

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2020 AND 2019

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of WPG Holdings Limited

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

Key audit matters for the Group's 2020 consolidated financial statements of the current period are stated as follows:

Impairment assessment of goodwill

Description

Refer to Note 4(19) for accounting policy on goodwill impairment, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to goodwill impairment, and Note 6(13) for details of intangible assets.

The Group acquired shares of stock of target companies by cash or through exchange of shares of stock. The difference between the acquisition price and the carrying amount of the net identifiable assets is allocated in accordance with the accounting policies on business combinations. The Group uses the estimated future cash flows of each cash-generating unit and proper discount rate to determine recoverable amount of goodwill, and assesses whether goodwill may be impaired. Given that the assumptions used in the calculation of recoverable amount requires significant management judgement with respect to the discount rate and the underlying cash flows, we considered the impairment assessment of goodwill a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

1. Assessing the process in which management evaluates the estimated future cash flows of each cash generating unit, and reconciling the input data used in the valuation model to the approved operational plan by management.
2. Evaluating the reasonableness of the estimated growth rate, gross rate, discount rate and other significant assumptions used in the valuation model, by:
 - (1) Comparing estimated growth rate and gross rate with historical data and our knowledge of the business and industry;
 - (2) Comparing discount rate assumptions with respect to cash generating units' capital cost and similar return on assets; and
 - (3) Checking the setting of valuation model's calculation formula.
3. Comparing the recoverable value and book value of each cash-generating unit.

Valuation of allowance for uncollectible accounts receivable

Description

Refer to Note 4(10) for accounting policy on accounts receivable, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to provision for uncollectible accounts receivable, and Notes 6(5)(15) for details of accounts receivable and overdue receivables.

The Group assesses the collectability of accounts receivable based on historical experience with its customers. As the estimation of allowance for uncollectible accounts is subject to management's judgment in estimating future recovery, such as management's assessment of customer's credit risk, we considered the valuation of allowance for uncollectible accounts receivable a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

1. Obtaining an understanding of, and evaluating the formal approval process for the customer's credit limit application.
2. Checking the provision policy on allowance for uncollectible accounts, and assessing the reasonableness of provision policy.
3. Checking the adequacy of the loss rate calculation by sampling the historical accounts receivable aging data and verifying the formula for the calculation of expected credit loss rate.
4. Comparing the classification of accounts receivable aging with current year and prior year, and checking subsequent collections after balance sheet date to confirm recovery of outstanding receivables.
5. For those accounts receivable specifically identified by management to have been impaired, evaluating propriety of impairment assessment against related supporting documents.

Recognition of purchase discounts and allowances

Description

Refer to Note 4(13) for accounting policy on recognition of purchase discounts and allowances.

The Group is engaged in operating sales channel for various electronic components. In line with industry practice, the Group has entered into purchase discounts and allowances agreements with suppliers for various kinds and quantities of inventories. The Group calculates and recognizes the amount of purchase discounts and allowances in accordance with the agreement. The Group negotiates

the amount with the supplier, and after receiving credit note from supplier, the Group pays the net amount.

The discounts and allowances from supplier are calculated either automatically by the system or manually. The Group has to gather a lot of information to input in the system, such as the items subject to discount and corresponding discount rate, etc. Given that the Group has a large volume of purchases, and has entered into various purchase discounts and allowances agreements with terms and conditions that vary with each agreement, we considered the recognition of purchase discounts and allowances a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

1. Understanding the process in recognizing purchase discounts and allowances, evaluating related internal control procedures and testing its effectiveness, checking the basic information set up in the computer system with respect to discount and allowance calculation randomly, and selecting samples to determine whether purchase discounts and allowances recognized were reviewed by an authorized supervisor.
2. Selecting samples of purchase discounts and allowances, obtaining confirmed documents and approved credit note from supplier for selected commodity's part number, and checking whether the part number and discount and allowance amount in obtained vouchers were consistent with the amounts recognized.
3. Performing confirmation of selected material accounts payable, checking whether there is a difference between the amount of purchase discounts and allowances recognized based on credit note from supplier with the amount confirmed by the supplier, and investigating differences, if any. Selecting samples of outstanding accounts payable and checking whether subsequent payments were made after the balance sheet date.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of WPG Holdings Limited as at and for the years ended December 31, 2020 and 2019.

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

Lin, Chun-Yao

Chou, Chien-hung

For and on behalf of PricewaterhouseCoopers, Taiwan
March 30, 2021

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

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets	Notes	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	6(1)	\$ 11,020,020	5	\$ 9,992,582	4
Financial assets at fair value through profit or loss - current	6(2)	87,124	-	339,649	-
Financial assets at amortized cost - current	6(4) and 8	246,682	-	84,055	-
Notes receivable, net	6(5)	3,210,976	1	1,977,097	1
Accounts receivable, net	6(5)	108,221,027	46	110,656,082	48
Accounts receivable - related parties, net	7(3)	177,893	-	98,292	-
Other receivables	6(7)	12,933,710	6	11,428,975	5
Other receivables - related parties	7(3)	1,615	-	1,208	-
Current income tax assets		13,734	-	27,980	-
Inventory	6(8)	57,100,025	25	67,721,637	29
Prepayments		2,616,586	1	2,242,687	1
Other current assets		2,381,971	1	1,396,017	1
Total current assets		198,011,363	85	205,966,261	89
Non-current assets					
Financial assets at fair value through profit or loss - non-current	6(2) and 8	1,346,806	1	1,315,509	1
Financial assets at fair value through other comprehensive income - non-current	6(3)	1,831,394	1	32,035	-
Financial assets at amortised cost - non-current	6(4)	225,681	-	-	-
Investments accounted for using equity method	6(9)	11,922,666	5	586,142	-
Property, plant and equipment	6(10) and 8	10,560,533	4	5,735,417	3
Right-of-use assets	6(11)	1,630,694	1	1,129,079	1
Investment property - net	6(12) and 8	1,573,739	1	1,060,115	-
Intangible assets	6(13)	5,661,833	2	5,568,851	2
Deferred income tax assets	6(32)	534,834	-	506,897	-
Prepayments for investments	6(14)	31,050	-	8,142,688	4
Other non-current assets	6(15)	646,520	-	303,826	-
Total non-current assets		35,965,750	15	24,380,559	11
TOTAL ASSETS		\$ 233,977,113	100	\$ 230,346,820	100

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WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity	Notes	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
Current liabilities					
Short-term borrowings	6(16)	\$ 59,040,547	25	\$ 68,891,614	30
Short-term notes and bills payable	6(17)	4,941,505	2	5,555,424	2
Financial liabilities at fair value through profit or loss - current	6(2)	2,737	-	16,051	-
Notes payable		50,651	-	34,642	-
Accounts payable		62,835,569	27	63,588,170	28
Accounts payable - related parties	7(3)	77,023	-	653	-
Other payables		8,033,574	4	5,697,289	2
Current income tax liabilities		790,796	-	1,310,711	1
Lease liabilities - current		405,282	-	416,902	-
Other current liabilities	6(18)(19)	10,478,634	5	11,447,611	5
Total current liabilities		<u>146,656,318</u>	<u>63</u>	<u>156,959,067</u>	<u>68</u>
Non-current liabilities					
Long-term borrowings	6(18)	18,643,237	8	7,330,788	3
Deferred income tax liabilities	6(32)	495,971	-	499,268	-
Lease liabilities - non-current		1,289,826	1	740,641	-
Other non-current liabilities		888,743	-	849,961	1
Total non-current liabilities		<u>21,317,777</u>	<u>9</u>	<u>9,420,658</u>	<u>4</u>
Total liabilities		<u>167,974,095</u>	<u>72</u>	<u>166,379,725</u>	<u>72</u>
Equity attributable to owners of parent					
Capital	1 and 6(21)				
Common stock		16,790,568	7	16,790,568	7
Preference stock		2,000,000	1	2,000,000	1
Capital reserve	6(22)				
Capital reserve		28,848,733	13	27,456,298	12
Retained earnings	6(23)				
Legal reserve		6,667,417	3	6,021,073	3
Special reserve		5,420,694	2	2,602,682	1
Unappropriated earnings		14,575,304	6	14,022,230	6
Other equity interest					
Other equity interest	6(24)	(8,832,794)	(4)	(5,420,694)	(2)
Equity attributable to owners of the parent		<u>65,469,922</u>	<u>28</u>	<u>63,472,157</u>	<u>28</u>
Non-controlling interest	4	<u>533,096</u>	<u>-</u>	<u>494,938</u>	<u>-</u>
Total equity		<u>66,003,018</u>	<u>28</u>	<u>63,967,095</u>	<u>28</u>
Significant contingent liabilities and unrecognized contract commitments	7(3) and 9				
Significant events after the balance sheet date	11				
TOTAL LIABILITIES AND EQUITY		<u>\$ 233,977,113</u>	<u>100</u>	<u>\$ 230,346,820</u>	<u>100</u>

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	Year ended December 31			
		2020		2019	
		Amount	%	Amount	%
Operating revenue	6(25) and 7(3)	\$ 609,885,871	100	\$ 527,601,353	100
Operating costs	6(8) and 7(3)	(586,835,742)	(97)	(505,173,257)	(96)
Gross profit		23,050,129	3	22,428,096	4
Operating expenses	6(30)(31) and 7(3)				
Selling and marketing expenses		(9,089,289)	(1)	(9,030,334)	(1)
General and administrative expenses		(3,933,753)	(1)	(3,777,517)	(1)
Expected credit impairment gain		22,781	-	92,319	-
Total operating expenses		(13,000,261)	(2)	(12,715,532)	(2)
Operating profit		10,049,868	1	9,712,564	2
Non-operating income and expenses					
Interest income	6(26)	36,861	-	55,365	-
Other income	6(27)	254,304	-	228,293	-
Other gains and losses	6(28)	610,895	-	516,634	-
Finance costs	6(29)	(1,926,036)	-	(2,347,372)	(1)
Share of profit of associates and joint ventures accounted for using the equity method		861,661	-	22,118	-
Total non-operating income and expenses		(162,315)	-	(1,524,962)	(1)
Income before income tax		9,887,553	1	8,187,602	1
Income tax expense	6(32)	(1,687,049)	-	(1,681,643)	-
Consolidated net income		\$ 8,200,504	1	\$ 6,505,959	1

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WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	Year ended December 31			
		2020		2019	
		Amount	%	Amount	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
Other comprehensive income before tax, actuarial gain (loss) on defined benefit plans	6(20)	\$ 8,110	-	\$ 8,849	-
Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(24)	100,184	-	-	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method that will not be reclassified to profit or loss	6(24)	1,760,187	1 (	72)	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(32)	(1,622)	-	(1,771)	-
Other comprehensive income that will not be reclassified to profit or loss		1,866,859	1	7,006	-
Components of other comprehensive income that will be reclassified to profit or loss					
Exchange differences on translation of foreign financial statements		(4,875,766)	(1)	(2,814,019)	-
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method	6(24)	(408,554)	-	(5,027)	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(32)	6,489	-	3,218	-
Other comprehensive loss that will be reclassified to profit or loss		(5,277,831)	(1)	(2,815,828)	-
Total other comprehensive loss		(\$ 3,410,972)	-	(\$ 2,808,822)	-
Total comprehensive income		\$ 4,789,532	1	\$ 3,697,137	1
Consolidated net income attributable to:					
Owners of the parent		\$ 8,123,355	1	\$ 6,453,401	1
Non-controlling interest		77,149	-	52,558	-
		\$ 8,200,504	1	\$ 6,505,959	1
Comprehensive income attributable to:					
Owners of the parent		\$ 4,719,952	1	\$ 3,645,425	1
Non-controlling interest		69,580	-	51,712	-
		\$ 4,789,532	1	\$ 3,697,137	1
Earnings per share (in dollars)	6(33)				
Basic earnings per share		\$ 4.77		\$ 3.84	
Diluted earnings per share		\$ 4.77		\$ 3.84	

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Equity attributable to owners of the parent										Non-controlling interest	Total equity
		Share Capital			Retained Earnings			Other Equity Interest					
		Notes	Common stock	Preference stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences of foreign financial statements	Unrealized gains (loss) on financial assets at fair value through other comprehensive income	Total		
<u>Year ended December 31, 2019</u>													
Balance at January 1, 2019		\$ 16,790,568	\$ -	\$ 19,454,882	\$ 5,274,872	\$ 4,124,936	\$ 11,316,193	(\$ 2,596,682)	(\$ 6,000)	\$ 54,358,769	\$ 465,226	\$ 54,823,995	
Total consolidated profit		-	-	-	-	-	6,453,401	-	-	6,453,401	52,558	6,505,959	
Net other comprehensive income (loss)	6(24)	-	-	-	-	-	10,036	(2,818,012)	-	(2,807,976)	(846)	(2,808,822)	
Total comprehensive income		-	-	-	-	-	6,463,437	(2,818,012)	-	3,645,425	51,712	3,697,137	
Appropriations and distribution of 2018 retained earnings	6(23)												
Legal reserve		-	-	-	746,201	-	(746,201)	-	-	-	-	-	
Reversal of special reserve		-	-	-	-	(1,522,254)	1,522,254	-	-	-	-	-	
Cash dividends		-	-	-	-	-	(4,533,453)	-	-	(4,533,453)	-	(4,533,453)	
Issuance of preference stock	6(21)	-	2,000,000	7,994,638	-	-	-	-	-	9,994,638	-	9,994,638	
Changes in equity of associates and joint ventures accounted for using the equity method	6(22)	-	-	6,778	-	-	-	-	-	6,778	-	6,778	
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	(22,000)	(22,000)	
Balance at December 31, 2019		\$ 16,790,568	\$ 2,000,000	\$ 27,456,298	\$ 6,021,073	\$ 2,602,682	\$ 14,022,230	(\$ 5,414,694)	(\$ 6,000)	\$ 63,472,157	\$ 494,938	\$ 63,967,095	
<u>Year ended December 31, 2020</u>													
Balance at January 1, 2020		\$ 16,790,568	\$ 2,000,000	\$ 27,456,298	\$ 6,021,073	\$ 2,602,682	\$ 14,022,230	(\$ 5,414,694)	(\$ 6,000)	\$ 63,472,157	\$ 494,938	\$ 63,967,095	
Total consolidated profit		-	-	-	-	-	8,123,355	-	-	8,123,355	77,149	8,200,504	
Net other comprehensive income (loss)	6(24)	-	-	-	-	-	8,697	(5,272,471)	1,860,371	(3,403,403)	(7,569)	(3,410,972)	
Total comprehensive income (loss)		-	-	-	-	-	8,132,052	(5,272,471)	1,860,371	4,719,952	69,580	4,789,532	
Appropriations and distribution of 2019 retained earnings	6(23)												
Legal reserve		-	-	-	646,344	-	(646,344)	-	-	-	-	-	
Special reserve		-	-	-	-	2,818,012	(2,818,012)	-	-	-	-	-	
Cash dividends for common stock		-	-	-	-	-	(4,029,736)	-	-	(4,029,736)	-	(4,029,736)	
Cash dividends for preferred stock		-	-	-	-	-	(115,068)	-	-	(115,068)	-	(115,068)	
Changes in equity of associates and joint ventures accounted for using the equity method	6(22)	-	-	1,392,435	-	-	30,182	-	-	1,422,617	-	1,422,617	
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	(31,422)	(31,422)	
Balance at December 31, 2020		\$ 16,790,568	\$ 2,000,000	\$ 28,848,733	\$ 6,667,417	\$ 5,420,694	\$ 14,575,304	(\$ 10,687,165)	\$ 1,854,371	\$ 65,469,922	\$ 533,096	\$ 66,003,018	

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Years ended December 31,	
	Notes	2020	2019
Cash flows from operating activities			
Income before income tax		\$ 9,887,553	\$ 8,187,602
Adjustments			
Income and expenses			
Depreciation	6(30)	764,940	724,256
Amortization	6(13)(30)	64,419	16,303
Expected credit impairment gain	(	22,781)	(92,319)
Interest expense	6(29)	1,926,036	2,145,552
Net gain on financial assets or liabilities at fair value through profit or loss	6(28)	(172,962)	(83,921)
Interest income	6(26)	(36,861)	(55,365)
Dividend income	6(27)	(45,510)	(17,285)
Other income	(	6,052)	-
Share of profit of associates and joint ventures accounted for using the equity method	(	861,661)	(22,118)
Loss on disposal of investment	6(28)	27,036	8
Loss on disposal of property, plant and equipment	6(28)	673	1,939
Loss on lease modification	6(28)	300	-
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets (liabilities) at fair value through profit or loss - current		412,173	(300,736)
Notes receivable	(	1,233,879)	907,790
Accounts receivable		2,427,602	(15,305,726)
Accounts receivable - related parties, net	(	79,601)	(15,702)
Other receivables	(	1,505,619)	(2,896,080)
Other receivables - related parties	(	407)	402
Inventories		10,619,861	(2,950,244)
Prepayments	(	373,899)	(735,455)
Other current assets	(	79,613)	15,541
Changes in liabilities relating to operating activities			
Notes payable		16,009	(855)
Accounts payable	(	752,601)	10,426,266
Accounts payable - related parties		76,370	252
Other payables		2,464,236	412,201
Other current liabilities	(	1,895,933)	1,491,128
Other non-current liabilities	(	46,414)	(48,588)
Cash inflow generated from operations		21,573,415	1,804,846
Interest paid	(	1,952,786)	(2,193,406)
Income tax paid	(	2,332,894)	(1,173,322)
Interest received		37,745	54,154
Income tax refund		48,603	21,779
Dividends received		450,911	72,431
Net cash provided by (used in) operating activities		17,824,994	(1,413,518)

(Continued)

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Years ended December 31,	
	Notes	2020	2019
Cash flows from investing activities			
Acquisition of financial assets at fair value through other comprehensive income - non-current		(\$ 1,706,254)	\$ -
Increase in prepayments for investments	6(14)	-	(8,142,688)
Acquisition of property, plant and equipment and intangible assets	6(34)	(6,039,506)	(429,587)
Proceeds from disposal of property, plant and equipment and intangible assets		1,663	4,097
Increase in guarantee deposits paid		(20,536)	(30,566)
Decrease in guarantee deposits paid		13,919	32,765
Decrease in other financial assets - current		(906,341)	(895,975)
Increase in other financial assets - non-current		(1,636)	-
(Increase) decrease in other non-current assets		(44,447)	65,438
Acquisition of financial assets at fair value through profit or loss - non-current		(26,910)	(102,096)
Proceeds from disposal of financial assets at fair value through profit or loss - non-current		-	14,971
Proceeds from capital reduction of financial assets at fair value through profit or loss		21,833	38,203
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		7,079	-
Increase in financial assets at amortized cost - current		(176,752)	(11,583)
Decrease in financial assets at amortized cost - current		8,795	124,325
Increase in financial assets at amortised cost - non-current		(225,681)	-
Net cash used in investing activities		(9,094,774)	(9,332,696)
Cash flows from financing activities			
Principal repayment of lease liability	6(35)	(433,139)	(432,770)
Increase in short-term borrowings	6(35)	778,159,521	745,217,964
Decrease in short-term borrowings	6(35)	(788,010,588)	(733,547,786)
Increase in long-term borrowings (including current portion of long-term liabilities)	6(35)	20,203,922	2,415,923
Decrease in long-term borrowings (including current portion of long-term liabilities)	6(35)	(7,973,802)	(3,439,965)
Increase in short-term notes and bills payable	6(35)	40,807,726	39,514,147
Decrease in short-term notes and bills payable	6(35)	(41,421,645)	(38,915,750)
Increase in guarantee deposits received		247,092	9,118
Decrease in guarantee deposits received		(156,947)	(8,571)
Issuance of preference stock	6(21)	-	9,994,638
Cash dividends paid	6(23)	(4,144,804)	(4,533,453)
Change in non-controlling interests		(31,422)	(22,000)
Net cash (used in) provided by financing activities		(2,754,086)	16,251,495
Effect of exchange rate changes on cash and cash equivalents		(4,948,696)	(2,629,587)
Net increase in cash and cash equivalents		1,027,438	2,875,694
Cash and cash equivalents at beginning of year		9,992,582	7,116,888
Cash and cash equivalents at end of year		<u>\$ 11,020,020</u>	<u>\$ 9,992,582</u>

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANIZATION

- (1) WPG Holdings Limited (the Company) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China, and as a holding company of World Peace Industrial Co., Ltd. and Silicon Application Corporation by exchanging shares of common stock on November 9, 2005. The Company's shares were listed on the Taiwan Stock Exchange (TSE) and approved by the Financial Supervisory Commission, Executive Yuan, Securities and Futures Bureau on the same date. After restructuring, Richpower Electronic Devices Co., Ltd. became the Company's subsidiary on January 1, 2008. The Company acquired Pernas Electronics Co., Ltd., Asian Information Technology Inc., Yosun Industrial Corp. and AECO Technology Co., Ltd. by exchanging shares of common stock on July 16, 2008, February 6, 2009, November 15, 2010 and March 1, 2012, respectively. After the Company's organization restructuring on January 1, 2014, World Peace Industrial Co., Ltd., Silicon Application Corp. and Yosun Industrial Corp. acquired 100% shares in AECO Technology Co., Ltd., Pernas Electronics Co., Ltd. and Richpower Electronic Devices Co., Ltd. through share exchange, and consequently, AECO Technology Co., Ltd., Pernas Electronics Co., Ltd. and Richpower Electronic Devices Co., Ltd. became indirectly owned subsidiaries. The Company originally evaluated Genuine C&C, Inc. using equity method. The Company acquired partial stocks of Genuine C&C, Inc. on April 8, 2015 and completed the purchase on April 15, 2015. After the purchase, the Company held 60.5% shares of Genuine C&C, Inc. which became the Company's directly owned subsidiary. On September 1, 2017, the stock swap between Trigold Holdings Limited (Trigold) and the shareholders who previously owned Genuine C&C, Inc. was conducted at a stock swap ratio of 1:1. On the same day, Trigold was established and began OTC trading whereas Genuine C&C, Inc. was unlisted at OTC. The Company and subsidiaries owned a total of 60.51% equity of Trigold after the stock swap. The Company and the subsidiaries included in these consolidated financial statements are collectively referred as the "Group".
- (2) The Company was organized to create the management mechanism of the group, supervise the subsidiaries, integrate the whole group and improve operational efficiency. The Company's subsidiaries are mainly engaged in the distribution and sales of electronic / electrical components, sales of computer software and electrical products and sales of electronic / electrical components.
- (3) As of December 31, 2020, the Company's authorized capital was \$25,000,000 (certain shares

can be issued as preference shares, and \$500,000 is reserved for employee stock option certificates, restricted stocks to employees, convertible preferred stock and convertible bonds), and the paid-in capital was \$18,790,568 with a par value of \$10 (in dollars) per share.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on March 30, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

Note: Earlier application from January 1, 2020 is allowed by the FSC.

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

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform - Phase 2’	January 1, 2021

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

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts - cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018 - 2020	January 1, 2022

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers". International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income measured at fair

value.

- (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on

the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Main business activities</u>	<u>Ownership (%)</u>		<u>Description</u>
			<u>December 31, 2020</u>	<u>December 31, 2019</u>	
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	
WPG Holdings Limited	Silicon Application Corporation	Sales of computer software and electronic products	100.00	100.00	
WPG Holdings Limited	WPG Korea Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	
WPG Holdings Limited	WPG Electronics Ltd.	"	100.00	100.00	
WPG Holdings Limited	WPG International (CI) Limited	Holding company	100.00	100.00	
WPG Holdings Limited	Asian Information Technology Inc.	Sales of electronic / electrical components	100.00	100.00	
WPG Holdings Limited	Yosun Industrial Corp.	"	100.00	100.00	
WPG Holdings Limited	WPG Investment Co., Ltd.	Investment company	100.00	100.00	
WPG Holdings Limited	Trigold Holdings Limited	Holding company	60.50	60.50	
WPG Investment Co., Ltd.	Trigold Holdings Limited	"	0.01	0.01	
WPG Investment Co., Ltd.	LaaS Holdings (Samoa) Limited	"	100.00	0.00	Note 13
LaaS Holdings (Samoa) Limited	LaaS Holdings (HK) Limited	"	100.00	0.00	Note 13
LaaS Holdings (HK) Limited	LaaS (Dongguan) Supply Chain Management Limited	Intelligent warehousing enhanced services	100.00	0.00	Note 15
World Peace Industrial Co., Ltd.	World Peace International (BVI) Ltd.	Holding company	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2020	December 31, 2019	
World Peace Industrial Co., Ltd.	WPI Investment Holding (BVI) Company Ltd.	Holding company	100.00	100.00	
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Agent and sales of electronic / electrical components	100.00	100.00	
World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	"	100.00	100.00	
AECO Technology Co., Ltd.	Teco Enterprise Holding (B.V.I.) Co., Ltd.	Investment company	100.00	100.00	
Teco Enterprise Holding (B.V.I.) Co., Ltd.	AECO Electronic Co., Ltd.	Trading of electronic / electrical products	100.00	100.00	
World Peace International (BVI) Ltd.	Prime Future Technology Limited	Holding company	0.00	100.00	Note 16
Prime Future Technology Limited	World Peace International Pte. Ltd.	"	0.00	100.00	Note 16
World Peace International (BVI) Ltd.	World Peace International Pte. Ltd.	"	100.00	0.00	Note 16
World Peace International Pte. Ltd.	Genuine C&C (IndoChina) Pte., Ltd.	Agent and sales of electronic / electrical components	80.00	80.00	
World Peace International Pte. Ltd.	WPG Americas Inc.	"	4.31	4.31	Note 2
World Peace International Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	"	100.00	100.00	
World Peace International (South Asia) Pte Ltd.	World Peace International (India) Pvt., Ltd.	"	100.00	100.00	
World Peace International (South Asia) Pte Ltd.	WPG C&C (Malaysia) Sdn. Bhd	"	100.00	100.00	
World Peace International (South Asia) Pte Ltd.	WPG C&C (Thailand) Co., Ltd.	Agent and sales of information products	100.00	100.00	Note 3

