acquisition been completed, nor is it intended to be a projection of future results.

The result of the acquisition of OW Holding Inc. since the acquisition date included in the consolidated statements of comprehensive income were as follows:

	For the Year Ended December 31, 2018
Revenue - OW Holding Inc.	$ -
Profit - OW Holding Inc.	$ 74,984

Had these business combinations been in effect at the beginning of the annual reporting period. Additional pro-forma information is not intended to provided.

33. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTEREST

In June 2018, BizLink subscribed for additional new stock of OW Holding at a different percentage from its existing ownership, increasing its continuing interest from 89.29% to 90.58%.

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

	OW Holding Inc.
Cash consideration received	$ -
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	502
Differences recognized from equity transactions	$ 502
Line items adjusted for equity transactions	
Capital surplus - changes in percentage of ownership interests in subsidiaries	$ 502

34. CASH FLOWS INFORMATION

a. Non-cash transactions

For the years ended December 31, 2018 and 2017, the Company entered into the following non-cash investing and financing activities:

1) In February 2018, BizLink issued its second overseas unsecured convertible bonds, and the proceeds amounted to $2,892,279 thousand, recognized as bonds payable of $2,711,511 thousand, financial liabilities at FVTPL of $10,991 thousand and capital surplus - stock warrants of $169,777 thousand.

2) The Company issued common stock of OW Holding Inc. and paid cash US$2,000 thousand to obtain intangible assets. As of December 31, 2017, $22,320 thousand (US$750 thousand) was prepaid and recognized as prepayment of investment. For the year ended December 31, 2018, $30,715 (US$1,000 thousand) was paid and $7,679 (US$250 thousand) was unpaid and recognized as other payable.

3) The Company acquired domestic and foreign equity instruments unlisted stock $62,204 thousand and recognized as financial assets at FVTOCI. As of December 31, 2017, $10,714 thousand was prepaid and recognized as prepayment of investment. The remaining balance $51,490 thousand was paid for the year ended December 31, 2018.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2018

			Non-cash Changes					
	Opening Balance	Cash Flows	Liability Components	Acquisition of Subsidiaries	Equity Components	Amortized Interest Expenses	Effect of Foreign Currency Exchange Differences	Closing Balance
Short-term borrowings	$ 905,922	$ (852,359)	$ -	$ -	$ -	$ -	$ 10,937	$ 64,500
Long-term borrowings	530,241	(187,193)	-	30,027	-	-	5,986	379,061
Guarantee deposits	8,789	(1,382)	-	-	-	-	257	7,664
Bonds payable	-	2,892,279	(10,991)	-	(169,777)	38,197	141,890	2,891,598
	$ 1,444,952	$ 1,851,345	$ (10,991)	$ 30,027	$ (169,777)	$ 38,197	$ 159,070	$ 3,342,823

35. OPERATING LEASE ARRANGEMENTS

a. The Company as lessee

Operating leases relate to leases of land with lease terms between 1 to 10 years. All operating lease contracts over 5 years contain clauses for 5-yearly market rental reviews. The Company does not have a bargain purchase option to acquire the leased land at the expiration of the lease periods.

The future minimum lease payments payable for non-cancellable operating lease commitments are as follows:

	December 31	
	2018	2017
Not later than 1 year	$ 223,541	$ 204,789
Later than 1 year and not later than 5 years	300,830	422,546
Later than 5 years	67,115	89,777
	$ 591,486	$ 717,112

The lease payments recognized in profit or loss for the current period are as follows:

	For the Year Ended December 31	
	2018	2017
Minimum lease payment	$ 219,807	$ 159,781

b. The Company as lessor

Operating lease relates to the leasing of investment property with lease term between 2 to 5 years, and with an option to extend for an additional 3 years. The operating lease contract contains market review clauses in the event that the lessee exercises its option to renew. The lessee does not have a bargain purchase option to acquire the property at the expiry of the lease period.

The future minimum lease payments of non-cancellable operating lease were as follows:

	December 31	
	2018	2017
Not later than 1 year	$ 17,699	$ 17,679
Later than 1 year and not later than 5 years	27,741	44,173
	$ 45,440	$ 61,852

36. CAPITAL MANAGEMENT

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

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

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

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

37. FINANCIAL INSTRUMENTS

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

The management believes that the carrying amounts of financial assets and financial liabilities which are not measured at fair value approximate their fair values.

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

1) Fair value hierarchy

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Foreign exchange forward contracts	$ -	$ 2,665	$ -	$ 2,665
Domestic and foreign quoted stocks	2,010	-	-	2,010
	$ 2,010	$ 2,665	$ -	$ 4,675
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic and foreign unlisted stocks	$ -	$ -	$ 382,626	$ 382,626
Financial liabilities at FVTPL				
Financial liabilities				
Convertible bonds options	$ -	$ -	$ 6,450	$ 6,450

December 31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets held for trading				
Futures contract - copper	$ 5,987	$ -	$ -	$ 5,987
Foreign exchange forward contracts	-	12,214	-	12,214
Non-derivative financial assets held for trading				
Domestic and foreign quoted stocks	2,151	-	-	2,151
	$ 8,138	$ 12,214	$ -	$ 20,352

For the years ended December 31, 2018 and 2017, there were no transfers between Level 1 and Level 2 fair value measurements.

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

For the year ended December 31, 2018

	Financial Assets at FVTOCI
	Equity Instruments
Financial assets	
Balance at January 1, 2018	$ 227,319
Additional	62,204
Recognized in other comprehensive income (unrealized gain on financial assets at FVTOCI)	87,182
Disposal	(3,701)
Effect of foreign currency exchange differences	9,622
Balance at December 31, 2018	$ 382,626

	Convertible Bonds - Option
Financial liabilities at FVTPL	
Balance at January 1, 2018	$ -
Additional - issuance of bonds	10,991
Recognized in profit or loss (other gains and losses)	
Unrealized	(4,707)
Effect of foreign currency exchange differences	166
Balance at December 31, 2018	$ 6,450

For the year ended December 31, 2017

	Convertible Bonds - Option
Financial liabilities at FVTPL	
Balance at January 1, 2017	$ 5,521
Recognized in profit or loss (other gains and losses)	
Unrealized	(4,962)
Reclassified	(322)
Effect of foreign currency exchange differences	(237)
Balance at December 31, 2017	$ -

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

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

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

Financial Instruments	Valuation Techniques and Inputs
Convertible bond options	The binomial tree evaluation model of convertible bonds: Consideration of the duration, the stock price and volatility of the convertible bond object, conversion price, risk-free rate of interest, risk discount rate, and liquidity risk of the convertible bonds and other factors.
Unlisted debt securities	Asset-based approach: The value of evaluation target can be obtained by taking into account the net asset value measured at the fair value with the consideration of liquidity and non-controlling discounts rate to estimate the target's fair value.
	The market approach: The value of evaluation target can be obtained by using the transaction price of the enterprises which are similar to the evaluation target in the active market. The liquidity discounted rate is considered to estimate the target's fair value.

c. Categories of financial instruments

	December 31	
	2018	2017
Financial assets		
Financial assets at FVTPL		
Held-for-trading	$ -	$ 20,352
Mandatorily at FVTPL	4,675	-
Available-for-sale financial assets	-	239,640
Loans and receivables (1)	-	6,530,997
Financial assets at amortized cost (2)	8,974,134	-
Derivative instruments in financial assets at FVTOCI		
Equity instruments	382,626	-
Financial liabilities		
Financial liabilities at FVTPL		
Held-for-trading	6,450	-
Financial liabilities at amortized cost (3)	7,641,885	5,275,789
Financial liabilities for hedging	3,473	-

1) The balances included cash and cash equivalents, debt investments with no active market, notes receivable, trade receivables, other receivables, other financial assets and refundable deposits (included in non-current assets) at amortized cost.

2) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables, other financial assets and refundable deposits (included in non-current assets).

3) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, trade payables, other payables, current portion of long-term borrowings, bonds payable, long-term borrowings and guarantee deposits received (included in other non-current liabilities).

d. Financial risk management objectives and policies

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

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

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

1) Market risk

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

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

a) Foreign currency risk

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

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 42.

