



# WPG

WPG Holdings Limited



## WPG Holdings Limited

2020 Annual Report

Stock Code : 3702

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**■ Head Office & Branches**

Establishment	Address	Tel.
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Branch	None	
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**■ Listing Exchange for Euro-Convertible Bonds**

None

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## 1. Letter to Shareholders

Thanks to accurate product portfolio, growing productivity, and continuous operation expansion, WPG was named the largest semiconductor components distributor in revenue both globally and among Asia Pacific in 2020. We are expanding our operation globally. Currently our main sales locations are Greater China and South Asia, but we are gradually expanding our sales locations to Europe, Northeast Asia, ASEAN countries, India, and North America. Looking into 2021 global semiconductor revenue growth, 5G mobile communication, servers, memory, IoT, automobiles, and industrial electronics remain to be the market mainstay. After years of active deployment, WPG sufficiently grasps market growth opportunities by continue growing in market applications, offering supply chain management service with added value, providing components and turnkey solution with competitive advantage, and helping our customers develop and invest in future markets. We aim to create win-win-win situations with our vendors and customers.

### 1. 2020 Review

WPG's consolidated revenue in 2020 reached NT\$609.886 billion (US\$20.651 billion), net profit after tax reached NT\$8,123 million. Basic earnings per share (EPS) were NT\$4.77. All three of the above hit record-high. Key performance indicators Return on Working Capital (ROWC) and Return on Equity (ROE) were 9.5% and 12.6%, respectively.

In 2020, WPG developed diverse product structure. Core 3C products showed stable growth while non-3C fields such as IoT, automobiles, and industrial electronics grew rapidly, accounted for 23% of the total revenue. We have approximately 5,200 employees in total, of which field applications engineers (FAE) account for 20.9% and offered 207 “online solutions.” WPG has approximately 104 operating locations worldwide, including 76 in Asia Pacific and 28 in North America. Our global supply chain supported approximately 550 VMI logistic projects cross-regions, and our Hong Kong smart warehouse construction was completed to realize one-stop service. We believe the added-value service we provided is highly recognized in semiconductor supply chain.

To enhance corporate competitiveness in respect of sustainability, WPG introduced Chief Sustainability Officer to strengthen sustainability management.

- E (Environment): Maintain and manage resources adhere to environmental protection and energy-saving philosophy. In response to climate change, promote smart warehouse continuously to maximize resource efficiency and achieve carbon reduction goal through collaborative operation of human and machine. Promote and encourage employees to respond to environmental protection through various advocacy, thereby enhancing environmental protection atmosphere and awareness.

- S (Social): Won Corporate Sustainability Report Awards - Service Industry Gold Award and Sustainable Corporation Outstanding Awards - Service and Telecommunication Industry in 2020 Taiwan Corporate Sustainability Awards (TCSA)
- G (Governance): Ranked top 20% of listed companies in corporate governance evaluation for 6 consecutive years, and was selected as a constituent stock of the "TWSE Corporate Governance 100 Index".

## 2. 2021 Outlook

Having digital transformation as the foundation, WPG actively cooperates with vendors and customers regarding supply chain transfer plan through both online platforms and offline teams, and searches for new product lines based on customer needs in various regions. We construct and explore new business models, from LaaS (Logistics as a Service) to BPaaS (Business Process as a Service), to interpret tomorrow with the day after and illustrate the look of the industry ten years later.

- **Key financial indicators:** Increase net income and effectively control operating costs. Use ROWC as the key financial indicator to continuously optimize product mix. Improve account receivable and collateral management to ensure asset quality and liquidity. Utilize financial leverage discreetly as well as enhance asset structure and profitability in order to improve shareholders' return on equity and dividend distribution.
- **Active deployment and expansion:**  
Redefine the "customers" in the upstream and downstream of the supply chain, to develop corresponding strategies and goals of service expansion in response to their needs. Provide different forms of package combinations according to the needs of different customers, to expand the objectives and fields of customer service. Strive to deepen the cultivation of customers and revenue growth, integration of team resources to enhance productivity.
- **Product portfolio management and enhancement:** Propose corresponding resource allocation plan and communication strategy considering the advantages/disadvantages of various product lines to improve operating efficiency and operating profit model. Strengthen WPG brand image in service and promote WPGDADAWANT service platform continuously. Through improving the perceived quality of digital transformation services, WPG creates long-term customer value, and deepens the influence within the supply chain. WPG continues to promote new media marketing "online and offline (O2O) mode", to strengthen the consistency of internal and external brand recognition and expand sustainable competitiveness. Combining WPG's business design capabilities and organizational transformation capabilities, as well as the support of DADATONG, which provides data scale and data assets advantage, WPG may achieve the goal effectively.
- **Integration process and information platform:** In response to digital transformation, WPGDADAWANT, Business Process as a Service (BPaaS), and ISMS (Information Security

Management System) are emphasized. Operation process optimization and smart warehouse and platform construction for cross-region logistics management continue to be implemented in accordance with WPG development strategy. We aim to improve quality and efficiency to meet the needs of company operation and to face the rapidly changing environment.

- **Sustainability (ESG):** Key focuses include corporate governance, risk management, supply chain and customer management, environment, workplace, corporate citizenship, stakeholder concerns, internal operational impact investigation and analysis, and sustainable development strategies. We aim to enhance information transparency to achieve the goal of being ranked top 5% of listed companies in corporate governance evaluation, and to effectively fulfill the functions of the board of directors, audit committee, remuneration committee, and new business strategy committee in order to implement the annual work plan.

In the future, WPG shall maintain global leading position, continue expansion, and develop healthy product revenue structure through digital transformation projects, including customer needs integration and analysis, upstream and downstream integration, and supply chain management. We aim to create innovative business model and provide higher added-value services to customers.

We, the management team, as well as all WPG employees thank you for the support and encouragement, and look forward to the continuous guidance and advice in the coming year. With our vision “To Become the First Choice of Industry. To Become the Benchmark of Distribution.” in mind, we will remain consistent in our business philosophy and services, and promote the core value of “Global Distribution, Strong and Fearless, Double Production Value, Happy Corporation, Platform Empowerment, Seamless Handover” comprehensively. We will strive to create win-win solutions with our vendors, customers, and shareholders, and wish to share exceptional business results with you.

We sincerely welcome all our peers and shareholders to share their concerns and advice with us.

Chairman: Simon Huang

Chief Executive Officer: Mike Chang

Chief Financial Officer: Cliff Yuan

## 2. Company Profile

### 2.1 Date of Incorporation: November 9, 2005

### 2.2 Milestones

Nov., 2005	WPG Holdings Limited (hereinafter referred to as WPG or the Company) was incorporated as a holding company of World Peace Industrial Co., Ltd., and Silicon Application Corporation by exchanging shares of common stock. The Company went public on the Taiwan Stock Exchange (TSE) with the stock code of 3702.
May, 2006	Ranked top 10 among the leading 500 service companies in Taiwan by CommonWealth Magazine.
Jun., 2006	Ranked 4th largest electronics component distributor globally and the 1st largest electronics component distributor in APAC by Electronic Supply & Manufacturing (ESM).
Jun., 2006	The Shareholders' Meeting resolved to pay out NT\$ 0.16 for cash dividend per share.
2006	Newly appointed by CREE, ACTIONS, Microchip, and Mstar as distributor in APAC or greater China, underpinning High Power LED, and mobile device, imaging, consumer electronics markets in Mainland China.
Jan., 2007	Established WPG Korea Co., Ltd. that dedicated to serve Korean customers
Apr., 2007	Ranked the largest electronic component distributor in APAC by ESM.
May, 2007	Ranked top 10 among the leading 500 service companies in Taiwan by CommonWealth Magazine; ranked top 100 among the leading 1000 companies in the Mainland, Taiwan and Hong Kong by Business Weekly.
May, 2007	Ranked as The Most Preferred Regional Distributor by Electronics Supply and Manufacturing-China (ESMC); special consideration in The Best Supply Capability, The Best Technical Support, and The Best Logistics Service.
Jun., 2007	The Shareholders' Meeting resolved to pay out NT\$ 1.2 for cash dividend per share and NT\$ 0.5 for stock dividend per share.
2007	Newly appointed by LITEON and Renesas as distributor in APAC or greater China.
Jan., 2008	Awarded MII sponsored, CQAE and CEPA co-certified RECS qualifications in Mainland China; supply & distribution recognized for being one of the first to qualify.
May, 2008	Awarded as No.1 IC distributor by CommonWealth Magazine and Business Weekly.
May, 2008	Re-elected as the Best and Largest Asian Electronics Distributor and ranked the 3rd worldwide semiconductor distributor by My-ESM!
Jun., 2008	Re-elected as The Best Overseas Distributor by ESMC, the only company with special consideration in The Best Supply Capability, The Best Technical Support, The Best Logistics Service, and The Best E-commerce Capability.
Jun., 2008	The Shareholders' Meeting resolved to pay out NT\$ 2.15 for cash dividend per share, and NT\$ 0.315 for stock dividend per share.

Jun., 2008	Re-elected Board of Directors in advance in the annual Shareholders' Meeting; increased independent director board seats from 2 to 5, accounted for one third of the Board; Audit Committee composed by all independent directors.
Jul., 2008	WPG acquired passive component distributor Pernas Electronics Co., Ltd. (stock code: 3256) through share swap, with Jul. 16 as reference date of the share swap.
Oct., 2008	Moved to a new office at 10F., No. 97, Sec. 2, Dun Hua S. Rd., Taipei 106, Taiwan, R.O.C.
Oct., 2008	Investment and finance committee established.
2008	Newly appointed by SETi, Telechips, Elan, Harvatek, and Volterra as distributor in APAC or greater China distributor.
Feb., 2009	WPG announced to acquire AIT (Code: 6159) 100% share by share swap; effective date for closure was set for February 6th, 2009.
Feb., 2009	Remuneration committee established.
May, 2009	Included by MSCI as the first-ever Taiwan IC distributor constituent.
Jun., 2009	Elected as the Best Overseas Authorized Distributor by ESMC, and rated as having The Best Logistic Capability, The Best Technical Support, and The Best Volume Flexibility.
Jun., 2009	Re-elected as the No. 1 Electronics Distributor in APAC by EETimes, and ranked as the 3rd worldwide distributor.
Jun., 2009	The Shareholders' Meeting resolved to pay out NT\$ 1.40 for cash dividend per share.
Dec., 2009	WPG launched webinars that attracted much attention from customers in Mainland China.
Dec., 2009	WPG Electronics (HK) awarded Logistics Awards Hong Kong.
2009	Newly appointed by TA-I, TDK, KEMET, Wintek, K.S Terminals Inc., Macro Image Technology, Orister Corp., and SG Micro Corp. (Hong Kong) as distributor in APAC or greater China distributor.
Mar, 2010	WPI Group, the subsidiary of WPG Holdings, acquired AIO Components Company Ltd. (AIO) through overseas dealing.
May, 2010	Elected as the Best Overseas Authorized Distributor by ESMC, and rated as having The Best Supply Capability, The Best Logistic Support, and The Best Volume Flexibility.
Jun., 2010	Re-elected as the No. 1 Electronics Distributor in APAC by EETimes, and ranked as the 3rd worldwide distributor.
Jun., 2010	The Shareholders' Meeting resolved to pay out NT\$2 for cash dividend per share, and NT\$1.8 for stock dividend per share.
Nov., 2010	WPG acquired YOSUN Industrial Corp. (stock code: 2403) through share swap, Nov. 15 set as reference date.
Nov., 2010	Celebrated WPG's 5th anniversary; set company vision "To Become the First Choice of Industry. To Become the Benchmark of Distribution."

2010	Appointed by Raontech, GigaDevice, INSIDE, Advanced Silicon, Redmere, NXP Semiconductors, OSRAM Opto Semiconductors, Synerchip, Sitronix, Epson, Infineon Technologies, Sanyo Semiconductors, Summit Microelectronics Inc., ST Ericsson, AMIC Technology Corporation, Silergy, AMS, Nutune, Trident, AcSip, HuaJie, Evolution, TT Electronics, Leadcore, Rockchip, Syncic, Black Sand, ATLAB, SGMICR0, UBIQ, EPICOM, RAYDIUM, TAI-SAW, ALCOR, FUDATONG, PST, Wellypower, ABT, and ZILLTEK as distributor in APAC or greater China distributor.
May, 2011	Re-elected as the No. 1 Electronics Distributor in APAC by EETimes, and ranked as the 3rd worldwide distributor.
Jun., 2011	The Shareholders' Meeting resolved to pay out NT\$2.1 for cash dividend per share, and NT\$0.9 for stock dividend per share
2011	Appointed by Quality, Energyled Corp., Phoenix, TTM, Marvell, SMSC, Mindspeed, TranSwitch, Vitesse, ICP, mCube, ARM, AzureWave, Citruscom, Domintech, ESMT, FuDaTong, InfoTM, JustPower, Kingston, Neotec, Novatek, Powervation, Quintic, and Winbond as distributor in APAC or greater China distributor.
Mar., 2012	WPG acquired AECO Technology Co., Ltd. (stock code: 6119) through share swap, with Mar. 1 as reference date.
Apr., 2012	Longview Technology Inc., subsidiary of WPG Holdings' subgroup WPI Group, acquired Long-Think group's electronics components business in greater China area in cash.
May, 2012	Re-elected as the No. 1 Electronics Distributor in APAC by EETimes, and ranked as the 3rd worldwide distributor.
Jun., 2012	The Shareholders' Meeting resolved to pay out NT\$ 2.6 for cash dividend per share.
2012	Newly or additionally appointed by Bridgelux, ADDA, Prolific, GigaDevice, Action, Hanergy, Sigma Designs, RFM, Eri, Metrodyne, ERP, TUL, PTC, Philips Lumiled, Siano, CHAMPION, CPT, IR, mCube, and Sinopower as a distributor in APAC or greater China distributor.
May, 2013	Elected into 2013 TOP 25 Global Electronics Component Distributors by EDN, and ranked as the 3rd worldwide distributor.
Jun., 2013	The Shareholders' Meeting resolved to pay out NT\$2.4 for cash dividend per share.
Aug., 2013	First took part in the evaluation of 2013 CSR Award by CommonWealth Magazine and ranked 27/50.
2013	Newly or additively appointed by Goodix, Touchstone, LITEON-SILI, T&T, ELAN, Silicon Line, Aptos, CellWise, Next Biometrics, Cyntec, Kingston, Merry, and Wolfson as a distributor in APAC or greater China distributor.
Jan., 2014	BOD of WPG resolved the share swap transactions: World Peace Industrial Co., Ltd. in exchange for Aeco Technology Co., Yosun Industrial Corp. in exchange for RichPower Electronic Devices Co., Ltd., and Silicon Application Corp. in exchange for Pernas Electronics Co., Ltd.; Jan. 1 was set as reference date.
May, 2014	The BOD resolved to issue domestic unsecured convertible bonds for the first time.

Jul., 2014	Ranked “A++” in the “Transparency and Information Disclosure” evaluation.
Dec., 2014	Elected as The Most Popular Authorized Distributor in the "2014 EEPW Editors' Choice Award" evaluation
2014	Newly appointed by O2 Micro, ISSC, Huntersun, Solteam, Fibocom, SEQUANS, VANCHIP, and OTUS as distributor.
Mar., 2015	WPG commenced tender offer for shares of Genuine C&C INC.
Apr., 2015	Ranked “A++” in “Transparency and Information Disclosure” evaluation.
Apr., 2015	Ranked among the top 20% of TWSE listed and TPEx listed companies in the 1st Corporate Governance Evaluation.
May, 2015	Ranked the 1814th on the Forbes Global 2000.
May, 2015	Rated as one of the Top 10 Overseas Distributors by ESMC.
2015	Appointed by SANA, ISSC, Thine, TBPC, Akustica Inc., BRIGHTEK, Panda, VANCHIP, High-Flying, Ambiq Beken, etc. as distributor/agent.
Feb., 2016	Moved to new office at 8F., No. 489, Sec. 2, Tiding Blvd., Neihu Dist., Taipei City.
Apr., 2016	The BOD resolved to purchase the property used for office in the Jingmao Sec., Nangang Dist., Taipei City.
Apr., 2016	Awarded top 20% amongst all listed companies in the 2nd Corporate Governance Evaluation
Apr., 2016	Ranked the 1735th in the Forbes Global 2000, and the 2nd place in the 2000 Survey Service Industry by CommonWealth Magazine
Jul., 2016	Selected in TWSE Corporate Governance 100 Index.
Oct., 2016	Rated as one of the Top 10 Overseas Authorized Distributors by the ESMC.
2016	Added the agent and distribution rights of VATICS, CT Micro, Skywalker, Seoul Semiconductor, BroadLink, UNEO, TELINK, AQUANTIA, Sharp, etc.
Apr., 2017	Ranked top 20% amongst all listed companies in the 3rd Corporate Governance Evaluation.
May, 2017	Listed in the Forbes Global 2000, and ranked 2nd in the 2000 Survey Service Industry by CommonWealth Magazine.
Oct., 2017	Rated as one of the Top 10 Overseas Authorized Distributors by the ESMC.
2017	Added the agent and distribution rights of Western, Acsip, JMicron, Microvision, PI, SILICONGEAR, UBIQ, Lumileds, TDK, Lattice, Nexperia, etc.
Apr., 2018	Ranked between 6% to 20% of the listed companies in the 4th Corporate Governance Evaluation.
May, 2018	Ranked the 2nd in the 2000 Survey Service Industry by CommonWealth Magazine.
Jun., 2018	Ranked the 1717th in the Forbes Global 2000.
Nov., 2018	Rated as one of the Top 10 International Brand Distributors by the ESMC.