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2020	December 31, 2019	
World Peace International (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	Agent and sales of electronic / electrical components	100.00	100.00	
WPI Investment Holding (BVI) Company Ltd.	WPI International (Hong Kong) Limited	"	100.00	100.00	
WPI Investment Holding (BVI) Company Ltd.	World Peace International (Asia) Limited	"	0.00	100.00	Note 14
WPI International (Hong Kong) Limited	WPG C&C Limited	Agent and sales of information products	100.00	100.00	
WPI International (Hong Kong) Limited	AIO Components Company Limited	Agent and sales of electronic / electrical components	100.00	100.00	
Longview Technology Inc.	Longview Technology GC Limited	Holding company	100.00	100.00	
Longview Technology Inc.	Long-Think International Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	
Longview Technology GC Limited	Long-Think International (Hong Kong) Limited	"	100.00	100.00	
Long-Think International (Hong Kong) Limited	Long-Think International (Shanghai) Limited	"	0.00	100.00	Note 12
Silicon Application Corporation	Silicon Application (BVI) Corp.	Holding company	100.00	100.00	
Silicon Application Corporation	Win-Win Systems Ltd.	"	100.00	100.00	
Silicon Application Corporation	SAC Components (South Asia) Pte. Ltd.	Sales of computer software, hardware and electronic products	100.00	100.00	
Silicon Application Corporation	Pernas Electronic Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	"	100.00	100.00	
Silicon Application (BVI) Corp.	Silicon Application Company Limited	Sales of computer software and electronic products	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2020	December 31, 2019	
Silicon Application Company Limited	Dstar Electronic Company Limited	Sales of computer software and electronic products	100.00	100.00	
WPG Korea Co., Ltd.	Apache Communication Inc. (B.V.I.)	Investment company	100.00	100.00	
Apache Communication Inc. (B.V.I.)	Apache Korea Corp.	Sales of electronic / electrical products	100.00	100.00	
WPG International (CI) Limited	WPG International (Hong Kong) Limited	Holding company	100.00	100.00	
WPG International (CI) Limited	WPG Americas Inc.	Agent and sales of electronic / electrical components	95.69	95.69	Note 2
WPG International (CI) Limited	WPG South Asia Pte. Ltd.	Sales of electronic / electrical products	100.00	100.00	
WPG International (CI) Limited	WPG Cloud Service Limited	General trading	100.00	100.00	
WPG International (CI) Limited	WPG Gain Tune Ltd.	Agent for selling electronic / electrical components	100.00	100.00	
WPG International (Hong Kong) Limited	WPG Electronics (Hong Kong) Limited	"	100.00	100.00	
WPG International (Hong Kong) Limited	WPG China Inc.	"	100.00	100.00	
WPG International (Hong Kong) Limited	WPG China (SZ) Inc.	Sales of computer software and electronic products	100.00	100.00	
WPG South Asia Pte. Ltd.	WPG Malaysia Sdn. Bhd	Agent and sales of electronic / electrical components	100.00	100.00	
WPG South Asia Pte. Ltd.	WPG (Thailand) Co., Ltd.	"	100.00	100.00	Note 5
WPG South Asia Pte. Ltd.	WPG India Electronics Pvt. Ltd.	"	99.99	99.99	Note 7
WPG South Asia Pte. Ltd.	WPG Electronics (Philippines) Inc.	"	100.00	100.00	Note 4
WPG South Asia Pte. Ltd.	WPG SCM Limited	"	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2020	December 31, 2019	
WPG South Asia Pte. Ltd.	WPG Vietnam Co., Ltd.	Agent and sales of electronic / electrical components	100.00	0.00	Note 11
WPG Malaysia Sdn. Bhd	WPG India Electronics Pvt. Ltd.	"	0.01	0.01	Note 7
Asian Information Technology Inc.	Apache Communication Inc.	Sales of electronic / electrical products	100.00	100.00	
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd.	"	100.00	100.00	
Asian Information Technology Inc.	Frontek Technology Corporation	"	100.00	100.00	
Asian Information Technology Inc.	Fame Hall International Co., Ltd.	Investment company	100.00	100.00	
Frontek Technology Corporation	Frontek International Limited	"	100.00	100.00	
Fame Hall International Co., Ltd.	AIT Japan Inc.	Sales of electronic / electrical products	100.00	100.00	
Frontek International Limited	Gather Technology Incorporation Limited	Sales of electronic / electrical components	100.00	100.00	Note 9
Yosun Industrial Corp.	Sertek Incorporated	"	100.00	100.00	
Yosun Industrial Corp.	Suntop Investments Limited	Investment company	100.00	100.00	
Yosun Industrial Corp.	Richpower Electronic Devices Co., Ltd.	Sales of electronic / electrical components	100.00	100.00	
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	Sales of electronic / electrical products	100.00	100.00	
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Pte., Ltd.	"	100.00	100.00	
Sertek Incorporated	Sertek Limited	Sales of electronic / electrical components	100.00	100.00	
Suntop Investments Limited	Yosun Hong Kong Corp. Ltd.	"	100.00	100.00	
Suntop Investments Limited	Yosun Singapore Pte Ltd.	"	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Giatek Corp. Ltd.	"	0.00	0.00	Note 6

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2020	December 31, 2019	
Yosun Hong Kong Corp. Ltd.	Yosun South China Corp. Ltd.	Sales of electronic / electrical components	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	Warehouse business and sales of electronic components	100.00	100.00	
Trigold Holdings Limited	Genuine C&C Inc.	Sales of computer and its peripherals	100.00	100.00	
Trigold Holding Limited	Trigold (Hong Kong) Company Limited	Holding company	100.00	100.00	
Trigold (Hong Kong) Company Limited	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Sales of electronic/ electrical products	100.00	100.00	
Trigold (Hong Kong) Company Limited	WPG C&C Shanghai Co., Ltd.	"	100.00	100.00	
Trigold (Hong Kong) Company Limited	Trigolduo (Shanghai) Industrial Development Ltd.	Children's indoor amusement park	70.00	70.00	Note 8
Trigolduo (Shanghai) Industrial Development Ltd.	Trigold Tongle (Shanghai) Industrial Development Ltd.	"	100.00	100.00	Note 8
Genuine C&C, Inc.	Hoban Inc.	An E-commerce company which operates B2C and O2O businesses	100.00	100.00	
Genuine C&C, Inc.	Genuine C&C Holding Inc. (Seychelles)	Holding company	100.00	100.00	
Genuine C&C Holding Inc. (Seychelles)	Genuine Trading (Hong Kong) Company Limited	"	0.00	0.00	Note 10
Peng Yu (Shanghai) Digital Technology Co., Ltd.	Peng Yu International Limited	Sales of electronic/electrical products	100.00	100.00	

Note 1: The combined ownership percentage of common shares held by the Company and its subsidiaries is more than 50% or has control power.

Note 2: World Peace Industrial Co., Ltd. totally held 4.31% of shares of WPG Americas Inc. through World Peace International Pte Ltd. and WPI International (Hong Kong) Limited. Along with shares of WPG Americas Inc. held by WPG International (CI) Limited, the total shareholding ratio is 100%.

Note 3: Due to restriction of local regulations, the Company holds 51% ownership which is under the name of other individuals. The substantial ownership held by the Company is 100%.

Note 4: Due to restriction of local regulations, the Company holds 62% ownership which is under the name of other individuals. The substantial ownership held by

the Company is 100%.

- Note 5: Due to restriction of local regulations, the Company holds 61% ownership which is under the name of other individuals. The substantial ownership held by the Company is 100%.
- Note 6: It was liquidated in February 2019.
- Note 7: WPG South Asia Pte. Ltd. and WPG Malaysia Sdn. Bhd. separately hold 99.99% and 0.01% of shares of the subsidiary, respectively, and both companies together hold 100% of shares of the subsidiary.
- Note 8: On January 31, 2019, Trigold (Hong Kong) Company Limited and Haomao (Shanghai) Enterprise Development Co., Ltd. jointly established a new company, Trigolduo (Shanghai) Industrial Development Ltd. (Trigolduo_SH), and the shareholding ratio is 70%. In addition, Trigolduo_SH established a wholly-owned subsidiary, Trigold Tongle (Shanghai) Industrial Development Ltd. on March 25, 2019.
- Note 9: The subsidiary was renamed in May 2019.
- Note 10: It was liquidated in May 2019.
- Note 11: The subsidiary was established in January 2020.
- Note 12: The subsidiary was liquidated in August 2020.
- Note 13: The subsidiary was established in June 2020.
- Note 14: The subsidiary was liquidated in September 2020.
- Note 15: The subsidiary was established in August 2020.
- Note 16: World Peace International (BVI) Ltd. merged with Prime Future Technology Limited, and the effective date for the merger was set on October 31, 2020. Under the merger, World Peace International (BVI) Limited was the surviving company while Prime Future Technology Limited was the dissolved company. The equity interest in World Peace International Pte Ltd. held by Prime Future Technology Limited was transferred to World Peace International (BVI) Limited.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

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

As of December 31, 2020 and 2019, the non-controlling interest amounted to \$533,096 and \$494,938, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

<u>Name of subsidiary</u>	<u>Principal place of business</u>	<u>Non-controlling interest</u>			
		<u>December 31, 2020</u>		<u>December 31, 2019</u>	
		<u>Amount</u>	<u>Ownership</u>	<u>Amount</u>	<u>Ownership</u>
Trigold Holdings Limited and its subsidiaries (Note)	Taiwan	\$ 495,830	39.49%	\$ 448,520	39.49%

Note: Details of equity interest of Trigold Holdings Limited held by the Company are provided in Note 1(1).

Summarized financial information of the subsidiaries:

(a) Balance sheets

	<u>Trigold Holdings Limited and its subsidiaries</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current assets	\$ 4,515,511	\$ 6,471,223
Non-current assets	356,673	351,812
Current liabilities	(3,387,836)	(5,420,391)
Non-current liabilities	(230,216)	(260,583)
Total net assets	1,254,132	1,142,061
Less: Non-controlling interest	1,131	(7,126)
Equity attributable to owners of the parent company	<u>\$ 1,255,263</u>	<u>\$ 1,134,935</u>

(b) Statements of comprehensive income

	<u>Trigold Holdings Limited and its subsidiaries</u>	
	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Revenue	\$ 18,763,720	\$ 18,141,116
Profit before tax	296,902	189,360
Income tax expense	(91,851)	(51,699)
Profit for the year	205,051	137,661
Other comprehensive loss, net of tax	(10,214)	(34,018)
Total comprehensive income	<u>\$ 194,837</u>	<u>\$ 103,643</u>
Total comprehensive loss attributable to non-controlling interest	<u>(\$ 8,257)</u>	<u>(\$ 6,350)</u>
Dividends paid to non-controlling interests	<u>\$ 31,422</u>	<u>\$ 22,000</u>

(c) Statements of cash flows

		<u>Trigold Holdings Limited and its subsidiaries</u>	
		<u>Years ended December 31,</u>	
		<u>2020</u>	<u>2019</u>
Net cash provided by (used in)			
operating activities	\$	2,432,108	(\$ 2,300,265)
Net cash used in investing activities	(	47,066)	(47,275)
Net cash (used in) provided by			
financing activities	(	1,743,911)	1,840,658
Effect of exchange rates on cash and			
cash equivalents	(	15,603)	(10,954)
Increase (decrease) in cash and cash			
equivalents		625,528	(517,836)
Cash and cash equivalents, beginning			
of year		394,001	911,837
Cash and cash equivalents, end of			
year	\$	<u>1,019,529</u>	<u>\$ 394,001</u>

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

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

B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognized in other comprehensive income.
- (b) The operating results and financial position of all the overseas branches that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period;
 - iii. Accounts with head office and working capital are translated using the historical exchange rates; and
 - iv. Exchange differences denominated in NTD arising from translation of overseas branches' financial statements are recorded as 'other equity – exchange differences on translation of foreign financial statements' under shareholders' equity,
- (c) When a foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (d) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (e) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realized within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be paid off within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be paid off within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

(6) Cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income. Derivatives are also categorized as financial assets held for trading unless they are designated as hedges.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable

election at initial recognition to recognize changes in fair value in other comprehensive income.

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

(9) Financial assets measured at amortized cost

The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

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

(11) Impairment of financial assets

For financial assets at amortized cost, including notes and accounts receivable that have a significant financing component, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

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

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

(13) Inventories

- A. Cost of inventory purchase includes purchase price, import taxes and all the related costs involved in the process of obtaining inventory. Discounts, allowances, etc. shall be deducted from the cost of inventory purchases.
- B. Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realizable value. The calculation of net realizable value is based on the estimated selling price in the normal course of business, net of estimated selling expenses.

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

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 per cent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds the Group's interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment

retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(15) Property, plant and equipment

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

Buildings and structures	5 ~ 50 years
Transportation equipment	2 ~ 10 years
Office equipment	2 ~ 13 years
Leasehold improvements	2 ~ 17 years
Other property, plant and equipment	3 ~ 10 years

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

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date

at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:
- (a) Fixed payments, less any lease incentives receivable;
 - (b) Amounts expected to be payable by the lessee under residual value guarantees;
 - (c) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
 - (d) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date;
 - (c) Any initial direct costs incurred by the lessee; and
 - (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 5~55 years.

(18) Intangible assets

A. Goodwill

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

- B. Intangible assets, other than goodwill, are software and business right which are amortized on a straight-line basis over their estimated useful lives of 1~5 years.

(19) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.
- B. The recoverable amounts of goodwill shall be evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Borrowings

- A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

(21) Accounts and notes payable

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

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

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as

financial liabilities held for trading unless they are designated as hedges.

- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(23) Derecognition of financial liabilities

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

(24) Offsetting financial instruments

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

(25) Non-hedging derivative instruments

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

(26) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

- ii. Remeasurements arising on defined benefit plans are recognized in other

comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(27) Income tax

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

balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(28) Share capital

Ordinary shares are classified as equity. The classification of preference shares is determined according to the special rights attached to preference shares based on the substance of the contract and the definition of financial liabilities and equity instruments. Preference shares are classified as liabilities when they have the basic characteristics of financial liabilities; otherwise, they are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(29) Dividends

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

(30) Revenue recognition

- A. The Group sells electronic components and other related products. Revenue from the sale of goods is recognized when the Group delivers a product to the customer and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- B. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts or sales discounts and allowances. Accumulated experience is used to estimate and provide for the volume discounts or sales discounts and allowances, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognized for expected volume discounts or sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period.
- C. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(31) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.
- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognized and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognized directly in profit or loss on the acquisition date.

(32) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

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

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

(1) Critical judgements in applying the Group's accounting policies

Revenue recognition on a net/gross basis

The Group determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for the other party to provide those goods or services (i.e. the Group is an agent) based on the transaction model

and its economic substance. The Group is a principal if it controls a promised good or service before it transfers the good or service to a customer. The Group recognizes revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Group is an agent if its performance obligation is to arrange for the provision of goods or services by another party. The Group recognizes revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Indicators that the Group controls the good or service before it is provided to a customer include the following:

- A. The Group is primarily responsible for the provision of goods or services.
- B. The Group assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.
- C. The Group has discretion in establishing prices for the goods or services.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Please refer to Note 6(13) for the information on goodwill impairment.

B. Valuation of provision for allowance for accounts receivable

In the process of assessing uncollectible accounts, the Group must use judgements and assumptions to determine the collectability of accounts receivable. The collectability is affected by various factors: customers' financial conditions, the Company's internal credit ratings, historical experience, current economic conditions, etc. When sales are not expected to be collected, the Group recognizes a specific allowance for doubtful receivables after the assessment. The assumptions and estimates of allowance for uncollectible accounts are based on concerning future events as that on the balance sheet date. Assumptions and estimates may differ from the actual results which may result in a material adjustment. Please refer to Note 12(2) for the information on assessing uncollectible accounts for doubtful receivables.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash on hand and petty cash	\$ 4,683	\$ 4,444
Checking accounts deposits	2,539,463	806,634
Demand deposits	7,372,219	8,745,631
Time deposits	1,103,655	435,873
	<u>\$ 11,020,020</u>	<u>\$ 9,992,582</u>

- A. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. There were no cash and cash equivalents pledged to others.

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

<u>Items</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 46,532	\$ 22,547
Beneficiary certificates	-	300,000
Derivatives	3,827	2,513
	50,359	325,060
Valuation adjustment	36,765	14,589
	<u>\$ 87,124</u>	<u>\$ 339,649</u>
Financial liabilities held for trading		
Derivatives	<u>\$ 2,737</u>	<u>\$ 16,051</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 119,256	\$ 110,307
Emerging stocks	49,605	49,605
Unlisted stocks	1,474,855	1,461,216
	1,643,716	1,621,128
Valuation adjustment	(296,910)	(305,619)
	<u>\$ 1,346,806</u>	<u>\$ 1,315,509</u>

- A. Amounts recognized in profit (loss) in relation to financial assets at fair value through profit or loss are listed below:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 32,829	\$ 22,553
Derivatives	140,133	61,368
	<u>\$ 172,962</u>	<u>\$ 83,921</u>

- B. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

Derivative instruments	December 31, 2020		
	Contract amount (notional principal)		Contract period
	(Note)		
Current items:			
Forward foreign exchange contracts			
- Sell	EUR	500	2020.12.15~2021.01.14
	USD	13,000	2020.12.22~2021.01.28
- Sell-SWAP	USD	16,890	2020.09.29~2021.02.25
- Buy	EUR	2,500	2020.12.11~2021.01.14
Futures	\$	5,873	2020.12.30~2021.01.20

Derivative instruments	December 31, 2019		
	Contract amount (notional principal) (Note)		Contract period
Current items:			
Forward foreign exchange contracts			
- Sell	USD	9,823	2019.09.20~2020.04.29
	RMB	30,000	2019.10.29~2020.02.03
	EUR	1,000	2019.10.18~2020.02.26
- Sell-SWAP	USD	19,500	2019.11.22~2020.02.04
- Buy	USD	21,640	2019.08.08~2020.04.15
Futures	\$	4,819	2019.12.30~2020.01.15

(a) Forward foreign exchange contracts

The Group entered into forward exchange contracts to manage exposures to foreign exchange rate fluctuations of import or export sales. However, the forward exchange contracts did not meet the criteria for hedge accounting. Therefore, the Group did not apply hedge accounting.

(b) Futures

The futures which are owned by the Group are stock index futures aiming to earn the spread. As of December 31, 2020 and 2019, the balance of margin in the account were \$3,147 and \$12,970, and the amount of excess margin were \$2,881 and \$2,075, respectively.

- C. Details of the Group's financial assets at fair value through profit or loss pledged to others as collateral are provided in Note 8.

- D. Information relating to credit risk of financial assets at fair value through profit or loss is

provided in Note 12(2).

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

<u>Items</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Non-current items:		
Equity instruments		
Listed stocks	\$ 1,696,254	\$ -
Unlisted stocks	<u>40,956</u>	<u>38,035</u>
	1,737,210	38,035
Valuation adjustment	<u>94,184</u>	(<u>6,000</u>)
	<u>\$ 1,831,394</u>	<u>\$ 32,035</u>

- A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,831,394 and \$32,035 as at December 31, 2020 and 2019, respectively.
- B. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>Financial assets at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	<u>\$ 100,184</u>	<u>\$ -</u>

- C. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group amounted to \$1,737,210 and \$38,035, respectively.
- D. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.
- E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Financial assets at amortized cost

<u>Items</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current items:		
Time deposits	<u>\$ 246,682</u>	<u>\$ 84,055</u>
Non-current items:		
Earmarked repatriated funds	<u>\$ 225,681</u>	<u>\$ -</u>

- A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	Years ended December 31,	
	2020	2019
Interest income	\$ 3,327	\$ 5,313

- B. The Group's certain offshore funds in the amount of \$225,681 are restricted under the Management, Utilization, and Taxation of Repatriated Offshore Funds Act, and were reclassified as financial assets at amortized cost-non-current.
- C. Details of the Group's financial assets at amortized cost pledged to others as collateral are provided in Note 8.
- D. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2).

(5) Notes and accounts receivable

	December 31, 2020	December 31, 2019
Notes receivable	\$ 3,210,978	\$ 1,977,099
Less: Allowance for uncollectible accounts	(2)	(2)
	<u>\$ 3,210,976</u>	<u>\$ 1,977,097</u>
Accounts receivable	\$ 108,939,299	\$ 111,578,591
Less: Allowance for uncollectible accounts	(718,272)	(922,509)
	<u>\$ 108,221,027</u>	<u>\$ 110,656,082</u>

- A. The ageing analysis of accounts receivable and notes receivable is as follows:

	December 31, 2020		December 31, 2019	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$102,903,136	\$ 3,207,616	\$105,293,370	\$ 1,954,402
One month	5,126,579	3,362	4,822,076	22,629
Two months	217,114	-	472,117	68
Three months	54,657	-	193,956	-
Four months	54,784	-	68,853	-
Over four months	583,029	-	728,219	-
	<u>\$108,939,299</u>	<u>\$ 3,210,978</u>	<u>\$111,578,591</u>	<u>\$ 1,977,099</u>

The above ageing analysis was based on the number of months past due.

- B. As of December 31, 2020, December 31, 2019 and January 1, 2019, the Group's receivables (including notes receivable) arising from contracts with customers amounted to \$112,150,277, \$113,555,690 and \$99,334,976, respectively.
- C. The Group has no notes and accounts receivable pledged to others as collateral.
- D. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount

that best represents the Group's notes receivable was \$3,210,976 and \$1,977,097, and accounts receivable was \$108,221,027 and \$110,656,082, respectively.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Transfer of financial assets

Transferred financial assets that are derecognized in their entirety

The Group entered into factoring of accounts receivable with banks. In accordance with the contract requirements, the Group shall only be liable for the losses incurred on any commercial dispute and did not assume the risk of uncollectible accounts receivable. The Group does not have any continuing involvement in the transferred accounts receivable. The derecognized amounts had already deducted the estimated commercial disputes. The commercial papers and time deposits pledged to the banks are for losses incurred only on commercial disputes or for the banks' practice of accounts receivable factoring. The pledged commercial papers and time deposits do not cover losses other than those arising from commercial disputes. As of December 31, 2020 and 2019, outstanding accounts receivable were as follows:

December 31, 2020						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognized	Facilities (In thousands)	Amount advanced	Interest rate of amount advanced	Pledged assets
Cathay United Bank	\$ 476,090	\$ 476,090	USD 50,000	\$ 476,090	0.75%~0.90%	Note 1
Mega International Commercial Bank	2,517,967	2,517,967	USD 137,000	2,434,627	0.95%~1.30%	Note 2
CTBC Bank	4,429,296	4,429,296	USD 78,300	1,765,433	0.70%~2.39%	Note 3
			\$ 8,129,400			
E. SUN Commercial Bank	2,996,154	2,996,154	USD 187,000	1,594,413	0.99%~1.18%	Note 4
			\$ 20,000			
Taipei Fubon Commercial Bank	541,422	541,422	USD 23,000	479,845	0.77%~2.95%	Note 5
			\$ 1,474,300			
Yuanta Commercial Bank	661,197	661,197	USD 36,700	127,050	1.03%~1.09%	Note 6
The Hong Kong and Shanghai Banking Corporation Limited	5,545,384	5,545,384	USD 277,500	4,519,106	0.96%~2.02%	Note 7
Standard Chartered Bank	30,320	30,320	USD 3,000	-	-	None
Taishin International Bank	4,623,696	4,623,696	\$ 9,800,000	1,889,631	0.72%~1.01%	Note 8
Bank SinoPac	1,593,747	1,593,747	USD 77,400	361,564	0.75%~0.97%	Note 9
Far Eastern International Bank	179,981	179,981	USD 19,000	29,447	1.01%~1.22%	Note 10
			\$ 400,000			
Chang Hwa Bank	16,287	16,287	USD 16,600	9,716	0.84%~0.87%	Note 11
DBS Bank	3,774,370	3,774,370	USD 279,000	2,662,492	0.76%~0.95%	Note 12
Taiwan Cooperative Bank	56,508	56,508	USD 3,000	12,305	1.04%	Note 13

December 31, 2020

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognized	Facilities (In thousands)	Amount advanced	Interest rate of amount advanced	Pledged assets
Hang Seng Bank	\$ 4,809,876	\$ 4,809,876	USD 150,000	\$ 4,401,576	1.09%~2.59%	None
KGI Bank	577,650	577,650	\$ 1,350,000	20,227	1.06%	Note 14
Bank of Taiwan	2,490	2,490	USD 14,000	2,490	0.8%~0.81%	Note 15
Mizuho Bank	206,453	206,453	USD 20,000	206,453	0.98%	Note 16

Note 1: The Group has signed commercial papers amounting to USD 50,000 thousand that were pledged to others as collateral.

Note 2: The Group has signed commercial papers amounting to USD 137,000 thousand and \$540,000 that were pledged to others as collateral.

Note 3: The Group has signed commercial papers amounting to USD 5,600 thousand and \$893,640 that were pledged to others as collateral.

Note 4: The Group has signed commercial papers amounting to USD 187,000 thousand and \$20,000 that were pledged to others as collateral.

Note 5: The Group has signed commercial papers amounting to \$37,000 that were pledged to others as collateral.

Note 6: The Group has signed commercial papers amounting to USD 36,700 thousand that were pledged to others as collateral.

Note 7: The Group has signed commercial papers amounting to USD 271,550 thousand that were pledged to others as collateral.

Note 8: The Group has signed commercial papers amounting to \$9,800,000 that were pledged to others as collateral.

Note 9: The Group has signed commercial papers amounting to USD 77,400 thousand that were pledged to others as collateral.

Note 10: The Group has signed commercial papers amounting to USD 19,000 thousand and \$400,000 that were pledged to others as collateral.

Note 11: The Group has signed commercial papers amounting to USD 16,600 thousand that were pledged to others as collateral.

Note 12: The Group has signed commercial papers amounting to USD 215,000 thousand that were pledged to others as collateral.

Note 13: The Group has signed commercial papers amounting to USD 3,000 thousand that were pledged to others as collateral.

Note 14: The Group has provided demand deposits amounting to \$810,000 that were pledged to others as collateral.

Note 15: The Group has signed commercial papers amounting to USD 14,000 thousand that were pledged to others as collateral.

Note 16: The Group has signed commercial papers amounting to USD 20,000 thousand that

were pledged to others as collateral.

December 31, 2019						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognized	Facilities (In thousands)	Amount advanced	Interest rate of amount advanced	Pledged assets
Cathay United Bank	\$ 1,060,966	\$ 1,060,966	USD 50,000	\$ 1,060,966	2.72%~3.45%	Note 1
Mega International Commercial Bank	3,885,859	3,885,859	USD 133,000	3,583,671	2.60%~3.70%	Note 2
CTBC Bank	1,944,442	1,944,442	USD 43,300	1,166,525	2.05%~3.49%	Note 3
			\$ 3,202,000			
E. SUN Commercial Bank	2,943,332	2,943,332	USD 173,000	1,683,767	2.54%~3.39%	Note 4
			\$ 20,000			
Taipei Fubon Commercial Bank	782,948	782,948	USD 21,000	500,377	1.11%~3.35%	Note 5
			\$ 1,474,300			
Yuanta Commercial Bank	478,727	478,727	USD 39,000	374	2.95%	Note 6
The Hong Kong and Shanghai Banking Corporation Limited	2,830,538	2,830,538	USD 140,500	1,625,824	2.10%~3.71%	Note 7
Standard Chartered Bank	35,042	35,042	USD 4,520	28,749	2.59%~2.80%	None
Taishin International Bank	3,763,294	3,763,294	\$ 9,800,000	204,760	3.02%	Note 8
Bank SinoPac	302,078	302,078	USD 44,900	-	-	Note 9
Far Eastern International Bank	100,811	100,811	USD 19,000	15,615	2.92%	Note 10
			\$ 400,000			
Chang Hwa Bank	264,749	264,749	USD 25,600	205,263	2.57%~3.03%	Note 11
DBS Bank	4,958,326	4,958,326	USD 294,000	2,965,357	2.45%~3.67%	Note 12
Taiwan Cooperative Bank	27,094	27,094	USD 3,000	20,100	2.75%~2.77%	Note 13
Hang Seng Bank	96,565	96,565	USD 130,000	-	-	Note 14
KGI Bank	434,446	434,446	\$ 1,350,000	-	-	Note 15
Bank of Taiwan	23,408	23,408	USD 14,000	23,408	2.78%~2.86%	Note 16

Note 1: The Group has signed commercial papers amounting to USD 50,000 thousand that were pledged to others as collateral.

Note 2: The Group has signed commercial papers amounting to USD 133,000 thousand and \$540,000 that were pledged to others as collateral.

Note 3: The Group has signed commercial papers amounting to USD 29,269 thousand and \$320,200 that were pledged to others as collateral.

Note 4: The Group has signed commercial papers amounting to USD 176,000 thousand and \$20,000 that were pledged to others as collateral.

Note 5: The Group has signed commercial papers amounting to \$37,000 that were pledged to others as collateral.

Note 6: The Group has signed commercial papers amounting to USD 36,700 thousand that were pledged to others as collateral.

- Note 7: The Group has signed commercial papers amounting to USD 122,850 thousand that were pledged to others as collateral.
- Note 8: The Group has signed commercial papers amounting to \$9,800,000 that were pledged to others as collateral.
- Note 9: The Group has signed commercial papers amounting to USD 44,900 thousand that were pledged to others as collateral.
- Note 10: The Group has signed commercial papers amounting to USD 19,000 thousand and \$400,000 that were pledged to others as collateral.
- Note 11: The Group has signed commercial papers amounting to USD 25,600 thousand that were pledged to others as collateral.
- Note 12: The Group has signed commercial papers amounting to USD 277,500 thousand that were pledged to others as collateral.
- Note 13: The Group has signed commercial papers amounting to USD 3,000 thousand that were pledged to others as collateral.
- Note 14: The Group has provided demand deposits amounting to USD 140 thousand that were pledged to others as collateral.
- Note 15: The Group has signed commercial papers amounting to \$850,000 that were pledged to others as collateral.
- Note 16: The Group has signed commercial papers amounting to USD 14,000 thousand that were pledged to others as collateral.