Sensitivity analysis

The Company was mainly exposed to the USD.

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

	USD Impact	
	For the Year Ended December 31	
	2018	**2017**
Profit or loss	$ 28,761	$ 21,341

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

The Company's sensitivity to foreign currency increased during the current period mainly due to increase in foreign currency trade receivables.

b) Interest rate risk

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

	December 31	
	2018	**2017**
Interest rate risk on fair value		
Financial assets	$ 405,655	$ 127,458
Financial liabilities	2,956,098	763,646
Interest rate risk on cash flow		
Financial assets	3,283,014	1,765,994
Financial liabilities	379,061	672,517

Sensitivity analysis

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

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2018 and 2017 would have increased/decreased by $29,040 thousand and $10,935 thousand, respectively, which would be mainly attributable to the Company's exposure to interest rates on its variable-rate bank deposits and bank borrowings.

The Company's sensitivity to interest rates increased during the current period mainly due to the increase in the variable rate bank deposits.

c) Other price risk

The Company was not exposed to equity price risk through its investments in listed equity securities, because the amount of its investments were considered immaterial. The Company was exposed to equity price risk through its investments in unlisted equity securities. Equity investments are held for strategic rather than trading purposes, the Company does not actively trade these investments. In addition, the Company has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Hedge accounting

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

For the year ended December 31, 2018

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

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

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

December 31, 2018

Hedge Instrument	Contract Weight	Maturity	Line Item in Balance Sheet	Carrying Amount Liabilities
Cash flow hedges				
Copper futures contract	760 tons	2019.01-2019.12	Derivative financial liabilities for hedging	$ 3,473

Hedged Item	Book Value of Other Equity Continuous Application of Hedge Accounting
Cash flow hedges	
Expected purchases (i)	$ (2,572)

For the year ended December 31, 2018

Other Comprehensive Income Effect	Recognized Profit (Loss) in Other Comprehensive Income
Cash flow hedges	
Expected purchases (i) (ii)	$ (3,429)

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

ii. For information on other hedging equity adjustments, refer to Note 26.

2) Credit risk

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

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

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

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

The Company's concentration of credit risk of 40% and 39% of total trade receivables as of December 31, 2018 and 2017, respectively, was related to the Company's three major customers.

3) Liquidity risk

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

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2018 and 2017. The Company had available unutilized short-term bank loan facilities set out in (c) below.

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

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

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

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

December 31, 2018

	Less Than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 4,240,885	$ 58,177	$ 7,664	$ -
Variable interest rate	9,729	37,246	287,784	70,580
Fixed interest rate	64,594	-	3,148,900	-
	$ 4,315,208	$ 95,423	$ 3,444,348	$ 70,580

December 31, 2017

	Less Than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 3,811,158	$ 19,679	$ 8,789	$ -
Variable interest rate	294,917	10,990	291,248	105,184
Fixed interest rate	645,775	90,710	29,919	-
	$ 4,751,850	$ 121,379	$ 329,956	$ 105,184

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

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

December 31, 2018

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Futures contract - cooper	$ (1,073)	$ (2,103)	$ (297)	$ -	$ -
Foreign exchange forward contracts	2,459	206	-	-	-
	$ 1,386	$ (1,897)	$ (297)	$ -	$ -

December 31, 2017

	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Futures contract - cooper	$ 2,704	$ 3,283	$ -	$ -	$ -
Gross settled					
Foreign exchange forward contracts					
Inflow	$ 304,203	$ 481,771	$ -	$ -	$ -
Outflow	(297,600)	(476,160)	-	-	-
	$ 6,603	$ 5,611	$ -	$ -	$ -

c) Financing facilities

	December 31	
	2018	2017
Secured bank loan facilities:		
Amount used	$ 443,561	$ 445,941
Amount unused	31,972	25,240
	$ 475,533	$ 471,181
Unsecured bank loan facilities:		
Amount used	$ -	$ 990,222
Amount unused	1,838,055	3,111,205
	$ 1,838,055	$ 4,101,427

38. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and categories

Related Party Name	Related Party Categories
Arise Solution Inc.	Associates
Kunshan Xianglian Construction Development Limited	Substantive related party

b. Sales of goods

Line Items	Related Party Categories	For the Year Ended December 31	
		2018	2017
Sales	Associates	$ -	$ 17,293

The selling price for related party is set by agreement of both parties. The credit period for related party was 30 days after the end of the month. The credit period for third parties was 0 to 120 days after the end of the month.

c. Refundable deposits (included in other current assets)

Related Party Categories/Name	For the Year Ended December 31	
	2018	2017
Substantive related party - Kunshan Xianglian Construction Development Limited	$ 20,631	$ 15,139

d. Cost of goods sold

Line Item	Related Party Categories/Name	For the Year Ended December 31	
		2018	2017
Rental expenses	Substantive related party - Kunshan Xianglian Construction Development Limited	$ 37,785	$ 34,258

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

e. Operating expense

Line Item	Related Party Categories/Name	For the Year Ended December 31	
		2018	2017
Rental expenses	Substantive related party - Kunshan Xianglian Construction Development Limited	$ 27,007	$ 23,111

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

f. Compensation of key management personnel

	For the Year Ended December 31	
	2018	2017
Short-term employee benefits	$ 82,996	$ 69,021
Share-based payments	18,323	38,429
	$ 101,319	$ 107,450

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

39. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31	
	2018	2017
Pledged deposits (classified as other financial assets - current)	$ 1,478	$ 1,465
Pledged deposits (classified as other financial assets - non-current)	10,300	62,170
Bank deposits (classified as other financial assets - current)	19,650	18,510
Bank deposits (classified as other financial assets - non-current)	160,505	148,800
Freehold land (classified as property, plant and equipment)	297,802	295,441
Buildings (classified as property, plant and equipment)	236,978	238,983
Freehold land (classified as investment properties)	51,120	51,120
Buildings (classified as investment properties)	29,273	29,954
	$ 807,106	$ 846,443

40. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of December 31, 2018 and 2017 were as follows:

Significant Commitments

Unrecognized commitments are as follows:

	December 31	
	2018	2017
Acquisition of property, plant and equipment	$ 153,456	$ 57,161

41. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

a. On March 14, 2019, BizLink's board of directors approved to acquire 5,550,000 shares of common stock with US$1.1 per share in ProOptics International Corp.

b. On March 14, 2019, BizLink's board of directors approved to invest US$40,000 thousand in cash to subsidiary, EA Cable Assemblies (Hong Kong) Co., Limited. The first installment US$8,000 thousand was expected to be paid before April 30, 2019. The remaining installment will be paid fully before July 2031 expectably. It also authorized the chairman of the board to revise the issuance plan based on operation evaluation, applicable public company rules, environment changes or instructions were received from government authorities.

c. On March 14, 2019, BizLink's board of directors' approved domestic issuance of common stock for cash or overseas issuance of common stock for cash by global depositary receipts (GDR) below 20,000 thousand shares limit.

42. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

In Thousands of US Dollars and Foreign Currencies

	December 31, 2018		
	Foreign Currencies	**Exchange Rate**	**Carrying Amount ($)**
Financial assets			
Monetary items			
USD	$ 180,792	6.8634 (USD:RMB)	$ 5,553,023
USD	14,526	7.8329 (USD:HKD)	446,166
USD	34,644	0.8726 (USD:EUR)	1,064,090
USD	8,322	4.1560 (USD:MYR)	255,610
Financial liabilities			
Monetary items			
USD	85,248	6.8634 (USD:RMB)	2,618,391
USD	1,442	7.8329 (USD:HKD)	44,291
USD	43,893	0.8726 (USD:EUR)	1,348,173

In Thousands of US Dollars and Foreign Currencies

	December 31, 2017		
	Foreign Currencies	**Exchange Rate**	**Carrying Amount ($)**
Financial assets			
Monetary items			
USD	$ 163,307	6.5359 (USD:RMB)	$ 4,860,009
USD	3,887	7.8169 (USD:HKD)	115,677
USD	20,695	0.8367 (USD:EUR)	615,882
USD	8,515	4.0620 (USD:MYR)	253,406
Financial liabilities			
Monetary items			
USD	66,770	6.5359 (USD:RMB)	1,987,072
USD	1,362	7.8169 (USD:HKD)	40,533
USD	31,491	0.8367 (USD:EUR)	937,171

For the years ended December 31, 2018 and 2017, realized and unrealized net foreign exchange gains (losses) are described in Note 28. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities within the Company.

43. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (Table 4)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 5)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 6)

9) Trading in derivative instruments (Notes 3 and 37)

10) Intercompany relationships and significant intercompany transactions (Table 7)

11) Information on investees (Table 8)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 9)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 9):

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

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

44. SEGMENT INFORMATION

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

a. Information of reportable segment's gain or loss

	For the Year Ended December 31, 2018				
	Computer Related Products	Fiber Optics	Home Appliances	Others	Total
Revenue from external customers	$ 15,020,073	$ 416,691	$ 5,917,633	$ 38,001	$ 21,392,398
Intersegment revenue	27,752,408	205,352	371,403	265,764	28,594,927
Segment revenue	$ 42,772,481	$ 622,043	$ 6,289,036	$ 303,765	49,987,325
Eliminations					(28,594,927)
Consolidated revenue					21,392,398
Segment income	$ 1,546,389	$ 141,781	$ 154,473	$ 47,504	1,890,147
Reportable segment other income					124,782

(Continued)

	For the Year Ended December 31, 2018				
	Computer Related Products	Fiber Optics	Home Appliances	Others	Total
Reportable segment other gains and losses					$ (640)
Reportable segment compensation of management personnel					(101,319)
Reportable segment financial cost					(51,999)
Share of profit of associates accounted for using the equity method					(3,257)
Reportable segment income before income tax					$ 1,857,714

(Concluded)

	For the Year Ended December 31, 2017				
	Computer Related Products	Fiber Optics	Home Appliances	Others	Total
Revenue from external customers	$ 11,282,243	$ 430,537	$ 3,837,712	$ 48,715	$ 15,599,207
Intersegment revenue	19,266,840	569,009	476,492	221,613	20,533,954
Segment revenue	$ 30,549,083	$ 999,546	$ 4,314,204	$ 270,328	36,133,161
Eliminations					(20,533,954)
Consolidated revenue					15,599,207
Segment income	$ 1,250,470	$ 296,876	$ 77,910	$ 48,126	1,673,382
Reportable segment other income					67,378
Reportable segment other gains and losses					(76,555)
Reportable segment compensation of management personnel					(107,450)
Reportable segment financial cost					(33,111)
Share of profit of associates accounted for using the equity method					(886)
Reportable segment income before income tax					$ 1,522,758

As shown on the table above, segment income is the income before tax of each segment without allocation of central administration costs and directors' salaries, share of profit of associates, other income, other gains and losses, finance costs, gain from bargain purchases - acquisition of subsidiaries and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

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

c. Revenue from major products and services

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

	For the Year Ended December 31	
	2018	2017
Computer related products	$ 15,020,073	$ 11,282,243
Fiber optics	416,691	430,537
Home appliances	5,917,633	3,837,712
Others	38,001	48,715
	$ 21,392,398	$ 15,599,207

d. Geographical information

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

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

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2018	2017	2018	2017
USA	$ 5,516,351	$ 4,974,035	$ 902,183	$ 791,995
China	5,450,060	3,972,992	1,360,760	1,445,987
Germany	4,810,118	2,448,836	471,614	-
Others	5,615,869	4,203,344	571,716	971,083
	$ 21,392,398	$ 15,599,207	$ 3,306,273	$ 3,209,065

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

e. Information about major customers

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

	For the Year Ended December 31	
	2018	2017
Customer A (1)	$ 5,174,531	$ 2,470,306

1) Revenue from sales of computer related products.

2) Less than 10% of the Company's revenue.

TABLE 1

BIZLINK HOLDING INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 4)	Ending Balance (Notes 4 and 5)	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 3)
													Item	Value		
0	BizLink Holding Inc.	BizLink (BVI) Corp.	Other receivables from related parties	Yes	$ 1,535,750	$ -	$ -	-	2	$ -	Operating capital financing funds	$ -	-	-	$ 3,602,382	$ 3,602,382
		BizLink (BVI) Corp.	Other receivables from related parties	Yes	2,457,200	2,457,200	2,014,904	-	2	-	Operating capital financing funds	-	-	-	3,602,382	3,602,382
		BizLink Technology (Slovakia) S.R.O.	Other receivables from related parties	Yes	475,192	-	-	-	2	-	Operating capital financing funds	-	-	-	3,602,382	3,602,382
1	OptiWorks (Shanghai) Limited	OptiWorks (Kunshan) Limited	Other receivables from related parties	Yes	35,803	-	-	-	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		OptiWorks (Kunshan) Limited	Other receivables from related parties	Yes	35,803	35,803	35,803	4.35	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		OptiWorks (Kunshan) Limited	Other receivables from related parties	Yes	67,130	-	-	-	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		OptiWorks (Kunshan) Limited	Other receivables from related parties	Yes	67,130	67,130	67,130	4.35	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	35,803	35,803	35,803	4.35	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		Teralux Technology Co., Ltd.	Other receivables from related parties	Yes	53,704	53,704	53,704	4.35	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
2	BizLink (BVI) Corp.	BizLink Holding Inc.	Other receivables from related parties	Yes	1,075,025	-	-	-	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		BizLink Holding Inc.	Other receivables from related parties	Yes	1,075,025	1,075,025	-	-	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		BizLink International Corp.	Other receivables from related parties	Yes	307,150	-	-	-	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		BizLink International Corp.	Other receivables from related parties	Yes	307,150	307,150	90,609	-	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		BizLink Technology (Slovakia) S.R.O.	Other receivables from related parties	Yes	175,997	-	-	-	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		BizLink Technology (Slovakia) S.R.O.	Other receivables from related parties	Yes	175,997	-	-	-	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		BizLink Technology (Slovakia) S.R.O.	Other receivables from related parties	Yes	475,192	475,192	-	-	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
3	Hwa Zhan Electronics Corp. (Shen Zhen)	BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	123,071	-	-	-	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	123,071	123,071	123,071	4.35	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
4	BizLink (Kun Shan) Co., Ltd.	BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	46,991	-	-	-	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	46,991	46,991	46,991	4.35	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	53,704	-	-	-	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	44,753	44,753	44,753	4.35	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
5	BizLink Electronics (Xiamen) Co., Ltd.	BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	47,886	-	-	-	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	47,886	47,886	47,886	4.35	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	44,753	-	-	-	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102

(Continued)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 4)	Ending Balance (Notes 4 and 5)	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 3)
													Item	Value		
		BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	$ 44,753	$ 44,753	$ 44,753	4.35	2	$ -	Operating capital financing funds	$ -	-	-	$ 17,736,102	$ 17,736,102
		Xiang Yao Electronics (Shen Zhen) Co., Ltd.	Other receivables from related parties	Yes	25,509	-	-	-	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
6	BizLink Technology (Belgium) NV	BizLink Technology (Slovakia) S.R.O.	Other receivables from related parties	Yes	175,997	-	-	-	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		BizLink Technology (Slovakia) S.R.O.	Other receivables from related parties	Yes	175,997	175,997	167,846	0.673-0.688	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
7	BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O.	Other receivables from related parties	Yes	35,199	35,199	35,199	0.684	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
8	BizLink Technology (Xiamen) Limited	BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	111,883	-	-	-	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102
		BizLink Technology (Chang Zhou) Limited	Other receivables from related parties	Yes	111,883	111,883	111,883	4.35	2	-	Operating capital financing funds	-	-	-	17,736,102	17,736,102

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

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

Note 3: a. The companies and firms have business relationship or short-term financing necessary with BizLink; accumulated financing amount shall not exceed 40% of the net asset value of BizLink.

b. The amount of BizLink's fund to individual loan shall not exceed 20% of the net asset value of BizLink.

c. For short-term financing necessary by the enterprises (limited to the subsidiary or related enterprises), the financing amount on each individual loan shall not exceed 40% of the net asset value of BizLink.

d. For short-term financing or business relationship, the fund for the loan, which is the total amount, shall not exceed 40% of the net asset value of BizLink. But loans for business relationship, the amount, which is limited as mentioned above, shall not be higher than the purchase or sale amount of BizLink in the most recent year or when the loans are provided; the higher value is final.

e. The loan between the companies, which are held by BizLink, directly and indirectly 100% percent of the voting shares, is not limited by items a, b, c, and d above. The individual loan amount and total amount of loans shall not exceed the total amount of the assets of the ultimate parent company of the Company receiving the loan at the loan time.