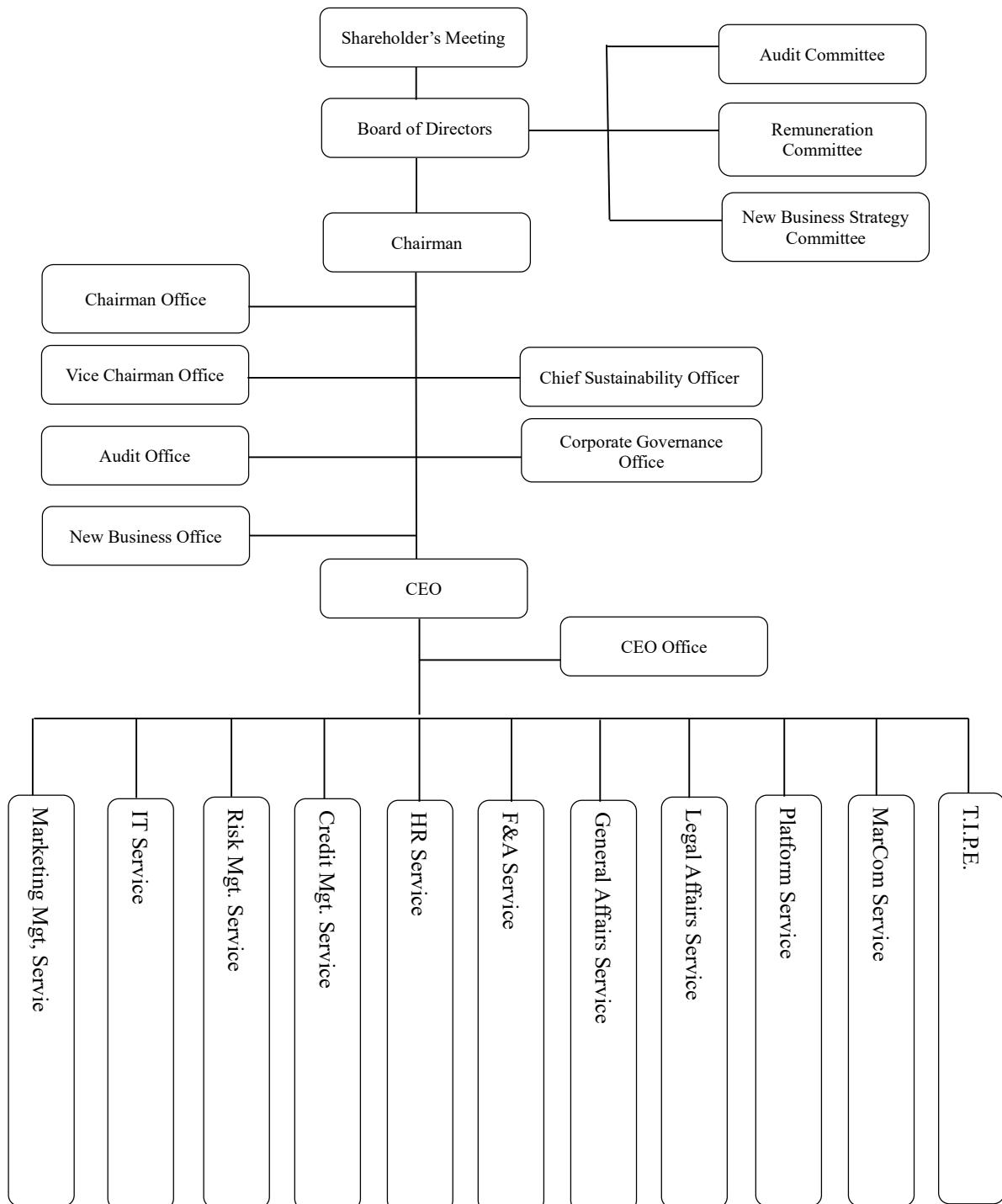
2018	Added the agent and distribution rights of Renesas, CPS, China Mobile, AMS, ASINK, TOSHIBA MEMORY, Giantec, Yangjie, tBPC, Intelligo, Fenghua, FingerTech, GOKE, Neoway, Socionext, Chilisin, NJRC, Navitas, etc.
Apr., 2019	Ranked between 6% to 20% of the listed companies in the 5th Corporate Governance Evaluation.
May, 2019	Ranked the 2nd in the 2000 Survey Service Industry by CommonWealth Magazine.
May, 2019	Ranked the 1741st in the Forbes Global 2000.
Nov., 2019	Rated as one of Top 5 Technology Support Distributor, and the Top 10 International Brand Distributors by the ESMC.
2019	Appointed by NeuroMem, Thundercomm, V-Color, Maxeye, XTX, NCE, HPI, Genesys, HiSilicon, Broadcom, VARTA, etc. as distributor
Apr., 2020	Ranked between 6% to 20% of the listed companies in the 6th Corporate Governance Evaluation.
May, 2020	Ranked No.1822 on the Forbes Global 2000 List of the World's Top Listed Companies
May, 2020	Ranked No. 2 of service industry on the Top 2000 Surveys and No. 12 of 50 largest groups in Common Wealth Magazine.
Jun., 2020	Ranked No. 104 in the Top 1000 Surveys of Mainland China, Taiwan and Hong Kong in Common Wealth Magazine.
Nov., 2020	Won the Outstanding International Brand Distributor of the Global Electronic Component Distributor Awards in Electronics Supply and Manufacturing-China (ESMC) Magazine.
Dec., 2020	Nangang headquarter building established.
2020	Appointed by SGMICRO 、 Neoway 、 Southchip 、 ESMT 、 JoulWatt 、 AMICCOM 、 GPT 、 NOVOSENSE 、 Mobileye 、 VCOM 、 SGR 、 Audiowise 、 Vesper 、 SIMCom 、 Silergy 、 MPS 、 Dioo 、 Baidu 、 Artery 、 TOUCHÉ 、 SRO 、 Phison 、 Konsemi 、 EEASY 、 ACEINNA 、 Nations 、 awinic 、 Radrock etc. as distributor/agent.
Jan., 2021	Introduced Employee Stock Ownership Trust.

### 3. Corporate Governance Report

#### 3.1 Organization

##### 3.1.1 Organization Chart

April 25<sup>th</sup>, 2021



### 3.1.2 Major Corporate Functions

WPG Holdings is operated in cooperation with WPI Group, SAC Group, AIT Group, and YOSUN Group, and its business is characterized by cross-group, cross-region, and cross-company.

The framework of WPG is organized to meet the needs of the ever-changing markets. In order to fulfill the shared vision of “To Become the First Choice of Industry. To Become the Benchmark of Distribution.”, WPG focuses on: establishing management mechanism and supervision for its affiliated subgroups and subsidiaries; highlighting back-end management effectiveness and front-end coordination through sharing/integral resource platform in order to enhance front-end effectiveness; and specializing in capital market, investor relations, and financing.

(1) Audit Office

Responsible for conducting audits for the effectiveness of internal regulations and institutional implementation for WPG and making recommendations for improvement based on the results.

(2) New Business Office

Responsible for evaluating and planning of new business, as well as post-investment management; established for the purpose of creating long-term competitive advantage or pursuing stable growth for new business.

(3) F&A Service

Responsible for matters related to finance and accounting for WPG, as well as managing investor relations; responsible for management, guidance, and supervision of each groups's corresponding function. CFO also serves as the Company's Spokesperson.

(4) IT service

Responsible for information management strategy, as well as planning of information management policy, optimization, and integration of information platform; responsible management, guidance, and supervision of each groups's corresponding function.

(5) HR service

Responsible for matters related to human resources for WPG; responsible for management, guidance, and supervision of each groups's corresponding function.

(6) Marketing Mgt. Service

Responsible for the consistency of front-end operation, policy, and standard of each group; coordinates with contact window of each group to make recommendations, develop principles for common practice, and track results in order to improve productivity.

(7) MarCom Service

Responsible for maintaining brand image, as well as planning, implementing, and supervising of e-marketing platform for WPG; responsible for management, guidance, and supervision of each groups's corresponding function.

(8) Legal Affairs Service

Responsible for legal affairs of WPG; responsible for management, guidance, and supervision of each groups' corresponding function.

(9) Credit Mgt. Service

Responsible for credit management affairs of WPG Holdings; responsible for the management, guidance, and supervision of each groups' corresponding function.

(10) Risk Management Service Office

Responsible for risk and crisis management mechanisms establishment, various risk management operations, as well as risk and crisis management awareness promotion. At the same time, Risk Management Service Office manages products and customer in order to comply with international trade controls.

(11) General Administration Service Office

Responsible for WPG Holdings' general and administrative affairs; responsible for the management, guidance and supervision of each groups' corresponding function.

(12) T.I.P.E.

Responsible for optimization of WPG business management mechanisms, intelligent operation performance management, and operating procedures quality to improve overall operation management effectiveness and efficiency.

(13) Platform Office

Responsible for DADAWANG platform promotion among WPG to build ecosystem and achieve business innovation strategic goals.

### 3.2 Directors, Supervisors, President, Vice Presidents, Directors, and Division/Department/Affiliates Heads (including Remuneration paid to Directors, Supervisors, and Management Team)

#### 3.2.1 Information regarding Directors and Supervisors

##### (1) Information regarding Directors and Supervisors

April 25, 2021

Title	Nationality/Place of registration	Name	Gender	Date Elected	Term (years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by nominees		Education and Selected Past Positions	Selected Current Positions at the Company and Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Remarks
							Common Shares	%	Common Shares	%	Common Shares	%	Common Shares	%			Title	Name	Relation	
							Preferred Shares	%	Preferred Shares	%	Preferred Shares	%	Preferred Shares	%						
Chairman	Republic of China	Simon Huang	Male	06/24/2020	3 years	06/14/2005	41,411,507	2.47	41,411,507	2.47	10,523,167	0.63	—	—	Department of Engineering Science, National Cheng-Kung University; Cofounder and Chairman, WPI Group	Chairman & Director, WPG Holdings Affiliated Ventures; Chairman, Trigold Holdings Limited; Director, Phoenix Innovation and Entrepreneurship Investment Inc. Supervisor, SINOCON Industrial Standards Foundation Executive Director, Taipei Electronic Components Suppliers' Association (TECSA)	—	—	—	
							—	—	—	—	—	—	—	—						
Vice Chairman	Republic of China	Frank Yeh	Male	06/24/2020	3 years	06/18/2014	1,196,537	0.07	1,196,537	0.07	—	—	—	—	Department of Electronics Engineering, Feng Chia University; President, Arrow Electronics, Inc.; CEO, WPG Holdings Ltd.;	Director, WPG Holdings Affiliated Ventures; Independent Director, BenQ Materials Corp.	—	—	—	
							113,000	0.06	113,000	0.06	—	—	—	—						
Director	Republic of China	K.D. Tseng	Male	06/24/2020	3 years	06/22/2011	9,654,480	0.57	9,654,480	0.57	19,053,200	1.13	—	—	Department of Electronics Engineering, National Taiwan Ocean University; Founder and Chairman, Yosun Industrial Corp.	Chairman & Director, WPG Holdings Affiliated Ventures; Director, Trigold Holdings Limited; Director (Corporate Representative), Qleap Accelerators Limited; Director (Corporate Representative), Ability I Venture Capital Corporation.; Chairman, Management Intelligence Sharing Association (MISA)	—	—	—	
							—	—	—	—	—	—	—	—						

Title	Nationality/ Place of registration	Name	Gender	Date Elected	Term (years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by nominees		Education and Selected Past Positions	Selected Current Positions at the Company and Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Remarks
							Common Shares	%	Common Shares	%	Common Shares	%	Common Shares	%			Title	Name	Relation	
							Preferred Shares	%	Preferred Shares	%	Preferred Shares	%	Preferred Shares	%						
Director	Republic of China	Mike Chang	Male	06/24/2020	3 years	06/14/2005	25,112,020	1.50	12,612,020	0.75	582,148	0.03	16,258,000	0.97	Department of Electrical Engineering, National Taipei Institute of Technology (Department of Electrical Engineering, National Taipei University of Technology); President (Far East Dist.) TXC Corporation; President, WPG Holdings Affiliated Venture	Chairman & Director, WPG Holdings Affiliated Venture; Supervisor, Taipei Electronic Components Suppliers' Association (TECSA)	—	—	—	
							—	—	—	—	—	—	—	—						
Director	Republic of China	T.L. Lin	Male	06/24/2020	3 years	06/14/2005	19,195,570	1.14	18,195,570	1.08	17,108,688	1.02	—	—	Department of Electrical Engineering, National Taipei Institute of Technology (Department of Electrical Engineering, National Taipei University of Technology); Cofounder, World Peace Industrial Co., Ltd.	Director, Trigold Holdings Limited; Director, Fantasy Story Inc. Executive Director, Taipei Electronic Components Suppliers' Association (TECSA)	—	—	—	
							—	—	—	—	1,000,000	0.50	—	—						
Director	Republic of China	K.Y. Chen	Male	06/24/2020	3 years	06/14/2005	4,614,658	0.27	4,614,658	0.27	—	—	—	—	Department of Electronic Physics, National Chiao-Tung University; Founder and Chairman, Silicon Application Corporation	Chairman & Director, WPG Holdings Affiliated Ventures; Director, Trigold Holdings Limited; Director, Chiayang Biotech Inc. Director, LeadSun New Star Corp. Director, Taipei Electronic Components Suppliers' Association (TECSA)	—	—	—	
							561,738	0.28	561,738	0.28	—	—	—	—						

Title	Nationality/Place of registration	Name	Gender	Date Elected	Term (years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by nominees		Education and Selected Past Positions	Selected Current Positions at the Company and Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Remarks
							Common Shares	%	Common Shares	%	Common Shares	%	Common Shares	%			Title	Name	Relation	
							Preferred Shares	%	Preferred Shares	%	Preferred Shares	%	Preferred Shares	%						
Director	Republic of China	Fullerton Technology Co., Ltd.	Male	06/24/2020	3 years	06/14/2005	34,421,074	2.05	32,421,074	1.93	—	—	—	—	Department of Electronics, Feng Chia University; Chairman, RichPower Electronic Devices Co., Ltd.	Chairman & President, Fullerton Technology Co., Ltd.; Director (Corporate Representative), Imagemore Co., Ltd.; Chairman (Corporate Representative), Niceday IT Co. Ltd.; Director (Corporate Representative), British Cayman Islands Business CloudMile; Director (Corporate Representative), Udar Digital Inc.; Director (Corporate Representative), Spire Technology Limited; Director (Corporate Representative), D. Cinema Technology Co., Ltd.; Director, Bestek Corp.	—	—	—	
						2,000,000	1.00	2,000,000	1.00	—	—	—	—							
		Richard Wu, Representative				07/20/2016	—	—	35,166	—	—	—	—	—						
Independent Director	Republic of China	Jack J.T. Huang	Male	06/24/2020	3 years	06/25/2008	—	—	—	—	—	—	—	—	S.J.D., Harvard University; LL.M., Northwestern University; LL.B., National Taiwan University	Founder & Chairman, Taiwan Renaissance Platform; Special Adviser, Yulon Group; Special Adviser, Tai Yuen Textile Co., Ltd.; Independent Director, Taiwan Mobile Co., Ltd. Independent Director, SYSTEX Corporation; Independent Director, CTCI Corporation; Representative Director, Yulon Motor Co., Ltd.; Representative Director, Taiwania Capital	—	—	—	

Title	Nationality/ Place of registration	Name	Gender	Date Elected	Term (years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by nominees		Education and Selected Past Positions	Selected Current Positions at the Company and Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Remarks
							Common Shares	%	Common Shares	%	Common Shares	%	Common Shares	%			Title	Name	Relation	
							Preferred Shares	%	Preferred Shares	%	Preferred Shares	%	Preferred Shares	%						
Independent Director	Republic of China	Charles Chen	Male	06/24/2020	3 years	06/24/2020	—	—	—	—	—	—	—	—	Master of Accounting, SooChow University ; CPA of PricewaterhouseCoo pers Taiwan	Director, Prime Oil Chemical Service Corporation; Independent Director, China Television Company, Ltd.; Independent Director, Delta Electronics Inc. Vice-President of United Way of Taiwan	—	—	—	
							—	—	—	—	—	—	—	—			—	—	—	
Independent Director	Singapore	Weiru Chen	Male	6/24/2020	3 years	06/24/2020	—	—	—	—	—	—	—	—	PhD in Strategic Management, Purdue University; Master of Business Administration, Tamkang University; Bachelor of Business Administration, National Taiwan University;Associate Professor of Strategy, China Europe International Business School	Independent Director, TAL Education Group (NYSE: TAL); Independent Director, Dian Diagnostics Group (SHE: 300244); Independent non- executive Director, Country Garden Services Holdings Company Limited (SEHK: 6098); Independent non- executive Director, Fangdd Network Group Ltd. (Nasdaq: DUO); Independent Director, Bluecity Holdings (Nasdaq: BLCT)	—	—	—	
							—	—	—	—	—	—	—	—			—	—	—	