(7) Other receivables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Retention amount of factoring accounts receivable	\$ 12,046,423	\$ 10,938,791
VAT refund	319,864	251,634
Others	567,423	238,550
	<u>\$ 12,933,710</u>	<u>\$ 11,428,975</u>

(8) Inventories

	<u>December 31, 2020</u>		
	<u>Cost</u>	<u>Allowance for valuation</u>	<u>Book value</u>
Inventories	\$ 55,394,035	(\$ 1,401,082)	\$ 53,992,953
Inventories in transit	3,107,072	-	3,107,072
	<u>\$ 58,501,107</u>	<u>(\$ 1,401,082)</u>	<u>\$ 57,100,025</u>

	December 31, 2019		
	Cost	Allowance for valuation	Book value
Inventories	\$ 63,931,568	(\$ 1,078,439)	\$ 62,853,129
Inventories in transit	4,868,508	-	4,868,508
	<u>\$ 68,800,076</u>	<u>(\$ 1,078,439)</u>	<u>\$ 67,721,637</u>

The cost of inventories recognized as expense for the period:

	Years ended December 31,	
	2020	2019
Cost of goods sold	\$ 586,188,535	\$ 504,812,224
Loss on price decline in inventory	647,255	359,712
(Gain) loss on physical inventory	(48)	1,321
Cost of goods sold	<u>\$ 586,835,742</u>	<u>\$ 505,173,257</u>

(9) Investments accounted for using the equity method

A. Details of investments accounted for using the equity method:

Investee company	December 31, 2020	December 31, 2019
WT Microelectronics Co., Ltd. (WT)	\$ 11,365,951	\$ -
ChainPower Technology Corp. (ChainPower)	165,518	161,169
Sunrise Technology Co., Ltd.	47,581	57,680
Eesource Corp. (Eesource)	64,275	65,785
Suzhou Xinning Bonded Warehouse Co., Ltd.	68,733	77,270
Adivic Technology Co., Ltd.	26,952	31,975
Suzhou Xinning Logistics Co., Ltd.	44,332	40,299
Gain Tune Logistics (Shanghai) Co., Ltd.	24,713	26,370
VITEC WPG Limtied	35,852	42,104
AutoSys Co., Ltd.	70,282	71,090
Beauteek Global Wellness Corporation Limited	8,477	12,400
	<u>\$ 11,922,666</u>	<u>\$ 586,142</u>

B. The basic information on the associate that is material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Method of measurement
		December 31, 2020	December 31, 2019		
WT	Taiwan	22.47%	-	Holding at least 20% of the voting rights	Equity method

The summarized financial information of the associate that is material to the Group is as follows:

Balance sheet

	WT
	<u>December 31, 2020</u>
Current assets	\$ 111,091,657
Non-current assets	19,744,555
Current liabilities	(82,612,742)
Non-current liabilities	(2,280,475)
Total net assets	<u>\$ 45,942,995</u>
Adjustments on fair value of other intangible and tangible assets	<u>56,428</u>
Total net assets after adjustments	<u>\$ 45,999,423</u>
Share in associate's net assets	\$ 10,278,780
Goodwill (Note)	<u>1,087,171</u>
Carrying amount of the associate	<u>\$ 11,365,951</u>

Note: In February 2020, the Group held 29.9% equity interest in WT. However, WT increased its capital by issuing new shares in order to exchange shares with ASMedia Technology Inc., and the effective date for this share exchange was set on April 21, 2020, and the convertible bonds WT issued were converted to common stock. As the Group did not subscribe to the capital increase proportionately to its equity interest, the Group's shareholding ratio of WT decreased to 22.47%, and its capital reserve increased by an \$1,386,811. The Group obtained purchase price allocation report issued by an independent appraisals firm for goodwill which arose from acquiring the company's equity interests.

For December 31, 2019: None.

Statement of comprehensive income

	WT
	<u>Nine months ended December 31, 2020</u>
Revenue	\$ 353,152,195
Profit for the period from continuing operations	3,621,190
Other comprehensive income, net of tax	<u>6,569,424</u>
Total comprehensive income for the period	<u>\$ 10,190,614</u>
Dividends received from associates	<u>\$ 369,904</u>

For the year ended December 31, 2019: None.

- C. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

As of December 31, 2020 and 2019, the carrying amount of the Group's individually immaterial associates amounted to \$566,721 and \$586,142, respectively.

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Profit for the year from continuing operations	\$ 32,988	\$ 22,118
Other comprehensive loss - net of tax	(25,280)	(5,099)
Total comprehensive income	<u>\$ 7,708</u>	<u>\$ 17,019</u>

- D. The fair value of the Group's material associates with quoted market prices is as follows:

	<u>December 31, 2020</u>
WT Microelectronics Co., Ltd.	<u>\$ 7,137,533</u>

- E. There was no impairment on investments accounted for using the equity method for the years ended December 31, 2020 and 2019.
- F. The Group is the single largest shareholder of WT with a 22.47% equity interest. Given the participation extent of other shareholders in the shareholders' meeting and record of voting rights for major proposals, which indicate that the Group has no current ability to direct the relevant activities of WT, the Group has no control, but only has significant influence, over the investee.
- G. The Group is the single largest shareholder of ChainPower with a 39% equity interest. Given that a 40.49% equity interest in ChainPower is concentrated on other investors and a group vote of minority voting rights hold more shares than the Group, which indicate that the Group has no current ability to direct the relevant activities of ChainPower, the Group has no control, but only has significant influence, over the investee.
- H. The Group is the single largest shareholder of Eesource with a 40% equity interest. Given that a 43% equity interest in Eesource is concentrated on other investors and a group vote of minority voting rights hold more shares than the Group, which indicate that the Group has no current ability to direct the relevant activities of Eesource, the Group has no control, but only has significant influence, over the investee.

(10) Property, plant and equipment

	<u>Land</u>	<u>Buildings and structures</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Others</u>	<u>Construction in progress and equipment to be tested</u>	<u>Total</u>
<u>Cost</u>								
At January 1, 2020	\$ 2,294,712	\$2,080,861	\$ 12,499	\$ 433,590	\$ 640,775	\$ 443,395	\$ 1,410,680	\$ 7,316,512
Additions	10,093	21,579	3,074	126,102	18,613	49,623	5,400,177	5,629,261
Disposals	-	(856)	(154)	(35,924)	(16,953)	(1,586)	-	(55,473)
Transfer (Note)	4,008,267	2,049,945	-	43,469	-	-	(6,807,127)	(705,446)
Effect due to changes in exchange rates	(740)	35,315	(238)	(2,301)	(38,904)	(15,363)	83	(22,148)
At December 31, 2020	<u>\$ 6,312,332</u>	<u>\$4,186,844</u>	<u>\$ 15,181</u>	<u>\$ 564,936</u>	<u>\$ 603,531</u>	<u>\$ 476,069</u>	<u>\$ 3,813</u>	<u>\$12,162,706</u>
<u>Accumulated depreciation and impairment</u>								
At January 1	\$ 1,582	\$ 640,424	\$ 10,935	\$ 354,723	\$ 385,116	\$ 188,315	\$ -	\$ 1,581,095
Depreciation charge	-	68,503	1,301	40,730	115,441	43,703	-	269,678
Disposals	-	(280)	(154)	(35,013)	(16,868)	(885)	-	(53,200)
Transfer (Note)	-	(181,442)	-	-	-	-	-	(181,442)
Effect due to changes in exchange rates	-	27,657	(229)	(2,293)	(34,240)	(4,853)	-	(13,958)
At December 31, 2020	<u>\$ 1,582</u>	<u>\$ 554,862</u>	<u>\$ 11,853</u>	<u>\$ 358,147</u>	<u>\$ 449,449</u>	<u>\$ 226,280</u>	<u>\$ -</u>	<u>\$ 1,602,173</u>
Closing net book amount as at December 31, 2020	<u>\$ 6,310,750</u>	<u>\$3,631,982</u>	<u>\$ 3,328</u>	<u>\$ 206,789</u>	<u>\$ 154,082</u>	<u>\$ 249,789</u>	<u>\$ 3,813</u>	<u>\$10,560,533</u>

Note: Inventories amounting to \$1,751 were transferred to property, plant and equipment, property, plant and equipment amounting to \$525,755 were transferred to investment property and unfinished construction and equipment under acceptance amounting to \$4,296,037 and \$2,469,372 were transferred to land and buildings and structures, respectively.

	<u>Land</u>	<u>Buildings and structures</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Others</u>	<u>Construction in progress and equipment to be tested</u>	<u>Total</u>
<u>Cost</u>								
At January 1, 2019	\$ 2,296,752	\$2,122,448	\$ 19,043	\$ 449,661	\$ 633,249	\$ 438,681	\$ 1,152,522	\$ 7,112,356
Additions	-	315	642	17,034	23,267	34,696	258,158	334,112
Disposals	-	(601)	(6,919)	(29,659)	(1,552)	(18,915)	-	(57,646)
Transfer (Note)	-	-	-	1,574	-	-	-	1,574
Effect due to changes in exchange rates	(2,040)	(41,301)	(267)	(5,020)	(14,189)	(11,067)	-	(73,884)
At December 31, 2019	<u>\$ 2,294,712</u>	<u>\$2,080,861</u>	<u>\$ 12,499</u>	<u>\$ 433,590</u>	<u>\$ 640,775</u>	<u>\$ 443,395</u>	<u>\$ 1,410,680</u>	<u>\$ 7,316,512</u>
<u>Accumulated depreciation and impairment</u>								
At January 1	\$ 1,582	\$ 601,638	\$ 15,215	\$ 348,475	\$ 274,296	\$ 169,714	\$ -	\$ 1,410,920
Depreciation charge	-	52,473	2,081	37,260	120,758	41,218	-	253,790
Disposals	-	(424)	(6,121)	(27,148)	(1,173)	(17,992)	-	(52,858)
Effect due to changes in exchange rates	-	(13,263)	(240)	(3,864)	(8,765)	(4,625)	-	(30,757)
At December 31, 2019	<u>\$ 1,582</u>	<u>\$ 640,424</u>	<u>\$ 10,935</u>	<u>\$ 354,723</u>	<u>\$ 385,116</u>	<u>\$ 188,315</u>	<u>\$ -</u>	<u>\$ 1,581,095</u>
Closing net book amount as at December 31, 2019	<u>\$ 2,293,130</u>	<u>\$1,440,437</u>	<u>\$ 1,564</u>	<u>\$ 78,867</u>	<u>\$ 255,659</u>	<u>\$ 255,080</u>	<u>\$ 1,410,680</u>	<u>\$ 5,735,417</u>

Note: Inventories amounting to \$1,574 were transferred to property, plant and equipment.

- A. Amount of borrowing costs capitalized as part of property, plant and equipment and the range of the interest rates for such capitalization are as follows:

	Years ended December 31,	
	2020	2019
Amount capitalized	\$ 30,812	\$ 9,401
Range of the interest rates for capitalization	0.96%~1.09%	0.99%~1.03%

- B. Information on property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(11) Leasing arrangements-lessee

- A. The Group leases various assets including buildings, business vehicles and multifunction printers. Rental contracts are made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

- B. The carrying amounts of right-of-use assets are as follows:

	Buildings and structures	Transportation equipment (Business vehicles)	Office equipment (Photocopiers)	Other equipment	Total
<u>Cost</u>					
At January 1, 2020	\$ 1,424,648	\$ 88,054	\$ 27,594	\$ 22,580	\$1,562,876
Additions	952,409	20,809	-	18,619	991,837
Disposals	(78,583)	(23,754)	(190)	(13,970)	(116,497)
Effect due to changes in exchange rates	(13,740)	149	(479)	(262)	(14,332)
At December 31, 2020	<u>\$ 2,284,734</u>	<u>\$ 85,258</u>	<u>\$ 26,925</u>	<u>\$ 26,967</u>	<u>\$2,423,884</u>
<u>Accumulated depreciation</u>					
At January 1, 2020	\$ 384,410	\$ 29,555	\$ 8,424	\$ 11,408	\$ 433,797
Depreciation charge	419,663	32,809	8,770	11,412	472,654
Disposals	(71,039)	(16,143)	(190)	(13,703)	(101,075)
Effect due to changes in exchange rates	(11,879)	89	(237)	(159)	(12,186)
At December 31, 2020	<u>\$ 721,155</u>	<u>\$ 46,310</u>	<u>\$ 16,767</u>	<u>\$ 8,958</u>	<u>\$ 793,190</u>
Closing net book amount as at December 31, 2020	<u>\$ 1,563,579</u>	<u>\$ 38,948</u>	<u>\$ 10,158</u>	<u>\$ 18,009</u>	<u>\$1,630,694</u>

	Buildings and structures	Transportation equipment (Business vehicles)	Office equipment (Photocopiers)	Other equipment	Total
<u>Cost</u>					
At January 1, 2019	\$ -	\$ -	\$ -	\$ -	\$ -
Modified retrospective adjustments under IFRS 16	1,325,773	62,751	26,570	20,708	1,435,802
Additions	192,715	25,756	907	497	219,875
Disposals	(6,525)	-	-	(247)	(6,772)
Effect due to changes in exchange rates	(87,315)	(453)	117	1,622	(86,029)
At December 31, 2019	<u>\$ 1,424,648</u>	<u>\$ 88,054</u>	<u>\$ 27,594</u>	<u>\$ 22,580</u>	<u>\$1,562,876</u>
<u>Accumulated depreciation</u>					
At January 1, 2019	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation charge	397,852	29,698	8,515	11,589	447,654
Disposals	(2,027)	-	-	(106)	(2,133)
Effect due to changes in exchange rates	(11,415)	(143)	(91)	(75)	(11,724)
At December 31, 2019	<u>\$ 384,410</u>	<u>\$ 29,555</u>	<u>\$ 8,424</u>	<u>\$ 11,408</u>	<u>\$ 433,797</u>
Closing net book amount as at December 31, 2020	<u>\$ 1,040,238</u>	<u>\$ 58,499</u>	<u>\$ 19,170</u>	<u>\$ 11,172</u>	<u>\$1,129,079</u>

C. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets were \$991,837 and \$219,875, respectively.

D. Information on profit or loss in relation to lease contracts is as follows:

	<u>Years ended September 30,</u>	
	<u>2020</u>	<u>2019</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 55,928	\$ 49,719
Expense on short-term lease contracts	40,647	32,165
Expense on leases of low-value assets	2,975	2,525

E. For the years ended December 31, 2020 and 2019, the Group's total cash outflow for leases were \$532,689 and \$517,179, respectively.

(12) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>Cost</u>			
At January 1, 2020	\$ 338,690	\$ 929,231	\$ 1,267,921
Transfer (Note)	287,770	419,427	707,197
Effect due to changes in exchange rates	-	13,599	13,599
At December 31, 2020	<u>\$ 626,460</u>	<u>\$ 1,362,257</u>	<u>\$ 1,988,717</u>
<u>Accumulated depreciation</u>			
At January 1, 2020	\$ -	\$ 207,806	\$ 207,806
Depreciation charge	-	22,608	22,608
Transfer	-	181,442	181,442
Effect due to changes in exchange rates	-	3,122	3,122
At December 31, 2020	<u>\$ -</u>	<u>\$ 414,978</u>	<u>\$ 414,978</u>
Closing net book amount as at December 31, 2020	<u>\$ 626,460</u>	<u>\$ 947,279</u>	<u>\$ 1,573,739</u>

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>Cost</u>			
At January 1, 2019	\$ 338,690	\$ 960,770	\$ 1,299,460
Additions	-	126	126
Effect due to changes in exchange rates	-	(31,665)	(31,665)
At December 31, 2019	<u>\$ 338,690</u>	<u>\$ 929,231</u>	<u>\$ 1,267,921</u>
<u>Accumulated depreciation</u>			
At January 1, 2019	\$ -	\$ 192,214	\$ 192,214
Depreciation charge	-	22,812	22,812
Effect due to changes in exchange rates	-	(7,220)	(7,220)
At December 31, 2019	<u>\$ -</u>	<u>\$ 207,806</u>	<u>\$ 207,806</u>
Closing net book amount as at December 31, 2019	<u>\$ 338,690</u>	<u>\$ 721,425</u>	<u>\$ 1,060,115</u>

Note: Property, plant and equipment amounting to \$525,755 were transferred to investment property.

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

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Rental revenue from investment property	<u>\$ 43,435</u>	<u>\$ 62,184</u>

	Years ended December 31,	
	2020	2019
Direct operating expenses arising from the investment property that generated rental income during the period	\$ <u>17,046</u>	\$ <u>18,198</u>
Direct operating expenses arising from the investment property that did not generate rental income during the period	\$ <u>7,106</u>	\$ <u>5,752</u>

- B. The fair value of the investment property held by the Group as of December 31, 2020 and 2019 was \$2,504,682 and \$1,507,499, respectively. The fair value as of December 31, 2020 and 2019 was based on independent appraisers' valuation, which was made using comparative method and income approach. Comparison method is to compare the valuation target with similar property which is traded around the valuation period. Comparison method is categorized within Level 3 in the fair value hierarchy. Valuations were made using the income approach with key assumptions as follows:

	December 31, 2020	December 31, 2019
Discount rate	1.91%~7.5%	2.35%~7.5%
Growth rate	0%~5%	0%~5%
Gross margin	1.19%~3.17%	1.2%~3.2%

- C. There is no impairment loss on investment property.

- D. For investment property pledged for guarantee, please refer to Note 8.

(13) Intangible assets

	Operating right	Software	Goodwill	Others	Total
<u>Cost</u>					
At January 1, 2020	\$ 287,532	\$ 250,053	\$ 5,658,880	\$ 64,820	\$6,261,285
Acquired separately	-	167,395	-	-	167,395
Disposals	-	(20,951)	(54,262)	(23,627)	(98,840)
Effect due to changes in exchange rates	(13,677)	975	(14,180)	(2,175)	(29,057)
At December 31, 2020	\$ <u>273,855</u>	\$ <u>397,472</u>	\$ <u>5,590,438</u>	\$ <u>39,018</u>	\$ <u>6,300,783</u>
<u>Accumulated amortization and impairment</u>					
At January 1, 2020	\$ 287,532	\$ 217,795	\$ 122,345	\$ 64,762	\$ 692,434
Amortization charge	-	64,419	-	-	64,419
Disposals	-	(20,888)	(54,262)	(23,627)	(98,777)
Effect due to changes in exchange rates	(13,677)	854	(4,186)	(2,117)	(19,126)
At December 31, 2020	\$ <u>273,855</u>	\$ <u>262,180</u>	\$ <u>63,897</u>	\$ <u>39,018</u>	\$ <u>638,950</u>
Closing net book amount as at December 31, 2020	\$ <u>-</u>	\$ <u>135,292</u>	\$ <u>5,526,541</u>	\$ <u>-</u>	\$ <u>5,661,833</u>

	<u>Operating right</u>	<u>Software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
<u>Cost</u>					
At January 1, 2019	\$ 294,234	\$ 235,175	\$ 5,666,777	\$ 66,299	\$6,262,485
Acquired separately	-	23,861	-	-	23,861
Disposals	-	(6,020)	-	-	(6,020)
Effect due to changes in exchange rates	(6,702)	(2,963)	(7,897)	(1,479)	(19,041)
At December 31, 2019	<u>\$ 287,532</u>	<u>\$ 250,053</u>	<u>\$ 5,658,880</u>	<u>\$ 64,820</u>	<u>\$6,261,285</u>
<u>Accumulated amortization and impairment</u>					
At January 1, 2019	\$ 294,234	\$ 208,732	\$ 125,345	\$ 66,240	\$ 694,551
Amortization charge	-	16,303	-	-	16,303
Disposals	-	(4,772)	-	-	(4,772)
Effect due to changes in exchange rates	(6,702)	(2,468)	(3,000)	(1,478)	(13,648)
At December 31, 2019	<u>\$ 287,532</u>	<u>\$ 217,795</u>	<u>\$ 122,345</u>	<u>\$ 64,762</u>	<u>\$ 692,434</u>
Closing net book amount as at December 31, 2019	<u>\$ -</u>	<u>\$ 32,258</u>	<u>\$ 5,536,535</u>	<u>\$ 58</u>	<u>\$5,568,851</u>

The details of amortization charge are as follows:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Selling and marketing expenses	\$ 6,284	\$ 3,942
General and administrative expenses	58,135	12,361
	<u>\$ 64,419</u>	<u>\$ 16,303</u>

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Yosun subgroup	\$ 3,636,575	\$ 3,644,792
World Peace subgroup	1,645,683	1,647,459
Others	244,283	244,284
	<u>\$ 5,526,541</u>	<u>\$ 5,536,535</u>

- B. Goodwill is allocated to the Group's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management.

Management determined budgeted gross margin based on past performance and its expectations of market development. The assumptions used for weighted average growth rates are based on past historical experience and expectations of the industry; the assumption used for discount rate is the weighted average capital cost of the Group. The assumption used for discount rate is the weighted average capital cost of each cash-generating unit. As of December 31, 2020 and 2019, the adopted pre-tax discount rates were 2.88%~6.35% and 4.12%~7.13%, respectively.

- C. There is no impairment loss on intangible assets.

(14) Prepayments for investments

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Prepayments for investments (Note)	<u>\$ 31,050</u>	<u>\$ 8,142,688</u>

Note: On November 12, 2019, the Board of Directors of the Group resolved to publicly acquire the common stocks of WT Microelectronics Co., Ltd. (WT). The public acquisition period was terminated on January 30, 2020, and the Group acquired 177,110,000 shares at a price of NT\$45.8 (in dollars) per share for a total consideration of \$8,111,638. The shareholding ratio of WT held by the Group constituted 29.9% of its total issued common stocks after the public acquisition. On February 6, 2020, the shares were settled, and the transaction was reclassified to 'investments accounted for using the equity method'.

(15) Overdue receivables (shown as 'other non-current assets')

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Overdue receivables	\$ 978,510	\$ 1,026,348
Less: Allowance for doubtful accounts	(971,636)	(946,395)
	<u>\$ 6,874</u>	<u>\$ 79,953</u>

Movement analysis of financial assets that were impaired is as follows:

	<u>2020</u>	<u>2019</u>
	<u>Individual provision</u>	<u>Individual provision</u>
At January 1	\$ 946,395	\$ 927,792
Reversal of provision for impairment	(30,234)	(8,187)
Write-off of bad debts	(8,955)	(35,357)
Transferred from accounts receivable	109,622	86,488
Effect due to changes in exchange rates	(45,192)	(24,341)
At December 31	<u>\$ 971,636</u>	<u>\$ 946,395</u>

(16) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Loans for overseas purchases	\$ 14,815,186	\$ 20,737,137
Short-term loans	<u>44,225,361</u>	<u>48,154,477</u>
	<u>\$ 59,040,547</u>	<u>\$ 68,891,614</u>
Interest rate range	<u>0.65%~7.8%</u>	<u>0.96%~9.75%</u>

For information on pledged assets, please refer to Note 8.

(17) Short-term notes and bills payable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Commercial papers payable	\$ 4,945,000	\$ 5,560,000
Less: Unamortized discount	(3,495)	(4,576)
	<u>\$ 4,941,505</u>	<u>\$ 5,555,424</u>
Interest rate range	<u>0.23%~1.19%</u>	<u>0.50%~1.16%</u>

The abovementioned short-term notes and bills payable are guaranteed by financial institutions.

(18) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period / repayment term</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Secured bank borrowings (Note 1 and 4)	2012.03.30~ 2040.04.30	\$ 5,569,088	\$ 16,341
Unsecured bank borrowings (Note 2, 3, 5, 7, 8 and Note 11~Note 14)	2019.07.10~ 2025.12.31	8,779,622	5,542,428
Commercial paper payable (Notes 6, 9 and 10)	2018.11.09~ 2023.09.04	10,750,000	7,300,000
		25,098,710	12,858,769
Less: Discount on long-term borrowings	(	35,215)	(25,396)
Less: Current portion of long-term borrowings (shown as 'other current liabilities')	(	6,420,258)	(5,502,585)
		<u>\$ 18,643,237</u>	<u>\$ 7,330,788</u>
Interest rate range		<u>0.90%~3.49%</u>	<u>0.68%~3.16%</u>

For information on pledged assets, please refer to Note 8.

Note 1: (a) The Company had entered into a long-term agreement for twenty years with a financial institution. The pledged assets are the Nangang new buildings with a grace period of three years. The principal shall be repaid in equal monthly installments starting from April 2023.

(b) The interest rate is the index interest rate plus 0.34% from the borrowing day to March 31, 2022, and from March 31, 2022 onwards, the interest rate shall be the index rate plus 0.45%.

Note 2: The Company had entered into a long-term agreement for three years with a financial institution. The borrowing is payable in full at maturity in March 2023. The fixed interest rate is 1.43% from the borrowing day to March 10, 2022, and subsequently, the interest rate shall be the index interest rate plus 0.68% every three months from March 10, 2022.

Note 3: The Company had entered into a mid-term agreement for five years with a financial institution. The interest rate shall be the index interest rate plus 0.45% from the borrowing day.

Note 4: AIT Japan Inc., the Company's indirect subsidiary, had entered into a long-term loan agreement for a period of ten years with the Daiwa Bank, Limited on March 28, 2012, and the facility is JPY 250,000,000. The pledged assets are land and office in Tokyo, which amount to \$69,545 and \$62,365, respectively. The principal should be repaid in equal monthly installments (totaling 114 months) of JPY 2,193,000 from October 31, 2012 and the last monthly installment will be JPY 2,191,000.

Note 5: Asian Information Technology Inc., and Frontek Technology Corporation, an indirect

subsidiary, entered into a two-year borrowing contract with Yuanta Commercial Bank in December 2018 in the amount of \$300,000. The interest is repayable monthly, the principal is payable in full at maturity and the borrowings could be used and repaid any time during the valid period.

Asian Information Technology Inc. and Frontek Technology Corporation, an indirect subsidiary, have settled all payments on September 24, 2020 and November 3, 2020, respectively.

Note 6: Silicon Application Corporation had entered into a syndicated borrowing agreement with Chang Hwa Commercial Bank and other financial institutions on June 9, 2020. The terms and conditions of the contract were as follows:

- (a) Contract term: Within three years from the first drawdown.
- (b) Facility and drawdown: The facility is \$2,600,000, could be multiple drawdowns or revolving, however, the total amount at any time cannot exceed the facility amount.
- (c) Repayment: For each drawdown, the principal and the interest payable must be repaid in full at the end of that specific drawdown's term. At the end of the contract term, the principal, interest payable and any related expense of each drawdown must be repaid in full.
- (d) Loan covenant: During the contract term, Silicon Application Corporation is required to maintain financial ratios as follows: the liquidity ratio should not be less than 100%, debt ratio should not be higher than 260%, time interest earned ratio should not be less than 2.5 and net value (net assets less intangible assets) should be maintained at or above \$3,000,000.

Silicon Application Corporation met all the financial commitments stated in the contract.

Note 7: Silicon Application Corporation had entered into a syndicated borrowing agreement with Bank of Taiwan and other financial institutions on May 16, 2017. The terms and conditions of the contract were as follows:

- (a) Contract term: Within three years from the first drawdown.
- (b) Facility and drawdown: The facility is \$2,600,000, could be multiple drawdowns or revolving, however, the total amount at any time cannot exceed the facility amount.
- (c) Repayment: For each drawdown, the principal and the interest payable must be repaid in full at the end of that specific drawdown's term. At the end of the contract term, the principal, interest payable and any related expense of each drawdown must be repaid in full.
- (d) Loan covenant: During the contract term, Silicon Application Corporation is required to maintain financial ratios as follows: the liquidity ratio should not be less than 100%, debt ratio should not be higher than 220%, time interest earned ratio should not be less than 3 and net value (net assets less intangible assets)

should be maintained at or above \$3,000,000.

Silicon Application Corporation met all the financial commitments stated in the contract.

Note 8: World Peace Industrial Co., Ltd. (WPI), the Company's subsidiary, had entered into a syndicated borrowing agreement with Hua Nan Commercial Bank, Mizuho Corporate Bank, E. SUN Commercial Bank, Taiwan Cooperative Bank, Chang Hwa Commercial Bank, Far Eastern International Bank and other financial institutions on August 31, 2017. The terms and conditions of the contract were as follows:

- (a) Contract term: Within three years from the first drawdown.
- (b) Facility and drawdown: The facility must be less than \$7,200,000. Each drawdown amount must be no less than \$100,000 or USD 3 million. The repayment period of NTD borrowing could be 30 days at the least and 180 days at the most; the repayment period of USD borrowing could be one month at the least and six months at the most.
- (c) Repayment: For each drawdown, the principal and interest must be repaid in full at the end of each drawdown's term. For re-utilization of the revolving loan after maturity date, application should be submitted to the lead bank five days before the maturity date. Based on the credit term in the contract, all or part of the loan will be re-utilized. If the amount of drawdown is the same as the last time, the syndicate of banks would not make an additional procedure of remittance and loan, as if the borrower has actually received the loan, and uses the loan contract as proof of receipt.
- (d) Loan covenant: World Peace Industrial Co., Ltd. is required to maintain certain financial ratios based on semi-annual and annual consolidated financial statements during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be higher than 250%, time interest earned ratio should not be less than 2.5 and net value (net assets less intangible assets) should not be less than \$10,000,000.