Note 4: The highest balance for the period and ending balance present in NT$. Foreign currencies are converted into NT$; the exchange rate was US$1=NT$30.7150, RMB1=NT$4.4753, EUR1=NT$35.1994 as of December 31, 2018.

Note 5: The amount was eliminated upon consolidation.

(Concluded)

BIZLINK HOLDING INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor Provider	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period (Note 5)	Outstanding Endorsement/ Guarantee at the End of the Period (Notes 4 and 5)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
0	BizLink Holding Inc.	BizLink (BVI) Corp.	b	$ 88,680,510	$ 2,672,512 (US$ 87,010)	$ 2,165,715 (US$ 70,510)	$ 118,022 (US$ 3,842)	$ -	24.05	$ 88,680,510	Y	N	N
		BizLink (BVI) Corp. and BizLink International Corp.	b	88,680,510	245,720 (US$ 8,000)	-	-	-	-	88,680,510	Y	N	N
		BizLink Technology Inc.	b	88,680,510	153,575 (US$ 5,000)	153,575 (US$ 5,000)	-	-	1.71	88,680,510	Y	N	N
		BizLink Technology (S.E.A.) Sdn. Bhd.	b	88,680,510	7,391 (MYR 1,000)	7,391 (MYR 1,000)	-	-	0.08	88,680,510	Y	N	N
		BizLink (BVI) Corp. Taiwan Branch	b	88,680,510	61,430 (US$ 2,000)	61,430 (US$ 2,000)	-	-	0.68	88,680,510	Y	N	N
		BizLink International Corp.	b	88,680,510	30,000	30,000	-	-	0.33	88,680,510	Y	N	N
		BizLink Technology (Xiamen) Limited and BizLink Technology (Chang Zhou) Limited	b	88,680,510	876,267 (RMB 195,800)	-	-	-	-	88,680,510	Y	N	Y
		BizLink Technology (Xiamen) Limited, BizLink Technology (Chang Zhou) Limited, BizLink (Kun Shan) Co., Ltd. and Xiang Yao Electronics (Shen Zhen) Co., Ltd.	b	88,680,510	796,607 (RMB 178,000)	796,607 (RMB 178,000)	110,111 (RMB 24,582)	-	8.85	88,680,510	Y	N	Y
1	BizLink Technology Inc.	BizLink Tech Inc.	b	88,680,510	61,430 (US$ 2,000)	61,430 (US$ 2,000)	-	-	0.68	88,680,510	N	N	N
		BizLink (BVI) Corp.	b	88,680,510	15,358 (US$ 500)	-	-	-	-	88,680,510	N	N	N
0 and 2	BizLink Holding Inc., BizLink International Corp.	BizLink (BVI) Corp.	b	88,680,510	629,658 (US$ 20,500)	460,725 (US$ 15,000)	7,679 (US$ 250)	-	5.12	88,680,510	Y	N	N
0, 2 and 3	BizLink Holding Inc., BizLink International Corp. and BizLink (BVI) Corp.	BizLink (BVI) Corp. and BizLink International Corp.	b	88,680,510	307,150 (US$ 10,000)	307,150 (US$ 10,000)	144,430 (US$ 4,702)	-	3.41	88,680,510	Y	N	N
		BizLink Technology (Slovakia) S.R.O.	b	88,680,510	307,150 (US$ 10,000)	307,150 (US$ 10,000)	-	-	3.41	88,680,510	Y	N	N
		BizLink Technology (Chang Zhou) Limited	b	88,680,510	307,150 (US$ 10,000)	307,150 (US$ 10,000)	-	-	3.41	88,680,510	Y	N	Y
3	BizLink (BVI) Corp.	BizLink Technology SRB D.O.O.	b	88,680,510	149,478 (EUR 4,247)	144,791 (EUR 4,113)	144,791 (EUR 4,113)	159,719	1.61	88,680,510	N	N	N
4	BizLink Technology (Ireland) Ltd.	BizLink Technology SRB D.O.O.	b	88,680,510	12,320 (EUR 350)	-	-	-	-	88,680,510	N	N	N

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

(Continued)

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

a. A company with which it has business relationship.
b. A subsidiary which directly holds more than 50% of common stocks.
c. An investee company of which over 50% is jointly owned by the BizLink and its subsidiaries.
d. The parent company holds directly and indirectly more than 50% of the common stock of the subsidiaries.
e. Guaranteed by the Company according to the construction contract.
f. All capital contributing stockholders make endorsements or guarantees for their jointly invested company in proportion to their stockholding percentage.

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

a. The amount of endorsement provided by BizLink as whole shall be limited to 50% of the net value of BizLink.
b. The amount of endorsement for a single enterprise is limited to not more than 40% of the net value of BizLink.
c. The endorsement between the subsidiaries which the Company and ultimate parent company of the Company directly and indirectly hold 100% voting rights stock, the amount of the endorsement mentioned above shall not exceed five times of the total assets of the ultimate parent company of the Company who provides the endorsement.

Note 4: The amount was eliminated upon consolidation.

Note 5: The highest balance for the period and ending balance present in NT$. Foreign currencies are converted into NT$; the exchange rate was US$1=NT$30.7150; MYR1=NT$7.3907, RMB1=4.4753 and EUR1=NT$35.1994 as of December 31, 2018.

(Concluded)

TABLE 3

BIZLINK HOLDING INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	December 31, 2018				Note
				Number of Stock	Carrying Value (Note 2)	Percentage of Ownership (%)	Fair Value (Note 2)	
BizLink	Stocks							
	Lilee Systems, Ltd.	-	Financial assets at FVTOCI - non-current	142,857	$ -	1.20	$ -	-
	Tilopa Holding Inc.	Substantive related party	Financial assets at FVTOCI - non-current	2,400,000	105,266	18.00	105,266	-
BizLink Technology Inc.	Stocks							
	Wells Fargo & Co.	-	Financial assets at FVTPL - current	400	566	-	566	-
	Transocean Ltd.	-	Financial assets at FVTPL - current	800	171	-	171	-
	CNOOC Ltd.	-	Financial assets at FVTPL - current	200	936	-	936	-
	Walt Disney Co.	-	Financial assets at FVTPL - current	100	337	-	337	-
BizLink (BVI) Corp.	Stocks							
	Rainbow Star Group Limited (Note 5)	-	Financial assets at FVTOCI - non-current	20,000	33,191	26.05	33,191	-
	Lintes Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	2,125,580	152,671	4.17	152,671	-
	Prime Rich International Co., Ltd.	-	Financial assets at FVTOCI - non-current	600,000	46,491	6.67	46,491	-
BizLink International Corp.	Stocks							
	Anqing Innovation Co., Ltd.	-	Financial assets at FVTOCI - non-current	2,076,000	15,000	4.50	15,000	-
	Lintes Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	235,382	16,481	0.46	16,481	-
Zellwood International Corp.	Equity investments							
	Amed Venture I, L.P.	-	Financial assets at FVTOCI - non-current	Note 3	12,302	8.00	12,302	-
Bizwide Limited	Equity investments							
	Datlink Electronic (Shenzhen) Co., Ltd.	-	Financial assets at FVTOCI - non-current	Note 3	1,224	9.00	1,224	-

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

Note 2: Above amounts present in New Taiwan dollar (NT$). Foreign currency is converted into NT$; the exchange rate was US$1=NT$30.7150 as of December 31, 2018.