Table 1: Major Shareholder of WPG's Director or Supervisor that is an Institutional Shareholder

April 25, 2021

Name of Institutional Shareholder	Major Shareholders of the Corporate Director	Shareholding (%)
Fullerton Technology Co., Ltd.	Ru-Kai Lai(3.29%)、Mei-Chi Liao (3.28%)、Richard Wu (3.10%)、Shu-Qing Ou(1.75%)、CTBC Bank Trustee Account of Richard Wu (1.73%)、Yen-Hung Liu (1.67%)、Yen-Pei Liu (1.67%)、Standard Chartered International Commercial Bank Business Department Trustee Account of SPDR (R) index fund, SPDR portfolio Emerging Market (1.06%)、Jing-Hong, Zheng(1.05%)、Quantum Vision Corp. (0.90%)	19.15

Table 2: Major Shareholder of WPG's Major Shareholder that is an Institutional Shareholder

April 25, 2021

Name of Institutional Shareholder	Major Shareholders of the Corporate Director	Shareholding (%)
Quantum Vision Corp.	Powerchip Technology Corporation (99.9968%)	99.99

(2) Directors' Professional Qualifications and Independent Analysis

Name	Criteria	Meet the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria (Note)												Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
		An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialists Who Has Passed a National Examination and Been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Area of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Simon Huang				✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Frank Yeh				✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	1
K.D. Tseng				✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Mike Chang				✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	0
T.L. Lin				✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	1
K.Y. Chen				✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Richard Wu (Representative, Fullerton Technology Co., Ltd.)				✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	0
Jack J.T. Huang	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Charles Chen	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Weiru Chen				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

Note: For any Director or Supervisor who fulfills the relevant condition(s) during the two fiscal years before being elected or during the term of office, please tick the appropriate corresponding boxes:

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not serving as a Director or Supervisor of the Company or any of its affiliates (this does not apply to cases where the person is an Independent Director of the Company, its parent or subsidiary established pursuant to this law or local laws).
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.
- (5) Not a Director, Supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top 5 in shareholdings, or that designates its representative to serve as a Director or Supervisor of the Company under Article 27, Paragraph 1 or 2 of the Company Act (this does not apply to cases where the person is an Independent Director of the Company, its parent or subsidiary established pursuant to this law or local laws).
- (6) If a majority of the Company's Director seats or voting shares and those of any other company are controlled by the same person: not a Director, Supervisor, or employee of that other company (this does not apply to cases where the person is an Independent Director of the Company, its parent or subsidiary established pursuant to this law or local laws).
- (7) If the Chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution (This does not apply to cases where the person is an Independent Director of the Company, its parent or subsidiary established pursuant to this law or local laws).
- (8) Not a Director, Supervisor, manager, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (this does not apply to cases where the specified company or institution holds more than 20% but less than 50% of the total shares issued and the person is an Independent Director of the Company, its parent or subsidiary established pursuant to this law or local laws)
- (9) Not a professional individual who, or an owner, partner, Director, Supervisor, or manager of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the Remuneration Committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Does not have a marital relationship with or a relative within the second degree of kinship with, any other Director of the Company.
- (11) No condition defined in Article 30 of the Company Act has appeared.
- (12) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the R.O.C.

### 3.2.2 Information regarding President, Vice Presidents, Directors, and Division/Department/Affiliates Heads

April 25, 2021

Title	Nationality	Name	Gender	On-board Date	Shareholding		Spouse/Minor Shareholding		Shareholding by Nominee Arrangement		Education and Selected Past Positions	Selected Current Positions at the Company and Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Remarks
					Common Shares	(%)	Common Shares	(%)	Common Shares	(%)			Title	Name	Relation	
					Preferred Shares	(%)	Preferred Shares	(%)	Preferred Shares	(%)						
President	Republic of China	Mike Chang	Male	01/01/2021	12,612,020	0.75	582,148	0.03	16,258,000	0.97	Department of Electrical Engineering, National Taipei Institute of Technology (Department of Electrical Engineering, National Taipei University of Technology); President (Far East Dist.), TXC Corporation; President, WPG Holdings Affiliated Venture	Chairman & Director, WPG Holdings Affiliated Venture	—	—	—	—
					—	—	—	—	—	—						
Vice President	Republic of China	I.J. Hsu	Male	01/01/2021	161,627	0.01	—	—	—	—	Department of Electrical Engineering, Feng Chia University; Senior Vice President, WPG Holdings Affiliated Venture	Director, WPG Holdings Affiliated Venture	—	—	—	—
					—	—	—	—	—	—						
Chief Sustainability Officier	Republic of China	K.D. Tseng	Male	01/01/2021	9,654,480	0.57	19,053,200	1.13	—	—	Department of Electronics Engineering, National Taiwan Ocean University; Chairman, WPG Holdings Affiliated Venture	Director, WPG Holdings Affiliated Venture	—	—	—	—
					—	—	—	—	—	—						
Chief Financial Officer (Accounting Supervisor) (Financial Supervisor)	Republic of China	Cliff Yuan	Male	11/09/2015	685,584	0.04	13,082	—	—	—	Dual Degree in Law & Accounting, Soochow University; Financial Assistant Vice President, WPG Holdings Affiliated Venture	Director & Supervisor, WPG Holdings Affiliated Venture	—	—	—	—
					—	—	—	—	—	—						
Chief Information Officer	Republic of China	Jazz Chuang	Male	01/01/2012	166,216	0.01	689	—	—	—	E.M.B.A., Information Management, National Taiwan University College of Management; Vice President, WPG Holdings Affiliated Venture	None	—	—	—	—
					30,000	0.02	—	—	—	—						
Chief HR Officer	Republic of China	David Li	Male	07/01/2013	73,367	—	—	—	—	—	EMBA, Southern California University; Vice President, WPG Holdings Affiliated Venture	None	—	—	—	—
					—	—	—	—	—	—						
Chief Legal Officer	Republic of China	Lucia Tai	Female	05/01/2018	238	—	1,000	—	—	—	Department of Law, National Taiwan University	Director, WPG Holdings Affiliated Venture	—	—	—	—
					—	—	—	—	—	—						
Chief MarCom Officer	Republic of China	Tracy Cheng	Female	05/01/2018	239,701	0.01	—	—	—	—	Dual Degree in German & English, Soochow University	None	—	—	—	—
					—	—	—	—	—	—						
Vice President	Republic of China	Scott Lin	Male	01/01/2007	591,507	0.04	—	—	—	—	B.S., Electronic Engineering, National Taiwan University of Science and Technology; General Manger, Infineon Technologies Taiwan	None	—	—	—	—
					—	—	—	—	—	—						

Title	Nationality	Name	Gender	On-board Date	Shareholding		Spouse/Minor Shareholding		Shareholding by Nominee Arrangement		Education and Selected Past Positions	Selected Current Positions at the Company and Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other			Remarks
					Common Shares	(%)	Common Shares	(%)	Common Shares	(%)			Title	Name	Relation	
					Preferred Shares	(%)	Preferred Shares	(%)	Preferred Shares	(%)						
Vice President	Republic of China	Victor Lu	Male	01/01/2021	563	—	—	—	—	—	Department of Electronic Engineering, National Taipei University of Technology; Vice President, Arrow Electronics	None	—	—	—	—
					—	—	—	—	—	—			—	—	—	
Vice President	Republic of China	Jessica Lee	Female	01/01/2021	17,558	—	—	—	—	—	Department of Shipping and Transportation Management, Taipei University of Marine Technology; Vice President, WPG Holdings Affiliated Venture	None	—	—	—	—
					—	—	—	—	—	—			—	—	—	

### 3.2.3 Remuneration Paid in the Most Recent Year to Directors, Supervisors, President, and Vice Presidents

#### (1) Remuneration paid to Directors and Independent Directors

December 31, 2020; Unit: NT\$ thousands

Title	Name	Director's Remuneration (Note 1)						(A+B+C+D) as a % of Net Income	Compensation Earned by a Director Who is an Employee of WPG or of WPG's Consolidated Entities						(A+B+C+D+E+F+G) as a % of Net Income	Compensation Paid to Directors from Non-consolidated Affiliates					
		Base Compensation (A)		Severance pay and Pensions (B)		Compensation to Directors (C)			Base Compensation, Bonuses and Allowances (E)		Severance Pay and Pensions (F)		Employee's Profit Sharing Bonus (G)								
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	Cash	Stock (Fair Market Value)					
Director	Simon Huang	960	1,344	0	0	7,894	7,894	0	0	0.11	0.11	18,100	27,240	504	504	0	0	0.34	0.45	0	
	K.D. Tseng	340	724	0	0	3,947	3,947	0	0	0.05	0.06	11,500	17,500	0	512	0	0	0.19	0.28	0	
	Mike Chang	240	240	0	0	3,947	3,947	0	0	0.05	0.05	0	5,539	0	696	0	0	28,461	0.05	0.47	0
	Frank Yeh	240	240	0	0	3,947	3,947	0	0	0.05	0.05	38,400	38,400	885	885	26,600	0	26,600	0.86	0.85	0
	T.L. Lin	340	724	0	0	3,947	3,947	0	0	0.05	0.06	0	0	0	0	0	0	0.05	0.06	0	
	K.Y. Chen	340	518	0	0	3,947	3,947	0	0	0.05	0.05	11,500	16,900	0	452	0	0	0	0.19	0.27	0
	Fullerton Technology Co., Ltd. Representative: Richard Wu	240	240	0	0	3,947	3,947	0	0	0.05	0.05	0	0	0	0	0	0	0.05	0.05	0	
Independent Director	Henry Shaw (Note 2)	116	116	0	0	1,908	1,908	0	0	0.02	0.02	0	0	0	0	0	0	0.02	0.02	0	
	Jack J.T. Huang	954	954	0	0	4,736	4,736	0	0	0.07	0.07	0	0	0	0	0	0	0.07	0.07	0	
	Charles Chen (Note 3)	559	559	0	0	2,447	2,447	0	0	0.04	0.04	0	0	0	0	0	0	0.04	0.04	0	
	Weiru Chen (Note 3)	325	325	0	0	2,447	2,447	0	0	0.03	0.03	0	0	0	0	0	0	0.03	0.03	0	
	Rong-Ruey Duh (Note 2)	504	504	0	0	2,290	2,290	0	0	0.03	0.03	0	0	0	0	0	0	0.03	0.03	0	
	Yung-Hong Yu (Note 2)	644	644	0	0	2,290	2,290	0	0	0.04	0.04	0	0	0	0	0	0	0.04	0.04	0	

Note 1: Resolved by the Company's Board of Directors on April 27, 2021.

Note 2: Henry Shaw, Rong-Ruey Duh, Yung-Hong Yu, resigned after re-election of directors at the general meeting of shareholders on June 24, 2020.

Note 3: Charles Chen and Weiru Chen, took office after re-election of directors at the general meeting of shareholders on June 24, 2020.

Range of Remuneration

Range of remuneration paid to Directors	Names of Directors					
	Total of (A+B+C+D)			Total of (A+B+C+D+E+F+G)		
	The Company		All Consolidated Entities	The Company		All Consolidated Entities
Less than NT\$ 1,000,000	—	—	—	—	—	—
NT\$ 1,000,000 to NT\$1,999,999						
NT\$ 2,000,000 to NT\$3,499,999	Henry Shaw、Yung-Hong Yu、Rong-Ruey Duh、Charles Chen、Weiru Chen		Henry Shaw、Yung-Hong Yu、Rong-Ruey Duh、Charles Chen、Weiru Chen		Rong-Ruey Duh、Yung-Hong Yu、Henry Shaw、Charles Chen、Weiru Chen	Rong-Ruey Duh、Yung-Hong Yu、Henry Shaw、Charles Chen、Weiru Chen
NT\$ 3,500,000 to NT\$4,999,999	Frank Yeh、Mike Chang、T.L. Lin、K.Y. Chen、K.D. Tseng、Richard Wu (Representative, Fullerton Technology Co., Ltd.)		Frank Yeh、Mike Chang、T.L. Lin、K.Y. Chen、K.D. Tseng、Richard Wu (Representative, Fullerton Technology Co., Ltd.)		Mike Chang、T.L. Lin、Richard Wu (Representative, Fullerton Technology Co., Ltd.)	T.L. Lin、Richard Wu (Representative, Fullerton Technology Co., Ltd.)
NT\$5,000,000 to NT\$9,999,999	Simon Huang、Jack J.T. Huang		Simon Huang、Jack J.T. Huang		Jack J.T. Huang	Jack J.T. Huang
NT\$10,000,000 to NT\$14,999,999	—	—	—	—	—	—
NT\$15,000,000 to NT\$29,999,999	—	—	—	—	Simon Huang、K.D. Tseng、K.Y. Chen	K.D. Tseng、K.Y. Chen
NT\$30,000,000 to NT\$49,999,999	—	—	—	—	—	Simon Huang、Mike Chang
NT\$50,000,000 to NT\$99,999,999	—	—	—	Frank Yeh	Frank Yeh	Frank Yeh
NT\$100,000,000 or More	—	—	—	—	—	—
Total	13		13		13	13

(2) Compensation paid to President and Vice Presidents

December 31, 2020; Unit: NT\$ thousands

Title	Name	Salary (A)		Severance Pay and Pensions (B)		Bonuses and Allowances (C)		Employee's Profit Sharing Bonus (D) (Note 1)				(A+B+C+D) as a % of Net Income	Compensation received from Non-consolidated Affiliates		
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company		All companies in the consolidated financial statements					
								Cash	Stock (Fair Market Value)	Cash	Stock (Fair Market Value)				
President	Frank Yeh	28,789	28,789	885	885	30,106	30.106	Total of President and Vice Presidents				1.26	1.25		
Vice President	Scott Lin														
Chief Financial Officer (Accounting Supervisor, Financial Supervisor)	Cliff Yuan														
Chief Information Officer	Jazz Chuang														
Chief HR Officer	David Li														
Chief Legal Officer	Lucia Tai														
Chief MarCom Officer	Tracy Cheng														

Note 1: Resolved by the Company's Board of Directors on April 27, 2021, that the employees' and Directors' remuneration for 2020 was \$42,600 and \$47,694, and will be adjusted into the gains and loss in the second quarter of 2021.

Range of Remuneration

Range of remuneration paid to President and Vice Presidents	Name of President and Vice Presidents	
	The Company	All Consolidated Entities
Less than NT\$ 1,000,000	—	—
NT\$ 1,000,000 to NT\$1,999,999	—	—
NT\$ 2,000,000 to NT\$3,499,999	—	—
NT\$3,500,000 to NT\$4,999,999	Lucia Tai, Tracy Cheng, Scott Lin	Lucia Tai, Tracy Cheng, Scott Lin
NT\$5,000,000 to NT\$9,999,999	Cliff Yuan, Jazz Chuang, David Li	Cliff Yuan, Jazz Chuang, David Li
NT\$10,000,000 to NT\$14,999,999	—	—
NT\$15,000,000 to NT\$29,999,999	—	—
NT\$30,000,000 to NT\$49,999,999	—	—
NT\$50,000,000 to NT\$99,999,999	Frank Yeh	Frank Yeh
NT\$100,000,000 or More	—	—
Total	7	7

(3) Employee's Profit Sharing Bonus Paid to Management Team

December 31, 2020; Unit: NT\$ thousands

	Title	Name	Stock (Fair Market Value)	Cash (Note 1)	Total	Total Amount as a % of Net Income
Management Team	President	Frank Yeh	—	42,600	42,600	0.52
	Vice President	Scott Lin				
	Chief Financial Officer (Accounting Supervisor, Financial Supervisor)	Cliff Yuan				
	Chief Information Officer	Jazz Chuang				
	Chief HR Officer	David Li				
	Chief Legal Officer	Lucia Tai				
	Chief MarCom Officer	Tracy Cheng				

Note 1: Resolved by the Company's Board of Directors on April 27, 2021, that the employees' and Directors' remuneration for 2020 was \$42,600 and \$47,694, and will be adjusted into the gains and loss in the second quarter of 2021.

3.2.4 Separate Comparisons and Descriptions of Total Remuneration, as a Percentage of Net Income Stated in the Parent Company-only Financial Reports or Individual Financial Reports, as Paid by the Company and All Other Companies Included in the Consolidated Financial Statements in the Past Two Years to Directors, Supervisors, the President, and Vice Presidents, with Analysis and Description of Remuneration Policies, Standards, and Packages, Procedure for Determining Remuneration, and Linkage Thereof to Operating Performance and Future Risk Exposure

(1) Analysis of total compensations paid to the Company's Directors, Supervisors, President and Vice presidents in the 2 most recent years as a % of Net Income After Tax (NIAT)

Unit: NT\$ thousands

Category	The Company		All Consolidated Entities	
	2019	2020	2019	2020
Director's Remuneration	40,540	53,496	44,912	54,826
Ratio of Total Amount to Net Income (%)	0.63	0.66	0.69	0.67
Supervisor's Remuneration	—	—	—	—
Ratio of Total Amount to Net Income (%)	—	—	—	—
President and Vice Presidents' Compensation	87,864	102,380	87,864	102,380
Ratio of Total Amount to Net Income (%)	1.36	1.26	1.35	1.25
NIAT	6,453,401	8,123,355	6,505,959	8,200,504

As shown in above table, 2020 Directors' remuneration, as well as the compensation paid to President and Vice Presidents increased alongside the rise of the Company's net income after tax (NIAT), but not proportionally. Therefore, the ratio of the Director's remuneration and the total remuneration of the President and Vice President to the net profit after tax of all companies in the 2020 financial statements, have all decreased.