The aforementioned contract matured in September 2020. World Peace Industrial Co., Ltd. met all the financial commitments stated in the contract during the contract period.

Note 9: World Peace Industrial Co., Ltd. (WPI), the Company's subsidiary, had entered into a financing agreement with E. SUN Commercial Bank, Mizuho Corporate Bank and Cathay United Bank and other financial institutions on October 16, 2018. WPI has to roll over commercial papers and re-utilize the loan during the contract period, up to 2021, with the maximum maturity period of 6 months for each issue as stipulated in the agreement. Therefore, borrowings of WPI were classified as long-term borrowings. The terms and conditions of the contract are as follows:

- (a) Contract term: Within three years from the first drawdown.
- (b) Facility and drawdown: The facility must be less than \$10,000,000.

- i. Each drawdown amount must not be less than \$100,000 or USD 3 million. Based on the credit term in the contract, the loan can be re-utilized. The repayment period could be one or six months: One month at the least and six months at the most. Each maturity date shall be within the contract term.
 - ii. During the term of agreement, WPI can roll over each credit facility within the total revolving credit facility of commercial papers amounting to \$8,000,000 at 60, 90, 120, 180 days maturity or the days agreed by the lead bank and the Company with a limit of 180 days and each maturity date shall be within the contract term.
- (c) Repayment:
- i. For each drawdown, the principal and interest must be repaid in full at the end of each drawdown's term. For re-utilization of the revolving loan after maturity date, application should be submitted to the lead bank five days before the maturity date. Based on the credit term in the contract, all or part of the loan will be re-utilized. If the amount of drawdown is the same as the last time, the syndicate of banks would not make an additional procedure of remittance and loan, as if the borrower has actually received the loan, and uses the loan contract as proof of receipt.
 - ii. When the commercial papers mature, the borrower shall deposit available funds at face value on the maturity date to an account designated by clearing and settlement institutions immediately in line with Regulations Governing Centralized Securities Depository Enterprises.
- (d) Loan covenant: WPI is required to maintain certain financial ratios based on annual consolidated financial statements during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be higher than 250%, time interest earned ratio should not be less than 2.5 and net value (net assets less intangible assets) should not be less than \$10,000,000. If the covenants are not met, right to drawdown is immediately terminated, and the lead bank can decide to take the following actions:
- i. Rescind part or all of the undrawn facility;
 - ii. Request WPI to immediately repay all drawn principals, interest payable and other related payables as specified in the contract;
 - iii. Demand the borrower to deposit the amounts that are equivalent to undischarged guaranteed obligations for drawdown facility of issued commercial papers under the agreement and (or) outstanding guarantees as reserve into the account designated by the bank consortium immediately;
 - iv. Demand all rights of the promissory note obtained from signing of the contract.

World Peace Industrial Co., Ltd. met all the financial commitments stated in the

contract.

Note 10: World Peace Industrial Co., Ltd. (WPI), the Company's subsidiary, had entered into a long-term loan agreement with Taiwan Cooperative Bank on August 18, 2020. The terms and conditions of the contract were as follows:

- (a) Contract term: Within three years from the first drawdown.
- (b) Facility and drawdown: The consolidated drawdown rate of the WPI's facility of \$10,000,000 and the facility of WPI International (Hong Kong) Limited of US\$200 million shall be maintained at 40%, and the loan can be re-utilized based on the credit term in the contract.
 - i. Each drawdown amount must not be less than \$50,000 or USD 1.5 million, and the amount more than \$50,000 or USD 1.5 million shall be an integral multiple of \$10,000 or USD 1 million or shall be the available facility during the credit period, but not available for the amount approved by the lead bank. The repayment period can be one, two, three, four, five or six month(s). However, each maturity date shall be within the contract term.
 - ii. The facility of commercial papers is \$7,500,000. Each drawdown amount must not be less than \$50,000, and the amount more than \$50,000 shall be an integral multiple of \$10,000 or shall be the available facility during the credit period, but not available for the amount approved by the lead bank. The issuance period for each drawdown can be 30, 60 and 90 days maturity or the days agreed by the lead bank and WPI with a limit of 180 days. However, each maturity date shall be within the contract term.
- (c) Repayment:
 - i. For each drawdown, the principal and interest must be repaid in full at the end of each drawdown's term. For re-utilization of the revolving loan after maturity date, application should be submitted to the lead bank five days before the maturity date. Based on the credit term in the contract, all or part of the loan will be re-utilized. If the amount of drawdown is the same as the last time, the syndicate of banks would not make an additional procedure of remittance and loan, as if the borrower has actually received the loan, and uses the loan contract as proof of receipt.
 - ii. When the commercial papers mature, the borrower shall settle the commercial papers at face value.
- (d) Loan covenant: WPI is required to maintain certain financial ratios based on annual consolidated financial statements during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be higher than 250%, time interest earned ratio should not be less than 2.5 and net value (net assets less intangible assets) should not be less than \$10,000,000. If the covenants are not met, right to drawdown is immediately terminated, and the following actions will be taken based on the resolution made by majority

syndicated banks:

- i. Rescind part or all of the undrawn facility;
- ii. Request WPI to immediately repay all drawn principals, interest payable and other related payables as specified in the contract;
- iii. Demand the borrower to deposit the amounts that are equivalent to undischarged guaranteed obligations for drawdown facility of issued commercial papers under the agreement and (or) outstanding guarantees as reserve into the account designated by the bank consortium immediately;
- iv. Demand all rights of the promissory note obtained from signing of the contract.

World Peace Industrial Co., Ltd. met all the financial commitments stated in the contract.

Note 11: World Peace Industrial Co., Ltd. (WPI), the Company's subsidiary, had entered into a financing agreement with DBS Bank on July 24, 2020. The terms and conditions of the contract were as follows:

- (a) Contract term: Within three years from the first drawdown.
- (b) Facility and drawdown: The facility must be less than USD 100 million.
- (c) Repayment: For each drawdown, the principal and interest must be repaid in full at the end of each drawdown's term.

Note 12: On June 12, 2017, WPG Korea Co., Ltd. entered into a long-term loan agreement with Kookmin Bank for a loan of KRW 2 billion until March 15, 2020. The principal is payable in 10 quarterly installments of KRW 200 million each starting from December 15, 2017. The interest is payable quarterly.

Note 13: On June 12, 2017, WPG Korea Co., Ltd. entered into a long-term loan agreement with Kookmin Bank for a loan of KRW 1 billion until June 15, 2020. The principal is payable in 10 quarterly installments of KRW 100 million each starting from March 15, 2018. The interest is payable quarterly.

Note 14: On July 10, 2019, WPG Korea Co., Ltd. entered into a long-term loan agreement with Kookmin Bank for a loan of KRW 3 billion until June 15, 2022. The principal is payable in 10 quarterly installments of KRW 300 million each starting from March 15, 2020. The interest is payable quarterly.

(19) Other current liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Long-term borrowings-current portion	\$ 6,420,258	\$ 5,502,585
Refund liabilities	3,552,271	4,463,062
Contract liabilities	159,457	1,027,069
Others	346,648	454,895
	<u>\$ 10,478,634</u>	<u>\$ 11,447,611</u>

A. Refund liabilities were generated from sales discounts which is shown as 'other current liabilities'.

- B. Contract liabilities were generated from advance sales receipts which is shown as ‘other current liabilities’.

(20) Pensions

A. Defined benefit plans

- (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution for the deficit by next March.

Effective January 1, 2010, the Company and certain subsidiaries have funded defined benefit pension plans in accordance with the “Regulations on pensions of managers”, covering all managers appointed by the Company. Under the defined benefit pension plan, one unit is accrued for each year of service, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the remuneration per unit ratified during the appointed period.

- (b) The amounts recognized in the balance sheet are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Present value of defined benefit obligations	\$ 1,149,613	\$ 1,175,451
Fair value of plan assets	(539,841)	(498,848)
Net defined benefit liability (shown as ‘other non-current liabilities’)	<u>\$ 609,772</u>	<u>\$ 676,603</u>

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2020</u>			
Balance at January 1	\$ 1,175,451	(\$ 498,848)	\$ 676,603
Current service cost	7,167	-	7,167
Interest expense (income)	8,323	(3,542)	4,781
	<u>1,190,941</u>	<u>(502,390)</u>	<u>688,551</u>
Remeasurements:			
Return on plan assets	-	(11,980)	(11,980)
Change in financial assumptions	41,993	-	41,993
Experience adjustments	(33,538)	(4,585)	(38,123)
	<u>8,455</u>	<u>(16,565)</u>	<u>(8,110)</u>
Paid pension	(38,624)	38,624	-
Direct payments charged to Company's account	(11,159)	267	(10,892)
Pension fund contribution	-	(59,777)	(59,777)
	<u>(49,783)</u>	<u>(20,886)</u>	<u>(70,669)</u>
Balance at December 31	<u>\$ 1,149,613</u>	<u>(\$ 539,841)</u>	<u>\$ 609,772</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2019</u>			
Balance at January 1	\$ 1,172,837	(\$ 424,129)	\$ 748,708
Current service cost	14,162	-	14,162
Interest expense (income)	10,902	(4,091)	6,811
	<u>1,197,901</u>	<u>(428,220)</u>	<u>769,681</u>
Remeasurements:			
Return on plan assets	-	(9,124)	(9,124)
Change in financial assumptions	27,077	(1,431)	25,646
Experience adjustments	(21,180)	(4,191)	(25,371)
	<u>5,897</u>	<u>(14,746)</u>	<u>(8,849)</u>
Paid pension	(8,480)	8,480	-
Direct payments charged to Company's account	(19,867)	1,550	(18,317)
Pension fund contribution	-	(65,912)	(65,912)
	<u>(28,347)</u>	<u>(55,882)</u>	<u>(84,229)</u>
Balance at December 31	<u>\$ 1,175,451</u>	<u>(\$ 498,848)</u>	<u>\$ 676,603</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and its domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6:

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

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

	Years ended December 31,	
	2020	2019
Discount rate	0.3%~0.4%	0.6%~0.8%
Future salary increases	2.00%~4.00%	2.00%~4.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience by 5th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
<u>December 31, 2020</u>				
Effect on present value of				
defined benefit obligation	(\$ 93,846)	\$ 97,015	\$ 78,107	(\$ 76,024)
<u>December 31, 2019</u>				
Effect on present value of				
defined benefit obligation	(\$ 109,775)	\$ 113,650	\$ 92,969	(\$ 90,440)

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

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

(f) Expected contributions to the defined benefit pension plans of the Group for the year ended December 31, 2021 are \$18,831.

(g) As of December 31, 2020, the weighted average duration of that retirement plan is 5~13 years.

B. Defined contribution plans

(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on not less than 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) Other overseas companies have defined contribution plans. Contributions for pensions and retirement allowance to independent fund administered by the government in accordance with the local pension regulations are based on a certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the companies have no further obligations.

(c) The pension costs of the Group under the defined contribution pension plans for the years ended December 31, 2020 and 2019 were \$270,711 and \$368,106, respectively.

(21) Share capital

A. The Company’s authorized capital was \$25,000,000, of which certain shares can be issued as preference shares. The above authorized capital include \$500,000 reserved for employee stock option certificates, restricted stocks to employees, convertible preferred stock and convertible bonds. As of December 31, 2020, the paid-in capital was \$18,790,568 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

B. Movements in the number of the Company’s ordinary shares outstanding (in thousands of shares) for the years ended December 31, 2020 and 2019 are as follows:

	2020	2019
At January 1 and December 31	<u>1,679,057</u>	<u>1,679,057</u>

C. On June 28, 2019, the Board of Directors resolved to increase its capital by issuing 200 million shares of Class A preferred stocks at the price of \$50 (in dollars) per share with the effective date set on September 18, 2019 for repayment of borrowings to financial institutions and strengthening the Company’s working capital. The registration of issuance has been completed on October 3, 2019. The rights and obligations of the issuance are as follows:

(a) Expiration date: The Company’s Class A preferred stocks are perpetual but all or certain parts are callable at any time from the next day of five years after issuance at

the actual issue price.

- (b) Dividends: Dividends are calculated at 4% (five-year IRS rate: 0.605%+3.395%) per annum based on the issue price per share. The five-year IRS rate will be reset on the next business day of five years since issuance and every subsequent five years and the pricing effective date for rate reset is two Taipei financial industry business days prior to the IRS rate reset date. The rate index, five-year IRS rate, is the arithmetic mean of five-year IRS rates appearing on Reuters pages “TAIFXIRS” and “COSMOS3” at 11:00 a.m. (Taipei time) on the relevant pricing effective date of rate reset. If such rate cannot be obtained, the Company will determine the rate based on the reasonable market price with good faith.
- (c) Dividend distribution: Dividends are distributed once per year in the form of cash. The current year’s earnings, if any, shall first be used to pay all taxes and offset prior years’ operating losses and then shall be set aside as legal reserve in accordance with the Articles of Incorporation and set aside as or reversed special reserve in accordance with the Articles of Incorporation or regulations of regulatory authority. The remaining amount, if any, shall be preferentially distributed as dividends of Class A preferred stocks.

The Company has discretion in dividend distribution of Class A preferred stocks. The Company could choose not to distribute dividends of preferred stocks when resolved by the stockholders, which would not be able to lead to default if the Company has no or has insufficient current year’s earnings for distribution or has other necessary considerations. In addition, the amounts of undistributed dividends or insufficient distributed dividends will not become deferred payments in future years when the Company has earnings.

- (d) Excess dividend distribution: Besides the aforementioned dividends, the stockholders of Class A preferred stocks could not participate in the distribution of cash and capitalized assets for common stocks derived from earnings and capital surplus.
- (e) Residual property distribution: The stockholders of Class A preferred stocks have priority over stockholders of common stocks in distributing the Company’s residual property but the limit is the amount calculated by shares of outstanding preferred stocks issued and the issue price when distributing.
- (f) Right to vote and be elected: The stockholders of Class A preferred stocks have no right to vote and be elected in the stockholders’ meeting of the Company but have right to vote in the stockholders’ meeting for stockholders of Class A preferred stocks only and stockholders’ meeting regarding unfavourable matters to rights and obligations of stockholders of Class A preferred stocks.
- (g) Conversion to common stocks: Class A preferred stocks could not be converted to common stocks and the stockholders of Class A preferred stocks could not request the Company to retire the preferred stocks they held.

- (h) The preemptive rights for stockholders of Class A preferred stocks are the same as of common stocks when the Company increases its capital by issuing new shares.
- D. On September 18, 2020, the Board of Directors of the Company resolved to increase its capital by issuing series B preference shares, and the issuing price is tentatively set at NT\$50 per share, and the expected total issuance amounted to \$5,000,000. The capital increase was approved by the FSC on October 21, 2020. However, in consideration of preference shares' capital market and the Company's overall maximum benefits, the Board of Directors of WPG Holdings Limited resolved to revoke and cancel the proposed capital increase of series B preference shares. The application for cancellation has not yet been approved by FSC.

(22) Capital surplus

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

2020						
	Common stock share premium	Preferred stock share premium	Treasury share transaction	Recognized changes in subsidiaries' equity	Changes in associates' net equity	Total
January 1	\$19,387,285	\$ 7,994,638	\$ 45,177	\$ 431	\$ 28,767	\$ 27,456,298
Changes in equity of associates and joint ventures accounted for using the equity method	-	-	-	-	1,392,435	1,392,435
December 31	<u>\$19,387,285</u>	<u>\$ 7,994,638</u>	<u>\$ 45,177</u>	<u>\$ 431</u>	<u>\$ 1,421,202</u>	<u>\$ 28,848,733</u>

2019						
	Common stock share premium	Preferred stock share premium	Treasury share transaction	Recognized changes in subsidiaries' equity	Changes in associates' net equity	Total
January 1	\$19,387,285	\$ -	\$ 45,177	\$ 431	\$ 21,989	\$ 19,454,882
Preferred stock share premium	-	7,994,638	-	-	-	7,994,638
Changes in equity of associates and joint ventures accounted for using the equity method	-	-	-	-	6,778	6,778
December 31	<u>\$19,387,285</u>	<u>\$ 7,994,638</u>	<u>\$ 45,177</u>	<u>\$ 431</u>	<u>\$ 28,767</u>	<u>\$ 27,456,298</u>

(23) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be used to set aside as legal reserve, and set aside as special reserve in accordance with Article 41 of Securities and Exchange Act. The remainder, if any, to be appropriated shall be proposed by the Board of Directors. If cash dividends are distributed, they shall account for at least 20% of the total dividends distributed.

Employees of the Company's subsidiaries are entitled to receive the distribution of earnings. The terms shall be defined by the Board of Directors.

- B. Legal reserve can only be used to cover accumulated losses or issue new shares or cash to shareholders in proportion to their share ownership, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- D. On June 24, 2020 and June 28, 2019, the shareholders during their meeting resolved the distribution of 2019 and 2018 retained earnings as follows:

	Years ended December 31			
	2019		2018	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	\$ 646,344	\$ -	\$ 746,201	\$ -
Provision for (reversal of)				
special reserve	2,818,012	-	(1,522,254)	-
Cash dividends	4,029,736	2.40	4,533,453	2.70
Cash dividends of preference stock	115,068	0.58	-	-
	<u>\$ 7,609,160</u>	<u>\$ 2.98</u>	<u>\$ 3,757,400</u>	<u>\$ 2.70</u>

The above appropriations of earnings for 2019 and 2018 as resolved by the shareholders are the same with the amounts resolved by the Board of Directors.

- E. As of March 30, 2021, the appropriation of earnings for the year ended December 31, 2020 has not yet been proposed by the Board of Directors and resolved by the shareholders.
- F. For the information relating to employees' compensation and directors' remuneration, please refer to Note 6(31).

(24) Other equity items

	2020		
	Investments at fair value through comprehensive income	Currency translation	Total
At January 1	(\$ 6,000)	(\$ 5,414,694)	(\$ 5,420,694)
Revaluation-gross	100,184	-	100,184
Revaluation-associates	1,790,211	-	1,790,211
Revaluation transferred to retained earnings-associates	(30,024)	-	(30,024)
Cumulative translation differences:			
- Group	-	(4,870,406)	(4,870,406)
- Tax on Group	-	6,489	6,489
- Associates	-	(408,554)	(408,554)
At December 31	<u>\$ 1,854,371</u>	<u>(\$ 10,687,165)</u>	<u>(\$ 8,832,794)</u>

	2019		
	Investments at fair value through comprehensive income	Currency translation	Total
At January 1	(\$ 6,000)	(\$ 2,596,682)	(\$ 2,602,682)
Cumulative translation differences:			
- Group	-	(2,816,203)	(2,816,203)
- Tax on Group	-	3,218	3,218
- Associates	-	(5,027)	(5,027)
At December 31	<u>(\$ 6,000)</u>	<u>(\$ 5,414,694)</u>	<u>(\$ 5,420,694)</u>

(25) Operating revenue

	Years ended December 31,	
	2020	2019
Revenue from contracts with customers	<u>\$ 609,885,871</u>	<u>\$ 527,601,353</u>

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines:

	Years ended December 31,	
	2020	2019
Core components	\$ 202,310,074	\$ 156,144,782
Analog IC and mixed signal components	93,492,227	113,860,827
Discrete IC, logic IC	80,852,236	74,881,379
Memory	126,631,458	103,263,510
Optical components	59,656,956	41,465,436
Passive connector and magnetic components	33,056,264	27,531,480
Others	13,886,656	10,453,939
	<u>\$ 609,885,871</u>	<u>\$ 527,601,353</u>

(26) Interest income

	Years ended December 31,	
	2020	2019
Interest income from bank deposits	\$ 33,534	\$ 50,052
Interest income from financial assets measured at amortized cost	3,327	5,313
	<u>\$ 36,861</u>	<u>\$ 55,365</u>

(27) Other income

	Years ended December 31,	
	2020	2019
Rental revenue	\$ 55,471	\$ 60,992
Dividend income	45,510	17,285
Other income	153,323	150,016
	<u>\$ 254,304</u>	<u>\$ 228,293</u>

(28) Other gains and losses

	Years ended December 31,	
	2020	2019
Loss on disposal of property, plant and equipment	(\$ 673)	(\$ 1,939)
Loss on disposal of investments	(27,036)	(8)
Currency exchange gain	539,379	492,573
Gain on financial assets and liabilities at fair value through profit or loss	172,962	83,921
Loss arising from lease modifications	(300)	-
Depreciation on investment property	(22,608)	(22,812)
Other losses	(50,829)	(35,101)
	<u>\$ 610,895</u>	<u>\$ 516,634</u>

(29) Finance costs

	Years ended December 31,	
	2020	2019
Interest expense:		
Bank borrowings	\$ 1,689,202	\$ 2,154,953
Less: Capitalization of qualifying assets	(30,812)	(9,401)
Others	267,646	201,820
	<u>\$ 1,926,036</u>	<u>\$ 2,347,372</u>

(30) Additional information of expenses by nature

	Years ended December 31,	
	2020	2019
Employee benefit expense	\$ 8,167,961	\$ 7,908,516
Depreciation charges		
Property, plant and equipment	\$ 269,678	\$ 253,790
Investment property	22,608	22,812
Right-of-use assets	472,654	447,654
Total	\$ 764,940	\$ 724,256
Amortization charges on intangible assets	\$ 64,419	\$ 16,303

(31) Employee benefit expense

	Years ended December 31,	
	2020	2019
Wages and salaries	\$ 7,212,908	\$ 6,827,566
Directors' remuneration	52,936	38,978
Labor and health insurance fees	334,982	363,207
Pension costs	282,712	389,079
Other personnel expenses	284,423	289,686
	\$ 8,167,961	\$ 7,908,516

- A. According to the Articles of Incorporation of the Company, a ratio of profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be between 0.01% ~5% for employees' compensation and shall not be higher than 3% for directors' remuneration.
- B. The Company has established the audit committee, therefore, there was no remuneration paid to supervisors for the years ended December 31, 2020 and 2019.
- C. The Company's salary and remuneration policy:
- (a) The overall remuneration structure of the Company's remuneration policy is based on two types: "guaranteed minimum income" and "incentive bonus". The guaranteed minimum income is for employees' basic financial needs, and the incentive bonus is an actual reward to encourage employee performance. The sum of two types of remuneration is employees' total salary income provided by the Company. The proportion of guaranteed income is relatively high for employees with lower ranks, whereas the proportion of incentive bonus is relatively high for employees with higher ranks. In addition, salary payments are implemented in accordance with the company's remuneration policy, with no difference between genders, in order to uphold the spirit of gender equality.
- (b) Directors' remuneration is specified in the Company's Articles of Incorporation and approved by the shareholders. Under the Company's Articles of Incorporation, the Company shall pay rewards to the Company's directors when they perform their responsibilities on behalf of the Company no matter whether the Company had

operating deficit. The determination of the reward to directors is authorised by the Board of Directors based on their participation frequency in the Company's operations and contributions to the Company's operations taking into consideration the pay level within the domestic and foreign industries. A reasonable remuneration to independent directors can be higher than non-independent directors. If the Company has earnings, directors' remuneration shall be distributed under the Company's Articles of Incorporation. Managers' salary considers the Company's operating results and performance, and is determined based on performance assessment made by the remuneration committee, taking into consideration the pay level within the same industry.

- (c) The Company's managers serve as the Company's directors, and the monthly salary is determined based on directors' salary and remuneration policy.
- D. For the years ended December 31, 2020 and 2019, employees' compensation was accrued at \$39,850 and \$29,850, respectively; while directors' remuneration was accrued at \$47,825 and \$35,000, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on the profit of current year distributable for the year ended December 31, 2020, and the percentage as prescribed by the Company's Articles of Incorporation. As of March 30, 2021, the amount has not yet been resolved by the Board of Directors.

For 2019, the employees' compensation and directors' remuneration resolved by the Board of Directors during its meeting on April 28, 2020 amounted to \$29,300 and \$35,000, respectively, and the employees' compensation and directors' remuneration recognized in the 2019 financial statements amounted to \$29,850 and \$35,000, respectively. The difference of \$550 between the amounts resolved by the Board of Directors and the amounts recognized in the 2019 financial statements, mainly resulting from the decrease in employees' compensation, had been adjusted in profit or loss in the second quarter of 2020. The employees' compensation was distributed in the form of cash.

- E. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors and shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(32) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Current tax		
Current tax on profits for the year	\$ 1,729,999	\$ 1,508,376
Prior year income tax (over)		
underestimation	(17,483)	16,984
Tax on undistributed surplus earnings	900	177,424
Total current tax	<u>1,713,416</u>	<u>1,702,784</u>
Deferred tax		
Origination and reversal of temporary		
differences	(26,367)	(21,141)
Total deferred tax	(26,367)	(21,141)
Income tax expense	<u>\$ 1,687,049</u>	<u>\$ 1,681,643</u>

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

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Currency translation differences	(\$ 6,489)	(\$ 3,218)
Remeasurement of defined benefit		
obligations	1,622	1,771
	<u>(\$ 4,867)</u>	<u>(\$ 1,447)</u>

B. Reconciliation between income tax expense and accounting profit:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Tax calculated based on profit before tax		
and statutory tax rate (Note)	\$ 3,801,123	\$ 3,652,288
Effects from items disallowed by tax		
regulation	(2,108,126)	(2,182,534)
Prior year income tax (over)		
underestimation	(17,483)	16,984
Tax on distributed surplus earnings	900	177,424
Others	10,635	17,481
Tax expense	<u>\$ 1,687,049</u>	<u>\$ 1,681,643</u>

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

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

	2020				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in equity	December 31
Temporary differences					
- Deferred tax assets:					
Unrealized allowance for inventory obsolescence	\$ 39,556	(\$ 45)	\$ -	\$ -	\$ 39,511
Unrealized sales discount	56,551	1,528	-	-	58,079
Unrealized foreign exchange loss	17,438	4,656	-	-	22,094
Bad debts expense	63,147	(42,560)	-	-	20,587
Unrealized expense	39,094	48,222	-	-	87,316
Investment loss	12,458	2,584	-	-	15,042
Pensions	120,009	(9,052)	(1,883)	-	109,074
Cumulative translation adjustments	14,708	-	5,967	-	20,675
Others	50,767	(4,137)	-	-	46,630
Tax losses	<u>93,169</u>	<u>22,657</u>	<u>-</u>	<u>-</u>	<u>115,826</u>
	<u>506,897</u>	<u>23,853</u>	<u>4,084</u>	<u>-</u>	<u>534,834</u>
Temporary differences					
- Deferred tax liabilities:					
Investment income	(424,351)	(3,779)	-	-	(428,130)
Reserve for building increment	(23,905)	-	-	-	(23,905)
Land revaluation increment tax	(30,156)	-	-	-	(30,156)
Pensions	(2,758)	(334)	261	-	(2,831)
Cumulative translation adjustments	(522)	-	522	-	-
Others	(17,576)	6,627	-	-	(10,949)
	<u>(499,268)</u>	<u>2,514</u>	<u>783</u>	<u>-</u>	<u>(495,971)</u>
	<u>\$ 7,629</u>	<u>\$ 26,367</u>	<u>\$ 4,867</u>	<u>\$ -</u>	<u>\$ 38,863</u>

	2019				
	<u>January 1</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Recognized in equity</u>	<u>December 31</u>
Temporary differences					
- Deferred tax assets:					
Unrealized allowance for inventory obsolescence	\$ 46,755	(\$ 7,199)	\$ -	\$ -	\$ 39,556
Unrealized sales discount	57,494	(943)	-	-	56,551
Unrealized foreign exchange loss	1,161	16,277	-	-	17,438
Bad debts expense	20,387	42,760	-	-	63,147
Unrealized expense	76,504	(37,410)	-	-	39,094
Investment loss	13,227	(769)	-	-	12,458
Pensions	127,993	(7,031)	(953)	-	120,009
Cumulative translation adjustments	11,275	-	3,433	-	14,708
Others	39,826	10,941	-	-	50,767
Tax losses	<u>87,415</u>	<u>5,754</u>	<u>-</u>	<u>-</u>	<u>93,169</u>
	<u>482,037</u>	<u>22,380</u>	<u>2,480</u>	<u>-</u>	<u>506,897</u>
Temporary differences					
- Deferred tax liabilities:					
Investment income	(427,256)	2,905	-	-	(424,351)
Reserve for building increment	(23,905)	-	-	-	(23,905)
Land revaluation increment tax	(30,156)	-	-	-	(30,156)
Pensions	(1,930)	(10)	(818)	-	(2,758)
Cumulative translation adjustments	(307)	-	(215)	-	(522)
Others	(13,442)	(4,134)	-	-	(17,576)
	<u>(496,996)</u>	<u>(1,239)</u>	<u>(1,033)</u>	<u>-</u>	<u>(499,268)</u>
	<u>(\$ 14,959)</u>	<u>\$ 21,141</u>	<u>\$ 1,447</u>	<u>\$ -</u>	<u>\$ 7,629</u>

D. The amounts of deductible temporary differences and tax losses that were not recognized as deferred tax assets are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Deductible temporary differences	<u>\$ 39,434</u>	<u>\$ 47,570</u>
Tax losses	<u>\$ 1,311,347</u>	<u>\$ 1,598,772</u>

The deductible temporary differences belong to overseas subsidiaries that cannot be realized as deferred tax assets in the near future.