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

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

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

TABLE 4

BIZLINK HOLDING INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Stock	Amount	Number of Stock	Amount	Stock/Units	Amount	Carrying Amount	Gain (Loss) on Disposal	Stock	Amount (Notes 2 and 4)
BizLink Holding Inc.	Stocks													
	OptiWorks Inc.	Investments accounted for using equity method	OW Holding Inc.	Subsidiary	1,400	$ 411,915	-	$ -	1,400	$ 411,915	$ -	$ -	-	$ -
	OW Holding Inc.	Investments accounted for using equity method	OW Holding Inc.	Subsidiary	-	-	1,505,120	474,552	-	-	-	-	1,505,120	527,076
OW Holding Inc.	Stocks													
	OptiWorks Inc.	Investments accounted for using equity method	BizLink Holding Inc.	Subsidiary	-	-	1,400	411,915	-	-	-	-	1,400	482,107

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

Note 2: The differences are due to investment gain or loss accounted for using equity method and exchange differences on translating foreign operations.

Note 3 The amount was eliminated upon consolidation.

Note 4: BizLink acquired a 100%-equity interest in OW Holding Inc. by assigning 100%-equity interest of Optiworks, Inc. to OW Holding Inc.

TABLE 5

BIZLINK HOLDING INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
BizLink Technology Inc.	BizLink (BVI) Corp.	The same parent company	Sales	$ 211,871	5	30-120 days	No identical item	Net 30-90 days from the end of the month of when invoice is issued	$ 89,954	6	Note 2
OptiWorks (Kunshan) Limited	BizLink (BVI) Corp.	The same parent company	Sales	188,360	55	0-90 days	BVI sale price 100% (Note 4)	Net 0-180 days from the end of the month of when invoice is issued	91,346	67	Note 2
BizLink (BVI) Corp.	BizLink Technology Inc.	The same parent company	Sales	5,441,097	29	1-365 days	Set by agreement of both parties (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	2,114,403	30	Note 2
	Hwa Zhan Electronics Corp. (Shen Zhen)	The same parent company	Sales	108,453	1	0-365 days	Profit 0%-8%	Net 0-120 days from the end of the month of when invoice is issued	56,298	1	Note 2
	BizLink (Kun Shan) Co., Ltd.	The same parent company	Sales	4,886,700	26	0-180 days	Profit 0%-10% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	2,130,668	30	Note 2
	BizLink Technology (Ireland) Ltd.	The same parent company	Sales	3,242,107	17	0-365 days	Set by agreement of both parties (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	1,245,263	16	Note 2
	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	The same parent company	Sales	1,018,396	5	90-365 days	Profit 0%-10% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	345,667	5	Note 2
	Optiworks Inc.	The same parent company	Sales	186,937	1	0-90 days	BVI purchase price 100% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	36,843	1	Note 2

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
	BizLink Electronics (Xiamen) Co., Ltd.	The same parent company	Sales	$ 211,350	1	0-90 days	Profit 0%-2%	Net 0-120 days from the end of the month of when invoice is issued	$ 75,074	1	Note 2
	TongYing Electronics (Shen Zhen) Ltd.	The same parent company	Sales	107,197	1	1-365 days	Profit 0% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	29,187	1	Note 2
BizLink (Kun Shan) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	Sales	8,232,050	94	0-120 days	BVI sale price 90%-100% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	2,888,587	93	Note 2
BizLink Electronics (Xiamen) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	Sales	305,418	65	0-120 days	BVI sale price 100% (Note 4)	Net 0-120 days from the end of the month of when invoice is issued	138,124	78	Note 2
TongYing Electronics (Shen Zhen) Ltd.	BizLink (BVI) Corp.	The same parent company	Sales	250,903	83	30-365 days	BVI sale price 98%-100% (Note 4)	Net 30-120 days from the end of the month of when invoice is issued	253,053	94	Note 2
BizLink Tech Inc.	BizLink Technology Inc.	The same parent company	Sales	138,495	24	30-90 days	No identical item	Net 0-30 days from the end of the month of when invoice is issued	45,168	36	Note 2
Xiang Yao Electronics (Shen Zhen) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	Sales	2,702,256	100	1-365 days	Profit 0%-21% (Note 4)	1-365 days (Note 5)	1,186,653	100	Note 2
Bizconn International Corp. (China)	BizLink (BVI) Corp.	The same parent company	Sales	282,521	58	0-365 days	BVI sale price 90%-100% (Note 4)	Net 30-120 days from the end of the month of when invoice is issued	54,912	34	Note 2
	BizLink (Kun Shan) Co., Ltd.	The same parent company	Sales	118,725	24	90-120 days	Negotiable with the counter parties (Note 4)	Net 30-120 days from the end of the month of when invoice is issued	79,660	50	Note 2
BizLink Technology (Xiamen) Limited	BizLink Technology (Belgium) NV	The same parent company	Sales	146,128	11	0-60 days	Markup 5% of purchase price (Note 4)	Net 0-90 days from the end of the month of when invoice is issued	35,223	11	Note 2

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
BizLink Technology SRB D.O.O.	BizLink Technology (Slovakia) S.R.O.	The same parent company	Sales	$ 110,515	90	Net 30 days from the end of the month of when invoice is issued	Markup 5% of purchase price (Note 4)	Net 0-30 days from the end of the month of when invoice is issued	$ 15,664	100	Note 2

Note 1: The above amounts of asses accounts and liabilities accounts are converted by exchange rate US$1=30.7150 into NT$ as of December 31, 2018. The amounts of income accounts are converted by average exchange rate US$1=30.1468 into NT$ as of 2018.

Note 2: The amount was eliminated upon consolidation.

Note 3: Trade receivables from related parties.

Note 4: For the general customer, the sale prices were based on active market prices.

Note 5: There is no sales to unrelated parties.

(Concluded)

BIZLINK HOLDING INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Trade receivables								
BizLink (BVI) Corp.	BizLink Technology Inc.	The same parent company	$ 2,114,403	2.96	$ -	-	$ 641,485	$ -
BizLink (BVI) Corp.	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	The same parent company	345,667	2.81	-	-	162,921	-
BizLink (BVI) Corp.	BizLink (Kun Shan) Co., Ltd.	The same parent company	2,130,668	2.67	-	-	866,476	-
BizLink (BVI) Corp.	BizLink Technology (Ireland) Ltd.	The same parent company	1,245,263	2.99	-	-	577,931	-
BizLink (Kun Shan) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	2,888,587	3.09	-	-	1,572,608	-
BizLink Electronics (Xiamen) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	138,124	4.42	-	-	64,467	-
TongYing Electronics (Shen Zhen) Ltd.	BizLink (BVI) Corp.	The same parent company	253,053	1.08	-	-	36,177	-
Xiang Yao Electronics (Shen Zhen) Co., Ltd.	BizLink (BVI) Corp.	The same parent company	1,186,653	2.31	-	-	321,432	-
Other receivables								
BizLink Holding Inc.	BizLink (BVI) Corp.	Subsidiary	2,127,539	Not applicable	-	-	-	-
OptiWorks (Shanghai) Limited	OptiWorks (Kunshan) Limited	The same parent company	102,933	Not applicable	-	-	-	-
Hwa Zhan Electronics Corp. (Shen Zhen)	BizLink Technology (Chang Zhou) Limited	The same parent company	123,250	Not applicable	-	-	-	-
BizLink Technology (Belgium) NV	BizLink Technology (Slovakia) S.R.O.	The same parent company	167,846	Not applicable	-	-	-	-
BizLink Electronics (Xiamen) Co., Ltd.	BizLink Technology (Chang Zhou) Limited	The same parent company	113,198	Not applicable	-	-	-	-

Note 1: Above amounts present in New Taiwan dollar (NT$). Foreign currency is converted into NT$; the exchange rate was US$1=NT$30.7150 as of December 31, 2018.

Note 2: Transactions have been written off in these consolidated financial statements.