(2) Remuneration policy, standard and package, procedure for determination, and linkage thereof to operating performance and future risk exposure:

i. The rules governing the remunerations paid to Directors and Supervisors are as follow:

In accordance with the regulations stipulated in the Articles of Incorporation of the Company, where the financial results for the fiscal year show a profit, , the Company may, by a resolution adopted by the meeting of Board of Directors, allocate no more than 3% as directors' remuneration, and report to the shareholders meeting. However, when the company still has accumulated losses, it shall reserve the compensation amount in advance.

ii. The rules governing the remuneration paid to President and Vice Presidents are as follow:

In compliance with the regulations stipulated in the Articles of Incorporation of the Company, where the financial results for the fiscal year show a profit, the Company may, by a resolution adopted by the meeting of Board of Directors, allocate more than 0.01% and less than 5% as employees' remuneration and report to the shareholders meeting. The remuneration of the general manager and other managers of the company shall be submitted to the board of directors with the attendance of more than half of the directors and the resolution shall be approved by more than half of the directors attended.

The remuneration of the Vice President of the company is reported by the President. After review and approval by the remuneration committee, the remuneration is reported to the board of directors in an agreement manner for approval.

iii. CEO and senior managers compensation structure

The remuneration structure of CEO and senior managers is highly aligned with performance. The remuneration policies and performance evaluation policies and standards are reviewed by the remuneration committee and submitted to the board of directors for resolution and implementation. The measurement aspects of manager remuneration and performance include the practice of corporate core values, senior-level competency behavior indicators, leadership and management capabilities, relevant operational performance indicators, and other special performances.

Measurement Dimension	Items and Weight	Description
Performance Indicators	Financial and business indicators—65%	Profit growth index and operation management quality improvement index: Profit After Tax(PAT), Return on Working Capital(ROWC), Net Working Capital to Sales ratio (NWC/Sales)
	Comprehensive management indicators—35%	<ul style="list-style-type: none"> <li>Practice business philosophy, corporate culture and core values, and cast the vision of common prosperity</li> <li>Organizational leadership and management capabilities</li> <li>Human resource management and human capital development</li> <li>Innovation and integration, risk management, regulation compliance, and sustainable development (ESG) strategies</li> </ul>
	Other special contributions or major events are also included in the assessment	—

iv. Pursuant to the Company's Articles of Incorporation, the remuneration of Directors who conduct the business of the Company shall be determined by the Shareholders' Meeting and paid based on the participation in and the value of contributions to the Company and with

reference to industry standards no matter whether the Company is in a loss or not. The Board of Directors of the Company has established a Remuneration Committee that assists in the development of remuneration policies for Directors, senior management team, and the Company as a whole. If the Company has surplus earnings at the end of the year, the Board of Directors shall make a distribution proposal, and the remuneration of directors shall be paid after the distribution proposal is approved by Shareholders' Meeting. In accordance with the Company's board resolutions, Directors and committee conveners receive fixed pay every month, and committee members are offered allowance according to attendance of meetings, with no compensation paid. According to the Company's Articles of Incorporation and the operation of the Board of Directors and the Remuneration Committee, the Company timely reviews whether the Directors' and senior management team' participation in and contribution to the Company's operation are aligned with their compensation, and minimizes the possibility of and correlation between business performance and future risks, so as to balance the Company's sustainable development and risk control. The Company has insured the Board and managerial personnel against liability, with insured amounts adding up to US\$ 15,000 thousand; by means of D&O insurance, the Company mitigates the risk exposure, shifting the potential damages arising from the business conduct of Directors, management team and the Company.

### **3.3 Overview of Corporate Governance**

#### **3.3.1 Information on Board Operations**

On June 24, 2020, the company elected the sixth board of directors at the regular shareholders meeting. The term of office is three years, from June 24, 2020 to June 23, 2023. The sixth board of directors has 11 members (including 4 independent directors). Currently, there are 10 seats (including 3 independent directors). On top of the electronic components industry, the professional field of the board covers investment management, strategic management, financial accounting, law and international market perspective etc. Among them, there are 3 independent directors: Jack J.T. Huang, Chairman of Taiwan Renaissance Platform Co. Ltd., Charles Chen, Director of Prime Oil Chemical Service Corporation Co. Ltd., and Weiru Chen, Associate Professor of China Europe International Business School.

The Board has the responsibility to supervise the overall operations and affairs of the Company and make decisions for major investment and M&A matters.

In 2020, the Board held 14 meetings. The following lists the attendance of Directors and Supervisors to these meetings:

Title	Name	In person	By proxy	Actual presence (attendance) (%)	Remarks
Chairman	Simon Huang	14	0	100%	re-elected
Vice Chairman	Frank Yeh	14	0	100%	re-elected
Director	K.D. Tseng	14	0	100%	re-elected
Director	Mike Chang	12	2	85.71%	re-elected
Director	T.L. Lin	13	1	92.86%	re-elected
Director	K.Y. Chen	12	2	85.71%	re-elected
Director	Richard Wu (Representative, Fullerton Technology Co., Ltd.)	14	0	100%	re-elected
Independent Director	Jack J.T. Huang	13	1	92.86%	re-elected
Independent Director	Charles Chen	8	0	100%	06/24/2020 took office, should attend 8 meetings
Independent Director	Weiru Chen	8	0	100%	
Director	Henry Shaw	5	1	83.33%	06/24/2020 resigned, should attend 6 meetings
Independent Director	Rong-Ruey Duh	6	0	100%	
Independent Director	Yung-Hong Yu	6	0	100%	

Other Matters:

I Where the proceedings of the Board meeting include one of the following circumstances, then describe the date, session, topic discussed, opinions of every Independent Director, and the handling by the Company:

(I) Matters referred to in Article 14-3 of the Securities and Exchange Act.

Board of Directors Meeting Date	Content of Proposal
April 28 <sup>th</sup> , 2020 (3 <sup>rd</sup> meeting in 2020)	The company's appointment of accountants in 2020
April 28 <sup>th</sup> , 2020 ( 3 <sup>rd</sup> meeting in 2020)	Proposed nomination of candidates for the sixth term of directors of the company (including independent directors)
April 28 <sup>th</sup> , 2020 (3 <sup>rd</sup> meeting in 2020)	Proposed the report in the shareholders meeting in 2020 to release directors of the company from Non-Compete Restriction.
May 28 <sup>th</sup> , 2020 (5 <sup>th</sup> meeting in 2020)	The company proposed to conduct public tender offer for ordinary shares of T3EX Global Holdings
June 18 <sup>th</sup> , 2020 (6 <sup>th</sup> meeting in 2020)	The company proposed to conduct public tender offer for ordinary shares of T3EX Global Holdings
July 4 <sup>th</sup> , 2020 (8 <sup>th</sup> meeting in 2020)	The company proposed to increase the tender offer price of the ordinary shares of T3EX Global Holdings
September 18 <sup>th</sup> , 2020 (11 <sup>th</sup> meeting in 2020)	The company proposed to acquire Preferred Shares A issued by WT Microelectronics Co., Ltd.
September 18 <sup>th</sup> , 2020 (11 <sup>th</sup> meeting in 2020)	The company proposed to issue 2020 Preferred Shares B through cash capital increase
December 29 <sup>th</sup> , 2020 (14 <sup>th</sup> meeting in 2020)	proposed to participate T3EX Global Holdings 2020 issuance of new shares through cash capital increase
Opinions of independent directors: None.	
The company's handling of independent directors' opinions: None.	
Resolution result: After the chairman consulted all the directors present, it was passed without objection.	

(II) Other than the matters mentioned above, other resolutions on which the Independent Directors have dissenting or reserved opinions: None

II Regarding recusals of Directors from voting due to conflicts of interests, the names of the Independent Directors, contents of motions, reasons for recusal, and results of voting shall be specified: None.

Board of Directors Meeting Date	Content of Proposal	Directors	Explanation of Conflict of Interests / Statement of Conflict of Interests
February 4th in 2020 ( 1 <sup>st</sup> meeting in 2020)	Proposed to release directors of the company from Non-Compete Restriction	Simon Huang	In-person / take the initiative to avoid
April 28 <sup>th</sup> , 2020 ( 3 <sup>rd</sup> meeting in 2020)	Proposed nomination of candidates for the sixth term of directors (including independent directors) of the company	T.L. Lin	In-person / take the initiative to avoid
		K.Y. Chen	In-person / take the initiative to avoid
		Mike Chang	In-person / take the initiative to avoid

Board of Directors Meeting Date	Content of Proposal	Directors	Explanation of Conflict of Interests / Statement of Conflict of Interests
		Simon Huang	In-person / take the initiative to avoid
		K.D. Tseng	In-person / take the initiative to avoid
		Fullerton Technology Co., Ltd. (Representative: Richard Wu)	In-person / take the initiative to avoid
		Frank Yeh	In-person / take the initiative to avoid
		Jack J.T. Huang	In-person / take the initiative to avoid
April 28 <sup>th</sup> , 2020 ( 3 <sup>rd</sup> meeting in 2020)	Proposed to report the shareholders meeting in 2020 to release directors of the company from Non-Compete Restriction.	T.L. Lin	In-person / take the initiative to avoid
		K.Y. Chen	In-person / take the initiative to avoid
		Simon Huang	In-person / take the initiative to avoid
		K.D. Tseng	In-person / take the initiative to avoid
		Fullerton Technology Co., Ltd. (Representative: Richard Wu)	In-person / take the initiative to avoid

### III Implementation of Board of Directors evaluation:

Evaluation Cycle	Period of Evaluation	Scope	Evaluation Method	Evaluation Content
Every year	Jan. , 2020 ~ Dec. 31, 2020	Board of Directors	Self-evaluation by Directors	<ul style="list-style-type: none"> <li>● Degree of participation in the Company's operations</li> <li>● Internal control and risk management</li> <li>● Management of external and internal relations</li> <li>● Composition and capabilities of the Board</li> <li>● Decision-making quality and operations of the Board</li> <li>● Whether work goals are achieved</li> </ul>
Every three years	Sep. 1, 2018 ~ Aug. 31, 2019	Board of Directors	Consigned to an external professional organization	<ul style="list-style-type: none"> <li>● Board Composition</li> <li>● Board Guidance</li> <li>● Delegation by the Board</li> <li>● Principles of Board supervision</li> <li>● Board communication</li> <li>● Internal control and risk management</li> <li>● Board self-discipline</li> </ul>

IV Measures taken to strengthen the functionality of the Board (including establishing an Audit Committee and enhancing information transparency) and results thereof: In order to perfect the supervising functions of the Board and enhance its managerial mechanism, since 2008, WPG has advanced the establishment and operation of the Audit Committee and the Remuneration Committee, and established New Business Strategy Committee on Oct. 29, 2013. Please refer to 3.3.2 “Audit Committee”, 3.3.3 “Audit Committee”, and 3.3.4 “New Business Strategy Committee” on page 28.

The attendance of Independent Directors at each Board meeting in 2020

◎ Attendance in person; ☆ Attendance in proxy; ✕ Not attend

2020	1st Meeting	2nd meeting	3rd Meeting	4th Meeting	5th Meeting	6th Meeting	7th Meeting	8th Meeting	9th Meeting	10th Meeting	11th Meeting	12th Meeting	13th Meeting	14th Meeting
Jack J.T. Huang	◎	◎	◎	◎	◎	◎	◎	☆	◎	◎	◎	◎	◎	◎
Charles Chen	Not yet in office						◎	◎	◎	◎	◎	◎	◎	◎
Weiru Chen	Not yet in office						◎	◎	◎	◎	◎	◎	◎	◎
Rong-Ruey Duh	◎	◎	◎	◎	◎	◎	Resigned							
Yung-Hong Yu	◎	◎	◎	◎	◎	◎	Resigned							

### 3.3.2 Audit Committee

The whole independent directors constitute the Audit Committee of the Company, to establish a good corporate governance structure, reinforce audit supervision functions and strengthen management mechanism; the Audit Committee aims to assist the board of directors in performing its supervisory duties, and its powers are as follows:

1. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Law.
2. Evaluation of the effectiveness of the internal control system.
3. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Law, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
4. A matter bearing on the personal interest of a director.
5. A material asset or derivatives transaction.
6. A material monetary loan, endorsement, or provision of guarantee.
7. The offering, issuance, or private placement of any equity-type securities.
8. The hiring or dismissal of an attesting CPA, or the compensation given thereto.
9. The appointment or discharge of a financial, accounting, or internal auditing officer.
10. Review of annual financial reports and second quarter financial reports
11. Review of major investment performance.
12. Supervise the formulation and implementation of risk management policies.
13. Any other material matter so required by the Competent Authority.

The Audit Committee convened a total of 13 meetings in 2020, with the attendance of directors listed as follows:

Title	Name	In-person	By proxy	Attendance rate (%)	Remarks
Independent Director (Convener)	Charles Chen	7	—	100%	
Independent Director (Member)	Weiru Chen	7	—	100%	took office on June 24, 2020, should attend 7 meetings
Independent Director (Member)	Jack J.T. Huang	12	1	92.31%	re-elected
Independent Director (Convener)	Rong-Ruey Duh	6	—	100%	
Independent Director (Member)	Yung-Hong Yu	6	—	100%	resigned on June 24, 2020, should attend 6 meetings

Other Matters:

I With regard to the operation of Audit Committee, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, all Audit Committee resolutions, and the Company's handling of such resolutions shall be specified:

(I) Matters referred to in Article 14-5 of the Securities and Exchange Act.

Audit Committee Meeting Date	Content of motion
March 24 <sup>th</sup> , 2020 (2nd Meeting in 2020)	Internal control system self-inspection and internal control statement in 2019
March 24 <sup>th</sup> , 2020 (2nd Meeting in 2020)	The Company's 2019 financial reports (including parent company-only financial statements and consolidated financial statements) and business report
April 28 <sup>th</sup> , 2020 (3rd Meeting in 2020)	The appointment of CPAs in 2020
May 28 <sup>th</sup> , 2020 (5th Meeting in 2020)	The company proposed to conduct public tender offer for ordinary shares of T3EX Global Holdings
June 18 <sup>th</sup> , 2020 (6 <sup>th</sup> Meeting in 2020)	The company proposed to conduct public tender offer for ordinary shares of T3EX Global Holdings
July 4 <sup>th</sup> , 2020 (7 <sup>th</sup> Meeting in 2020)	The company proposed to increase the tender offer price of the ordinary shares of T3EX Global Holdings
September 18 <sup>th</sup> , 2020 (10th Meeting in 2020)	The company proposed to acquire Preferred Shares A issued by WT Microelectronics Co., Ltd.
September 18 <sup>th</sup> , 2020 (10th Meeting in 2020)	The company proposed to issue 2020 Preferred Shares B through cash capital increase
December 29 <sup>th</sup> , 2020 (13th Meeting in 2020)	Proposed to participate T3EX Global Holdings 2020 issuance of new shares through cash capital increase
Audit Committee resolution: Approved by all members who raised no objection when the Chairperson put forward the relevant resolutions.	

The Company's actions in response to the opinions of the Audit Committee: All Directors present voted in favor of the resolution.

(II) Except for the previous matters, other matters that have not been approved by the Audit Committee and approved by more than two-thirds of all directors: none.

II Ways in which Independent Directors have abstained from motions that pose a conflict of interest, the Independent Director's name, the content of the motion, cause of the conflict of interest, and the circumstances of the vote shall be elaborated: None.

III Communications between Independent Directors, the Company's Chief Internal Auditor and CPAs (shall include the material items, methods and results of audits of corporate finance or operations, etc.): The Audit Committee is composed of all three Independent Directors and holds meetings at least once per quarter, where the heads of the audit office and accounting and financial office shall make routine business report. In addition, CPAs shall also regularly communicate with the Audit Committee.

### 3.3.3 Composition, Duties, and Operation of the Remuneration Committee

#### (1) Profile of Committee Members

Position	Name	Meet the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria (Note 1)										Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director	Remarks	
		An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialists Who Has Passed a National Examination and Been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Area of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10			
Independent Director	Jack J.T. Huang	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	
Independent Director	Charles Chen	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	
Independent Director	Weiru Chen			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	

Note 1: For any committee member who fulfills the relevant condition(s) 2 years before being elected or during the term of office, please provide the mark in the field next to the corresponding condition(s). ✓

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a Director or Supervisor of the Company or any of its affiliates. (This does not apply to cases where the person is an Independent Director of the Company, its parent or subsidiary established pursuant to this law or local laws).

- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.
- (4) Not a spouse, relative within the second degree of kinship, or a lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.
- (5) Not a Director, Supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top 5 in shareholdings, or that designates its representative to serve as a Director or Supervisor of the Company under Article 27, Paragraph 1 or 2 of the Company Act (this does not apply to cases where the person is an Independent Director of the Company, its parent or subsidiary established pursuant to this law or local laws).
- (6) If a majority of the Company's Director seats or voting shares and those of any other company are controlled by the same person: not a Director, Supervisor, or employee of that other company (this does not apply to cases where the person is an Independent Director of the Company, its parent or subsidiary established pursuant to this law or local laws).
- (7) If the Chairman, President, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: not a Director, Supervisor, or employee of that other company or institution (this does not apply to cases where the person is an Independent Director of the Company, its parent or subsidiary established pursuant to this law or local laws).
- (8) Not a Director, Supervisor, manager, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (this does not apply to cases where the specified company or institution holds more than 20% but less than 50% of the total shares issued and the person is an Independent Director of the Company, its parent or subsidiary established pursuant to this law or local laws)
- (9) Not a professional individual who, or an owner, partner, Director, Supervisor, or manager of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. provided, this restriction does not apply to a member of the Remuneration Committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) No condition defined in Article 30 of the Company Act has appeared.

## (2) Operational Status of the Remuneration Committee

Remuneration Committee is formed according to "Remuneration Committee Organizational Rules" and the authority of the committee is listed below. Remeration Committee reports the operating status or recommendations to the Board of Directors for discussion.

1. Propose Director's Compensation and performance evaluation report regularly
2. Propose CEO Compensation and performance evaluation report regularly
3. Propose and review Board of Director performance evaluation
4. Propose and review CEO performance evaluation

Remuneration Committee is composed of three members, of whom Jack J.T. Huang acts as the convener and convenes meetings no less than twice a year. The term of current office is from June 24, 2020 to June 23, 2023.

Five meetings were convened in 2020; the status of attendance is as follows:

Title	Name	In person	By proxy	Attendance rate (%)	Remarks
Independent Director (Convener)	Jack J.T. Huang	5	—	100%	re-elected Served as convener since June 24 <sup>th</sup> , 2020.
Independent Director (Member)	Charles Chen	3	—	100%	took office on June 24 <sup>th</sup> , 2020,
Independent Director (Member)	Weiru Chen	3	—	100%	should attend the meeting 3 times.
Independent Director (Convener)	Yung-Hong Yu	2	—	100%	resigned on June 24 <sup>th</sup> , 2020, should attend the meeting twice.
Independent Director (Member)	Rong-Ruey Duh	2	—	100%	

### Other Matters:

Remuneration Committee Date	Content of motion
Feb 4 <sup>th</sup> , 2020 (1 <sup>st</sup> meeting in 2020)	1. Proposal of the Company's 2020 compensation distribution for Directors 2. The Sixth Directors' Remuneration Plan 3. Proposed to amend the company's "Remuneration Committee Organizational Rules" 4. Proposed to set 2020 WPG Holdings CEO and appointed managers key performance indicators (KPI)
April 28 <sup>th</sup> , 2020 (2 <sup>nd</sup> Meeting in 2020)	1. The Sixth Directors' Remuneration Plan 2. The Sixth non-performance based manager (the chairman of the company and its subsidiaries) remuneration policy 3. Evaluation of the performance of management team and employees (senior managers) in 2019 and proposal of compensation distribution
July, 28 <sup>th</sup> , 2020 (3 <sup>rd</sup> Meeting in 2020)	Appointment of Chief Executive Officer of the Company
Octorber 27 <sup>th</sup> , 2020 (4 <sup>th</sup> Meeting in 2020)	1. Proposed the working objectives of the Sixth Remuneration Committee 2. The Sixth performance-based manager remuneration policy planning (note)
November 10 <sup>th</sup> , 2020 (5 <sup>th</sup> Meeting in 2020)	The Sixth performance-based manager appointment of WPG Holdings

Note: The matters to be determined by the Remuneration Committee under the authorization of the Board of Directors pursuant to Operation Procedures of Remuneration Committee shall be first resolved by the Remuneration Committee and then reported to the Board of Directors.

The results of the resolution of the Salary and Remuneration Committee: the chairman consulted all the members at the scene and passed without objection.

The company's handling of the opinions of the Salary and Remuneration Committee: Approved by all the directors at the scene at the board of directors without objection.

- I. In the event the Board of Directors does not adopt or wishes to amend the proposals of the Remuneration Committee, please state the date and number of the Board meeting, the content of the proposals, resolution from the Board of Directors, and the method the opinion from the Remuneration Committee was handled (e.g. if the salaries and compensations approved by the Board was higher than the suggested levels from the Remuneration Committee, please state the differences and reasons): None.
- II. If a member has a dissenting or qualified opinion, that a member has a record or reservation that is recorded or stated in a written statement, the date and session of the Remuneration Committee, the content of the proposal, all members' opinions, and the handling of the opinions of the member of the Remuneration Committee shall be stated: None.

### 3.3.4 New Business Strategy Committee

The purpose of the committee is to assist the Company in developing new businesses or the second core business, in an attempt to uplift the decision-making quality and effectiveness of newly invested businesses.

The committee was set up on Oct. 29, 2013 and composed of five members, including four directors and one Independent Director. The committee convenes at least four meetings a year.

Five meetings were convened in 2020; the status of attendance is as follow:

Title	Name	In person	By proxy	Attendance rate (%)	Remarks
Director (convener)	Simon Huang	5	—	100%	re-elected
Director (member)	K.D. Tseng	5	—	100%	re-elected
Director (member)	T.L. Lin	5	—	100%	re-elected
Director (member)	K.Y. Chen	5	—	100%	re-elected
Independent Director (member)	Jack J.T. Huang	2	—	100%	Took office on June 24, 2020, should attend 2 meetings
Independent Director (member)	Yung-Hong Yu	3	—	100%	Resigned on June 24, 2020, should attend 3 meetings

Other items that shall be recorded: None.

### 3.3.5 Corporate Governance Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
I. Does the Company establish and disclose its Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	Yes		The Company has formulated the Corporate Governance Best Practice Principles on July 27, 2010. Please refer to "Corporate Governance" section on page 35-38 of this Report.	No deviation.
II. Shareholding structure & shareholders' rights				
(I) Does the Company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	Yes		(I) WPG designates a spokesperson, deputy spokesperson, and shareholder services agent to handle such matters.	No deviation.
(II) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	Yes		(II) WPG's shareholder services division retains the register of major shareholders; such records are disclosed, by law, on the designated internet information posting system of Securities and Futures Institute.	No deviation.
(III) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	Yes		(III) WPG's internal control systems already have relevant systems; clear distinction has been drawn between the responsibilities and duties of involved persons and no abnormal transactions have been identified.	No deviation.
(IV) Does the Company establish internal rules against Insider Trading with undisclosed information?	Yes		(IV) WPG has established the Procedures for the Management and Prevention of Insider Trading in place, prohibiting company insiders from trading securities using information not disclosed to the market.	No deviation.
III. Composition and responsibilities of the Board of Directors				
(I) Does the Board develop and implement a diversified policy for the composition of its members?	Yes		(I) The company adopts Directors Candidates Nomination System in accordance to the company's Articles of the Association, Director Election Regulations and Corporate Governance Principles. The company selects and nominates Board of Director members through fair and open procedures. According to Article 20, Item 4 of the Company's "Corporate Governance Practice", in order to achieve the ideal goal of corporate governance, the overall board of directors should show the following capabilities: (1) Operational judgment ability (2) Accounting and financial analysis capabilities (3) Operation and management capabilities (4) Crisis handling capabilities (5) Industry knowledge (6) International market view (7) Leadership (8) Decision-making ability  The company's sixth term of the board of directors has 11 members (including 4 independent directors), and currently 10 members (including 3 independent directors). In addition to the electronic components industry, the professional field covers investment management, strategic management, financial accounting, law, and international market view, etc. Two of all board members are employees (including appointed managers) (20% of the board). Three of all members are independent directors (30% of the board); No female director is present but the goal is to have at least one. Two directors are over 70 years old and the remaining eight directors age between 50 and 70 years old. The tenure period is less than 3 years for two independent directors and more than 9 years for one independent director. Regardless of one independent director's long tenure, he was re-elected for his forward looking and fair advices given his expertise in law and mergers and acquisitions, as well as his extensive experience in related law practice and business management. The directors' industry experience/professional distribution is disclosed on the company's website.	No deviation.

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
(II) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee which are required by law?	Yes		(II) Apart from Remuneration Committee and Audit Committee, the Company also established New Business Strategy Committee.	No deviation.
(III) Does the Company formulate rules and procedures for board performance assessments, and each year conduct regularly scheduled performance assessments? Does the Company submit the performance assessment results to the Board and use the results as a standard for the remuneration of directors and the nomination of their re-election?	Yes		(III) WPG formulated rules and procedures for board performance assessment in 2015 that specify at least one internal performance assessment shall be made each year. WPG conducts director self-assessment over their performance in the previous year via closed- and open-ended questionnaires in January or so each year and such assessment results shall be reported to the Board of Directors. Since October 2019, at least one evaluation every three years shall be conducted additionally by an external professional independent institution or an external team of experts and scholars.	No deviation.
(IV) Does the company regularly evaluate the independence of CPAs?	Yes		(IV) The Company regularly assesses the independence of CPAs and establishes the “Verifying Accountant Review and Evaluation Form” based on the “Verifying Accountant Selection Review Method” adopted by the Audit Committee. The following major items are used as review requirements: <ul style="list-style-type: none"> <li>(1) CPAs and their spouses, minor children are not the Directors, Supervisors, management team of the Company and its subsidiaries or have significant influence on duties and conflicts of interest.</li> <li>(2) Has not undertook audit service for 7 years.</li> <li>(3) In the past two years, the firm and the CPAs have no major lawsuits or cases corrected by competent authorities.</li> <li>(4) The certified public accountant reports the content of the review/inspection to the audit committee quarterly</li> <li>(5) Obtain the independent declaration issued by the accountant regularly</li> <li>(6) Scale and reputation of the Accounting firm</li> <li>(7) Service quality and timely manner of audit and tax services</li> </ul> The Company’s Chief Financial Officer evaluated the resumes of CPAs, the statement and the Certified Accountant Review and Evaluation Form, then reported to the Audit Committee and the Board of Directors on Apr. 28, 2020. Evaluation passed on Apr. 28, 2020.           After the assessment over CPA Chou, Chien-Hung and CPA Lin, Chun-Yao with PwC Taiwan, they are considered in line with the Company's independent evaluation standards, and has not undertaken the company's certified service for 7 consecutive years therefore qualified to serve as the Company's CPAs.	No deviation.
IV. Is the listed company staffed with sufficient and qualified corporate governance personnel? Does it appoint a head of corporate governance who is in charge of various matters related to corporate governance (including but not limited to, providing the data by directors and supervisors to perform their duties, assisting directors and supervisors to conform to applicable laws, handling matters involving meetings of Board of Directors and shareholders in accordance with the law, making minute book for meetings of Board of Directors and shareholders)?	Yes		Upon resolution from the Board meeting on Apr. 30, 2019, the Company has designated Lucia Tai, the Chief Legal Officer, to serve as the Company's head of corporate governance, with the goal of protecting the rights and interests of shareholders and strengthening the functions of the Board. Ms. Tai has had more than 3 years of experience in the legal affairs of the Company. The head of corporate governance is mainly responsible for handling matters related to the Board meetings and Shareholders' Meetings in accordance with the law, recording minutes of Board meetings and Shareholders' Meetings, assisting the Directors and the Supervisors in their positions and pursue relevant training courses, furnishing Directors and Supervisors with the information required for business decisions, and assisting them to comply with law and regulations. The scope of operation in 2020 is as follows (including but not limited to): <ul style="list-style-type: none"> <li>• Operated the Board meetings and various committee meetings in accordance with the law</li> <li>• Planned and executed door-to-door training courses for Directors</li> <li>• Obtained and maintained liability insurance for Directors</li> <li>• Conducted performance evaluation of the Board of Directors in accordance with the Company's</li> </ul>	No deviation.

Evaluation Item	Implementation Status (Note 1)				Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof	
	Yes	No	Description			
			methodology, and by external institution			
			Training courses conducted in 2020:			
			Training date	Organizer	Course title	Hours of Courses
			August 11, 2020	Taiwan Institute of Directors	Corporate Governance and Group Governance	3 hours
			November 10, 2020	Taiwan Institute of Directors	Aspects of ESG governance-from knowing to doing	3 hours
			November 17, 2020	Taiwan Corporate Governance Association	Intellectual Property Management - The latest trend of corporate governance evaluation indicators that directors and supervisors must know	3 hours
			December 8, 2020	Taiwan Corporate Governance Association	Fraud red flags of false financial reports	3 hours
V. Has the Company established a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers)? Has a stakeholders' area been established in the company's website? Are major Corporate Social Responsibility (CSR) topics that the stakeholders are concerned with addressed appropriately by the Company?	Yes		Aiming for enhanced corporate governance, WPG has announced the email address of the members of the Audit Committee on its website as a direct and smooth channel of communication with "Stakeholders" of the Company such as employees, shareholders, corresponding banks, consumers, and suppliers in accordance with Measures for Receiving Advices and Handling Complaints from Stakeholders by the Audit Committee. The members of the Audit Committee shall directly respond to issues including but not limited to CSR. The website is: <a href="http://www.wpholdings.com/stakeholder/index/zhtw">http://www.wpholdings.com/stakeholder/index/zhtw</a>			No deviation.
VI. Has the Company appointed a professional shareholder service agency to deal with shareholder affairs?	Yes		The Company has appointed the Share Affair Agency Department of Capital Securities Corporation to handle the affairs of the Shareholders' Meetings.			No deviation.
VII. Information disclosure (I) Does the Company establish a website to disclose information on financial operations and corporate governance?	Yes		(I) WPG has a public website ( <a href="http://www.wpholdings.com">www.wpholdings.com</a> ) in place, regularly disclosing and updating the information regarding Company's finance, operation and corporate governance for investors' reference.			No deviation.
(II) Does the Company adopt other means of information disclosure (such as establishing an English language website, delegating a professional to collect and disclose Company information, implement a spokesperson system, and disclose the process of investor conferences on the company website)?	Yes		(II) WPG has a public website that contains English webpage and the information thereof is gathered and disclosed by responsible persons. In addition, briefings of investor conference are also available on the website for investors' reference.			No deviation.
(III) Does the Company publish and report its annual financial report within 2 months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?	Yes		(III) The Company publishes and reports its annual financial report within three months after the end of a fiscal year, and publishes and reports its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.			Publishes and reports before the specified deadline.
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, Directors' and Supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by Directors and Supervisors)?	Yes		(I) For employee rights and employee wellness, please refer to "Labor Relation" section of the annual report (See page 106-116 for details); (II) WPG is a holding company, engaging neither manufacturing nor selling, hence causing no pollution to the environment; transactions with suppliers are primarily daily general business operations. (III) In order to establish sound corporate governance systems, WPG has already formulated its corporate governance principles with reference to the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies stipulated by TWSE and TPEx on July 27,2010.			No deviation.

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
			<p>(IV) The Company's Directors have faithfully conducted corporate affairs and perform the duty of care of a good administrator in exercising their powers.</p> <p>(V) The Company purchases D&amp;O liability insurance for its Directors and management team.</p> <p>(VI) The Company has already formulated the Policy and Procedure for Risk Management for WPG Group on Apr. 24, 2012 that specifies risk management policy and risk metrics, and the Policy and Procedure were amended on Jan. 26, 2016; please refer to the "Risk Management" section of this Report (See page 376-379 for details).</p> <p>(VII) Continuous education of Directors is governed by the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies; please refer to page 39 for details.</p>	<p>No deviation.</p> <p>No deviation.</p> <p>No deviation.</p> <p>No deviation.</p>
IX. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved. (not required if the company is not an assessed company)	Yes		<p>The Company ranked 21% to 35% out of all listed companies in 2020 evaluation results.</p> <p>Items for improvements:</p> <ul style="list-style-type: none"> <li>• The Director diversity policy and execution details will be disclosed on the Company's website and annual report in 2021</li> <li>• Business ethics training covering insider trading prevention topics will be implemented in 2021</li> <li>• Operation of risk management, information security, and corporate ethics management will be reported to the Board of Directors in 2021</li> </ul>	No deviation.

Note 1: Describe briefly in the implementation status column no matter the result of operation is "yes" or "no".