E. As of March 30, 2021, the Company's income tax returns through 2016 have been assessed and approved by the Tax Authority.

(33) Earnings per share

	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent (Note)	\$ 8,008,287	1,679,057	\$ 4.77
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent (Note)	\$ 8,008,287	1,679,057	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,178	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 8,008,287	1,680,235	\$ 4.77

Note: On June 24, 2020, the dividends of preferred stocks amounting to \$115,068 were deducted from the profit of the parent after being approved at the stockholders' meeting as the Company has discretion in dividend distribution of Class A preferred stocks.

	Year ended December 31, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 6,453,401	1,679,057	\$ 3.84
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 6,453,401	1,679,057	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	908	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 6,453,401	1,679,965	\$ 3.84

(34) Supplemental cash flow information

Partial payment of cash from investing activities

	<u>Year ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Acquisition of property, plant and equipment, investment property and intangible assets	\$ 5,796,656	\$ 358,099
Add: Accounts payable at the beginning of the year	1,031	-
Prepayments for business facilities at the end of the year	416,570	72,519
Less: Prepayments for business facilities at the beginning of the year	(72,519)	-
Accounts payable at the end of year	(102,232)	(1,031)
Cash paid during the year	<u>\$ 6,039,506</u>	<u>\$ 429,587</u>

(35) Changes in liabilities from financing activities

	<u>Short-term borrowings</u>	<u>Short-term notes and bills payable</u>	<u>Long-term borrowings (Note)</u>	<u>Lease liabilities</u>	<u>Liabilities from financing activities-gross</u>
At January 1, 2020	\$68,891,614	\$5,555,424	\$12,833,373	\$1,157,543	\$ 88,437,954
Changes in cash flow from financing activities	(9,851,067)	(613,919)	12,230,120	(433,139)	1,331,995
Others	-	-	-	970,704	970,704
At December 31, 2020	<u>\$59,040,547</u>	<u>\$4,941,505</u>	<u>\$25,063,493</u>	<u>\$1,695,108</u>	<u>\$ 90,740,653</u>

	<u>Short-term borrowings</u>	<u>Short-term notes and bills payable</u>	<u>Long-term borrowings (Note)</u>	<u>Lease liabilities</u>	<u>Liabilities from financing activities-gross</u>
At January 1, 2019	\$57,221,436	\$4,957,027	\$13,857,415	\$ -	\$ 76,035,878
Modified retrospective adjustments under IFRS 16	-	-	-	1,435,802	1,435,802
Changes in cash flow from financing activities	11,670,178	598,397	(1,024,042)	(432,770)	10,811,763
Others	-	-	-	154,511	154,511
At December 31, 2019	<u>\$68,891,614</u>	<u>\$5,555,424</u>	<u>\$12,833,373</u>	<u>\$1,157,543</u>	<u>\$ 88,437,954</u>

Note: Including long-term borrowings-current portion less unamortized discounts.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Group's shares are widely held so the Company has no ultimate parent and ultimate controlling party.

(2) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Chain Power Technology Corp.	Investee accounted for using the equity method
VITEC WPG Limited	"
Gain Tune Logistics (Shanghai) Co., Ltd.	"
Suzhou Xinning Logistics Co., Ltd.	"
Suzhou Xinning Bonded Warehouse Co., Ltd.	"
Eesource Corp.	"
WT Microelectronics Co., Ltd.	"
Haomao (Shanghai) Enterprise Development Co., Ltd.	Other related party
Autosys Co., Ltd.	Subsidiary of investee accounted for using the equity method
HongTech Electronics Co., Ltd.	"
Maxtek Technology Co., Ltd.	"
Morrihan International Corp.	"
WT Microelectronics (Hong Kong) Limited	"
NuVision Technology, Inc.	"
WPG P.T. Electrindo Jaya	Stockholder of a Group's subsidiary accounted for using the equity method
WPG Holdings Education Foundation	One third of paid-in-capital was granted by the Group

(3) Significant transactions and balances with related parties

A. Operating revenues

	<u>Year ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Sales of goods		
Others	\$ 542,155	\$ 650,047
Associates	576,467	154,957
	<u>\$ 1,118,622</u>	<u>\$ 805,004</u>

The terms and sales prices with other related parties were negotiated in consideration of different factors including product, cost, market, competition and other conditions. The collection period was 90 days. Terms and sales prices with associates are in accordance with normal selling prices and terms of collection.

B. Purchases

	Year ended December 31,	
	2020	2019
Purchases of goods		
Associates	\$ 342,748	\$ 1,056

The purchase prices and terms of payment for associates including products, market competition and other conditions are the same as those for general suppliers.

C. Receivables from related parties

	December 31, 2020	December 31, 2019
Accounts receivable		
Others	\$ 133,462	\$ 81,751
Associates	44,431	16,541
	<u>\$ 177,893</u>	<u>\$ 98,292</u>

The receivables from related parties arise mainly from sales of goods. The receivables are due 30 to 90 days after the date of sale. The receivables are unsecured in nature and bear no interest. There is no allowance for doubtful accounts held against receivables from related parties.

D. Other receivables

	December 31, 2020	December 31, 2019
Other receivables		
Others	\$ 1,615	\$ 1,208

The above represents receivables from payments on behalf of others.

E. Payables to related parties

	December 31, 2020	December 31, 2019
Accounts payable		
Associates	\$ 77,023	\$ 653

The payables to related parties arise mainly from purchases of goods. The payables are due 30 to 90 days after the date of purchase. The payables are unsecured in nature and bear no interest.

F. Endorsements and guarantees provided to related parties

	December 31, 2020	December 31, 2019
Associates		
VITEC WPG Limited	\$ 64,080	\$ 67,455

G. Others

The Group's donations to WPG Holding Education Foundation were \$6,730 and \$7,100 for the years ended December 31, 2020 and 2019, respectively.

(4) Key management compensation

	Year ended December 31,	
	2020	2019
Salaries and other short-term employee benefits	\$ 258,174	\$ 218,646
Post-employment benefits	3,048	2,653
	<u>\$ 261,222</u>	<u>\$ 221,299</u>

8. PLEDGED ASSETS

<u>Pledged assets (Note 1)</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>Purpose of Collateral</u>
Financial assets at amortized cost			
-Time deposits	\$ 43,048	\$ 41,773	Security for purchases and time deposit for performance bond
Financial assets at fair value though profit or loss - non-current (Note 2)	7,503	7,503	Security for purchases
Property, plant and equipment (including investment property)			
-Land	5,178,570	1,109,543	Long-term and short-term borrowings guarantee and security for purchases
-Buildings and structures	2,807,578	558,234	"
	<u>\$ 8,036,699</u>	<u>\$ 1,717,053</u>	

Note 1: The Company held 100% of shares of WPG Investment Co., Ltd., in which 8,999 thousand shares have been pledged for purchases as of December 31, 2020 and 2019.

Note 2: As of December 31, 2020 and 2019, the subsidiary - Silicon Application Corporation held 566 thousand shares of Kingmax Technology Inc., which have been pledged for purchases.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

In addition to Note 6(6), other commitments were as follows:

(1) Contingencies

None.

(2) Commitments

A. Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Property, plant and equipment and intangible assets	\$ -	\$ 5,081,991

B. The Group's letters of credit issued but not negotiated are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
\$	1,269,531	\$ 767,624
USD	126,213,000	USD 106,583,000

C. As of December 31, 2020, the remaining payments for the contract of non-fixed car park the Group entered into amounted to \$40,800.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Please refer to Note 6(21) D. for further information.

12. OTHERS

(1) Capital risk management

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

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets</u>		
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ <u>1,433,930</u>	\$ <u>1,655,158</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ <u>1,831,394</u>	\$ <u>32,035</u>
Financial assets at amortized cost		
Cash and cash equivalents	\$ 11,020,020	\$ 9,992,582
Financial assets at amortized cost	472,363	84,055
Notes receivable	3,210,976	1,977,097
Accounts receivable (including related parties)	108,398,920	110,754,374
Other receivables (including related parties)	12,935,325	12,168,174
Guarantee deposits paid	183,918	180,123
Other financial assets	2,304,294	1,399,588
	\$ <u>138,525,816</u>	\$ <u>136,555,993</u>

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial liabilities</u>		
Financial liabilities measured at fair value through profit or loss		
Financial liabilities held for trading	\$ <u>2,737</u>	\$ <u>16,051</u>
Financial liabilities at amortized cost		
Short-term borrowings	\$ 59,040,547	\$ 68,891,614
Short-term notes and bills payable	4,941,505	5,555,424
Notes payable	50,651	34,642
Accounts payable (including related parties)	62,912,592	63,588,823
Other payables	8,033,574	5,697,289
Long-term borrowings (including current portion)	25,063,495	12,833,373
Guarantee deposits received	174,142	88,946
	\$ <u>160,216,506</u>	\$ <u>156,690,111</u>
Lease liabilities	\$ <u>1,695,108</u>	\$ <u>1,157,543</u>

B. Risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts, are used to hedge certain exchange rate risk. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.
- (c) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Note 6(2).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

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

	December 31, 2020		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : TWD	\$ 634,783	28.48	\$ 18,078,612
USD : RMB	18,643	6.51	530,946
USD : KRW	33,008	1,088.00	940,079
HKD : USD	60,423	0.13	221,932
RMB : USD	796,418	0.15	3,485,922
<u>Non-monetary items</u>			
RMB : USD	31,478	0.15	137,778
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : TWD	529,621	28.48	15,083,609
USD : RMB	84,500	6.51	2,406,558
USD : KRW	18,782	1,088.00	534,903
USD : INR	7,047	73.15	200,686
HKD : USD	59,235	0.13	217,571
RMB : USD	869,272	0.15	3,804,801

December 31, 2019			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : TWD	\$ 502,074	29.98	\$ 15,052,173
USD : RMB	18,601	6.96	557,652
USD : KRW	31,137	1,145.59	933,487
HKD : USD	62,326	0.13	239,894
<u>Non-monetary items</u>			
RMB : USD	33,435	0.14	143,939
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : TWD	479,534	29.98	14,376,435
USD : RMB	73,672	6.96	2,208,672
USD : KRW	24,789	1,145.59	743,176
HKD : USD	39,948	0.13	153,761
v. The total exchange gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2020 and 2019 amounted to \$539,379 and \$492,573, respectively.			

- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2020				
Sensitivity Analysis				
	Degree of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : TWD	1%	\$ 180,786	\$	-
USD : RMB	1%	5,309		-
USD : KRW	1%	9,401		-
HKD : USD	1%	2,219		-
RMB : USD	1%	34,859		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : TWD	1%	150,836		-
USD : RMB	1%	24,066		-
USD : KRW	1%	5,349		-
USD : INR	1%	2,007		-
HKD : USD	1%	2,176		-
RMB : USD	1%	38,048		-
Year ended December 31, 2019				
Sensitivity Analysis				
	Degree of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : TWD	1%	\$ 150,522	\$	-
USD : RMB	1%	5,577		-
USD : KRW	1%	9,335		-
HKD : USD	1%	2,399		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : TWD	1%	143,764		-
USD : RMB	1%	22,087		-
USD : KRW	1%	7,432		-
HKD : USD	1%	1,538		-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through

other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

- ii. Shares and open-end funds which the Group invested are issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2020 and 2019 would have increased/ decreased by \$14,301 and \$13,526, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$18,314 and \$320, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. For the years ended December 31, 2020 and 2019, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars, US Dollars and KRW dollars.
- ii. If the borrowing interest rate had increased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2020 and 2019 would have decreased by \$201,557 and \$302,641, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of notes receivable.
- ii. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with good rating are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored.
- iii. Under IFRS 9, if the contract payments are past due over one month based on the terms, there has been a significant increase in credit risk on that instrument since

initial recognition.

- iv. The default occurs when the contract payments are past due more than five months.
- v. The Group classifies customer's accounts receivable in accordance with credit rating of customer and customer types. The Group applies the simplified approach using the provision matrix based on the loss rate methodology to estimate expected credit loss.
- vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.
- vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2020 and 2019, the provision matrix and loss rate methodology are as follows:

(i) Accounts receivable from general customers:

	Not past due	One month past due	Two months past due	Three months past due	Four months past due	Over four months past due	Total
<u>December 31, 2020</u>							
Expected loss rate	0%~ 12.89%	0.003%~ 58.333%	1.182%~ 91.667%	11.935%~ 100%	27.568%~ 100%	100%	
Total book value	<u>\$ 52,861,070</u>	<u>\$ 1,762,414</u>	<u>\$ 148,295</u>	<u>\$ 39,001</u>	<u>\$ 25,795</u>	<u>\$ 515,035</u>	<u>\$ 55,351,610</u>
Loss allowance	<u>\$ 108,696</u>	<u>\$ 42,336</u>	<u>\$ 18,007</u>	<u>\$ 8,439</u>	<u>\$ 9,342</u>	<u>\$ 515,035</u>	<u>\$ 701,855</u>

	Not past due	One month past due	Two months past due	Three months past due	Four months past due	Over four months past due	Total
<u>December 31, 2019</u>							
Expected loss rate	0%~ 14.847%	0.12%~ 85.804%	1.363%~ 100%	6.516%~ 100%	30.147%~ 100%	100%	
Total book value	<u>\$ 49,651,277</u>	<u>\$ 3,458,793</u>	<u>\$ 338,028</u>	<u>\$ 89,300</u>	<u>\$ 61,643</u>	<u>\$ 470,899</u>	<u>\$ 54,069,940</u>
Loss allowance	<u>\$ 89,954</u>	<u>\$ 60,060</u>	<u>\$ 47,054</u>	<u>\$ 53,877</u>	<u>\$ 26,675</u>	<u>\$ 470,899</u>	<u>\$ 748,519</u>

(ii) Individually impaired and provisioned allowance for loss

	Individual	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Total book value	<u>\$ 28,829</u>	<u>\$ 179,647</u>
Loss allowance	<u>\$ 16,417</u>	<u>\$ 173,990</u>

(iii) For customers whose current ratio, debt ratio, earnings, etc. are within a certain range:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Expected loss rate	0%	0%
Total book value	<u>\$ 53,558,860</u>	<u>\$ 57,329,004</u>
Loss allowance	<u>\$ -</u>	<u>\$ -</u>

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

2020					
	Notes receivable	Accounts receivable			
	Individual provision	Individual provision	Group provision	Subtotal	Total
At January 1	\$ 2	\$ 173,990	\$ 748,519	\$ 922,509	\$ 922,511
(Reversal of) provision for impairment	-	(112,887)	120,340	7,453	7,453
Write-offs during the year	-	(536)	(58,068)	(58,604)	(58,604)
Effect of foreign exchange	-	(34,908)	(8,556)	(43,464)	(43,464)
Transfers into overdue receivables	-	(9,242)	(100,380)	(109,622)	(109,622)
At December 31	<u>\$ 2</u>	<u>\$ 16,417</u>	<u>\$ 701,855</u>	<u>\$ 718,272</u>	<u>\$ 718,274</u>
2019					
	Notes receivable	Accounts receivable			
	Individual provision	Individual provision	Group provision	Subtotal	Total
At January 1	\$ 2,346	\$ 464,499	\$ 725,207	\$1,189,706	\$1,192,052
(Reversal of) provision for impairment	(497)	(205,142)	121,507	(83,635)	(84,132)
Write-offs during the year	-	(415)	(65,925)	(66,340)	(66,340)
Effect of foreign exchange	(1,847)	(4,256)	(26,478)	(30,734)	(32,581)
Transfers into overdue receivables	-	(80,696)	(5,792)	(86,488)	(86,488)
At December 31	<u>\$ 2</u>	<u>\$ 173,990</u>	<u>\$ 748,519</u>	<u>\$ 922,509</u>	<u>\$ 922,511</u>

(c) Liquidity risk

- Cash flow forecasting is performed in the operating entities of the Group. Each treasury department monitors rolling forecasts of the liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans and covenant compliance.
- The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

<u>December 31, 2020</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 59,156,950	\$ -	\$ -	\$ -
Short-term notes and bills payable	4,945,000	-	-	-
Financial liabilities measured at fair value through profit or loss	2,737	-	-	-
Notes payable	50,651	-	-	-
Accounts payable	62,835,569	-	-	-
Accounts payable - related parties	77,023	-	-	-
Other payables	8,033,574	-	-	-
Lease liabilities	495,133	289,266	357,138	1,139,302
Long-term borrowings (including current portion)	6,629,954	345,716	14,082,247	5,183,286

Non-derivative financial liabilities:

<u>December 31, 2019</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 69,231,969	\$ -	\$ -	\$ -
Short-term notes and bills payable	5,560,000	-	-	-
Financial liabilities measured at fair value through profit or loss	16,051	-	-	-
Notes payable	34,642	-	-	-
Accounts payable	63,588,170	-	-	-
Accounts payable - related parties	653	-	-	-
Other payables	5,697,289	-	-	-
Lease liabilities	476,832	459,436	293,421	43,714
Long-term borrowings (including current portion)	5,631,937	7,381,807	88,615	-

(3) Fair value information

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

Level 1: Inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities. A market is regarded as active if it meets all the following conditions:

the items traded in the market are homogeneous; willing buyers and sellers can normally be found at any time; and prices are available to the public. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The fair value of the Group's investment in emerging stocks, publicly traded equity investment, forward exchange, beneficiary certificates and swap contracts is included in Level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data. The fair value of the Group's investment in equity investment without active market is included in Level 3.

- B. Fair value information of investment property at cost is provided in Note 6(12).
- C. The carrying amounts of financial instruments not measured at fair value including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), other financial assets, guarantee deposits paid, financial assets at amortized cost, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including related parties), other payables, lease liabilities (including current and non-current), long-term borrowings-current portion, long-term borrowings and guarantee deposits received are approximate to their fair values.
- D. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 3,827	\$ -	\$ 3,827
Equity securities	246,491	33,317	1,150,295	1,430,103
Financial assets at fair value through other comprehensive income				
Equity securities	<u>1,796,437</u>	<u>-</u>	<u>34,957</u>	<u>1,831,394</u>
	<u>\$2,042,928</u>	<u>\$ 37,144</u>	<u>\$1,185,252</u>	<u>\$3,265,324</u>
<u>Liabilities</u>				
<u>Recurring fair value measurements</u>				
Financial liabilities held for trading				
Forward exchange contracts and options	<u>\$ -</u>	<u>\$ 2,737</u>	<u>\$ -</u>	<u>\$ 2,737</u>

December 31, 2019	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 2,513	\$ -	\$ 2,513
Beneficiary certificates	-	300,054	-	300,054
Equity securities	166,625	33,103	1,152,863	1,352,591
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	32,035	32,035
	<u>\$ 166,625</u>	<u>\$ 335,670</u>	<u>\$ 1,184,898</u>	<u>\$ 1,687,193</u>
<u>Liabilities</u>				
<u>Recurring fair value measurements</u>				
Financial liabilities held for trading				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 16,051</u>	<u>\$ -</u>	<u>\$ 16,051</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

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

	<u>Listed shares</u>
Market quoted price	Closing price

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques widely accepted in financial management.
- iii. When assessing non-standard and low-complexity financial instruments, for example, foreign exchange swap contracts, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. Forward exchange contracts are usually valued based on the current forward exchange rate.
- v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The

inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

- vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

- E. The following chart is the movement of Level 3 for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
At January 1	\$ 1,184,898	\$ 1,142,927
Additions	36,910	102,096
Capital reduction	(28,912)	(36,777)
Transfer out from level 3	-	(10,000)
Transfer into level 3	-	10,000
Losses on valuation	(16,739)	(1,188)
Effect of foreign exchange	9,095	(22,160)
At December 31	<u>\$ 1,185,252</u>	<u>\$ 1,184,898</u>

- F. In the third quarter of 2019, transfers out from Level 3 refer to the reclassification in relation to the investee company becoming a public company. However, the investee company was transferred back into Level 3 as it ceased to be a public company in the fourth quarter of 2019. For the year ended December 31, 2020, there was no transfer into or out from Level 3.
- G. Finance and accounting department is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions and frequently reviewed.

Finance and accounting department sets up valuation policies, valuation processes and rules for measuring fair value of financial instruments and ensure compliance with the related requirements in IFRS. The related valuation results are reported to management monthly. Management is responsible for managing and reviewing valuation processes.

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

	<u>Fair value at December 31, 2020</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity:					
Equity investment without active market	\$ 1,185,252	Net asset value method	Net asset value		- The higher the net asset value, the higher the fair value

	<u>Fair value at December 31, 2019</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity:					
Equity investment without active market	\$ 1,184,898	Net asset value method	Net asset value		- The higher the net asset value, the higher the fair value

- I. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

		<u>December 31, 2020</u>			
		<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive income</u>	
		<u>Favourable change</u>	<u>Unfavourable change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
<u>Input</u>	<u>Change</u>				
Financial assets					
Equity instrument	Net asset value ± 1%	<u>\$ 11,503</u>	<u>(\$ 11,503)</u>	<u>\$ 350</u>	<u>(\$ 350)</u>

		<u>December 31, 2019</u>			
		<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive income</u>	
		<u>Favourable change</u>	<u>Unfavourable change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
<u>Input</u>	<u>Change</u>				
Financial assets					
Equity instrument	Net asset value ± 1%	<u>\$ 11,529</u>	<u>(\$ 11,529)</u>	<u>\$ 320</u>	<u>(\$ 320)</u>

13. SUPPLEMENTARY DISCLOSURES

(The transactions with subsidiaries disclosed below had been eliminated when preparing consolidated financial statements. The following disclosures are for reference only.)

(1) Significant transactions information

- Loans to others: Please refer to table 1.
- Provision of endorsements and guarantees to others: Please refer to table 2.
- Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- Aggregate purchases or sales of the same securities reaching \$300 million or 20% of

paid-in capital or more: Please refer to table 4.

- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 7.
- I. Derivative financial instruments undertaken during the reporting periods: Please see Notes 6(2)B. and 12(3).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 8.

(2) Information on investee companies

Names, locations and other information of investee companies (excluding investees in Mainland China): Please refer to table 9.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area.

Any of the following significant transactions with investee companies in the Mainland Area, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses: Information on significant transactions of the Company and subsidiary and investee company in Mainland China as of and for the year ended December 31, 2020 is provided in Note (1)J.

(4) Major shareholders information

Major shareholders information: Please refer to table 11.

14. OPERATING SEGMENT INFORMATION

(1) General information

The Group is mainly engaged in the import and export of electronic components. The products include CPU, analog IC, discrete IC, logic IC, DRAM, Flash, optical component, etc. The chief operating decision-maker evaluates performance based on the separate net income of sub-groups.

(2) Measurement of segment information

The Group's chief operating decision-maker uses the net income as basis for assessing the performance of the Group's operating segments.

(3) Reconciliation for segment income (loss)

A. The net income reported to the chief operating decision-maker is measured in a manner consistent with revenues, costs and expenses in the statement of comprehensive income. As the amounts in the statement provided to the chief operating decision-maker for managing segment are in agreement with the amounts in the statements of segment income, reconciliation is not needed.

B. The segment information of the reportable segments provided to the chief operating decision-maker for the three months and nine months ended December 31, 2020 and 2019 is as follows:

Year ended December 31, 2020:

	World Peace Industrial Co., Ltd. and its subsidiaries	Silicon Application Corp. and its subsidiaries	Asian Information Technology Inc. and its subsidiaries	Yosun Industrial Corp. and its subsidiaries	Trigold Holdings Limited	Others	Eliminations	Total
Revenue from external customers	\$ 306,630,823	\$ 69,505,257	\$ 72,128,150	\$ 82,643,523	\$ 18,186,863	\$ 60,791,255	\$ -	\$ 609,885,871
Revenue from internal customers	12,643,486	6,221,412	1,417,994	7,220,382	576,857	12,963,343	(41,043,474)	-
Total revenue	<u>\$ 319,274,309</u>	<u>\$ 75,726,669</u>	<u>\$ 73,546,144</u>	<u>\$ 89,863,905</u>	<u>\$ 18,763,720</u>	<u>\$ 73,754,598</u>	<u>(\$ 41,043,474)</u>	<u>\$ 609,885,871</u>
Segment profit	<u>\$ 5,696,937</u>	<u>\$ 2,046,279</u>	<u>\$ 1,842,350</u>	<u>\$ 1,634,155</u>	<u>\$ 555,462</u>	<u>\$ 1,010,193</u>	<u>\$ 1,162,200</u>	<u>\$ 13,947,576</u>
Net income	<u>\$ 3,312,752</u>	<u>\$ 1,079,540</u>	<u>\$ 1,137,808</u>	<u>\$ 931,184</u>	<u>\$ 204,290</u>	<u>\$ 6,398,643</u>	<u>(\$ 4,863,713)</u>	<u>\$ 8,200,504</u>

Year ended December 31, 2019:

	World Peace Industrial Co., Ltd. and its subsidiaries	Silicon Application Corp. and its subsidiaries	Asian Information Technology Inc. and its subsidiaries	Yosun Industrial Corp. and its subsidiaries	Trigold Holdings Limited	Others	Eliminations	Total
Revenue from external customers	\$ 263,803,916	\$ 66,686,583	\$ 67,898,982	\$ 64,230,951	\$ 15,242,430	\$ 49,738,491	\$ -	\$ 527,601,353
Revenue from internal customers	13,934,066	4,506,594	1,599,977	5,941,121	2,898,687	3,809,393	(32,689,838)	-
Total revenue	<u>\$ 277,737,982</u>	<u>\$ 71,193,177</u>	<u>\$ 69,498,959</u>	<u>\$ 70,172,072</u>	<u>\$ 18,141,117</u>	<u>\$ 53,547,884</u>	<u>(\$ 32,689,838)</u>	<u>\$ 527,601,353</u>
Segment profit	<u>\$ 6,031,661</u>	<u>\$ 1,812,656</u>	<u>\$ 1,618,266</u>	<u>\$ 1,561,325</u>	<u>\$ 404,058</u>	<u>\$ 704,467</u>	<u>\$ 1,265,329</u>	<u>\$ 13,397,762</u>
Net income	<u>\$ 3,337,651</u>	<u>\$ 920,534</u>	<u>\$ 1,012,977</u>	<u>\$ 1,034,444</u>	<u>\$ 137,181</u>	<u>\$ 6,627,795</u>	<u>(\$ 6,564,623)</u>	<u>\$ 6,505,959</u>

(4) Information on product and service

The Group is mainly engaged in the import and export of electronic components. Revenues consist as follows:

	Year ended December 31	
	2020	2019
Core components	\$ 202,310,074	\$ 156,144,782
Analog IC and mixed signal component	93,492,227	113,860,827
Discrete, logic IC	80,852,236	74,881,379
Memory	126,631,458	103,263,510
Optical components	59,656,956	41,465,436
Passive component, connector and magnetic component	33,056,264	27,531,480
Others	13,886,656	10,453,939
	<u>\$ 609,885,871</u>	<u>\$ 527,601,353</u>

(5) Geographical information

Information about geographic areas for the years ended December 31, 2020 and 2019 were as follows:

	Year ended December 31			
	2020		2019	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 86,244,135	\$ 16,284,901	\$ 79,802,035	\$ 18,787,922
Mainland China	479,575,807	3,148,067	398,259,303	2,268,854
Others	44,065,929	468,270	49,540,015	609,150
	<u>\$ 609,885,871</u>	<u>\$ 19,901,238</u>	<u>\$ 527,601,353</u>	<u>\$ 21,665,926</u>

(6) Major customer information

No single customer contributed more than 10% of the Group's total consolidated operating revenues for the years ended December 31, 2020 and 2019.