TABLE 7

BIZLINK HOLDING AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	BizLink Holding Inc.	BizLink Technology Inc.	1	Endorsements/guarantees	$ 153,575		0.87
		BizLink (BVI) Corp.	1	Endorsements/guarantees	2,933,590		16.54
		BizLink (BVI) Corp. Taiwan Branch	1	Endorsements/guarantees	61,430		0.35
		BizLink International Corp.	1	Endorsements/guarantees	337,150		1.90
		BizLink Technology (Slovakia) S.R.O.	1	Endorsements/guarantees	307,150		1.73
		BizLink Technology (Xiamen) Limited	1	Endorsements/guarantees	796,607		4.49
		BizLink Technology (Chang Zhou) Limited	1	Endorsements/guarantees	1,103,757		6.22
		BizLink (Kun Shan) Co., Ltd.	1	Endorsements/guarantees	796,607		4.49
		Xiang Yao Electronics (Shen Zhen) Co., Ltd.	1	Endorsements/guarantees	796,607		4.49
		BizLink (BVI) Corp.	1	Miscellaneous incomes	147,719		0.69
		BizLink (BVI) Corp.	1	Other receivables	2,127,539		12.00
		OW Holding Inc.	1	Investments accounted for using equity method	474,552		2.68
		BizLink Technology (Slovakia) S.R.O.	1	Investments accounted for using equity method	468,270		2.64
1	BizLink Technology Inc.	BizLink (BVI) Corp.	3	Sales	211,871	Markup 5% of purchase price and payment term 30-120 days	0.99
		BizLink (BVI) Corp.	3	Trade receivables	89,954	Markup 5% of purchase price and payment term 30-120 days	0.51
		BizLink Tech Inc.	3	Endorsements/guarantees	61,430		0.35
2	OptiWorks (Shanghai) Limited	OptiWorks (Kunshan) Limited	3	Other receivables	102,933		0.58
		BizLink Technology (Chang Zhou) Limited	3	Other receivables	35,854		0.20
		Teralux Technology Co., Ltd.	3	Other receivables	53,795		0.30
3	OptiWorks (Kunshan) Limited	BizLink (BVI) Corp.	3	Sales	188,360	Sale price is 100% of BIZLINK BVI sale price and payment term 0-90 days	0.88
		BizLink (BVI) Corp.	3	Trade receivables	91,346	Sale price is 100% of BIZLINK BVI sale price and payment term 0-90 days	0.52
4	BizLink (BVI) Corp.	BizLink International Corp.	3	Endorsements/guarantees	307,150		1.73
		BizLink Technology (Slovakia) S.R.O.	3	Endorsements/guarantees	307,150		1.73
		BizLink Technology SRB D.O.O.	3	Endorsements/guarantees	144,791		0.82
		BizLink Technology (Chang Zhou) Limited	3	Endorsements/guarantees	307,150		1.73
		BizLink Technology Inc.	3	Sales	5,441,097	Set by agreement of both parties and payment term 1-365 days	25.43

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
		BizLink Technology Inc.	3	Trade receivables	$ 2,114,403	Set by agreement of both parties and payment term 1-365 days	11.92
		OptiWorks Inc.	3	Sales	186,937	Sale price is 100% of BIZLINK BVI purchase price and payment term 0-90 days	0.87
		OptiWorks Inc.	3	Trade receivables	36,843	Sale price is 100% of BIZLINK BVI purchase price and payment term 0-90 days	0.21
		Hwa Zhan Electronics Corp. (Shen Zhen)	3	Sales	108,453	Profit 0%-8% and payment term 0-365 days	0.51
		Hwa Zhan Electronics Corp. (Shen Zhen)	3	Trade receivables	56,298	Profit 0%-8% and payment term 0-365 days	0.32
		BizLink International Corp.	3	Other receivables	91,039		0.51
		BizLink (Kun Shan) Co., Ltd.	3	Sales	4,886,700	Profit 0%-10% and payment term 0-180 days	22.84
		BizLink (Kun Shan) Co., Ltd.	3	Trade receivables	2,130,668	Profit 0%-10% and payment term 0-180 days	12.01
		BizLink Electronics (Xiamen) Co., Ltd.	3	Sales	211,350	Profit 0%-2% and payment term from 0 to 90 days	0.99
		BizLink Electronics (Xiamen) Co., Ltd.	3	Trade receivables	75,074	Profit 0%-2% and payment term from 0 to 90 days	0.42
		TongYing Electronics (Shen Zhen) Ltd.	3	Sales	107,197	Profit 0% and payment term 0-365 days	0.50
		BizLink Tech Inc.	3	Sales	98,047	Set by agreement of both parties, payment term 0-140 days	0.46
		BizLink Tech Inc.	3	Trade receivables	36,207	Set by agreement of both parties and payment term 0-140 days	0.20
		Accell Corp.	3	Sales	42,683	Set by agreement of both parties and payment term 90-365 days	0.20
		Accell Corp.	3	Trade receivables	43,487	Set by agreement of both parties and payment term 90-365 days	0.25
		Accell Corp.	3	Other receivables	32,256		0.18
		BizLink Technology (Ireland) Ltd.	3	Sales	3,242,107	Set by agreement of both parties and payment term 0-365 days	15.16
		BizLink Technology (Ireland) Ltd.	3	Trade receivables	1,245,263	Set by agreement of both parties and payment term 0-365 days	7.02
		BizLink Technology (Ireland) Ltd.	3	Other receivables	90,810		0.51
		Xiang Yao Electronics (Shen Zhen) Co., Ltd.	3	Sales	1,018,396	Profit 0%-10% and payment term 90-365 days	4.76
		Xiang Yao Electronics (Shen Zhen) Co., Ltd.	3	Trade receivables	345,667	Profit 0%-10% and payment term 90-365 days	1.95
5	BizLink (BVI) Corp.	Bizconn International Corp. (China)	3	Sales	36,704	Profit 0%-8% and payment term 0-365 days	0.17
5	Hwa Zhan Electronics Corp. (Shen Zhen)	BizLink Technology (Chang Zhou) Limited	3	Other receivables	123,250		0.69
6	BizLink International Corp.	BizLink (BVI) Corp.	3	Endorsements/guarantees	767,875		4.33
		BizLink (BVI) Corp.	3	Miscellaneous incomes	67,619		0.32
		BizLink Technology (Slovakia) S.R.O.	3	Endorsements/guarantees	307,150		1.73
		BizLink Technology (Chang Zhou) Limited	3	Endorsements/guarantees	307,150		1.73
7	BizLink (Kun Shan) Co., Ltd.	BizLink (BVI) Corp.	3	Sales	8,232,050	Sale price is 90%-100% of BIZLINK BVI sale price and payment term 0-120 days	38.48
		BizLink (BVI) Corp.	3	Trade receivables	2,888,587	Sale price is 90%-100% of BIZLINK BVI sale price and payment term 0-120 days	16.29