Summary of Directors' Training:

Title	Name	Date of Taking Office	Training date		Organizer	Course title	Hours of Courses
			From	To			
Chairman	Simon Huang	06/24/2020	01/13/2020	01/13/2020	Taiwan Listed Companies Association	Common Drawbacks Of Corporate Governance	2 hours
			08/11/2020	08/11/2020	Taiwan Institute of Directors	Corporate Governance And Group Governance	3 hours
			11/09/2020	11/09/2020	Taiwan Listed Companies Association	Opportunities for Taiwan's development of precision health biomedical industry	2 hours
			11/10/2020	11/10/2020	Taiwan Institute of Directors	Aspects Of ESG Governance-From Knowing To Doing	3 hours
			12/15/2020	12/15/2020	Taiwan Listed Companies Association	Focus on emerging industries and increase investment in Taiwan	2 hours
Vice Chairman	K.D. Tseng	06/24/2020	08/11/2020	08/11/2020	Taiwan Institute of Directors	Corporate Governance and Group Governance	3 hours
			11/10/2020	11/10/2020	Taiwan Institute of Directors	Aspects Of ESG Governance-From Knowing To Doing	3 hours
Director	T.L. Lin	06/24/2020	08/11/2020	08/11/2020	Taiwan Institute of Directors	Corporate Governance and Group Governance	3 hours
			11/10/2020	11/10/2020	Taiwan Institute of Directors	Aspects Of ESG Governance-From Knowing To Doing	3 hours
Director	Mike Chang	06/24/2020	08/11/2020	08/11/2020	Taiwan Institute of Directors	Corporate Governance and Group Governance	3 hours
			11/10/2020	11/10/2020	Taiwan Institute of Directors	Aspects Of ESG Governance-From Knowing To Doing	3 hours
Director	K.Y. Chen	06/24/2020	08/11/2020	08/11/2020	Taiwan Institute of Directors	Corporate Governance and Group Governance	3 hours
			11/10/2020	11/10/2020	Taiwan Institute of Directors	Aspects Of ESG Governance-From Knowing To Doing	3 hours
Director	Frank Yeh	06/24/2020	08/11/2020	08/11/2020	Taiwan Institute of Directors	Corporate Governance and Group Governance	3 hours
			11/10/2020	11/10/2020	Taiwan Institute of Directors	Aspects Of ESG Governance-From Knowing To Doing	3 hours
Representative of Corporate Director	Richard Wu	06/24/2020	08/11/2020	08/11/2020	Taiwan Institute of Directors	Corporate Governance and Group Governance	3 hours
			08/12/2020	08/12/2020	Taiwan Corporate Governance Association	Trends and risk management of digital technology and artificial intelligence	3 hours
			11/10/2020	11/10/2020	Taiwan Institute of Directors	Aspects Of ESG Governance-From Knowing To Doing	3 hours
Independent Director	Jack J.T. Huang	06/24/2020	05/06/2020	05/06/2020	Taiwan Corporate Governance Association	Analysis of Financial Situation in Response to Stressful Events-Taking the China-U.S. Trade War and the COVID-19 as an Example	3 hours
			11/11/2020	11/11/2020	Taiwan Corporate Governance Association	Innovative transformation under the post-pandemic situation	3 hours
Independent Director	Charles Chen	06/24/2020	07/29/2020	07/29/2020	Taiwan Corporate Governance Association	Talking about Opportunities and Challenges of Action 5.0 from the Development of Telecommunications	3 hours
			08/11/2020	08/11/2020	Taiwan Institute of Directors	Corporate Governance and Group Governance	3 hours
			11/10/2020	11/10/2020	Taiwan Institute of Directors	Aspects Of ESG Governance-From Knowing To Doing	3 hours
Independent Director	Weiru Chen	06/24/2020	08/11/2020	08/11/2020	Taiwan Institute of Directors	Corporate Governance and Group Governance	3 hours
			11/10/2020	11/10/2020	Taiwan Institute of Directors	Aspects Of ESG Governance-From Knowing To Doing	3 hours

3.3.6 Implementation of Corporate Social Responsibility (CSR) and Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons

Evaluation Items	Implementation status (Note 1)			Corporate Governance Implementation Status and Deviations from the Corporate Governance of Listed Companies and Reasons Thereof
	Yes	No	Summary (Note 2)	
I. Does the Company conduct risk assessments on environmental, social, and corporate governance issues related to its operations in accordance with the materiality principle, and implement relevant risk management policies or strategies? (Note 3)	Yes		<p>1. The company regularly conducts material issue identification and risk analysis in accordance with corporate social responsibility materiality principle, and stipulates relevant risk management policies and strategies. Based on the assessed risks, the relevant risk management policies and strategies are stipulated as follows:</p> <ul style="list-style-type: none"> <li>I. Environment <ul style="list-style-type: none"> <li>1. Low-carbon operation <ul style="list-style-type: none"> <li>● Adhere to the concepts of environmental protection, energy-saving, and carbon reduction to maintain and manage resource usage</li> <li>● Actively promote the establishment of intelligent systems and facilities to maximize resources utilization and achieve energy-saving and carbon-reduction goals</li> <li>● Reduce environmental impact during the operation by introducing environmental management system to the warehouse to establish complete organization, policy and related management guideline.</li> </ul> </li> </ul> </li> <li>II. Social <ul style="list-style-type: none"> <li>1. Occupational health and safety <ul style="list-style-type: none"> <li>● Implement safety and hygiene work practices in conformity with the Occupational Safety and Health Management Measures of the Ministry of Labor</li> <li>● Arrange occupational safety training from time to time to strengthen employees' awareness and knowledge regarding occupational safety</li> <li>● Arrange employee health check ups regularly, as well as provide health consultations service for daily health consultations in office buildings</li> </ul> </li> <li>2. Human Capital Development <ul style="list-style-type: none"> <li>● Plan and develop training programs for employees of different levels and positions as an important blueprint for human capital development</li> <li>● Plan diversified training courses and utilize external resources to broaden employees' learning horizons and enable employees to grasp digital knowledge and global trend.</li> </ul> </li> <li>3. Salary , welfare and employee care <ul style="list-style-type: none"> <li>● Provide competitive salary scales through fair appointment, performance management, human capital development, and salary scale survey and analysis</li> <li>● Create friendly workplace environment and provide appropriate physical and mental care programs within the range of available resources in comply with labor laws and regulations</li> </ul> </li> </ul> </li> <li>III. Corporate Governance <ul style="list-style-type: none"> <li>1. Business ethics and regulation compliance <ul style="list-style-type: none"> <li>● Establish "Ethical Corporate Management Practice Principle", "Code of Ethical Conduct" and "Management Procedures for the Prevention of Insider Trading" to protect the rights and interests of investors and companies.</li> <li>● Regularly conduct ethical management trainings</li> <li>● Review regulation compliance regularly to establish internal management</li> </ul> </li> </ul> </li> </ul>	No deviation.

			<p>policies</p> <p>2. Trade secrets and privacy</p> <ul style="list-style-type: none"> <li>● Establish "WPG Holdings Information Security Management Principles" and "Personal Data Protection Management Guidelines" to ensure the information security of the company and its customers</li> </ul> <p>3. Product trade compliance</p> <ul style="list-style-type: none"> <li>● Manage and control product sales through trade compliance unit to comply with the export control regulations of relevant countries, regions, and governments</li> <li>● Conduct trade compliance training annually to enhance employees' familiarity and professionalism in trade compliance, and update laws and regulations of various countries/regions in a timely manner</li> </ul>	
II. Does the Company establish an exclusively (or part-time) dedicated unit for promoting Corporate Social Responsibility? Is the unit authorized by the Board of Directors to implement CSR activities at the executive level? Does the unit report the progress of such activities to the Board of Directors?	Yes		<p>II. The company established the "WPG Holdings Corporate Social Responsibility Committee" to plan and implement corporate sustainable operations. The Chairman of WPG Holdings serves as the Committee chairman. CEO of WPG Holdings serves as the executive committee member. Committee members include the CEOs of each group to effectively execute sustainable goals. The committee regularly reports to the Board of Directors for discussion.</p> <p>There are six functional groups under the Corporate Social Responsibility Committee, namely the "Sustainable Risk Control Group", "Sustainable Corporate Governance Group", "Sustainable Workplace Group", "Sustainable Supply Chain and Customer Management Group", The "Sustainable Environment Group" and "Sustainable Social Involvement Group". Tier 1 managers of relevant functions are responsible for the execution of various sustainable projects in response to material issues.</p>	No deviation.
III. Environmental Topic				
(I) Does the Company establish proper environmental management systems based on the characteristics of their industries?	Yes		(I) With regard to environmental health and safety initiatives, WPG and its subsidiaries plan to popularize relevant acts, decrees, and spirits company-wide in order to deepen employees' understanding of health and safety and lessen the generation of risks.	No deviation.
(II) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	Yes		(II) The Company and its subsidiaries are committed to the promotion and improvement of a sustainable environment. Through publicity and implementation, the Company aims to improve the efficiency of resource reuse, achieve its goals in energy conservation and waste reduction, and reduce the impact on the environment.	No deviation.
(III) Does the Company assess the potential risks and opportunities of climate change for its current and future operations and undertake response measures for issues related to climate change?	Yes		(III) The Company attaches great importance to the issues concerning climate change, against which internal publicity and promotion has been continuously carried out. Moreover, operation-related countermeasures are adopted and evaluated.	To be studied and explored continuously.
(IV) Does the Company calculate the amount of greenhouse gas emission, water consumption, and waste production in the past two years and implement policies to cut down energy and water consumptions, carbon and greenhouse gas emissions, and the production of wastes?	Yes		(IV) Climate change has become an issue that attracts much attention from both investors and the Company. Therefore, the Company actively counts greenhouse gas emissions, water consumption, and total weight of wastes every year, and regularly reviews relevant data to carry out relevant policies for continuous promotion and improvement, with a view to achieving the effectiveness of reducing carbon emissions and water consumption.	No deviation.
IV. Social Topic				
(I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the	Yes		(I) The company and each group established and published human rights policies to comply with relevant local labor laws, the United Nations human rights	No deviation.

International Bill of Human Rights?			conventions and other international standards. The internal regulations also includes issues related to human rights protection, training, and promotion, such as Work Rules announcement, 100% employee acknowledgement of Code of Conduct, and workplace sexual harassment prevention, etc.	
(II) Has the company established and offered proper employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation appropriately?	Yes		(II) The company creates a sustainable and friendly workplace, and provides full labor protection to full-time employees in compliance with the labor laws regulations, and provides appropriate physical and mental care programs within the range of available resources, such as employee birthday leave, employee health check ups, various kinds of leisure activities, front-end personnel car loans and vehicle maintenance, fuel, depreciation and other allowances, as well as various wedding and funeral subsidies. The company's compensation system includes "guaranteed compensation" and "variable compensation". Of which, the variable compensation is adjusted in accordance to performance evaluation to encourage working performance. The variable compensation also reflects the company's annual earnings performance to encourage employees.	No deviation.
(III) Does the Company provide a healthy and safe work environment and organize training on health and safety for its employees on a regular basis?	Yes		(III) The Company and its subsidiaries have set up dedicated units to maintain workplace environment and equipment regularly. Occupational safety training and fire drill are conducted regularly. The company arranges health checkups followed by on-site health consultation for all employees every two years. Health consultation room with professional medical personnel is available in office buildings. Health topics lectures, onsite oral cancer screening, woman cancer screening, physical fitness examination, and blood donation events are conducted irregularly.	No deviation.
(IV) Does the Company provide its employees with career development and training sessions?	Yes		(IV) The Company and its subsidiary groups organize education and training courses (i.e. orientation training/senior manager training courses) in accordance to position/level of employees, aligning human resource development with business objectives and thereby realizing a win-win-win outcome.	No deviation.
(V) Does the Company comply with relevant regulations and international standards regarding customer health and safety, right to privacy, marketing and labeling of its products and services and set up relevant consumer protection policies and complaint procedures?	Yes		(V) The Company's services of B2B business sale and supply chain are in compliance with internal and external regulations; trade compliance unit for export control is established to ensure circulation of goods obeys domestic and overseas laws and decrees, and the transactions with counterparties are legal and legitimate.	No deviation.
(VI) Does the Company formulate supplier management policies that require suppliers to comply with relevant regulations on environmental protection, occupational safety and health, and labor rights and request their reporting on the implementation of such issues?	Yes		(VI) In order to encourage suppliers to recognize and follow the "WPG Supplier Code of Conduct," and to perform self-assessment through this Code of Conduct, the Company has distributed the "Response Announcement to WPG Supplier Code of Conduct" and "WPG Supplier Code of Conduct Self-Assessment Table" to its suppliers in Taiwan, wishing to raise awareness of the following five aspects – labor, health and safety, environment, business ethics, and management system.	No deviation.
V. Has the Company prepared and published reports such as its Corporate Social Responsibility report based on internationally recognized guidelines, to disclose its non-financial information? Has the Company received assurance or certification of the aforesaid reports from a third party accreditation institution?	Yes		The company's corporate social responsibility report was prepared in line with the core disclosures of the Global Reporting Initiative Standards (GRI Standards) issued by the Global Reporting Initiative (GRI), and entrusted Deloitte & Touche, in fulfillment of the Confirmation Standard Bulletin No. 1 "Confirmation Cases of Non-historical Financial Information Verification or Review" issued by the Accounting Research and Development Foundation of the Republic of China, regarding ISAE 3000 Revised International Assurance Standard for Limited Assurance	No deviation.

VI.	If the Company has established corporate social responsibility principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies, describe the implementation and any deviations from the Principles:  <u>The Company has formulated corporate social responsibility best practice principles, and the Company and its subsidiary groups are actively moving in the direction set by the principles.</u>
VII.	Other important information to facilitate better understanding of the company's Corporate Social Responsibility practices:  WPG is a corporate that is required to release CSR report regularly pursuant to the provisions enacted by financial administrations. Regarding such information, please download the report on website: <a href="http://www.wpgholdings.com/csr_area/year_report/zhtw">http://www.wpgholdings.com/csr_area/year_report/zhtw</a>

Note 1: Describe briefly in implementation status column no matter the result of operation is "yes" or "no".

Note 2: Companies that have compiled CSR reports may specify ways to access the report and indicate the page numbers of the cited pages.

Note 3: The principle of materiality refers to environmental, social and corporate governance issues that have significant impacts on the Company's investors and other stakeholders.

## VIII. The Company's Corporate Social Responsibility Practices:

WPG 's CSR report is prepared pursuant to the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies" and the GRI Standards issued by GRI. The report structure is constructed based on the Company's business development and core competence, thereby fully discloses information to various stakeholders. Through the annual report preparation process, the Company is internally reviewed, which is to be taken as the basis for improvement and planning of next year. Four major subjects "Sustainability Governance, Talent Development, Industry Exchange and Social Involvement" are summarized below.

### (I) Sustainable Governance Mechanisms

WPG is a pioneer in Taiwan's industrial holding business, with "industrial holdings" business model in line with the principles of competition and cooperation that contributes to the more flexible use of resources in business; the operating strategy, "divide in the front-end to fight; cooperate in the back-end to win" is adopted. With this business background, WPG pays additional attention to the organizational structure and related management regulations of corporate governance .

#### a. Optimized Corporate Governance Structure

The company elected the sixth board of directors at the general meeting of shareholders on June 24, 2020, with a term of three years from June 24, 2020 to June 23, 2023. There are a total of 11 members of the sixth board of directors (including independent directors 4 seats), currently 10 seats (including 3 independent directors). The professional field covers investment management, strategic management, financial accounting, law and international market perspective, as well as the electronic components industry. Among them, there are 3 independent directors, Jack J.T. Huang, Chairman of Taiwan Renaissance Platform Co., Ltd., Charles Chen, Director of Prime Oil Chemical Service Corporation., and Weiru Chen, Associate Professor of China Europe International Business School.

The Board of Directors is responsible for supervising the Company's overall operations and affairs and making decisions on major investments, mergers and acquisitions and other matters. The Board of Directors has three functional committees, namely the Audit Committee, the Remuneration Committee, and the New Business Strategy Committee. The Board of Directors and its affiliated Committees shall notify the meeting date and agenda summary before each meeting. In 2020, the Board of Directors convened a total of 14 meetings, and the attendance rate of Directors reached 95.42% (excluding attendance by proxy). During the meetings, the interests of directors were avoided in accordance with regulations.

Item No.	Major Board issues in 2020
1	Resolved to donate to WPG Education Foundation
2	Resolved to convene the 2020 Annual Shareholders' Meeting
3	Approved the 2019 Business Report and Financial Statements
4	Approved the proposal of 2019 earnings distribution
5	Approved the proposal of 2019 remuneration of employees and Directors.
6	Resolved to propose a list of candidates for the sixth term of directors and independent directors of the company
7	Approved the amendments to the Company's Articles of Incorporation
8	Resolved to amend the company's "Rules and Procedures of Board of Director Meetings" and "Audit Committee Charter"
9	Resolved to conduct public tender offer for ordinary shares of T3EX Global Holdings
10	Resolved to acquire Preferred Shares A issued by WT Microelectronics Co., Ltd.
11	Resolved to issue preferred shares B for capital increase
12	Resolved to pass the change of the company's location
13	Resolved to approve the appointment of the next Chief Executive Officer of the company and the appointment of the Chief Executive Officer of the sub-group

WPG attaches great importance to corporate governance, and the highest responsible person for corporate governance is the Chairman of the Company. In addition to the establishment of Independent Directors, committees are also set up to be in charge of major operational issues of the Company. The responsibilities of the Chairman and the President are clearly defined, and the CEO is assumed by a professional manager, who implements the decision of the Board of Directors and take responsibility for the business performance of the Company within the scope of authorization. In addition, the Board of Directors also supervises the management team and keeps abreast of changes in domestic and international laws and regulations.

b. Establishment of Corporate Social Responsibility Committee

WPG believes that "Meaningful CSR activities are the activities that are based on core competence, internalized within the organizational culture, and can be continuously improved". The Company "highlights the investment in relevant public benefit activities by making use of its unique resources and expertise, with the goal of its contribution to the society." In 2017, apart from the preparation of CSR reports with the help of external consultants in accordance with the regulations of competent authorities, WPG re-examined the relevant management unit and established WPG CSR Committee and work groups, into which the top management team of the Company are included as members. What's more, short and medium-term objectives are established for the Committee, and regular meetings are held to reach management consensus. CSR is not only to participate in social welfare, but the overall practice of business operations. It has a wide range and deep participation, encompassing issues of all departments. Only by linking the organizational resources of each unit does it complete gradually.