WPG Holdings Limited and Subsidiaries

Loans to others

Year ended December 31, 2020

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan (Note 8)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					December 31, 2020	December 31, 2020											
					Item	Value											
1	Apache Korea Corp.	WPG Korea Co., Ltd.	Other receivables - related parties	Y	\$ 52,352	\$ 52,352	\$ -	0.00	2	\$ -	Operations	\$ -	None	-	\$ 76,278	\$ 76,278	Note 1
2	Genuine C&C (IndoChina) Pte Ltd	World Peace International (South Asia) Pte Ltd	Other receivables - related parties	Y	56,960	56,960	56,960	1.47	2	-	Operations	-	None	-	76,793	76,793	Note 3
3	GENUINE C&C HOLDING INC. (Seychelles)	Peng Yu International Limited	Other receivables - related parties	Y	113,920	113,920	113,920	2~3.5	2	-	Operations	-	None	-	129,174	129,174	Note 5
4	Richpower Electronic Devices Pte., Ltd.	Yosun Singapore Pte Ltd.	Other receivables - related parties	Y	213,600	213,600	209,328	1.47	2	-	Operations	-	None	-	430,778	430,778	Note 4
5	World Peace International (South Asia) Pte Ltd	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	1,708,800	1,708,800	-	0.00	2	-	Operations	-	None	-	6,636,008	6,636,008	Note 3
5	World Peace International (South Asia) Pte Ltd	WPG Americas Inc.	Other receivables - related parties	Y	284,800	284,800	-	0.00	2	-	Operations	-	None	-	6,636,008	6,636,008	Note 3
6	World Peace International Pte Ltd	World Peace International (South Asia) Pte Ltd	Other receivables - related parties	Y	113,920	113,920	113,920	1.47	2	-	Operations	-	None	-	2,166,810	2,166,810	Note 3
7	WPG C&C Computers And Peripheral (India) Private Limited	World Peace International (India) Pvt., Ltd.	Other receivables - related parties	Y	81,766	-	-	0.00	2	-	Operations	-	None	-	384,991	384,991	Note 3
8	WPG C&C Limited	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	227,840	227,840	227,840	1.50	2	-	Operations	-	None	-	259,086	259,086	Note 5
9	WPG India Electronics Pvt Ltd	World Peace International (India) Pvt., Ltd.	Other receivables - related parties	Y	38,936	-	-	0.00	2	-	Operations	-	None	-	159,924	159,924	Note 3

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan (Note 8)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					December 31, 2020	December 31, 2020							Item	Value			
10	WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd.	Other receivables - related parties	Y	\$ 569,600	\$ 569,600	\$ 284,800	3.50	2	\$ -	Operations	\$ -	None	-	\$ 1,355,466	\$ 1,355,466	Note 8
10	WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd	Other receivables - related parties	Y	427,200	142,400	-	0.00	2	-	Operations	-	None	-	1,355,466	1,355,466	Note 8
10	WPG South Asia Pte. Ltd.	WPG Americas Inc.	Other receivables - related parties	Y	284,800	284,800	-	0.00	2	-	Operations	-	None	-	1,355,466	1,355,466	Note 8
10	WPG South Asia Pte. Ltd.	Yosun Singapore Pte Ltd.	Other receivables - related parties	Y	85,440	85,440	-	0.00	2	-	Operations	-	None	-	1,355,466	1,355,466	Note 8
11	Yosun Hong Kong Corp. Ltd.	Peng Yu International Limited	Other receivables - related parties	Y	712,000	-	-	0.00	2	-	Operations	-	None	-	9,142,513	9,142,513	Note 9
11	Yosun Hong Kong Corp. Ltd.	WPG Electronics (HK) Limited	Other receivables - related parties	Y	1,424,000	569,600	-	0.00	2	-	Operations	-	None	-	9,142,513	9,142,513	Note 9
11	Yosun Hong Kong Corp. Ltd.	WPG Americas Inc.	Other receivables - related parties	Y	569,600	-	-	0.00	2	-	Operations	-	None	-	9,142,513	9,142,513	Note 9
11	Yosun Hong Kong Corp. Ltd.	WPG China Inc.	Other receivables - related parties	Y	3,939,300	3,939,300	3,392,175	3.84~5.48	2	-	Operations	-	None	-	9,142,513	9,142,513	Note 9
11	Yosun Hong Kong Corp. Ltd.	Richpower Electronic Devices Co., Limited	Other receivables - related parties	Y	854,400	854,400	-	0.00	2	-	Operations	-	None	-	9,142,513	9,142,513	Note 9
12	AECO Technology Co., Ltd.	World Peace Industrial Co., Ltd.	Other receivables - related parties	Y	320,000	85,850	85,850	1.30	2	-	Operations	-	None	-	396,618	396,618	Note 2
13	AECO Electronics Co., Ltd.	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	683,520	683,520	683,520	1.5~2.02	2	-	Operations	-	None	-	759,318	759,318	Note 5
14	WPG SCM Limited	Peng Yu International Limited	Other receivables - related parties	Y	569,600	-	-	0.00	2	-	Operations	-	None	-	1,070,105	1,070,105	Note 9

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan (Note 8)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					December 31, 2020	December 31, 2020							Item	Value			
14	WPG SCM Limited	WPG Holdings Limited	Other receivables - related parties	Y	\$ 227,840	\$ -	\$ -	0.00	2	\$ -	Operations	\$ -	None	-	\$ 1,070,105	\$ 1,070,105	Note 8
14	WPG SCM Limited	WPG Americas Inc.	Other receivables - related parties	Y	569,600	569,600	-	0.00	2	-	Operations	-	None	-	1,070,105	1,070,105	Note 8
14	WPG SCM Limited	WPG Electronics (HK) Limited	Other receivables - related parties	Y	284,800	284,800	284,800	1.29	2	-	Operations	-	None	-	1,070,105	1,070,105	Note 8
14	WPG SCM Limited	Yosun Singapore Pte Ltd.	Other receivables - related parties	Y	142,400	142,400	142,400	1.45	2	-	Operations	-	None	-	1,070,105	1,070,105	Note 8
15	Yosun Industrial Corp.	Richpower Electronic Devices Co., Limited	Other receivables - related parties	Y	1,708,800	1,708,800	569,600	1.70	2	-	Operations	-	None	-	3,265,980	3,265,980	Note 2
15	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	854,400	854,400	-	0.00	2	-	Operations	-	None	-	3,265,980	3,265,980	Note 2
16	Yosun South China Corp. Ltd.	WPG China Inc.	Other receivables - related parties	Y	65,655	65,655	65,655	2.80	2	-	Operations	-	None	-	210,701	210,701	Note 5
16	Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	Other receivables - related parties	Y	122,556	109,425	109,425	2.80	2	-	Operations	-	None	-	210,701	210,701	Note 5
17	Yosun Shanghai Corp. Ltd.	WPG China Inc.	Other receivables - related parties	Y	153,195	13,131	13,131	2.80	2	-	Operations	-	None	-	370,578	370,578	Note 5
17	Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	Other receivables - related parties	Y	319,521	319,521	319,521	2.80	2	-	Operations	-	None	-	370,578	370,578	Note 5
18	WPG Investment Co., Ltd.	WPG Holdings Limited	Other receivables - related parties	Y	125,000	-	-	0.00	2	-	Operations	-	None	-	837,838	837,838	Note 2
19	WPG C&C Shanghai Co., Ltd.	Trigolduo (Shanghai) Industrial Development Ltd.	Other receivables - related parties	Y	40,969	40,969	36,592	3.95~4.6	2	-	Operations	-	None	-	146,530	366,325	Note 5

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan (Note 8)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					December 31, 2020	December 31, 2020							Item	Value			
19	WPG C&C Shanghai Co., Ltd.	Trigold Tongle (Shanghai) Industrial Development Ltd.	Other receivables - related parties	Y	\$ 13,131	\$ 13,131	\$ 7,660	4.60	2	\$ -	Operations	\$ -	None	-	\$ 146,530	\$ 366,325	Note 5
20	WPI International (Hong Kong) Limited	WPG Korea Co., Ltd.	Other receivables - related parties	Y	569,600	284,800	213,600	3.50	2	-	Operations	-	None	-	19,709,527	19,709,527	Note 5
20	WPI International (Hong Kong) Limited	WPG Electronics (HK) Limited	Other receivables - related parties	Y	1,139,200	569,600	-	0.00	2	-	Operations	-	None	-	19,709,527	19,709,527	Note 5
20	WPI International (Hong Kong) Limited	Peng Yu International Limited	Other receivables - related parties	Y	398,720	-	-	0.00	2	-	Operations	-	None	-	19,709,527	19,709,527	Note 5
21	World Peace Industrial Co., Ltd.	Longview Technology Inc.	Other receivables - related parties	Y	879,600	88,480	44,100	1.55	2	-	Operations	-	None	-	7,481,230	9,974,973	Note 6
21	World Peace Industrial Co., Ltd.	Long-Think International Co., Ltd.	Other receivables - related parties	Y	42,720	8,544	-	0.00	2	-	Operations	-	None	-	7,481,230	9,974,973	Note 6
21	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	2,705,600	2,705,600	-	0.00	2	-	Operations	-	None	-	7,481,230	9,974,973	Note 6
22	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	Other receivables - related parties	Y	200,000	200,000	200,000	1.37	2	-	Operations	-	None	-	251,108	251,108	Note 2
23	Silicon Application corp.	WPG Electronics (HK) Limited	Other receivables - related parties	Y	1,993,600	1,993,600	1,993,600	2~3.2	2	-	Operations	-	None	-	2,915,223	2,915,223	Note 2
24	Silicon Application (BVI) Corporation	Silicon Application corp.	Other receivables - related parties	Y	1,139,200	1,139,200	1,139,200	1.50	2	-	Operations	-	None	-	1,237,136	3,092,841	Note 5
24	Silicon Application (BVI) Corporation	Peng Yu International Limited	Other receivables - related parties	Y	170,880	170,880	170,880	2.00	2	-	Operations	-	None	-	3,092,841	3,092,841	Note 5
25	Silicon Application Company Limited	Silicon Application corp.	Other receivables - related parties	Y	655,040	655,040	655,040	1.50	2	-	Operations	-	None	-	696,752	1,741,880	Note 5

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan (Note 8)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					December 31, 2020	December 31, 2020							Item	Value			
25	Silicon Application Company Limited	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	\$ 569,600	\$ 569,600	\$ 569,600	1.55~3.09	2	\$ -	Operations	\$ -	None	-	\$ 1,741,880	\$ 1,741,880	Note 5
25	Silicon Application Company Limited	WPG China Inc.	Other receivables - related parties	Y	284,800	-	-	0.00	2	-	Operations	-	None	-	1,741,880	1,741,880	Note 5
25	Silicon Application Company Limited	Peng Yu International Limited	Other receivables - related parties	Y	170,880	-	-	0.00	2	-	Operations	-	None	-	1,741,880	1,741,880	Note 5
25	Silicon Application Company Limited	WPG Electronics (HK) Limited	Other receivables - related parties	Y	455,680	455,680	455,680	2~3.2	2	-	Operations	-	None	-	1,741,880	1,741,880	Note 5
26	Sertek Limited	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	415,808	-	-	0.00	2	-	Operations	-	None	-	75,794	75,794	Note 5
26	Sertek Limited	Richpower Electronic Devices Co., Limited	Other receivables - related parties	Y	71,200	71,200	71,200	1.25	2	-	Operations	-	None	-	75,794	75,794	Note 5
27	Sertek Incorporated	Richpower Electronic Devices Co., Ltd	Other receivables - related parties	Y	512,640	512,640	284,800	1.35	2	-	Operations	-	None	-	571,487	571,487	Note 2
28	Frontek Technology Corporation	Apache Communication Inc.	Other receivables - related parties	Y	284,800	-	-	0.00	2	-	Operations	-	None	-	517,148	827,436	Note 7
29	Genuine C&C Inc.	Hoban Inc.	Other receivables - related parties	Y	50,000	50,000	-	0.00	2	-	Operations	-	None	-	451,811	451,811	Note 10
29	Genuine C&C Inc.	Peng Yu International Limited	Other receivables - related parties	Y	300,000	-	-	0.00	2	-	Operations	-	None	-	451,811	451,811	Note 10
30	Richpower Electronic Devices Co., Limited	Silicon Application corp.	Other receivables - related parties	Y	569,600	569,600	569,600	1.55~3.09	2	-	Operations	-	None	-	927,121	2,317,803	Note 5
30	Richpower Electronic Devices Co., Limited	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	569,600	-	-	0.00	2	-	Operations	-	None	-	2,317,803	2,317,803	Note 5

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan (Note 8)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					December 31, 2020	December 31, 2020							Item	Value			
31	Long-Think International (Hong Kong) Limited	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	\$ 427,200	\$ 398,720	\$ 398,720	1.3~2.02	2	\$ -	Operations	\$ -	None	-	\$ 523,752	\$ 523,752	Note 5
32	Long-Think International Co., Ltd.	World Peace Industrial Co., Ltd.	Other receivables - related parties	Y	18,000	17,500	17,500	1.30	2	-	Operations	-	None	-	18,572	18,572	Note 2
33	Asian Information Technology Inc.	Frontek Technology Corporation	Other receivables - related parties	Y	500,000	500,000	500,000	1.19	2	-	Operations	-	None	-	1,425,673	2,281,077	Note 7
34	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Trigolduo (Shanghai) Industrial Development Ltd.	Other receivables - related parties	Y	35,016	-	-	0.00	2	-	Operations	-	None	-	131,661	329,152	Note 5
34	Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPG C&C Shanghai Co., Ltd.	Other receivables - related parties	Y	161,949	151,007	151,007	3.95~4.6	2	-	Operations	-	None	-	329,152	329,152	Note 5
35	Trigolduo (Shanghai) Industrial Development Ltd.	Trigold Tongle (Shanghai) Industrial Development Ltd.	Other receivables - related parties	Y	6,128	-	-	0.00	2	-	Operations	-	None	-	-	-	Note 10

Note 1: Ceiling on total loans to others should not exceed the creditor's net assets. For short-term financing, ceiling on loans to a single party should not exceed the creditor's net assets

Note 2: Accumulated financing activities to any company or person should not be in excess of 40% of creditor's net assets. Limit on loans to a single company is as follows

(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, financing activities to a single company should not be in excess of 40% of creditor's net assets.

Note 3: (1) For those borrowers which are not 100% held investee company, the individual limit amount and the accumulated financing activities to those borrowers should not be in excess of 40% of the creditor's net assets.

(2) For those borrowers which are 100% held investee company, the individual limit amount and the accumulated financing activities to those borrowers should not be in excess of 200% of the creditor's net assets.

(3) The total limit of (1) and (2) should not exceed 200% of the creditor's net assets.

Note 4: Accumulated financing activities to any company or person should not be in excess of 200% of creditor's net assets. Limit on loans to a single company is as follows

(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, the financing activities to an overseas company which is 100% directly or indirectly held by ultimate parent company should not be in excess of 200% of creditor's net assets.

For borrower not fulfilling said criteria, the limit should not exceed 40% of the creditor's net assets.

Note 5: Accumulated financing activities to any company or person should not be in excess of 100% of creditor's net assets. Limit on loans to a single company is as follows

(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, the financing activities to an overseas company or ultimate parent company which is 100% directly or indirectly held by ultimate parent company should not be in excess of 100% of creditor's net assets. For borrower not fulfilling said criteria, the limit should not exceed 40% of the creditor's net assets.

Note 6: Accumulated financing activities to any company or person should not be in excess of 40% of creditor's net assets. Limit on loans to a single company is as follows

(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, the financing activities to a single company should not be in excess of 30% of creditor's assets.

Note 7: Accumulated financing activities to any company or person should not be in excess of 40% of creditor's net assets. Limit on loans to a single company is as follows

(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, the financing activities to a single company should not be in excess of 25% of creditor's net assets.

Note 8: (1) The financing activities to an overseas company which is 100% directly or indirectly held by ultimate parent company should not be in excess of 200% of creditor's net assets. Ceilings on accumulated short-term financing should not exceed 200% of the creditor's net assets.

(2) The individual limit amount should not exceed 40% of the creditor's net assets and the accumulated financing activities to those borrowers should not be in excess of 40% of the creditor's net assets.

Note 9: Accumulated financing activities to any company or person should not be in excess of 100% of creditor's net assets. Limit on loans to a single company is as follows

(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, the financing activities to an overseas company or ultimate parent company which is 100% directly or indirectly held by ultimate parent company should not be in excess of 200% of creditor's net assets. For borrower not fulfilling said criteria, the limit should not exceed 40% of the creditor's net assets.

Note 10: Accumulated financing activities to any company or person should not be in excess of 40% of creditor's net assets. Limit on loans to a single company is as follows

(1) For business transaction to the creditor, ceiling on the individual loans from others should not exceed 40% of the creditor's net assets, and the individual limit should not exceed the amount of business transactions within one year; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, financing activities to a single company should not be in excess of 40% of creditor's net assets.

(3) Ceiling on total loans granted between foreign companies whose voting shares are 100% held by the Company directly or indirectly, or on loans granted to the Company by such foreign companies was excluded in the aforementioned limits.

Note 11: The column of 'Nature of loan' shall fill in 1. 'Business transaction or 2. 'Short-term financing'.

WPG Holdings Limited and Subsidiaries
Provision of endorsements and guarantees to others
Year ended December 31, 2020

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2020	Outstanding endorsement/ guarantee amount at December 31, 2020	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor											
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	Note 1	\$ 32,734,962	\$ 153,510	\$ 89,758	\$ 89,758	\$ 89,758	0.14	\$ 32,734,962	Y	N	N	Note 4 and 5
1	World Peace International (South Asia) Pte Ltd	WPG C&C Computers And Peripheral (India) Private Limited	Note 1	6,708,992	71,200	71,200	20,726	-	2.12	6,708,992	N	N	N	Note 7
2	World Peace International Pte Ltd	WPG Americas Inc.	Note 3	7,321,310	170,880	156,640	16,431	-	4.28	7,321,310	N	N	N	Note 7
2	World Peace International Pte Ltd	WPG C&C Computers And Peripheral (India) Private Ltd.	Note 1	7,321,310	125,312	-	-	-	0.00	7,321,310	N	N	N	Note 7
2	World Peace International Pte Ltd	World Peace International (South Asia) Pte Ltd	Note 1	7,321,310	284,800	284,800	-	-	7.78	7,321,310	N	N	N	Note 7
3	Yosun Industrial Corp.	Yosun Singapore Pte Ltd.	Note 1	8,164,951	1,176,224	1,053,760	427,979	-	12.91	16,329,902	N	N	N	Note 9
3	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	Note 1	8,164,951	398,720	398,720	132,206	-	4.88	16,329,902	N	N	N	Note 9
3	Yosun Industrial Corp.	Sertek Incorporated	Note 1	8,164,951	2,278,400	2,278,400	837,683	-	27.90	16,329,902	N	N	N	Note 9
3	Yosun Industrial Corp.	Richpower Electronic Devices Co., Limited	Note 1	8,164,951	1,200,000	600,000	540,033	-	7.35	16,329,902	N	N	N	Note 9
4	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Note 1	12,468,716	1,876,112	1,648,272	885,041	-	6.61	19,949,946	N	N	N	Note 6
4	World Peace Industrial Co., Ltd.	Vitec WPG Limited	Note 3	12,468,716	64,080	64,080	64,080	-	0.26	19,949,946	N	N	N	Note 6
4	World Peace Industrial Co., Ltd.	World Peace International (South Asia) Pte Ltd	Note 1	12,468,716	806,560	806,560	604,136	-	3.23	19,949,946	N	N	N	Note 6
4	World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	Note 3	12,468,716	284,800	284,800	149,719	-	1.14	19,949,946	N	N	N	Note 6
4	World Peace Industrial Co., Ltd.	WPG Korea Co., Ltd.	Note 3	12,468,716	60,000	60,000	60,000	-	0.24	19,949,946	N	N	N	Note 6

Number	Endorser/ guarantor	Company name	Party being endorsed/guaranteed	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2020	Outstanding endorsement/ guarantee amount at December 31, 2020	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorset/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
			Relationship with the endorser/ guarantor											
5	Apache Communication Inc.	Asian Information Technology Inc.	Note 2	\$ 620,013	\$ 444,800	\$ 444,800	\$ 160,000	-	28.70	\$ 775,016	N	N	N	Note 11
6	Frontek Technology Corporation	Asian Information Technology Inc.	Note 2	827,436	644,800	604,800	590,978	-	29.24	1,034,295	N	N	N	Note 11
7	Pernas Electronics Co., Ltd.	Silicon Application corp.	Note 2	607,240	100,000	100,000	267	-	8.23	607,240	N	N	N	Note 12
8	Asian Information Technology Inc.	WPG China Inc.	Note 3	2,281,077	14,240	-	-	-	0.00	2,851,346	N	N	Y	Note 8
8	Asian Information Technology Inc.	Frontek Technology Corporation	Note 1	2,281,077	1,627,200	820,720	125,634	-	14.39	2,851,346	N	N	N	Note 8
8	Asian Information Technology Inc.	Apache Communication Inc.	Note 1	2,281,077	227,840	227,840	-	-	4.00	2,851,346	N	N	N	Note 8
9	Trigold Holdings Limited	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Note 1	638,985	43,770	-	-	-	0.00	638,985	N	N	Y	Note 10
9	Trigold Holdings Limited	Peng Yu International Limited	Note 1	638,985	199,360	56,960	56,960	-	4.46	638,985	N	N	N	Note 10
9	Trigold Holdings Limited	WPG C&C Shanghai Co., Ltd.	Note 1	638,985	262,620	131,310	-	-	10.27	638,985	N	N	Y	Note 10

Note 1: The company and its subsidiary hold more than 50% of the investee company.

Note 2: The parent company directly owns more than 50% of the company.

Note 3: An affiliate.

Note 4: The guarantee amount should not exceed 50% of guarantor's net assets; the limit to a single company should not exceed 50% of the Company's stockholder's equity. For business transaction with the Company, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. The limit on the Company and its subsidiaries' total loan to other companies is less than 60% of the Company's net assets; limited to a single company should not exceed 50% of the Company's net assets. The guarantee amount to a subsidiary which is 90%~100% directly or indirectly held by the Company should not exceed 10% of the Company's net assets, which is based on the latest audited or reviewed financial statements.

Note 5: There are 8,999 thousand shares of WPG Investment Co., Ltd. which have been pledged for purchases for World Peace Industrial Co., Ltd. The book value of those pledged investments is \$89,758.

Note 6: The cumulative guarantee amount to others should not be in excess of 80% of guarantor's net assets. The guarantee amount to a single company should not be in excess of 50% of guarantor's net assets. For business transaction with the guarantor, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. The net asset value is based on the latest audited or reviewed financial statements.

Note 7: The cumulative guarantee amount to others should not be in excess of 200% of the Company's net assets. The guarantee amount to a single company should not be in excess of 200% of Company's net assets. For business transaction with the Company, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. The guarantee amount to a subsidiary which is 90%~100% directly or indirectly held by the Company should not exceed 10% of the Company's net assets.

Note 8: The guarantee amount should not exceed 50% of guarantor's net assets; the limit to a single company should not exceed 40% of the Company's net assets. For business transaction with the Company, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. Net assets is based on the latest audited or reviewed financial statements. Ceiling on total endorsements/guarantees granted by the Company and subsidiaries shall be less than 50% of the Company's net assets. Ceiling on total endorsements/guarantees granted by the Company and subsidiaries to a single party is 50% of the Company's net assets. The guarantee amount to a subsidiary which is 90%~100% directly or indirectly held by the Company should not exceed 10% of the Company's net assets. The net assets referred to above are based on the latest audited or reviewed financial statements.

Note 9: The cumulative guarantee amount to others should not be in excess of 200% of guarantor and its subsidiaries' total net assets. The guarantee amount to a single company should not be in excess of 100% of guarantor and its subsidiaries' total net assets.

For business transaction with the Company, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. The Company's guarantee amount to a subsidiary which is 90%~100% directly or indirectly held by the ultimate parent company should not exceed 10% of the ultimate parent company's net assets. The net asset value is based on the latest audited or reviewed financial statements.

Note 10: The cumulative guarantee amount to others should not be in excess of 50% of the Company's net assets. The guarantee amount to a single company should not be in excess of 50% of Company's net assets. For business transaction with the Company, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. The Company's and its subsidiaries' cumulative guarantee amount to others should not be in excess 50% (not including 50%) of the Company's net assets. The guarantee amount to a single company should not be in excess of 50% (not including 50%) of the Company's net assets. The guarantee amount to a subsidiary which is 90%~100% directly or indirectly held by the Company should not exceed 10% of the Company's net assets. The guarantee amount to a subsidiary which is 100% directly or indirectly held by the Company should not exceed 50% (not including 50%) of the Company's net assets. The net assets value is based on the latest audit or reviewed financial statements.

Note 11: The guarantee amount should not exceed 50% of guarantor's net assets; the limit to a single company should not exceed 40% of the Company's net assets. For business transaction with the Company, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. Net assets is based on the latest audited or reviewed financial statements. The guarantee amount to a subsidiary which is 90%~100% directly or indirectly held by the Company should not exceed 10% of the Company's net assets. The net assets referred to above are based on the latest audited or reviewed financial statements.

Note 12: The cumulative guarantee amount to others should not be in excess of 50% of the Company's net assets; the limit to a single company should not exceed 50% of the Company's net assets. For business transaction with the Company, the guarantee amount should not

exceed the amount of business transaction, which is the higher between sales and purchases. Ceiling on total endorsements/guarantees granted by the Company and subsidiaries shall be less than 50% of the Company's net assets. Ceiling on total endorsements/guarantees granted by the Company and subsidiaries to a single party is 50% of the Company's net assets. The guarantee amount to a subsidiary which is 90%~100% directly or indirectly held by the Company should not exceed 10% of the Company's net assets. The net assets referred to above are based on the latest audited or reviewed financial statements.

WPG Holdings Limited and Subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
Year ended December 31, 2020

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

				As of December 31, 2020				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares (in thousands)	Book value	Ownership (%)	Fair value (Note 1)	Footnote
WPG Holdings Limited	Restar Holdings Corporation	None	Financial assets at fair value through profit or loss - non-current	230	\$ 141,142	0.76	\$ 141,142	Note 2
WPG Holdings Limited	Tyche Partners L.P. - Funds	None	Financial assets at fair value through profit or loss - non-current	-	331,730	-	331,730	
WPG Holdings Limited	CDIB CME Fund Ltd., etc. - Equity securities	None	Financial assets at fair value through profit or loss - non-current	-	138,043	-	138,043	
WPG Holdings Limited	T3EX Global Holdings Corp. - Equity securities	None	Financial assets at fair value through other comprehensive income - non-current	10,112	415,099	8.63	415,099	
WPG Holdings Limited	WT Microelectronics Co., Ltd.-Preference shares	The Group's investment accounted for using equity method	Financial assets at fair value through other comprehensive income - non-current	24,284	1,178,982	17.99	1,178,982	Note 3
Silicon Application corp.	Kingmax Technology Inc., etc. - Equity securities	None	Financial assets at fair value through profit or loss - non-current	-	12,267	-	12,267	Note 4
World Peace Industrial Co., Ltd.	Silicon Line GmbH, Munich...etc. - Equity securities	None	Financial assets at fair value through profit or loss - non-current	-	24,068	-	24,068	
AECO Technology Co., Ltd.	Hua-Jie (Taiwan) Corp. - Equity securities	None	Financial assets at fair value through profit or loss - non-current	668	6,684	3.32	6,684	
Yosun Industrial Corp.	Fortend Taiwan Scientific Corp., etc. - Equity securities	None	Financial assets at fair value through profit or loss - non-current	-	24,582	-	24,582	
Genuine C&C Inc.	Systemweb Technology - Equity securities	None	Financial assets at fair value through profit or loss - non-current	700	10,046	9.52	10,046	
Richpower Electronic Devices Co., Ltd	Promaster Technology Co., Ltd., etc. - Equity securities	None	Financial assets at fair value through profit or loss - non-current	-	34,829	-	34,829	
WPG Investment Co., Ltd.	Dimerco Express Corporation etc. - Equity securities	None	Financial assets at fair value through profit or loss - current, etc.	-	102,037	-	102,037	
WPG Investment Co., Ltd.	Nichidenbo Corporation etc. - Equity securities	None	Financial assets at fair value through other comprehensive income - non-current	-	237,313	-	237,313	

				As of December 31, 2020				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares (in thousands)	Book value	Ownership (%)	Fair value (Note 1)	Footnote
Silicon Application (BVI) Corporation	ACTIONTEC ELECTRONICS, INC....etc. - Equity securities	None	Financial assets at fair value through profit or loss - non-current	-	\$ 6,213	-	\$ 6,213	
Asian Information Technology Inc.	Zill Tek Technology Corp. etc. - Equity securities	None	Financial assets at fair value through profit or loss - current, etc.	-	23,095	-	23,095	
Win-Win Systems Ltd.	Silicon Electronics Company(s) Pte. Ltd. - Equity securities	None	Financial assets at fair value through profit or loss - non-current	180	-	-	-	
WPG South Asia Pte. Ltd.	ViMOS Technologies GmbH - Equity securities	None	Financial assets at fair value through profit or loss - non-current	20	629	9.00	629	
WPG China Inc.	CECI Technology Co. Ltd. etc. - Equity securities	None	Financial assets at fair value through profit or loss - non-current	-	574,738	-	574,740	

Note 1: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortized cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 2: The original investee company, Vitec Holdings Co., Ltd., was delisted on March 27, 2019. Vitec Holdings Co., Ltd merged with UKC Holdings whereby a new company, Restar Holdings Corporation, was established. The effective date for this merger was April 1, 2019, and the name of the held marketable securities was changed.