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
		Xiang Yao Electronics (Shen Zhen) Co., Ltd.	3	Sales	$ 36,849	Set by agreement of both parties and payment term 0-120 days	0.17
		BizLink Technology (Chang Zhou) Limited	3	Other receivables	91,870		0.52
8	BizLink Technology (S.E.A.) Sdn. Bhd.	BizLink (BVI) Corp.	3	Miscellaneous incomes	48,393		0.23
9	Adel Enterprises Corp.	TongYing Electronics (Shen Zhen) Ltd.	3	Other receivables	52,470		0.30
		Asia Wick Ltd.	3	Other receivables	31,362		0.18
10	BizLink Electronics (Xiamen) Co., Ltd.	BizLink (BVI) Corp.	3	Sales	305,418	Sale price is 100% of BIZLINK BVI sale price and payment term 0-120 days	1.43
		BizLink (BVI) Corp.	3	Trade receivables	138,124	Sale price is 100% of BIZLINK BVI sale price and payment term 0-120 days	0.78
		BizLink Technology (Chang Zhou) Limited	3	Other receivables	92,773		0.52
11	TongYing Electronics (Shen Zhen) Ltd.	BizLink (BVI) Corp.	3	Sales	250,903	Sale price is 98%-100% of BIZLINK BVI sale price and payment term 30-365 days	1.71
		BizLink (BVI) Corp.	3	Trade receivables	253,053	Sale price is 98%-100% of BIZLINK BVI sale price and payment term 30-365 days	1.43
12	BizLink Tech Inc.	BizLink Technology Inc.	3	Sales	138,495	Payment term 30-90 days	0.65
		BizLink Technology Inc.	3	Trade receivables	45,168	Payment term 30-90 days	0.25
13	Xiang Yao Electronics (Shen Zhen) Co., Ltd.	BizLink (BVI) Corp.	3	Sales	2,702,256	Profit 0%-21% and payment term 1-365 days	12.63
		BizLink (BVI) Corp.	3	Trade receivables	1,186,653	Profit 0%-21% and payment term 1-365 days	6.69
14	Bizconn International Corp. (China)	BizLink (BVI) Corp.	3	Sales	282,521	Sale price is 90%-100% of BIZLINK BVI sale price and payment term 0-365 days	1.32
		BizLink (BVI) Corp.	3	Trade receivables	54,912	Sale price is 90%-100% of BIZLINK BVI sale price and payment term 0-365 days	0.31
		BizLink (Kun Shan) Co., Ltd.	3	Sales	118,725	Set by agreement of both parties and payment term 90-120 days	0.55
		BizLink (Kun Shan) Co., Ltd.	3	Trade receivables	79,660	Set by agreement of both parties and payment term 90-120 days	0.45
15	BizLink Technology (Xiamen) Limited	BizLink Technology (Belgium) NV	3	Sales	146,128	Markup 5% of purchase price and payment term 0-60 days	0.68
		BizLink Technology (Belgium) NV	3	Trade receivables	35,223	Markup 5% of purchase price and payment term 0-60 days	0.20
		BizLink Technology (Chang Zhou) Limited	3	Other receivables	113,198		0.64
16	Foshan Nanhai Jo Yeh Electronic Co., Ltd.	Jo Yeh Company Limited	3	Sales	46,285	Market price and payment term net 60 days from the end of month of when invoice is issued	0.22

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
17	BizLink Technology (Belgium) NV	BizLink Technology (Chang Zhou) Limited	3	Other receivables	$ 34,672		0.20
		BizLink Technology (Slovakia) S.R.O.	3	Other receivables	167,846		0.95
18	BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O.	3	Other receivables	35,199		0.20
19	BizLink Technology SRB D.O.O.	BizLink Technology (Slovakia) S.R.O.	3	Sales	110,515	Markup 5% of purchase price and payment term 0-30 days	0.68
20	BizLink Technology (Chang Zhou) Limited	BizLink Technology (Belgium) NV	3	Sales	93,704	Markup 5% of purchase price and payment term 0-60 days	0.44
		BizLink Technology (Xiamen) Limited	3	Sales	86,423	Markup 5% of purchase price and payment term 0-60 days	0.40
21	Bizconn International Corporation	BizLink (BVI) Corp.	3	Other receivables	44,416		0.25
22	OW Holding Inc.	Optiworks Inc.	3	Investments accounted for using equity method	411,915		2.32

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

a. "0" for the parent company.
b. Subsidiaries are numbered from "1"

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

a. "1" represents transactions from parent company to subsidiaries.
b. "2" represents transactions from subsidiaries to parent company.
c. "3" represents transactions between subsidiaries.

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

Note 4: The above amounts of asset account and liability account are converted by exchange rate US$1=30.7150 into New Taiwan dollar as of December 31, 2018. The amounts of income accounts are converted by average exchange rate US$1=30.1468 into New Taiwan dollar as of 2018.

(Concluded)

BIZLINK HOLDING INC. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location (Note 4)	Main Businesses and Products	Original Investment Amount		As of December 31, 2018			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 2)	Note
				December 31, 2018	December 31, 2017	Number of Stock	%	Carrying Value			
BizLink	BizLink Technology Inc.	CA 94538, USA	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	$ 120,403 (US$ 3,920)	$ 120,403 (US$ 3,920)	10,000	100	$ 847,369	$ 134,729	$ 139,169	Subsidiary (Note 1)
	OptiWorks Inc.	CA 94538, USA	(1) Wholesale and retail of fiber optical passive components and fiber optical cables, (2) international trade, and (3) various investment activities.	-	626,033 US$ 20,382	-	-	-	56,554	-	Subsidiary (Note 1 and 5)
	BizLink (BVI) Corp.	Tortola, British Virgin Islands	(1) Wholesale and retail of cable assemblies, connectors, power cords, (2) wholesale and retail of computer peripheral products and electronic materials, (3) international trade, and (4) various investment activities.	1,536 (US$ 50)	1,536 (US$ 50)	50,000	100	657,125	65,496	(8,766)	Subsidiary (Note 1)
	BizLink International Corp.	Zhonghe Dist., New Taipei City	(1) Wholesale of cable assemblies, connectors and power cords, (2) international trade, and (3) financial center for BizLink's Asian operations.	NT$ 70,000	NT$ 70,000	70,000	100	98,147	(13,068)	(13,040)	Subsidiary (Note 1)
	Zellwood International Corp.	Tortola, British Virgin Islands	Various investment activities.	76,788 (US$ 2,500)	76,788 (US$ 2,500)	2,500,000	100	2,173,247	520,310	494,713	Subsidiary (Note 1)
	BizLink Technology (S.E.A.) Sdn. Bhd.	Johor, Malaysia	(1) Design, manufacture and sale of cable assemblies, power cords, and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	8,869 (MYR 1,200)	8,869 (MYR 1,200)	1,200,000	100	473,004	105,911	105,911	Subsidiary (Note 1)
	Adel Enterprises Corp.	Tortola, British Virgin Islands	(1) Wholesale and retail of cable assemblies, connectors, and power cords, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	50,680 (US$ 1,650)	50,680 (US$ 1,650)	1,650,000	100	488,205	98,788	100,045	Subsidiary (Note 1)
	BizLink Tech Inc.	El Paso, TX 79912 USA	(1) Design, manufacture, and sale of cable assemblies, (2) wholesale and retail of computer peripheral products and electronic materials, (3) production of fiberfill moldings, and (4) international business trade.	277,971 (US$ 9,050)	277,971 (US$ 9,050)	180,000	100	273,085	(16,044)	(17,380)	Subsidiary (Note 1)
	Accell Corp.	CA 94538, USA	(1) Wholesale and retail of brand name connectors, cables and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) its own brand name.	-	-	10,000	100	(15,615)	(701)	(701)	Subsidiary (Note 1)
	BizLink Technology (Ireland) Ltd.	Dublin 24, Ireland	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	9,215 (US$ 300)	9,215 (US$ 300)	300,000	100	659,431	129,496	129,430	Subsidiary (Note 1)
	BizLink Japan	Tokyo, Japan 108-0073	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	2,770 (JPY 10,000)	2,770 (JPY 10,000)	200	100	4,036	981	981	Subsidiary (Note 1)
	Bizwide Limited	Central, Hong Kong	Various investment activities.	-	-	10,000	100	1,067,835	196,951	196,220	Subsidiary (Note 1)
	Bizconn Technology Inc.	CA 94538, USA	(1) Wholesale and retail of cable assemblies, power cords and connectors, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	-	-	-	100	-	-	-	Subsidiary (Note 1)
	EA Cable Assemblies (Hong Kong) Co., Limited	Wan Chai, Hong Kong	Various investment activities.	868,595 (EUR 24,676)	868,595 (EUR 24,676)	10,000	100	1,191,093	253,706	255,321	Subsidiary (Note 1)

(Continued)