## (II) Diverse Talent Development Blueprint

WPG and its subsidiary groups aim to provide professional supply chain services. It is deeply convinced that only with good human capital can outstanding professional services be offered. For the cultivation of human capital, we have been long devoting into that without hesitation. To nurture talent is like the rice cultivation; only by non-stop irrigation can it have a fruitful future.

### a. Professional Skills Development

Thanks to the unique characteristics in business policies and organizational cultures, WPG and its subsidiary groups are provided with different manpower training and development resources, presenting the variety of learning features. The overall training structure is built on the basis of general and professional training programs that are designed to cultivate employees' competitiveness and uplift organizational performance. Management training programs for employees of all levels are carried out step by step in an attempt to construct leadership teams that are expected to lead our organization to face various challenges and achieve sustainable development and growth.

Course Type	Main Participants	Main Course Content	Course Objective
<b>General Courses</b>	New Recruits	Including a presentation of the Company, introduction to its "core values" and relevant introductory courses for basic skills. General training courses cover courses on information management, training of the use of corporate platform systems (e.g. ERP/WMS/WEBFLOW), and education on trade compliance.	To help new recruits understand the Company and integrate in the team to give play to their professional expertise; to help them get familiar with information tools to enhance work outputs and effectiveness.
<b>Professional Courses</b>	Product Staff, Sales Staff, etc.	Plan and configure appropriate professional courses according to the needs of different positions/functions and conduct irregular education and training on the product technologies and business models used by the upstream and downstream supply chains.	Establish a professionally competitive front-end service team; in other functions, plan and implement corresponding training courses with the development of professional trends and the formulation of relevant laws and regulations, continuously improving employees' professional capabilities.
<b>Managerial Skill Courses</b>	Middle and Junior Supervisors	Planning and arrangement of courses for high, middle and basic-level management, trends and thinking.	Continuously develop the ability of senior, middle and junior supervisors based on organizational development, business competition, manpower layout, and other needs.

b. Exchanges of organizational core competencies

At the beginning, WPG connected professionals of all aspects in the Company to address emergent major issues through virtual team projects, and facilitated team learning and growth by knowledge exchange and experience sharing. Previously, the Company established an “EMBA class” that is designed to promote the learning of middle- and senior-supervisors for talents management, practice of strategies, and leadership and cultivate middle- and senior-supervisors for WPG, so that they are competent to face the eventful and challenging operating environments. In addition, an array of platform seminars are organized to discuss how to adjust specific job functions to respond digital transformation. At present, an “elite class” has been launched, aiming to help senior supervisors prepare for changes necessary in a VUCA environment. The learning teams are required to combine their own experiences with the theoretical framework for mutual inspection and introspection, thereby achieving double-loop learning. In the face of the Internet era, new seminars on platform transformation strategies are held to analyze derived platform effects and response to changes, generating learning effect of emulating those better than oneself and seeking advice from others. Through the establishment of learning organization, issues can be discussed from different perspectives, in an attempt to forge the organizational capabilities that belong to the WPG.

Training courses launched in 2020:

	Number of courses	Person-time
General courses	238	10,565
Managerial skills courses	15	1,605
Professional courses	180	33,910
Sub-total	433	46,080
Number of shareholders		27,766
Per capita		1.66

\*The above data are all from internal training materials.

c. Performance appraisal and remuneration policy

WPG’s performance appraisal is a mechanism that connects organizational goals, personal goals, and personnel development. All performance records will be used as the basis for subsequent human capital development programs, thereby improving overall organizational effectiveness. Employees’ professionalism and work performance is used as benchmark for performance evaluations and promotions.

Human capital development policy and remuneration policy are the fundamentals to create sustainable workplace. WPG’s human capital development policy emphasizes both talent attraction and retention, as well as performance and growth. Therefore, in addition to emphasizing clear rewards and punishments, fairness and openness, our remuneration policy follows three main principles:

- Salary calculation
 

The foundation of WPG's guaranteed compensation is based on the position, knowledge and skills, so as to maintain certain degree of attractiveness in the talent market.
- Salary adjustment based on capability
 

WPG continuously strengthens employees' capability through training and technology empowerment to maintain their competitiveness in the changing era.
- Performance appraisal award
 

“Teamwork” is among WPG's core value. Therefore, the foundation of WPG's variable compensation is firstly based on the company's overall profit and performance, then subteam's and individual's performance.

### (III) Promotion of Interaction with Industry

“To Become the First Choice of Industry. To Become the Benchmark of Distribution.” is the vision of WPG and its subsidiaries. In terms of the Company's core competencies, we continue to provide professional supply chain services, improve internal processes to meet customer needs and optimize operational processes to improve service efficiency. We apply knowledge of the organization's core competencies to the industry chain, public organizations, and even academic institutions. We hope to share the practical cases of supply chain management through a systematic framework, and through continuous knowledge exchange and refinement, we can establish a benchmark example in learning and achieve the sustainable goal of professional enterprise management and industrial value enhancement.

#### a. Sharing of Industrial Professional Knowledge

The multiple roles of B2B sales, technical services, and central logistics, played by WPG and its subsidiaries aim to provide excellent supply chain management services, and also strive to manage the brand image of WPG and its subsidiaries, whether in the industry chain, academic units or technical forums, which also includes all types of information channels, both physical and digital.

#### ■ Create promotion benefits through inbound marketing

In response to the trends of the online community, WPG created and continued to promote inbound marketing, introduced interactive mobile marketing services, continuously optimized the WPG program and the digitally transformed content marketing, and made good use of KOL influence to engage a full-coverage community interactive marketing mechanism. At the same time, WPG established the "Inbound AD Value" which reflects the marketing promotion benefits with detailed figures. As of the end of 2020, the cumulative value of promotion benefits exceeded 640 million RMB, an increase of 28% compared with the same period of last year through social media resources such as WeChat and Weibo accounts, WeChat Moments, forums, etc. and viral marketing activities to enhance the effectiveness of self-media operations. Through the promotion of the following marketing activities, WPG offered valuable service that included joint marketing of both upstream and downstream, and continued to strengthen customer loyalty.

WPG Weibo account	The number of fans and the number of posts ranked top one of the industry; number of followers reached 612,267. Updates 3-5 tweets daily; content includes monthly popular solution, industry trends, technology news, workplace skills, and WPG updates. In addition, 3 online development edition evaluations are held annually for continued interactions with fans.
WPG WeChat account	The first IC WeChat account, leading WeChat account management among peers in the industry with 164,471 accurate fans, 4 monthly group newsletters, more than 531,892 readings and 43,332 shares in total; promotes public awareness and understanding of trends in the IC industry through easy to understand market trend articles; manages the engineer community and demonstrates technical support capabilities continuously through subscription accounts "DaDaTong" and "Fei-Che-Xia" launched by WPG WeChat account. The accounts are managed by the technical team to provide solutions for engineers with incisive and intuitive arguments; establish HR service account to provide timely recruitment news for those in need.
News exposure	The total number of exposures is nearly 5,013 times, and the number of exposures of our solutions on the news reached more than 1,113 times annually, which ranked first in the industry and 4 times ahead of the second place.

- Public association support and participation

Through holding different kinds of events, we provide a platform with instant communication service to assist members to share resources of knowledge, increase members' opportunities for external strategic alliances, with the expectation to raise the voice and status of the distributors in Taiwan among the industrial network communities. Based on the core expertise of the group, we actively assist in promoting copious supply chain management-related activities, to fulfill corporate social responsibilities.

b. Industry and Academic Collaboration

WPG continues to launch a series of industry and academic collaboration projects to ensure that the students acquire abilities needed by the industry aside from their studies, and combine our own business operations and supply chain management expertise with the commitment to sharing industry knowledge and contributing to the society.

- "Distribution Forum" by Taipei Electronics Component Suppliers' Association (TECSA)

For the purpose of encouraging the advanced studies of the current employees in the electronic component distribution industry, reinforcing talent cultivation, as well as leaving an inheritance of knowledge and experience in the supply chain and distribution industry, we established a "Distribution Forum" in 2020, inviting WPG's managers, supervisors, senior executives, industry experts, famous entrepreneurs, and scholars as keynote speakers, members' employees and industry practitioners, with a total of 426 participants.

■ National Chengchi University (NCCU) "Supply Chain Management" Industry and Academic Collaboration Project

Since 2010, WPG Holdings Ltd. has collaborated with NCCU College of Commerce and sponsored the "Supply Chain Management Industry and Academic Collaboration Project." It has entered its tenth year in 2020. The project aims to integrate theory and practice and systematically organize the know-how of Taiwan's supply chain management; and secondly, to create a complete set of teaching materials and teaching plans for supply chain management, with the ultimate goal of adding supply chain management talents to the Taiwan Industry.

The reason that supply chain management talents are difficult to nurture in an academic setting is that it is a cross-disciplinary management science while relevant courses are scattered in various departments of the College of Commerce. Due to the positioning of the various departments, the individual departments cannot offer more complete, professional, and market-oriented training. Therefore, WPG participated in the NCCU College of Commerce's academic programs. Combining WPG's market experience, the rich teaching experience of NCCU College of Commerce, and existing curriculum resources of various departments, customized and innovative curriculum for supply chain "Supply Chain Management Credit Program" is created to nurture supply chain management talents for Taiwan Industry.

In the first academic year of the fourth semester, a total of 508 students selected this program, 25 keynote speeches are held and 3 corporate visits are arranged.

Phase	Project Period(Year)	Cooperation Content
Phase 1	2010~2012	WPG provides resources, and supports the establishment of supply chain management industry-academia cooperation courses
Phase 2	2013~2015	WPG shared the practical cases in the courses to let the students fully understand the strategic plan of the enterprise in the chain management
Phase 3	2016~2019	The students physically visited WPG warehouse in Linkou
Phase 4	2020~2022	Establishing "WPG scholarship" to encourage students to participate in the internship plan.

■ STP seed talent training program- internship cooperation plan

The 15th STP seed talent training program is organized by the Human Resources Service Department of the Company. This program is different from the table-changing forum model in which students and companies have conversations over the years. Instead, the

student self-organized team indeed implements the corporate project. , Through the guidance of the corporate's mentors and STP's diversified and innovative training courses, the students can step out of the campus to acquire the solid knowledge of software and hardware in the workplace in advance, in order to eliminate the gap between industry and academia, and train outstanding students to become the management trainees. In 2020, a total of twelve companies participated in this project. The WPG recruited a total of 8 project students for the "T.I.P.E. Core Value Video Project for New Employees". The students make creative proposals and execute the shooting. Additionally, the Human Resources Service Department was designated as corporate mentors to work with the students for completing the project video "Let's T.I.P.E. Newcomer Challenge".

■ "WPG Scholarship for unprivileged students" of the Department of Electrical Engineering and Computer Science of Taipei University of Technology

Since 2011, the "WPG Scholarship for unprivileged students" has been established in the Department of Electrical Engineering and Computer Science of Taipei University of Technology to help unprivileged and impoverished students through financial assistance. Thanks to the scholarship so that they will not drop out of school due to the poor or accidents of the family, and complete their studies with the aid of social care. In 2020, five scholarship applications are provided every semester. To encourage the students with their professional abilities development, the scholarship application method will be updated in the first semester of the 2020 academic year, and the study plan will be listed as the selection criteria. It is expected that the scholarship will not only help the recipients have economic relief, but also assist the recipients in their growth of learning.

#### (IV) Social Participation and Green Actions

Through information sharing and resource integration, WPG and its subsidiaries utilize various resources within the organization, exert the capabilities of the organization/employees and effectively deliver resources to social/community groups in need of assistance. Regarding green actions, the environmental protection actions of WPG's operation model include carbon emissions reduction, recycling of packaging...etc. in its supply chain management. As for the staff of WPG and its subsidiaries, focus remains on office equipment energy-saving.

##### a. Humanistic Care

WPG and its subsidiaries share the vision and core expertise of corporate social responsibility - give back what you take from society, and co-founded "WPG Holdings Education Foundation" to promote activities such as elevate knowledge economy, build high-quality educational environment, promote academic and practical researches on corporate management, care for arts and humanities, and environmental education, etc. At the same time, WPG contribute great effort for high-quality educational environment through industry and academic collaboration and collaboration with related educational

promotion groups, in the hope of educating more young students and enhance international competitiveness.

Category	Company	Content
Green Environmental Protection	Tse-Xin Organic Agriculture Foundation	4,000 trees planted along the coast
	The Society of Wilderness	“Earth Hour” campaign
Community Charity	Happy Mount	Staples donation
	Puren Youth Care Foundation	Set up a loving box for the small amount of money donation
Disadvantaged Education and Cultivation	House of Dreams	Dream Benchmark School of the House of Dreams - Academic Improvement Program
Art and Cultural Education	Taipei Music Foundation for the Visually Impaired	The 28th Visually Impaired Music Festival "EYE Music without music sheets" charity music festival
	ZhanYi (Choir for the blinded)	“Blind and joyful choir, spread love to every corner” public welfare tour
	PGA Technology Cup	Long-term sponsorship for the PGA Technology Cup Tour
	Ladies Professional Golf Association	The first WPG Ladies Golf Open
	United Daily News Cultural Foundation X Skills for U	The activity combining the professional techniques and public welfare: "The little successor of the national professional, light up my home in Northeast Taiwan."
Social Enterprise Procurement	BDFF CO., LTD.	Banking Group's Tea Gathering Souvenir Purchase

## b. Green Actions

### ■ Plant Trees, Protect Forests, and Guard the Coastline

In response to energy conservation and carbon reduction, tree planting and forest protection, the WPG has cooperated with the Tse-Xin Organic Agriculture Foundation to plant a total of 4,000 saplings in Shazhu Bay, New Taipei City from 2019 to 2020 to conserve the windbreak forest in the area and protect the coastline together.

### ■ “Earth Hour” campaign

In response to "Earth Hour" campaign of the World Wildlife Fund for Nature (WWF), The Society of Wilderness, etc., WPG called upon our staff to exert their influence together, turn off lights, reduce carbon and love our earth. According to the survey of the Bureau of Energy, Ministry of Economic Affairs, 0.25 kg of carbon emissions is reduced if one person participates in the one-hour light-off campaign. We hope to promote this type of awareness and attitude and encourage more staff and their families and friends to participate together.

## ■ Park Adoption

In response to the government's call for citizen participation in grassland adoption, WPG adopted Nangang Hsiang-Yang Park in 2011, and has maintained the park for nearly 10 years. WPG wishes to help maintain the variety of cityscapes, enhance overall life quality of neighboring citizens, and at the same time raise the awareness of environment maintenance and Earth protection.

### 3.3.7 Ethical Corporate Management and Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Item	Implementation Status (Note 1)			Corporate Governance Implementation Status and Deviations from the Corporate Governance of Listed Companies and Reasons : No deviation
	Yes	No	Description	
I. Establishment of ethical corporate management policies and programs				
(I) Does the Company declare its ethical corporate management policies and procedures in its guidelines and external documents, and do the Board of Directors and management work proactively to implement their commitment to those management policies?	Yes		(I) On January 29, 2013, the company established the " Ethical Corporate Management Practice Principle " and " Code of Ethical Conduct " in accordance to the templates announced by the competent authority and published on the Company's website as a commitment.	No deviation
(II) Does the Company establish appropriate precautions against high-potential unethical conduct or listed activities stated in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	Yes		(II) The Work Rules of the Company expressly stipulate that employees should be punished if they violate work rules and ethics. Using position's privilege to request or accept rebates from suppliers or interested parties, thus impacts the Company's goodwill constitutes a major violation of the labor contract. To serve as a measure to prevent unethical behaviors, the Company has set up an Audit Committee-dedicated mailbox to handle complaints and supervise relevant control mechanisms in accordance with the "Measures for the Audit Committee to Handle Complaints and Suggestions by Interested Parties." for all employees.	No deviation
(III) Has the Company established policies to prevent unethical conduct, with clear statements regarding relevant procedures, conduct guidelines, punishments for violation, and rules for appeal, and does the Company regular review such policies?	Yes		(III) The company has established "Employee Code of Conduct" and "Employee Service Consent Form" to promote ethical behavior guidelines. The content includes confidential information guideline, insider trading prohibition guidelines...etc. It is clearly stated in Work Rules that employee will be subject to relevant disciplinary actions if any violation of ethical behavior guidelines is found.	No deviation
II. Fulfillment of Ethical Corporate Management				
(I) Does the Company evaluate business counterparty's ethical records and include ethics-related clauses in business contracts?	Yes		(I) To comply with the management requests of downstream customers, the Company signed the code of ethical conduct and provided supervision to ensure compliance with the principle of ethics during business operations and that no illegal conducts or actions for private gains due to greed arise.	No deviation
(II) Has the Company established an exclusively dedicated unit under the Board to implement ethical corporate management, and report to the Board on a regular basis (at least once a year)?	Yes		(II) In order to implement the principle of ethical corporate management, the Company established the "Ethics Committee", with the CEO of the Company and the CEOs of each group serving as members. The committee is held quarterly to discuss progress of the related work, and to promote Code of Ethical Conduct.	No deviation
(III) Has the Company formulated policies on preventing conflicts of interest, provided adequate channels of declaration, and implemented them?	Yes		(III) The "Ethical Corporate Management Best Practice Principles" and "Code of Ethics" formulated by the Company have provisions that expressly stipulate the avoidance of interest, whistleblowing, and punishment, which serve as the basis for implementation.	No deviation
(IV) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?	Yes		(IV) Relevant management units of the Company conduct regular operation inspections, and accounting units conduct quarterly/annual field audits with external accounting firms to ensure that the Company's management complies with relevant laws and regulations, and the ideals of integrity management; the audit units, apart from periodic internal audit, also regularly conduct internal control self-assessment with relevant units.	No deviation
(V) Does the Company regularly hold internal and external educational training on ethical corporate management?	Yes		(V) The company has established "Employee Code of Conduct" which requires all employees e-signature to strengthen awareness of ethical management. Internal platform that promotes code of conduct has been established and online training	No deviation