Note 3: On September 18, 2020, the Board of Directors of the Group resolved to subscribe WT's series A preference shares in the amount of 24,283,867 shares with a par value of NT\$50 per share, with total consideration of \$1,214,193, based on the shareholding ratio at the effective date of the capital increase in accordance with the application for shares. As of October 15, 2020 (effective date of the capital increase), the Group's shareholding ratio in WT is 17.99% of total outstanding preference shares after subscribing WT's series A preference shares.

Note 4: There are 566 thousand shares of Kingmax Technology Inc. which have been pledged for purchases as of December 31, 2020.

WPG Holdings Limited and Subsidiaries
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Year ended December 31, 2020

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the counterparty	Balance as at January 1, 2020		Addition		Disposal				Balance as at December 31, 2020	
					No. of shares (in thousands)	Amount	No. of shares (in thousands)	Amount	No. of shares (in thousands)	Selling price	Book value	Gain (loss) on disposal	No. of shares (in thousands)	Amount
WPG Holdings Limited	WT Microelectronics Co., Ltd. - common shares	Note 1	Stock exchange market	None	-	\$ -	177,110	\$ 8,111,638	-	\$ -	\$ -	\$ -	177,110	\$ 8,111,638
WPG Holdings Limited	WT Microelectronics Co., Ltd.-Preference shares	Note 2	WT Microelectronics Co., Ltd	None	-	-	24,284	1,214,193	-	-	-	-	24,284	1,214,193
WPG Holdings Limited	T3EX GlobalHoldings Corp.	Note 2	Stock exchange market	None	-	-	10,112	323,585	-	-	-	-	10,112	323,585
WPG Investment Co., Ltd.	T3EX GlobalHoldings Corp.	Note 2	Stock exchange market	None	-	-	1,735	49,703	-	-	-	-	1,735	49,703
Asian Information Technology Inc.	Apache Communication Inc.	Note 1	Apache Communication Inc.	Same ultimate parent company	107,000	180,313	47,300 (Note 3)	300,000	-	-	-	-	154,300	480,313

Note 1: It is recorded as investments accounted for using the equity method.

Note 2: It is recorded as financial assets at fair value through other comprehensive income-non-current.

Note 3: It included stock dividends distributed by Apache Communication Inc. in the amount of 17,300 thousand shares.

WPG Holdings Limited and Subsidiaries
Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more
Year ended December 31, 2020

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

							If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:						
Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment (Note 2)	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
The Company	Office building A in Taipei City Nangang Dist. Jingmao section No. 70, No. 70-1	2016.12 (Note 1)	\$ 4,533,954	\$ 4,533,954	Ji Tai Development Co., Ltd.	Non-related party	-	-	-	\$ -	It was appraised by Honda real estate appraising firm and China real estate appraising firm	Operation needs	None
The Company	Taipei City Nangang Dist. Jingmao section No. 70, No. 70-1	2016.12 (Note 1)	1,063,114	1,063,114	Lee	Non-related party	-	-	-	-	It was appraised by Honda real estate appraising firm and China real estate appraising firm	Operation needs	None
The Company	Taipei City Nangang Dist. Jingmao section No. 70, No. 70-1	2016.12 (Note 1)	843,765	843,765	Wang	Non-related party	-	-	-	-	It was appraised by Honda real estate appraising firm and China real estate appraising firm	Operation needs	None

Note 1: It was the date of contract.

Note 2: For the years ended December 31, 2017, 2018, 2019 and 2020 the total amount were \$885,615 and \$241,531, \$241,531, \$5,072,156, respectively.

WPG Holdings Limited and Subsidiaries
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more
Year ended December 31, 2020

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Differences in transaction terms compared to third party transactions											
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Notes/accounts receivable (payable)		Footnote		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term		Balance	Percentage of total notes/accounts receivable (payable)
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Parent company	Sales	(\$ 553,738) (	54.12)	Note 5	Note 5	Note 5	\$ 57,015	46.29	
"	Silicon Application corp.	"	"	(135,140) (	13.21)	"	"	"	17,218	13.98	
"	Asian Information Technology Inc.	"	"	(133,239) (	13.02)	"	"	"	9,392	7.63	
"	Yosun Industrial Corp.	"	"	(174,937) (	17.10)	"	"	"	34,261	27.82	
World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Same ultimate parent company	"	(5,177,800) (	3.94)	Note 3	Note 3	Note 3	821,892	3.87	
"	WPG Electronics (HK) Limited	"	"	(823,347) (	0.63)	"	"	"	272,548	1.28	
"	WPG China (SZ) Inc.	"	"	(556,416) (	0.42)	"	"	"	52,413	0.25	
"	WPG China Inc.	"	"	(359,827) (	0.27)	"	"	"	67,838	0.32	
"	WPG SCM Limited	"	"	(643,205) (	0.49)	"	"	"	301	0.00	
"	WPG Korea Co., Ltd.	"	"	(943,504) (	0.72)	"	"	"	-	0.00	
"	Genuine C&C Inc.	"	"	(152,993) (	0.12)	"	"	"	33,510	0.16	
Genuine C&C (IndoChina) Pte Ltd	WPG PT Electrindo Jaya	Investee accounted for using equity method	"	(182,119) (	81.24)	"	"	"	53,130	91.45	
World Peace International (South Asia) Pte Ltd.	World Peace Industrial Co., Ltd.	Same ultimate parent company	"	(306,848) (	1.37)	"	"	"	26,176	0.72	
"	WPG C&C (Malaysia) Sdn. Bhd	"	"	(212,708) (	0.95)	"	"	"	759	0.02	
"	WPG C&C Computers And Peripheral (India) Private Limited	"	"	(735,496) (	3.28)	"	"	"	87,758	2.43	
"	WPG SCM Limited	"	"	(2,972,762) (	13.25)	"	"	"	830,876	23.00	
"	WPG PT Electrindo Jaya	An investment which accounted associates using equity method	"	(360,035) (	1.61)	"	"	"	80,333	2.22	
"	WPG C&C (Thailand) Co., Ltd.	Same ultimate parent company	"	(141,205) (	0.63)	"	"	"	22,779	0.63	

Differences in transaction terms compared to third party transactions											
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Notes/accounts receivable (payable)		Footnote		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term					
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	Same ultimate parent company	Sales	(\$ 8,446,686)	(4.70)	Note 3	Note 3	Note 3	\$ 1,510,530	4.47	
"	World Peace International (South Asia) Pte Ltd.	"	"	(1,283,488)	(0.71)	"	"	"	64,715	0.19	
"	WPG China (SZ) Inc.	"	"	(1,529,103)	(0.85)	"	"	"	341,212	1.01	
"	WPG China Inc.	"	"	(1,403,672)	(0.78)	"	"	"	472,888	1.40	
"	WPG SCM Limited	"	"	(978,321)	(0.54)	"	"	"	93,630	0.28	
"	WPG Korea Co., Ltd.	"	"	(2,071,930)	(1.15)	"	"	"	1,721,495	5.09	
"	Vitec WPG Limited	An investee of the Group which was accounted for using equity method	"	(134,186)	(0.07)	"	"	"	10,445	0.03	
"	Peng Yu International Limited	Same ultimate parent company	"	(140,373)	(0.08)	"	"	"	31,142	0.09	
Longview Technology Inc.	World Peace Industrial Co., Ltd.	"	"	(197,757)	(72.30)	"	"	"	-	0.00	
Silicon Application corp.	Pernas Electronics Co., Ltd.	"	"	(468,345)	(0.67)	30 days after monthly billings	Note 4	Note 4	68,178	0.41	
"	WPG Electronics (HK) Limited	"	"	(4,421,725)	(6.34)	90 days after monthly billings	"	"	1,333,999	8.08	
"	WPG China (SZ) Inc.	"	"	(1,223,630)	(1.76)	"	"	"	318,767	1.93	
"	WPG China Inc.	"	"	(234,857)	(0.34)	"	"	"	71,393	0.43	
Pernas Electronics Co., Ltd.	Silicon Application corp.	"	"	(721,566)	(13.85)	30 days after monthly billings	"	"	101,684	8.66	
"	Everwiner Enterprise Co., Ltd.	"	"	(422,545)	(8.11)	Note 2	"	"	49,523	4.22	
Everwiner Enterprise Co., Ltd.	Silicon Application corp.	"	"	(426,734)	(9.52)	30 days after monthly billings	"	"	50,531	5.57	
"	Pernas Electronics Co., Ltd.	"	"	(1,644,611)	(36.69)	Note 2	"	"	326,760	36.04	
Asian Information Technology Inc.	World Peace International (South Asia) Pte Ltd.	"	"	(118,770)	(0.34)	"	Note 2	Note 2	17,355	0.24	
"	Frontek Technology Corporation	"	"	(4,312,185)	(12.24)	"	"	"	1,380,977	18.70	
"	Apache Communication Inc.	"	"	(1,151,427)	(3.27)	"	"	"	246,080	3.33	

			Differences in transaction terms compared to third party transactions									
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction						Notes/accounts receivable (payable)		Footnote	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Asian Information Technology Inc.	WPG Electronics (HK) Limited	Same ultimate parent company	Sales	(\$ 105,618)	(0.30)	Note 2	Note 2	Note 2	\$ 32,605	0.44		
"	WPG China (SZ) Inc.	"	"	(232,221)	(0.66)	"	"	"	55,405	0.75		
Henshen Electric Trading Co.,Ltd.	Asian Information Technology Inc.	"	"	(124,002)	(11.53)	"	"	"	173	0.18		
"	Frontek Technology Corporation	"	"	(351,102)	(32.66)	"	"	"	-	0.00		
Frontek Technology Corporation	Asian Information Technology Inc.	"	"	(3,350,636)	(13.53)	"	"	"	236,978	3.94		
"	Gather Technology Incorporation Limited	"	"	(100,113)	(0.40)	"	"	"	80,688	1.34		
"	WPG Electronics (HK) Limited	"	"	(522,069)	(2.11)	"	"	"	238,316	3.96		
"	WPG China Inc.	"	"	(164,238)	(0.66)	"	"	"	30,199	0.50		
Apache Communication Inc.	Asian Information Technology Inc.	"	"	(630,026)	(2.84)	"	"	"	4,615	0.15		
"	Frontek Technology Corporation	"	"	(117,997)	(0.53)	"	"	"	2,891	0.10		
WPG Electronics (HK) Limited	World Peace Industrial Co., Ltd.	"	"	(5,751,389)	(28.08)	Note 3 and 5	Note 3 and 5	Note 3 and 5	280,266	8.25		
"	WPI International (Hong Kong) Limited	"	"	(3,753,786)	(18.32)	"	"	"	1,349,163	39.70		
"	Silicon Application corp.	"	"	(138,853)	(0.68)	"	"	"	-	0.00		
"	Peng Yu International Limited	"	"	(3,200,033)	(15.62)	"	"	"	5,593	0.16		
WPG China (SZ) Inc.	WPG China Inc.	"	"	(1,595,429)	(15.49)	Note 6	Note 6	Note 6	481,527	14.60		
WPG China Inc.	WPG China (SZ) Inc.	"	"	(479,009)	(2.44)	Note 3	Note 4	Note 4	-	0.00		
WPG Americas Inc.	World Peace Industrial Co., Ltd.	"	"	(846,448)	(6.14)	"	Note 3	Note 3	90,849	6.19		
WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	"	"	(382,603)	(23.75)	Note 3 and 5	Note 3 and 5	Note 3 and 5	-	0.00		
Yosun Industrial Corp.	WPG China (SZ) Inc.	"	"	(556,740)	(1.95)	Note 6	Note 6	Note 6	118,000	2.82		
"	WPG China Inc.	"	"	(562,908)	(1.97)	"	"	"	159,087	3.80		
"	Yosun Hong Kong Corp. Ltd.	"	"	(4,373,879)	(15.29)	Note 3	Note 3	Note 3	892,491	21.29		
"	Richpower Electronic Devices Co., Ltd	"	"	(263,877)	(0.92)	"	"	"	23,817	0.57		
"	Richpower Electronic Devices Co., Limited	"	"	(166,749)	(0.58)	"	"	"	27,331	0.65		
Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	"	"	(744,826)	(2.19)	Note 6	Note 6	Note 6	256,670	5.26		
"	WPG China Inc.	"	"	(2,394,984)	(7.06)	"	"	"	610,292	12.51		

							Differences in transaction terms compared to third party transactions					
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction						Notes/accounts receivable (payable)		Footnote	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Yosun Hong Kong Corp. Ltd.	Yosun Industrial Corp.	Same ultimate parent company	Sales	(\$ 732,683)	(2.16)	Note 3	Note 3	Note 3	\$ 62,633	1.28		
"	Richpower Electronic Devices Co., Limited		"	"	(918,780)	(2.71)	"	"	"	79,856	1.64	
Yosun Singapore Pte Ltd.	WPG SCM Limited		"	"	(475,318)	(7.95)	"	"	"	40,656	4.08	
"	Yosun Hong Kong Corp. Ltd.	"	"	(386,862)	(6.47)	"	"	"	52,431	5.27		
Sertek Incorporated	WPI International (Hong Kong) Limited	"	"	(109,946)	(0.87)	"	"	"	91	0.02		
"	Yosun Industrial Corp.	"	"	(518,278)	(4.08)	"	"	"	75,272	12.62		
"	Yosun Hong Kong Corp. Ltd.	"	"	(708,224)	(5.58)	"	"	"	154,324	25.87		
Richpower Electronic Devices Co., Ltd	WPG Electronics (HK) Limited	"	"	(1,254,194)	(13.11)	Note 6	Note 6	Note 6	429,255	16.20		
"	Yosun Industrial Corp.	"	"	(745,323)	(7.79)	Note 3	Note 3	Note 3	141,123	5.33		
"	Yosun Hong Kong Corp. Ltd.	"	"	(186,696)	(1.95)	"	"	"	40,899	1.54		
Richpower Electronic Devices Co., Limited	WPG Electronics (HK) Limited	"	"	(181,501)	(1.02)	Note 6	Note 6	Note 6	173,011	5.96		
"	WPG China (SZ) Inc.	"	"	(659,024)	(3.69)	"	"	"	34,062	1.17		
"	Yosun Industrial Corp.	"	"	(5,343,396)	(29.88)	Note 3	Note 3	Note 3	537,496	18.53		
"	Yosun Hong Kong Corp. Ltd.	"	"	(3,934,578)	(22.00)	"	"	"	373,865	12.89		
"	Richpower Electronic Devices Co., Ltd	"	"	(313,626)	(1.75)	"	"	"	57,808	1.99		
Peng Yu (Shanghai) Digital Technology Co., Ltd.	Peng Yu International Limited	"	"	(185,627)	(98.69)	Note 3	Note 4	Note 4	29,115	99.95		
Peng Yu International Limited	WPG Electronics (HK) Limited	"	"	(554,792)	(9.97)	"	Note 3	Note 3	-	0.00		
"	WPG C&C Shanghai Co., Ltd.	"	"	(1,822,013)	(32.76)	"	"	"	131,293	53.30		

Note 1: As the related party transactions of consolidated subsidiaries exceeding \$100 million are voluminous, the related information disclosed here is from the sales aspect.

Note 2: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 30~120 days from the end of the month of sales.

Note 3: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 30~90 days from the end of the month of sales.

Note 4: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition.

Note 5: The income arose from the provision of administrative resources and management services, and the sales price and terms were determined by the parties.

Note 6: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 60~120 days from the end of the month of sales.

WPG Holdings Limited and Subsidiaries
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
Year ended December 31, 2020

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (Note 1)	Turnover rate (Note 2)	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
					Amount	Action taken		
World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Same ultimate parent company	\$ 821,892	8.41	\$ -	-	\$ 821,892	\$ -
World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	"	272,548	3.49	17,355	-	128,225	-
World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	"	830,876	4.43	-	-	830,876	-
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	"	1,510,530	9.06	-	-	1,510,530	-
WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	"	341,212	5.37	-	-	341,212	-
WPI International (Hong Kong) Limited	WPG China Inc.	"	472,888	3.83	-	-	316,863	-
WPI International (Hong Kong) Limited	WPG Korea Co., Ltd.	"	1,721,495	2.39	-	-	367,460	-
Silicon Application corp.	WPG Electronics (HK) Limited	"	1,333,999	3.60	19,279	-	1,083,419	-
Silicon Application corp.	WPG China (SZ) Inc.	"	318,767	5.17	4,122	-	314,216	-
Pernas Electronics Co., Ltd.	Silicon Application corp.	"	101,684	10.76	-	-	101,684	-
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	"	326,760	5.60	-	-	326,760	-
Asian Information Technology Inc.	Frontek Technology Corporation	"	1,380,977	4.20	-	-	438,393	-
Asian Information Technology Inc.	Apache Communication Inc.	"	246,080	7.04	-	-	205,310	-
Frontek Technology Corporation	Asian Information Technology Inc.	"	236,978	15.41	-	-	165,821	-
Frontek Technology Corporation	WPG Electronics (HK) Limited	"	238,316	2.67	-	-	100,459	-
WPG Electronics (HK) Limited	World Peace Industrial Co., Ltd.	"	280,266	40.75	-	-	280,263	-
WPG Electronics (HK) Limited	WPI International (Hong Kong) Limited	"	1,349,163	5.29	-	-	1,349,163	-
WPG China (SZ) Inc.	WPG China Inc.	"	481,527	6.63	-	-	-	-
Yosun Industrial Corp.	WPG China (SZ) Inc.	"	118,000	4.79	-	-	63,763	-
Yosun Industrial Corp.	WPG China Inc.	"	159,087	4.08	-	-	133,708	-
Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	"	892,491	8.13	-	-	456,846	-
Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	"	256,670	4.13	-	-	162,021	-
Yosun Hong Kong Corp. Ltd.	WPG China Inc.	"	610,292	5.58	-	-	452,930	-
Sertek Incorporated	Yosun Hong Kong Corp. Ltd.	"	154,324	8.31	-	-	154,324	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (Note 1)	Turnover rate (Note 2)	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
					Amount	Action taken		
Richpower Electronic Devices Co., Ltd	WPG Electronics (HK) Limited	Same ultimate parent company	\$ 429,255	3.39	\$ 548	-	\$ 347,788	-
Richpower Electronic Devices Co., Ltd	Yosun Industrial Corp.	"	141,123	10.31	-	-	141,123	-
Richpower Electronic Devices Co., Limited	WPG Electronics (HK) Limited	"	173,011	2.03	-	-	171,875	-
Richpower Electronic Devices Co., Limited	Yosun Industrial Corp.	"	537,496	19.88	-	-	537,496	-
Richpower Electronic Devices Co., Limited	Yosun Hong Kong Corp. Ltd.	"	373,865	17.29	-	-	373,865	-
Peng Yu International Limited	WPG C&C Shanghai Co., Ltd.	"	131,293	14.74	-	-	131,293	-
WPG Holdings Limited	Asian Information Technology Inc.	"	100,684	0.00	-	-	123	-
World Peace International Pte Ltd	World Peace International (South Asia) Pte Ltd.	"	114,016	0.00	-	-	96	-
World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	"	105,674	0.00	-	-	105,674	-
World Peace International (South Asia) Pte Ltd.	WPG South Asia Pte. Ltd.	"	135,510	0.00	-	-	135,510	-
WPI International (Hong Kong) Limited	World Peace International (South Asia) Pte Ltd.	"	123,146	0.00	-	-	2,096	-
WPI International (Hong Kong) Limited	WPG Electronics (HK) Limited	"	124,311	0.00	-	-	124,194	-
WPI International (Hong Kong) Limited	WPG Korea Co., Ltd.	"	214,725	0.00	-	-	183	-
WPG C&C Limited	WPI International (Hong Kong) Limited	"	228,575	0.00	-	-	61	-
Long-Think International (Hong Kong) Limited	WPI International (Hong Kong) Limited	"	402,027	0.00	-	-	-	-
AECO Electronics Co., Ltd.	WPI International (Hong Kong) Limited	"	690,448	0.00	-	-	289,402	-
Silicon Application corp.	WPG Electronics (HK) Limited	"	2,023,581	0.00	-	-	588,812	-
Silicon Application (BVI) Corporation	Silicon Application corp.	"	1,150,165	0.00	-	-	-	-
Silicon Application (BVI) Corporation	Peng Yu International Limited	"	171,013	0.00	-	-	-	-
Silicon Application Company Limited	Silicon Application corp.	"	656,651	0.00	-	-	-	-
Silicon Application Company Limited	WPG Electronics (HK) Limited	"	463,362	0.00	-	-	-	-
Silicon Application Company Limited	Yosun Hong Kong Corp. Ltd.	"	582,277	0.00	-	-	582,277	-
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	"	202,109	0.00	-	-	-	-
Asian Information Technology Inc.	Frontek Technology Corporation	"	508,902	0.00	-	-	8,853	-
WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd.	"	285,535	0.00	-	-	-	-
WPG SCM Limited	WPG Electronics (HK) Limited	"	285,116	0.00	-	-	-	-
WPG SCM Limited	Yosun Singapore Pte Ltd.	"	142,452	0.00	-	-	-	-
Yosun Industrial Corp.	Richpower Electronic Devices Co., Limited	"	584,078	0.00	-	-	-	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (Note 1)	Turnover rate (Note 2)	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
					Amount	Action taken		
Yosun Hong Kong Corp. Ltd.	WPG China Inc.	Same ultimate parent company	\$ 3,453,945	0.00	\$ -	-	\$ 900,242	-
Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	"	322,150	0.00	-	-	-	-
Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	"	109,995	0.00	-	-	-	-
Sertek Incorporated	Richpower Electronic Devices Co., Ltd	"	285,654	0.00	-	-	-	-
Richpower Electronic Devices Co., Limited	Silicon Application corp.	"	582,228	0.00	-	-	-	-
Richpower Electronic Devices Pte Ltd	Yosun Singapore Pte Ltd.	"	209,594	0.00	56,778	-	57,226	-
Genuine C&C Holding Inc. (Seychelles)	Peng Yu International Limited	"	115,310	0.00	-	-	-	-
Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPG C&C Shanghai Co., Ltd.	"	155,771	0.00	-	-	-	-
Peng Yu International Limited	WPG Electronics (HK) Limited	"	168,722	0.00	-	-	-	-

Note 1: Balance as at December 31, 2020 includes other receivables that exceed \$100,000.

Note 2: Turnover rate of 0.00 was caused by the receivables amount recorded as other receivables, and thus the turnover rate is not applicable.

Note 3: The subsequent collections are amounts collected as of March 16, 2021.

WPG Holdings Limited and Subsidiaries
Significant inter-company transactions during the reporting period
Year ended December 31, 2020

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	1	Sales	\$ 553,738	Note 11	0.09
0	WPG Holdings Limited	Silicon Application corp.	1	"	135,140	Note 11	0.02
0	WPG Holdings Limited	Asian Information Technology Inc.	1	"	133,239	Note 11	0.02
0	WPG Holdings Limited	Yosun Industrial Corp.	1	"	174,937	Note 11	0.03
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	"	5,177,800	Note 5	0.85
1	World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	3	"	823,347	Note 5	0.14
1	World Peace Industrial Co., Ltd.	WPG China (SZ) Inc.	3	"	556,416	Note 5	0.09
1	World Peace Industrial Co., Ltd.	WPG China Inc.	3	"	359,827	Note 5	0.06
1	World Peace Industrial Co., Ltd.	WPG SCM Limited	3	"	643,205	Note 5	0.11
1	World Peace Industrial Co., Ltd.	WPG Korea Co., Ltd.	3	"	943,504	Note 5	0.15
1	World Peace Industrial Co., Ltd.	Genuine C&C Inc.	3	"	152,993	Note 5	0.03
2	World Peace International (South Asia) Pte Ltd.	World Peace Industrial Co., Ltd.	3	"	306,848	Note 5	0.05
2	World Peace International (South Asia) Pte Ltd.	WPG C&C (Malaysia) Sdn. Bhd	3	"	212,708	Note 5	0.03
2	World Peace International (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	3	"	735,496	Note 5	0.12
2	World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	3	"	2,972,762	Note 5	0.49
2	World Peace International (South Asia) Pte Ltd.	WPG C&C (Thailand) Co., Ltd.	3	"	141,205	Note 5	0.02
3	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	8,446,686	Note 5	1.39
3	WPI International (Hong Kong) Limited	World Peace International (South Asia) Pte Ltd.	3	"	1,283,488	Note 5	0.21
3	WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	3	"	1,529,103	Note 5	0.25
3	WPI International (Hong Kong) Limited	WPG China Inc.	3	"	1,403,672	Note 5	0.23

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
3	WPI International (Hong Kong) Limited	WPG SCM Limited	3	Sales	\$ 978,321	Note 5	0.16
3	WPI International (Hong Kong) Limited	WPG Korea Co., Ltd.	3	"	2,071,930	Note 5	0.34
3	WPI International (Hong Kong) Limited	Peng Yu International Limited	3	"	140,373	Note 5	0.02
5	Longview Technology Inc.	World Peace Industrial Co., Ltd.	3	"	197,757	Note 5	0.03
7	Silicon Application corp.	Pernas Electronics Co., Ltd.	3	"	468,345	Note 9 and 11	0.08
7	Silicon Application corp.	WPG Electronics (HK) Limited	3	"	4,421,725	Note 9 and 12	0.73
7	Silicon Application corp.	WPG China (SZ) Inc.	3	"	1,223,630	Note 9 and 12	0.20
7	Silicon Application corp.	WPG China Inc.	3	"	234,857	Note 9 and 12	0.04
8	Pernas Electronics Co., Ltd.	Silicon Application corp.	3	"	721,566	Note 9 and 11	0.12
8	Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	3	"	422,545	Note 4	0.07
9	Everwiner Enterprise Co., Ltd.	Silicon Application corp.	3	"	426,734	Note 9 and 11	0.07
9	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	1,644,611	Note 4	0.27
10	Asian Information Technology Inc.	World Peace International (South Asia) Pte Ltd.	3	"	118,770	Note 4	0.02
10	Asian Information Technology Inc.	Frontek Technology Corporation	3	"	4,312,185	Note 4	0.71
10	Asian Information Technology Inc.	Apache Communication Inc.	3	"	1,151,427	Note 4	0.19
10	Asian Information Technology Inc.	WPG Electronics (HK) Limited	3	"	105,618	Note 4	0.02
10	Asian Information Technology Inc.	WPG China (SZ) Inc.	3	"	232,221	Note 4	0.04
11	Henshen Electric Trading Co.,Ltd.	Asian Information Technology Inc.	3	"	124,002	Note 4	0.02
11	Henshen Electric Trading Co.,Ltd.	Frontek Technology Corporation	3	"	351,102	Note 4	0.06
12	Frontek Technology Corporation	Asian Information Technology Inc.	3	"	3,350,636	Note 4	0.55
12	Frontek Technology Corporation	Gather Technology Incorporation Limited	3	"	100,113	Note 4	0.02
12	Frontek Technology Corporation	WPG Electronics (HK) Limited	3	"	522,069	Note 4	0.09
12	Frontek Technology Corporation	WPG China Inc.	3	"	164,238	Note 4	0.03
13	Apache Communication Inc.	Asian Information Technology Inc.	3	"	630,026	Note 4	0.10
13	Apache Communication Inc.	Frontek Technology Corporation	3	"	117,997	Note 4	0.02
15	WPG Electronics (HK) Limited	World Peace Industrial Co., Ltd.	3	"	5,751,389	Note 5	0.94