Investor Company	Investee Company	Location (Note 4)	Main Businesses and Products	Original Investment Amount December 31, 2018	Original Investment Amount December 31, 2017	As of December 31, 2018 Number of Stock	As of December 31, 2018 %	As of December 31, 2018 Carrying Value	Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 2)	Note
	EA Cable Assemblies GmbH	Nuremberg, German	(1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade.	$ 23,197 (EUR 659)	$ 23,197 (EUR 659)	1	100	$ 33,612	$ 4,597	$ 4,597	Subsidiary (Note 1)
	BizLink Technology (Belgium) NV	Hasselt, Belgium	(1) Wholesale and retail of cable assemblies, power cords and connectors, and (2) international trade.	433,875 (EUR 12,326)	433,875 (EUR 12,326)	915	100	511,305	40,351	40,351	Subsidiary (Note 1)
	BizLink Technology (Slovakia) S.R.O.	Trencin, Slovakia	(1) Manufacture and assembly of cable harnesses for electrical appliance, and (2) wholesale and retail of cable assemblies and power cords.	1,029,142 (EUR 29,237)	562,003 (EUR 15,966)	(Note 4)	100	773,414	(113,800)	(113,800)	Subsidiary (Note 1)
	OW Holding Inc.	Grand Cayman, Cayman Islands	Various investment activities.	462,298 (US$ 15,051)	-	1,505,120	90.58	527,076	74,984	67,706	Subsidiary (Notes 1 and 6)
BizLink Technology Inc.	Bobi, LLC	CA 94538,USA	Various leasing activities.	61,430 (US$ 2,000)	61,430 (US$ 2,000)	(Note 4)	100	61,214	(190)	(190)	Sub-subsidiary (Note 1)
BizLink (BVI) Corp.	Jo Yeh Company Limited	Kowloon, Hong Kong	(1) Wholesale and retail of connectors, and (2) international trade.	120,249 (US$ 3,915)	120,249 (US$ 3,915)	10,000	100	159,858	10,011	10,011	Sub-subsidiary (Note 1)
	Siriustek Inc.	Xinshi Dist., Tainan City	Provide customized LED (light emitting diode) lighting products and solutions.	20,000	20,000	2,000,000	40	12,584	(8,142)	(3,257)	-
Zellwood International Corp.	Bizconn International Corporation	APIA, SAMOA	Various investment activities.	51,202 (US$ 1,667)	51,202 (US$ 1,667)	1,666,667	100	499,588	38,313	36,124	Sub-subsidiary (Note 1)
Adel Enterprises Corp.	Asia Wick Ltd.	Central, Hong Kong	Various investment activities.	-	-	1,000	100	231,670	44,361	44,234	Sub-subsidiary (Note 1)
BizLink Technology (S.E.A.) Sdn. Bhd.	BizLink Interconnect Technology (India) Private Limited	Chennai 600042, India.	(1) Design, manufacture and sale of cable assemblies, power cords, and telecommunications equipment, (2) wholesale and retail of computer peripheral products and electronic materials, and (3) international trade.	439 (INR 1,000)	439 (INR 1,000)	100,000	100	2,119	276	276	Sub-subsidiary (Note 1)
BizLink Technology (Slovakia) S.R.O.	BizLink Technology SRB D.O.O.	Prokuplje, Republic of Serbia	(1) Manufacture and assembly of connectors and cable assemblies, and (2) wholesale and retail of cable assemblies, connectors and power cords.	999 (RSD 3,357)	999 (RSD 3,357)	(Note 4)	100	75,834	6,371	6,371	Sub-subsidiary (Note 1)
OW Holding Inc.	OptiWorks Inc.	CA 94538, USA	(1) Wholesale and retail of fiber optical passive components and fiber optical cables, (2) international trade, and (3) various investment activities.	399,295 (US$ 13,000)	-	1,400	100	482,107	72,063	72,063	Subsidiary (Notes 1 and 5)

Note 1: Transactions have been written off in these consolidated financial statements.

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

Note 3: For information of investments in mainland China, refer to Table 9.

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

Note 5: BizLink acquired a 100%-equity interest in OW Holding Inc. by assigning 100%-equity interest of Optiworks, Inc. to OW Holding Inc.

Note 6: OW Holding Inc. issued stocks in February 2018 to obtain intangible assets, which reduced BizLink’s percentage of ownership to 89.29%. In addition, the non-controlling interest of the Company did not participate in the issuance of common stock for cash in June 2018 according to the original stockholding ratio. The stockholding ratio increased from 89.29% to 90.58%.

(Concluded)

BIZLINK HOLDING INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2018	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2018	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 13)	Carrying Amount as of December 31, 2018	Accumulated Repatriation of Investment Income as of December 31, 208
					Outflow	Inflow						
Bizconn International Corp. (China)	Design, manufacture, sale and assembly of connectors, tooling and cable assemblies.	$ 78,766 (RMB 17,600)	(2) Note 4	Note 3	Note 3	Note 3	Note 3	$ 35,888	100.00	$ 35,888	$ 241,723	Note 3
TongYing Electronics (Shen Zhen) Ltd.	Manufacture of wire extrusions and cable assemblies.	105,623 (HK$ 26,936)	(2) Note 5	Note 3	Note 3	Note 3	Note 3	41,449	100.00	41,449	260,124	Note 3
Teralux Technology Co., Ltd.	Research, manufacture and retail of optical and optoelectronic device technology	27,951 (US$ 910)	(2) Note 6	Note 3	Note 3	Note 3	Note 3	(8,161)	100.00	(8,161)	20,345	Note 3
OptiWorks (Shanghai) Limited	(1) Manufacture, wholesale and retail of fiber optical passive components and fiber optical cables, and (2) international trade.	184,290 (US$ 6,000)	(2) Note 7	Note 3	Note 3	Note 3	Note 3	2,394	90.58	2,643	202,338	Note 3
OptiWorks (Kunshan) Limited	(1) Production and development of optical communications optoelectronic devices, components and modules, and (2) sale of own products.	92,145 (US$ 3,000)	(2) Note 7	Note 3	Note 3	Note 3	Note 3	39,599	90.58	43,242	103,376	Note 3
Xiang Yao Electronics (Shen Zhen) Co., Ltd.	Design, manufacture and sale of cable assemblies, power cords, and connectors.	30,715 (US$ 1,000)	(2) Note 8	Note 3	Note 3	Note 3	Note 3	195,811	100.00	195,811	976,233	Note 3
Hwa Zhan Electronics Corp. (Shen Zhen)	Production and operations of computers and communications cables, connectors and fiber jumpers.	9,803 (HK$ 2,500)	(2) Note 9	Note 3	Note 3	Note 3	Note 3	74,122	100.00	74,122	325,300	Note 3
BizLink (Kun Shan) Co., Ltd.	Design, manufacture and sale of cable assemblies, connectors and power cords.	307,150 (US$ 10,000)	(2) Note 6	Note 3	Note 3	Note 3	Note 3	496,814	100.00	496,814	1,592,609	Note 3
BizLink Electronics (Xiamen) Co., Ltd.	Manufacture and assembly of power cords and cables.	17,200 (US$ 560)	(2) Note 10	Note 3	Note 3	Note 3	Note 3	51,032	100.00	51,032	196,514	Note 3
Foshan Nanhai Jo Yeh Electronic Co., Ltd.	Production and operations of electrical appliances, electronic equipment, and plug-in connectors.	61,430 (US$ 2,000)	(2) Note 11	Note 3	Note 3	Note 3	Note 3	8,927	100.00	8,927	119,751	Note 3
BizLink Technology (Chang Zhou) Limited	(1) Manufacture of smart instrumentational sensors, instrumentational connectors and instrumentational functional materials, (2) sale of own products, and (3) import and export business.	153,575 (US$ 5,000)	(2) Note 12	Note 3	Note 3	Note 3	Note 3	116,004	100.00	116,449	504,906	Note 3
BizLink Technology (Xiamen) Limited	(1) Wholesale of cable assemblies, connectors and power cords, (2) International trade, and (3) financial center for BizLink's Asian operations.	101,237 (US$ 3,296)	(2) Note 12	Note 3	Note 3	Note 3	Note 3	137,702	100.00	137,691	745,036	Note 3

(Continued)

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

Accumulated Outflow Remittance for Investment in Mainland China as of December 31, 2018	**Investment Amount Authorized by Investment Commission, MOEA**	**Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA**
Note 3	Note 3	Note 3

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

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

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

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

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

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

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

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

Note 8: Through investing in Bizwide Limited, which then invested in the investee in mainland China.

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

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

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

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

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

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

a. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period, refer to Table 5.

b. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period, refer to Table 5.

c. The amount of property transactions and the amount of the resultant gains or losses: None.

d. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.

e. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds. There is no actual drawn to subsidiaries in mainland China from BizLink (BVI) Corp.; therefore, the interest is 0. Remaining financing to others, refer to Table 1.

f. Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None.

(Concluded)