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
15	WPG Electronics (HK) Limited	WPI International (Hong Kong) Limited	3	Sales	\$ 3,753,786	Note 5	0.62
15	WPG Electronics (HK) Limited	Silicon Application corp.	3	"	138,853	Note 5	0.02
15	WPG Electronics (HK) Limited	Peng Yu International Limited	3	"	3,200,033	Note 5	0.52
16	WPG China (SZ) Inc.	WPG China Inc.	3	"	1,595,429	Note 8	0.26
17	WPG China Inc.	WPG China (SZ) Inc.	3	"	479,009	Note 5	0.08
18	WPG Americas Inc.	World Peace Industrial Co., Ltd.	3	"	846,448	Note 5	0.14
19	WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	3	"	382,603	Note 11	0.06
21	Yosun Industrial Corp.	WPG China (SZ) Inc.	3	"	556,740	Note 8	0.09
21	Yosun Industrial Corp.	WPG China Inc.	3	"	562,908	Note 8	0.09
21	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	"	4,373,879	Note 5	0.72
21	Yosun Industrial Corp.	Richpower Electronic Devices Co., Ltd	3	"	263,877	Note 5	0.04
21	Yosun Industrial Corp.	Richpower Electronic Devices Co., Limited	3	"	166,749	Note 5	0.03
22	Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	3	"	744,826	Note 8	0.12
22	Yosun Hong Kong Corp. Ltd.	WPG China Inc.	3	"	2,394,984	Note 8	0.39
22	Yosun Hong Kong Corp. Ltd.	Yosun Industrial Corp.	3	"	732,683	Note 5	0.12
22	Yosun Hong Kong Corp. Ltd.	Richpower Electronic Devices Co., Limited	3	"	918,780	Note 5	0.15
23	Yosun Singapore Pte Ltd.	WPG SCM Limited	3	"	475,318	Note 5	0.08
23	Yosun Singapore Pte Ltd.	Yosun Hong Kong Corp. Ltd.	3	"	386,862	Note 5	0.06
24	Sertek Incorporated	WPI International (Hong Kong) Limited	3	"	109,946	Note 5	0.02
24	Sertek Incorporated	Yosun Industrial Corp.	3	"	518,278	Note 5	0.09
24	Sertek Incorporated	Yosun Hong Kong Corp. Ltd.	3	"	708,224	Note 5	0.12
25	Richpower Electronic Devices Co., Ltd	WPG Electronics (HK) Limited	3	"	1,254,194	Note 8	0.21
25	Richpower Electronic Devices Co., Ltd	Yosun Industrial Corp.	3	"	745,323	Note 5	0.12
25	Richpower Electronic Devices Co., Ltd	Yosun Hong Kong Corp. Ltd.	3	"	186,696	Note 5	0.03
26	Richpower Electronic Devices Co., Limited	WPG Electronics (HK) Limited	3	"	181,501	Note 8	0.03
26	Richpower Electronic Devices Co., Limited	WPG China (SZ) Inc.	3	"	659,024	Note 8	0.11

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
26	Richpower Electronic Devices Co., Limited	Yosun Industrial Corp.	3	Sales	\$ 5,343,396	Note 5	0.88
26	Richpower Electronic Devices Co., Limited	Yosun Hong Kong Corp. Ltd.	3	"	3,934,578	Note 5	0.65
26	Richpower Electronic Devices Co., Limited	Richpower Electronic Devices Co., Ltd	3	"	313,626	Note 5	0.05
40	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Peng Yu International Limited	3	"	185,627	Note 5	0.03
27	Peng Yu International Limited	WPG Electronics (HK) Limited	3	"	554,792	Note 5	0.09
27	Peng Yu International Limited	WPG C&C Shanghai Co., Ltd.	3	"	1,822,013	Note 5	0.30
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	Accounts receivable	821,892	Note 5	0.35
1	World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	3	"	272,548	Note 5	0.12
2	World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	3	"	830,876	Note 5	0.36
3	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	1,510,530	Note 5	0.65
3	WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	3	"	341,212	Note 5	0.15
3	WPI International (Hong Kong) Limited	WPG China Inc.	3	"	472,888	Note 5	0.20
3	WPI International (Hong Kong) Limited	WPG Korea Co., Ltd.	3	"	1,721,495	Note 5	0.74
7	Silicon Application corp.	WPG Electronics (HK) Limited	3	"	1,333,999	Note 9 and 12	0.57
7	Silicon Application corp.	WPG China (SZ) Inc.	3	"	318,767	Note 9 and 12	0.14
8	Pernas Electronics Co., Ltd.	Silicon Application corp.	3	"	101,684	Note 9 and 11	0.04
9	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	326,760	Note 4	0.14
10	Asian Information Technology Inc.	Frontek Technology Corporation	3	"	1,380,977	Note 4	0.59
10	Asian Information Technology Inc.	Apache Communication Inc.	3	"	246,080	Note 4	0.11
12	Frontek Technology Corporation	Asian Information Technology Inc.	3	"	236,978	Note 4	0.10
12	Frontek Technology Corporation	WPG Electronics (HK) Limited	3	"	238,316	Note 4	0.10
15	WPG Electronics (HK) Limited	World Peace Industrial Co., Ltd.	3	"	280,266	Note 10	0.12
15	WPG Electronics (HK) Limited	WPI International (Hong Kong) Limited	3	"	1,349,163	Note 10	0.58
16	WPG China (SZ) Inc.	WPG China Inc.	3	"	481,527	Note 8	0.21
21	Yosun Industrial Corp.	WPG China (SZ) Inc.	3	"	118,000	Note 8	0.05
21	Yosun Industrial Corp.	WPG China Inc.	3	"	159,087	Note 8	0.07

Table 8, Page 4

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
21	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	Accounts receivable	\$ 892,491	Note 5	0.38
22	Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	3	"	256,670	Note 8	0.11
22	Yosun Hong Kong Corp. Ltd.	WPG China Inc.	3	"	610,292	Note 8	0.26
24	Sertek Incorporated	Yosun Hong Kong Corp. Ltd.	3	"	154,324	Note 5	0.07
25	Richpower Electronic Devices Co., Ltd	WPG Electronics (HK) Limited	3	"	429,255	Note 8	0.18
25	Richpower Electronic Devices Co., Ltd	Yosun Industrial Corp.	3	"	141,123	Note 5	0.06
26	Richpower Electronic Devices Co., Limited	WPG Electronics (HK) Limited	3	"	173,011	Note 5	0.07
26	Richpower Electronic Devices Co., Limited	Yosun Industrial Corp.	3	"	537,496	Note 5	0.23
26	Richpower Electronic Devices Co., Limited	Yosun Hong Kong Corp. Ltd.	3	"	373,865	Note 5	0.16
27	Peng Yu International Limited	WPG C&C Shanghai Co., Ltd.	3	"	131,293	Note 5	0.06
0	WPG Holdings Limited	Asian Information Technology Inc.	3	Other receivables	100,684	Note 13	0.04
28	World Peace International Pte Ltd	World Peace International (South Asia) Pte Ltd.	3	"	114,016	Note 7	0.05
2	World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	3	"	105,674	Note 6	0.05
2	World Peace International (South Asia) Pte Ltd.	WPG South Asia Pte. Ltd.	3	"	135,510	Note 6	0.06
3	WPI International (Hong Kong) Limited	World Peace International (South Asia) Pte Ltd.	3	"	123,146	Note 6	0.05
3	WPI International (Hong Kong) Limited	WPG Electronics (HK) Limited	3	"	124,311	Note 7	0.05
3	WPI International (Hong Kong) Limited	WPG Korea Co., Ltd.	3	"	214,725	Note 7	0.09
29	WPG C&C Limited	WPI International (Hong Kong) Limited	3	"	228,575	Note 7	0.10
6	Long-Think International (Hong Kong) Limited	WPI International (Hong Kong) Limited	3	"	402,027	Note 7	0.17
32	AECO Electronics Co., Ltd.	WPI International (Hong Kong) Limited	3	"	690,448	Note 7	0.30
7	Silicon Application corp.	WPG Electronics (HK) Limited	3	"	2,023,581	Note 7	0.86
33	Silicon Application (BVI) Corporation	Silicon Application corp.	3	"	1,150,165	Note 7	0.49
33	Silicon Application (BVI) Corporation	Peng Yu International Limited	3	"	171,013	Note 7	0.07
34	Silicon Application Company Limited	Silicon Application corp.	3	"	656,651	Note 7	0.28

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
34	Silicon Application Company Limited	WPG Electronics (HK) Limited	3	Other receivables	\$ 463,362	Note 7	0.20
34	Silicon Application Company Limited	Yosun Hong Kong Corp. Ltd.	3	"	582,277	Note 7	0.25
9	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	202,109	Note 7	0.09
10	Asian Information Technology Inc.	Frontek Technology Corporation	3	"	508,902	Note 7	0.22
19	WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd.	3	"	285,535	Note 7	0.12
39	WPG SCM Limited	WPG Electronics (HK) Limited	3	"	285,116	Note 7	0.12
39	WPG SCM Limited	Yosun Singapore Pte Ltd.	3	"	142,452	Note 7	0.06
21	Yosun Industrial Corp.	Richpower Electronic Devices Co., Limited	3	"	584,078	Note 7	0.25
22	Yosun Hong Kong Corp. Ltd.	WPG China Inc.	3	"	3,453,945	Note 7	1.48
35	Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	3	"	322,150	Note 7	0.14
36	Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	3	"	109,995	Note 7	0.05
24	Sertek Incorporated	Richpower Electronic Devices Co., Ltd	3	"	285,654	Note 7	0.12
26	Richpower Electronic Devices Co., Limited	Silicon Application corp.	3	"	582,228	Note 7	0.25
38	Richpower Electronic Devices Pte Ltd	Yosun Singapore Pte Ltd.	3	"	209,594	Note 7	0.09
37	Genuine C&C Holding Inc. (Seychelles)	Peng Yu International Limited	3	"	115,310	Note 7	0.05
40	Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPG C&C Shanghai Co., Ltd.	3	"	155,771	Note 7	0.07
27	Peng Yu International Limited	WPG Electronics (HK) Limited	3	"	168,722	Note 14	0.07

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

(1) Parent company is '0'.

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

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

Note 4: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 30~120 days from the end of the month of sales.

Note 5: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 30~90 days from the end of the month of sales.

Note 6: The amount receivable pertains to receipts under custody.

Note 7: Mainly accrued financing charges.

Note 8: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 60~120 days from the end of the month of sales.

Note 9: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition.

Note 10: The collection period is 60 days from the end of the month of sales.

Note 11: The collection period is 30 days from the end of the month of sales.

Note 12: The collection period is 90 days from the end of the month of sales.

Note 13: The amount receivable arose from filing of consolidated tax return.

Note 14: The receivable was due from a payment to supplier on behalf of associates.

WPG Holdings Limited and Subsidiaries
Information on investees (excluding information on investments in Mainland china)
Year ended December 31, 2020

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognized by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Taiwan	Agent and sales of electronic/ electrical components	\$ 18,471,669	\$ 18,471,669	1,592,500,000	100.00	\$ 24,925,013	\$ 3,311,641	\$ 3,311,641	Note 4
WPG Holdings Limited	Asian Information Technology Inc.	Taiwan	Sales of electronic/ electrical components	4,863,464	4,863,464	530,000,000	100.00	5,702,692	1,137,808	1,137,808	Note 4
WPG Holdings Limited	Silicon Application corp.	Taiwan	Sales of computer software and electronic components	5,717,962	5,717,962	579,000,000	100.00	7,288,058	1,079,540	1,079,540	Note 4
WPG Holdings Limited	WPG Electronics Limited	Taiwan	Agent and sales of electronic/ electrical components	14,735	14,735	3,920,000	100.00	60,308	16,991	17,011	Note 4
WPG Holdings Limited	WPG Korea Co., Ltd.	South Korea	Agent and sales of electronic/ electrical components	169,071	169,071	1,087,794	100.00	470,660	(1,074)	(1,074)	Note 4
WPG Holdings Limited	WPG International (CI) Limited	Cayman Islands	Holding company	4,583,583	4,583,583	150,282,520	100.00	5,846,935	614,911	614,911	Note 4
WPG Holdings Limited	Yosun Industrial Corp.	Taiwan	Sales of electronic/ electrical components	12,144,406	12,144,406	362,074,400	100.00	11,919,185	931,184	927,668	Note 4
WPG Holdings Limited	WPG Investment Co., Ltd.	Taiwan	Investment company	2,102,997	502,997	210,000,000	100.00	2,094,595	3,670	3,670	Note 4
WPG Holdings Limited	Trigold Holdings Limited	Taiwan	Investment company	707,968	707,968	48,139,319	60.50	811,453	212,483	129,897	Note 4
WPG Holdings Limited	WT Microelectronics Co., Ltd.	Taiwan	Sales of electronic/ electrical components	8,111,638	0	177,110,000	22.47	11,365,951	3,841,846	828,672	Note 6
World Peace Industrial Co., Ltd.	World Peace International (BVI) Ltd.	British Virgin Islands	Holding company	1,132,162	1,132,162	34,196,393	100.00	3,780,896	195,436	-	Note 2 and 5
World Peace Industrial Co., Ltd.	WPI Investment Holding (BVI) Company Ltd.	British Virgin Islands	Holding company	2,774,146	2,774,146	83,179,435	100.00	19,755,319	2,331,259	-	Note 2 and 5
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Taiwan	Agent and sales of electronic/ electrical components	364,290	364,290	33,900,000	100.00	540,409	44,106	-	Note 2 and 5

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognized by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
World Peace Industrial Co., Ltd.	Chainpower Technology Corp.	Taiwan	Agent and sales of electronic/electrical components	\$ 66,261	\$ 66,261	9,781,452	39.00	\$ 165,518	\$ 104,885	\$ -	Note 2 and 3
World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	Taiwan	Agent and sales of electronic/electrical components	1,468,555	1,468,555	94,600,000	100.00	1,596,196	39,330	-	Note 2 and 5
Longview Technology Inc.	Longview Technology GC Limited	British Virgin Islands	Holding company	335,328	335,328	11,300,000	100.00	523,931	21,275	-	Note 2 and 5
Longview Technology Inc.	Long-Think International Co., Ltd.	Taiwan	Agent and sales of electronic/electrical components	37,302	37,302	4,000,000	100.00	47,204	1,352	-	Note 2 and 5
AECO Technology Co., Ltd.	Teco Enterprise Holding (BVI) Co., Ltd.	British Virgin Islands	Investment company	436,280	436,280	12,610,000	100.00	759,435	12,569	-	Note 2 and 5
Silicon Application corp.	Silicon Application (BVI) Corporation	British Virgin Islands	Holding company	706,402	706,402	22,000,000	100.00	3,092,841	58,681	-	Note 2 and 5
Silicon Application corp.	Win-Win Systems Ltd.	British Virgin Islands	Holding company	24,015	24,015	765,000	100.00	24,609	192	-	Note 2 and 5
Silicon Application corp.	SAC Components (South Asia) Pte. Ltd.	Singapore	Sales of computer software and electronic components	104,510	104,510	3,500,000	100.00	108,742	1,715	-	Note 2 and 5
Silicon Application corp.	Pernas Electronics Co., Ltd.	Taiwan	Agent and sales of electronic/electrical components	959,504	959,504	73,500,000	100.00	1,226,080	210,436	-	Note 2 and 5
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	Taiwan	Agent and sales of electronic/electrical components	343,959	343,959	28,000,000	100.00	820,033	119,521	-	Note 2 and 5
Asian Information Technology Inc.	Frontek Technology Corporation	Taiwan	Sales of electronic/electrical components	1,515,256	1,515,256	214,563,352	100.00	2,068,591	346,793	-	Note 2 and 5
Asian Information Technology Inc.	Apache Communication Inc.	Taiwan	Sales of electronic/electrical components	480,313	180,313	154,300,000	100.00	1,550,032	169,434	-	Note 2 and 5
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd.	Taiwan	Sales of electronic/electrical components	124,521	124,521	10,000,000	100.00	124,495	11,225	-	Note 2 and 5
Asian Information Technology Inc.	Adivic Technology Co., Ltd.	Taiwan	Import and export business for electronic components	206,200	206,200	4,410,000	25.94	26,952	(19,363)	-	Note 2 and 3
Asian Information Technology Inc.	Fame Hall International Co., Ltd.	British Virgin Islands	Investment company	155,558	155,558	4,703,107	100.00	278,756	(19,137)	-	Note 2 and 5
Frontek Technology Corporation	Frontek International Limited	British Virgin Islands	Investment company	101,862	101,862	2,970,000	100.00	120,952	2,556	-	Note 2 and 5

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Investment income (loss) recognized by the Company for the year ended December 31, 2020		Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2020	(Note 1)	
Yosun Industrial Corp.	Suntop Investments Limited	Cayman Islands	Investment company	\$ 1,812,188	\$ 1,812,188	50,700,000	100.00	\$ 4,979,713	\$ 71,286	\$ -	Note 2 and 5
Yosun Industrial Corp.	Sertek Incorporated	Taiwan	Sales of electronic/electrical components	1,616,722	1,616,722	94,828,100	100.00	1,724,138	126,790	-	Note 2 and 5
Yosun Industrial Corp.	Pan-World ControlTechnologies, Inc.	Taiwan	Wholesale of machinery	19,920	19,920	1,660,000	24.24	-	-	-	Note 2 and 3
Yosun Industrial Corp.	Eesource Corp.	Taiwan	Sales of electronic/electrical components, office machinery and equipment	11,520	11,520	1,080,000	20.00	32,545	16,313	-	Note 2 and 3
Yosun Industrial Corp.	Richpower Electronic Devices Co., Ltd	Taiwan	Sales of electronic/electrical components	2,092,631	2,092,631	85,000,000	100.00	2,056,656	220,444	-	Note 2 and 5
Sertek Incorporated	Sertek Limited	Hong Kong	Sales of electronic/electrical components	83,494	83,494	19,500,000	100.00	75,794	4,763	-	Note 2 and 5
Richpower Electronic Devices Co., Ltd	Richpower Electronic Devices Co., Limited	Hong Kong	Sales of electronic components	284,898	284,898	63,000,000	100.00	2,317,803	125,946	-	Note 2 and 5
Richpower Electronic Devices Co., Ltd	Richpower Electronic Devices Pte Ltd.	Singapore	Sales of electronic components	1,988	1,988	10,000	100.00	215,389	3,593	-	Note 2 and 5
WPG Investment Co., Ltd.	Eesource Corp.	Taiwan	Sales of electronic/electrical components, office machinery and equipment	11,520	11,520	1,080,000	20.00	31,730	16,313	-	Note 2 and 3
WPG Investment Co., Ltd.	Pan-World ControlTechnologies, Inc.	Taiwan	Wholesale of machinery	17,800	17,800	1,565,218	22.86	-	-	-	Note 2 and 3
WPG Investment Co., Ltd.	Sunrise Technology Co., Ltd.	Taiwan	Manufacturing of computer and its peripheral equipment	50,000	50,000	3,279,800	10.67	44,389	9,972	-	Note 2 and 3
WPG Investment Co., Ltd.	Trigold Holdings Limited	Taiwan	Investment company	230	230	10,000	0.01	242	212,882	-	Note 2 and 3
WPG Investment Co., Ltd.	AutoSys Co., Ltd.	Cayman Islands	Holding company	73,000	73,000	5,000,000	16.25	70,282	(1,209)	-	Note 2 and 3
WPG Investment Co., Ltd.	Beauteek Global Wellness Corporation Limited	Hong Kong	Community e-commerce trading platform and related services	13,663	13,663	354,400	23.08	8,477	(2,172)	-	Note 2 and 3
WPG Investment Co., Ltd.	LaaS Holdings (Samoa) Limited	Samoa	Holding company	1,142,712	-	40,060,000	100.00	1,134,382	(19,026)	-	Note 2 and 5
Trigold Holdings Limited	Genuine C&C Inc.	Taiwan	Sales of electronic products and its peripheral equipment	1,093,697	1,093,697	79,569,450	100.00	1,129,528	103,454	-	Note 2 and 5
Trigold Holdings Limited	Trigold (Hong Kong) Company Limited	Hong Kong	Holding company	510,981	510,981	130,200,000	100.00	696,720	129,503	-	Note 2 and 5

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognized by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value			
Genuine C&C Inc.	Hoban Inc.	Taiwan	An E-commerce company which operates B2C and O2O businesses	\$ 79,999	\$ 79,999	8,000,000	100.00	\$ 2,018	(\$ 8,256)	\$ -	Note 2 and 5
Genuine C&C Inc.	Genuine C&C Holding Inc. (Seychelles)	Seychelles	Holding company	193,870	193,870	6,500,000	100.00	129,174	4,432	-	Note 2 and 5
Genuine C&C Inc.	Sunrise Technology Co., Ltd.	Taiwan	Manufacturing of computer and its peripheral equipment	12,636	12,636	1,682,151	5.47	3,192	9,972	-	Note 2 and 3

Note 1: Investment income (loss) recognized by the company including realized (unrealized) gain or loss from upstream intercompany transactions and amortization of investment discount (premium).

Note 2: Investment income (loss) recognized by each subsidiary.

Note 3: An investee company accounted for under the equity method by subsidiary.

Note 4: A subsidiary.

Note 5: An indirect subsidiary.

Note 6: An investee company accounted for under the equity method by the Company.

WPG Holdings Limited and Subsidiaries
Information on investments in Mainland China
Year ended December 31, 2020

Table 10

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2020	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2020 (Note 3)	Book value of investments in Mainland China as of December 31, 2020 (Note 6)	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
WPG China Inc.	Agent for selling electronic/electrical components	\$ 1,656,463	1	\$ 1,661,464	\$ -	\$ -	\$ 1,661,464	\$ 240,139	100.00	\$ 240,139	\$ 2,599,972	\$ -	
WPG China (SZ) Inc.	Sales of computer software and electronic components	146,998	1	99,575	-	-	99,575	130,440	100.00	130,440	876,539	-	Note 3
Suzhou Xinning Bonded Warehouse Co., Ltd.	Warehousing services	36,198	1	26,723	-	-	26,723	6,776	49.00	3,320	68,733	-	
Gain Tune Logistics (Shanghai) Co., Ltd.	Warehousing services / extra work	43,770	1	14,114	-	-	14,114	(8,262)	40.00	(3,305)	24,713	-	
Suzhou Xinning Logistics Co., Ltd.	Warehousing services	65,655	1	17,508	-	-	17,508	11,861	29.40	3,487	44,332	-	
WPG C&C Shanghai Co., Ltd.	Sales of electronic/electrical products	232,580	1	243,992	-	-	243,992	70,197	100.00	42,476	221,663	-	Note 6
Yosun Shanghai Corp. Ltd.	Sales of electronic components and warehousing services	274,945	1	219,296	-	-	219,296	5,954	100.00	5,954	370,578	-	
Yosun South China Corp. Ltd.	Sales of electronic /electrical components	140,364	1	-	-	-	-	4,436	100.00	4,436	210,701	-	
Qegoo Technology Co., Ltd.	Business e-commerce platform	52,688	1	4,566	-	-	4,566	-	15.00	-	-	-	
Beauteek (Shanghai) Global Wellness Corporation Limited	Community e-commerce trading platform and related services	48,416	1	-	7,447	-	7,447	-	15.38	-	-	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to	Net income of investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2020 (Note 3)	Book value of investments in Mainland China as of December 31, 2020 (Note 6)	Accumulated amount of investment income remitted back to	Footnote
				Mainland China as of January 1, 2020	Remitted to Mainland China	Remitted back to Taiwan	Mainland China as of December 31, 2020					Taiwan as of December 31, 2020	
LaaS (Dongguan) Supply Chain Management Limited	Supply chain management, design and related businesses.	\$ 1,139,200	1	\$ -	\$ 1,139,200	\$ -	\$ 1,139,200	(\$ 19,019)	100.00	(\$ 19,019)	\$ 1,132,678	\$ -	Note 8
Peng Yu (Shanghai) Digital Technology Co., Ltd	Sales of electronic/electrical products	98,483	1	185,506	-	-	185,506	80,810	100.00	48,898	199,170	-	
Trigolduo (Shanghai) Industrial Development Ltd.	Children's indoor amusement park	43,770	1	30,639	-	-	30,639	(27,308)	70.00	(11,567)	(1,597)	-	
Trigold Tongle (Shanghai) Industrial Development Ltd.	Children's indoor amusement park	6,566	1	-	-	-	-	(2,829)	70.00	(1,198)	(1,026)	-	Note 7

Note 1: Through investing in an existing company in the third area, which then invested in the investee in Mainland China, is '1'.

Note 2: The investment income/loss for the year ended December 31, 2020 that was recognized by the Company was based on the financial statements audited by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

Note 3: WPG International (Hong Kong) Limited invested in WPG (SZ) Inc. in the amount of HKD 10 million, which is part of the distribution of earnings from WPG China Inc. The investment had been permitted by Investment Commission, and was excluded from the ceiling of investment amount in Mainland China.

Note 4: For paid-in capital, amount remitted from Taiwan to Mainland China/ amount remitted back to Taiwan for the year ended December 31, 2020, accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020, book value of investments in Mainland China as of December 31, 2020, accumulated amount of investment income remitted back to Taiwan as of December 31, 2020, etc., the exchange rates used were USD 1: NTD 28.48, HKD 1: NTD 3.673 and RMB 1: NTD 4.377.

Note 5: The ending balance of investment was calculated based on combined ownership percentage held by the Company.

Note 6: The retirement of World Peace Industrial Co., Ltd.'s indirect investment in Mainland China, WPG C&C Shanghai Co., Ltd., has been approved by Investment Commission, Ministry of Economic Affairs on May 22, 2019 amounting to USD 11,650 thousand. World Peace Industrial Co., Ltd. will submit an application to Investment Commission, Ministry of Economic Affairs for deducting the accumulated amount of remittance from Taiwan to Mainland China when the consideration arising from transfer of equity interests is remitted back from the investment in the third area, WPI International (HK) Limited.

Note 7: Trigold Tongle (Shanghai) Industrial Development Ltd. is a wholly-owned subsidiary of Trigolduo (Shanghai) Industrial Development Ltd.

Note 8: WPG Investment Co., Ltd. acquired a 100% equity interest in Mainland China investee, LaaS (Dongguan) Supply Chain Management Limited, through a reinvestment, LaaS Holdings (HK) Limited, of WPG Investment Co., Ltd.'s investment in the third area, Samoa, on August 2, 2020. WPG Investment Co., Ltd. had received a post-approval from the MOEA.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
WPG Holdings Limited	\$ 1,819,384	\$ 1,988,158	\$ 39,601,812
World Peace Industrial Co., Ltd. and its subsidiaries	364,779	440,714	14,982,523
Silicon Application Corp. and its subsidiaries	12,296	17,879	4,372,835
Yosun Industrial Corp. and its subsidiaries	238,805	505,919	4,898,970
WPG Investment Co., Ltd.	1,151,214	1,160,557	1,256,757
Trigold Holdings Limited	549,346	549,346	766,103

(1) Exchange rates as of December 31, 2020 were USD 1: NTD28.48, HKD 1 : NTD 3.673 and RMB 1 : NTD 4.377.

(2) The ceiling of investment amount of the company is calculated based on the investor's net assets.

WPG Holdings Limited and Subsidiaries
Major shareholders information
December 31, 2020

Table 11

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Fubon Life Assurance Co., Ltd.	126,362,000	6.72%

Description: If the company applies Taiwan Depository & Clearing Corporation for the information of the table, the following can be explained in the notes of the table.

- (a) The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by the Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may be different from the actual number of shares in dematerialised form due to the difference in the calculation basis.
- (b) If the aforementioned data contains shares which were held in trust by the shareholders, the data is disclosed as a separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10%, in accordance with the Securities and Exchange Act, the shareholding ratio includes the self-owned shares and shares held in trust, and at the same time, the shareholder has the power to decide how to allocate the trust assets. For the information on reported share equity of insider, please refer to Market Observation Post System.