Item	Implementation Status (Note 1)			Corporate Governance Implementation Status and Deviations from the Corporate Governance of Listed Companies and Reasons : No deviation
	Yes	No	Description	
	Yes		covering ethical behavior guideline was conducted. A total of 3,675 employees participated in online activities and the hours of participation were 636 hours. Other education and training on ethical behaviors such as case studies are conducted irregularly.	
III. Status of enforcing whistle-blowing systems in the company				
(I) Does the Company have a specific whistle-blowing and reward system, establish convenient whistle-blowing channels, and assign the appropriate personnel to deal with the reported personnel?	Yes		(I) The company has established employee opinion mailbox and an audit committee-dedicated mailbox for any complaints by internal and external stakeholders. But there is no relative whistleblowing reward policy.	No deviation
(II) Has the Company established standard operating procedures for the reported matters and the relevant confidential mechanism?	Yes		(II) Set up employee opinion mailbox, where dedicated unit receives employee complaints and submits them to corresponding units according to the content of the case. Furthermore, audit committee-dedicated mailbox and "Stakeholder complaints and opinions handling procedures for Audit Committee" are established as basis for this aspect of matt Stakeholder complaints and opinions handling procedures for the company.	No deviation
(III) Does the Company take measures to protect the whistle-blowers from improper infringement due to reporting?	Yes		(III) The company independently handles and responds to complaints in accordance with the provisions of "Stakeholder complaints and opinions handling procedures for Audit Committee" to ensure whistleblower's identity being kept confidential.	No deviation
IV. Enhanced disclosure of corporate social responsibility information				
(I) Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	Yes		(I) "Ethical Corporate Management Practice Principle " and "Code of Ethical Conduct" are published on company's website. There is also a dedicated investor section on the website which discloses corporate governance organization and important internal regulations. Designated persons are responsible for collecting information and accepting inquiries on related matters.	No deviation
V. If the Company has its own ethical corporate management principles formulated according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please explain any departure from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies:	The Company has its own Ethical Corporate Management Best Practice Principles and drafts its Ethical Corporate Management Procedures and Code of Conduct in accordance with these Principles.			
VI. Any important information to better understand the Company's implementation of ethical corporate management (for example, any review or amendment to best practices for ethical corporate management of the Company): None.				

Note 1: Describe briefly in implementation status column no matter the result of operation is "yes" or "no."

3.3.8 The Company Shall Disclose How To Search for Its Corporate Governance Best-Practice Principles or Related Regulations.

The company has formulated its Corporate Governance Code of Conduct, for relevant information please refer to the Company's internal regulations ([http://www.wpgholdings.com/investors/corporate\\_governance/zhtw/major-internal-policies](http://www.wpgholdings.com/investors/corporate_governance/zhtw/major-internal-policies)). For information on the implementation status of corporate governance, please refer to the description of "Corporate Governance" in this annual report page 35-38.

3.3.9 Other Significant Information that will Provide a Better Understanding of the State of the Company's Implementation of Corporate Governance may also be Disclosed.

- I. The Company has formulated the Management Procedures for Preventing Insider Trade to manage the Company's material inside information and informed all Directors, managers, and employees. These Procedures and relevant cautions are displayed on the top of the Company's website for all staff to follow and avoid violations or insider trading.
- II. The latest versions of the Directions Concerning Securities Market Regulatory Matters for TWSE Listed Companies and Their Directors, Supervisors, and Major Shareholders and Guide to Regulations Governing Independent Director prepared by TWSE are distributed to insiders such as Directors and managers of the Company when they take office to assist them to comply with the relevant requirements.
- III. MOPS Website: <http://mops.twse.com.tw>
- IV. The Company's website: <http://www.wpgholdings.com>

### 3.3.10 Execution Status of Internal Control Systems

#### I. Internal Control Statement

**WPG Holdings Limited**  
**Management's Reports on Internal Control**

Date: March 30, 2021

Based on the findings of self-assessment, WPG Holdings Limited states the following with regard to its internal control system during the year 2020:

1. WPG is responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance, and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and WPG takes immediate remedial actions in response to any identified deficiencies.
3. WPG evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities.
4. WPG has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, WPG believes that, on December 31, 2020, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement will be an integral part of WPG's Annual Report for the year 2020 and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement has been passed by the Board of Directors in their meeting held on March 30, 2021, with none of the ten attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

WPG Holdings Limited

Chairman Simon Huang  
General Manager Mike Chang

II. The CPA's Review Report shall be Disclosed if any CPA is Commissioned to Review the ICS:  
None.

3.3.11 In the most recent year up to the publication date of this annual report, there has been punishment of the Company or its internal personnel, or punishment of the company to its internal personnel for violating internal control system regulation, and its punishment results might have significant influence on shareholders' equity or securities' price, the punishment, main deficiencies and improvements shall be listed: None.

3.3.12 Major resolutions adopted by the Shareholders' Meeting and the Board of Directors in the most recent year up to the publication date of this annual report

I. The 2020 annual Shareholders' Meeting of WPG Holdings Ltd. was held on June 24, 2020, in Taipei City, and the resolutions passed by attending shareholders are as follow:

i. To accept 2019 Business Report and Financial Statements

Implementation status: Resolved as proposed.

ii. To approve 2019 profit distribution proposal

Implementation status: August 8, 2020 was set as the ex-dividend record date and dividends were distributed on August 28, 2020. (Cash dividend per share: NT\$2.4; The allotted cash for each Preferred Share A is NT\$0.57534247)。

iii. To amend the Articles of Incorporation

Implementation status: Passed by resolution, announced on the Company's website on June 24, 2020, where related matters were handled in accordance with the amended regulations.

iv. The Sixth Board of Directors Election Proposal

Implementation status: The list of elected candidates is as follows, which has been approved and registered by the Ministry of Economic Affairs on July 21, 2020.

Directors: Simon Huang 、 K.D. Tseng 、 Frank Yeh 、 Mike Chang 、 T.L. Lin 、  
K.Y. Chen 、 Richard Wu (Representative, Fullerton Technology Co., Ltd.)

Independent Directors: Jack J.T. Huang 、 Charles Chen 、 Weiru Chen (One seat vacant)

II. The Company's Board of Directors held 17 meetings in total in 2020 and up to the publish date of this annual report, summaries of important resolutions are as follow:

i. Resolved to convene 2020 annual Shareholders' Meeting

ii. Approved 2019 annual Business Report and Financial Statements

iii. Approved 2019 profits distribution proposal

iv. Approved 2019 employees' and directors' remuneration

v. Approved donations to WPG Holdings Education Foundation

vi. Approved amendments to Articles of Incorporation

- vii. Approved amendments to Rules of Procedure for Board Meetings, "Audit Committee Organization Regulations" Proposal;
- viii. Resolved to approve the "Management of Financial Statement Preparation Process" of the company's internal control system;
- ix. Resolved to conduct public tender offer for ordinary shares of T3EX Global Holdings
- x. Resolved to acquire Preferred Shares A issued by WT Microelectronics Co., Ltd.
- xi. Resolved to issue preferred shares B for capital increase
- xii. Resolved to pass the change of the company's location
- xiii. Resolved to approve the appointment of the next Chief Executive Officer of the company and the appointment of the Chief Executive Officer of the sub-group;
- xiv. Resolved to convene 2021 annual Shareholders' Meeting
- xv. Approved 2020 Business Report and Financial Statements
- xvi. Approved 2020 profits distribution proposal
- xvii. Approved 2020 employees' and directors' remuneration
- xviii. Approval of the amendment to the company's "Rules of Election of Director" and "Rules and Procedures of Shareholders Meeting"

3.3.13 Any Dissenting Opinion on the Material Resolutions Passed by the Directors or Supervisors in the Most Recent Year up to the Publication date of this Annual Report. The principal content thereof: None.

3.3.14 Resignation and Dismissal of Personnel involved in the Financial Report including the Company's Chairman, President, Accounting Manager, Financial Manager, Internal Audit Manager, Corporate Governance Manager and R&D Manager in the Most Recent Year up to the Date of this Annual Report: None.

### 3.4 Information Regarding Audit Fees

#### 3.4.1 Audit Fees

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Audit fee	Non-audit fee					Audit Period	Remarks	
			System Design	Company Registration	Human Resource	Other	Sub-total			
PwC	Lin, Chun-Yao	Chou, Chien-Hung	4,640	—	147	—	845	992	January 1, 2020 - December 31, 2020	Mainly due to transfer pricing: 385 thousand dollars, the doubt and request project for the controlled foreign company rules: 150 thousand dollars, the professional accountant's opinion service: 150 thousand dollars, and operating headquarter application: 100 thousand dollars

Unit: NT\$ thousands

amount interval	Public expense items	Audit fee	Non-audit fee	Total
1	Under NT\$2,000 thousand	—	992	992
2	NT\$2,000 thousand (inclusive) - NT\$4,000 thousand	—	—	—
3	NT\$4,000 thousand (inclusive) - NT\$6,000 thousand	4,640	—	4,640
4	NT\$6,000 thousand (inclusive) - NT\$8,000 thousand	—	—	—
5	NT\$8,000 thousand (inclusive) ~ NT\$10,000 thousand	—	—	—
6	Over NT\$10,000 thousand	—	—	—

3.4.2 When the Audit Fees Decrease 10% or More than the Last Fiscal Year, the Company must Disclose the Decreased Amount, Ratio, and Reason: Not applicable.

#### 3.5 Information on CPA Replacement: Not applicable.

#### 3.6 The Company's Chairman, President, or Manager in Charge of Finance or Accounting Operations Holding Any Position at the Company's Independent Audit Firm or Its Affiliates in the Most Recent Year: None.

**3.7 Stock Trade and/or Stock Pledge by the Company's Directors, Supervisors, Management Team, and Shareholders with 10% Shareholdings or More in the Most Recent Year or as of the Date of this Annual Report:**

Unit: Shares

Title	Name	2020				Current year until April 25			
		Common shares		Preferred Shares A		Common shares		Preferred Shares A	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Chairman	Simon Huang	—	—	—	—	—	—	—	—
Vice Chairman	Frank Yeh	—	—	—	—	(27,000)	—	—	—
Director	K.D. Tseng	—	—	—	—	—	—	—	—
Director	Mike Chang	(11,000,000)	—	—	—	(1,500,000)	—	—	—
Director	T.L. Lin	(1,000,000)	—	—	—	—	—	—	—
Director	K.Y. Chen	—	—	—	—	—	—	—	—
Director	Richard Wu, Representative, Fullerton Technology Co., Ltd.	(2,000,000)	—	—	—	—	—	—	—
Independent Director	Jack J.T. Huang	—	—	—	—	—	—	—	—
Independent Director	Charles Chen	—	—	—	—	—	—	—	—
Independent Director	Weiru Chen	—	—	—	—	—	—	—	—
President	Mike Chang	(11,000,000)	—	—	—	(1,500,000)	—	—	—
Vice President	I.J. Hsu	—	—	—	—	—	—	—	—
Vice President	Cliff Yuan	—	—	—	—	—	—	—	—
Vice President	Scott Lin	—	—	—	—	—	—	—	—

Title	Name	2020				Current year until April 25			
		Common shares		Preferred Shares A		Common shares		Preferred Shares A	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Vice President	Jazz Chuang	—	—	—	—	—	—	—	—
Vice President	David Li	—	—	—	—	—	—	—	—
Vice President	Lucia Tai	—	—	—	—	—	—	—	—
Vice President	Tracy Cheng	—	—	—	—	—	—	—	—
Vice President	Jessica Lee	—	—	—	—	—	—	—	—
Vice President	Victor Lu	—	—	—	—	—	—	—	—

Note: Preferred shares A of the Company were issued on September 18, 2019.

3.7.1 Stock Trade with Related Party: None.

3.7.2 Stock Pledge with Related Party: None.

### 3.8 Top 10 Shareholders Who are Related Parties, Spouses, or within Second Degree of Kinship to Each Other

April 25, 2021/Unit: Share;%

Name	Current Shareholding		Spouse and Minor Shareholding		WPG Shareholding by Nominee Arrangement		Name and Relationship between top 10 shareholders with relationship specified under SFAS No. 6.		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Fubon Insurance Co. Ltd.	126,362,000	7.53	—	—	—	—	—	—	—
CTBC Bank Co., Ltd. as custodian of Yuanta Bank	59,460,188	3.54	—	—	—	—	—	—	—
Nan Shan Life Insurance Company, Ltd.	48,427,000	2.88	—	—	—	—	—	—	—
Simon Huang	41,411,507	2.47	10,523,167	0.63	—	—	—	—	—
Taiwan Life Insurance Co., Ltd.	34,779,000	2.07	—	—	—	—	—	—	—
Fullerton Technology Co., Ltd.	32,421,074	1.93	—	—	—	—	—	—	—
New Regulation for Labor Retirement Fund	24,220,080	1.44	—	—	—	—	—	—	—
Kaystar International Ltd.	22,351,057	1.33	—	—	—	—	—	—	—
Farglory Life Insurance Inc.	21,779,000	1.30	—	—	—	—	—	—	—
Vanguard Emerging Markets Index Fund, a series of Vanguard International Equity Index Funds.	20,828,720	1.24	—	—	—	—	—	—	—

Note: The ones disclosed in this table are the top 10 shareholders in terms of the ratios of shareholdings of common shares.

**3.9 Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors and Supervisors, Management, and Any Companies Controlled Either Directly or Indirectly by the Company**

December 31, 2020/Unit : thousand shares; %

Reinvestment Entities (Note1)	Investments by the Company		Investment by Directors/Supervisors/Management Team and by Companies directly or indirectly controlled by the Company		Total Investment	
	Shares	%	Shares	%	Shares	%
World Peace Industrial Co., Ltd.	1,592,500	100	—	—	1,592,500	100
Silicon Application Corp.	579,000	100	—	—	579,000	100
Asian Information Technology Inc.	530,000	100	—	—	530,000	100
WPG Electronics Limited	3,920	100	—	—	3,920	100
WPG Korea Co., Ltd.	1,088	100	—	—	1,088	100
Trigold Holdings Ltd.	48,139	60.50	10	0.01	48,149	60.51
WPG International (CI) Limited	150,283	100	—	—	150,283	100
Yosun Industrial Corp.	362,074	100	—	—	362,074	100
WPG Investment Co., Ltd.	210,000	100	—	—	210,000	100
WT Microelectronics Co., Ltd. (Note2)	177,110	22.47	—	—	177,110	22.47

Note1: Long-term equity investments made by the Company using equity method.

Note2: Peferred Shares not included

## 4. Capital Overview

### 4.1 Capital and Shares

#### 4.1.1 Capitalization

##### (1) Capitalization

April 25, 2021/Unit: NT\$/share

Month/year	Issue price	Authorized Share Capital		Capital Stock		Sources of Capital	Remark	
		Shares	Amount	Shares	Amount		Capital Increase by Assets other than Cash	Others
11/2005	10	2,000,000,000	20,000,000,000	693,202,022	6,932,020,220	Capital MOEA Jing-Shou-Shang No. 09401220210 dated November 9, 2005.	—	—
12/2006	10	2,000,000,000	20,000,000,000	668,202,022	6,682,020,220	Cancellation of treasure stocks MOEA Jing-Shou-Shang No. 09501288500 dated December 26, 2006.	—	—
02/2007	10	2,000,000,000	20,000,000,000	670,301,494	6,703,014,940	Exercising employee stock warrant MOEA Jing-Shou-Shang No. 09601035000 dated February 14, 2007.	—	—
04/2007	10	2,000,000,000	20,000,000,000	670,950,744	6,709,507,440	Exercising employee stock warrant MOEA Jing-Shou-Shang No. 09601075500 dated April 14, 2007.	—	—
09/2007	10	2,000,000,000	20,000,000,000	712,953,666	7,129,536,660	Recapitalization of retained earnings Capital increase by employee bonus Exercising employee stock warrant MOEA Jing-Shou-Shang No. 09601214570 dated September 3, 2007.	—	—
10/2007	10	2,000,000,000	20,000,000,000	716,357,569	7,163,575,690	Exercising employee stock warrant MOEA Jing-Shou-Shang No. 09601263220 dated October 26, 2007.	—	—
01/2008	10	2,000,000,000	20,000,000,000	718,640,319	7,186,403,190	Exercising employee stock warrant MOEA Jing-Shou-Shang No. 0970105780 dated January 21, 2008.	—	—
04/2008	10	2,000,000,000	20,000,000,000	719,922,944	7,199,229,440	Exercising employee stock warrant MOEA Jing-Shou-Shang No. 09701089610 dated April 16, 2008.	—	—

Month/year	Issue price	Authorized Share Capital		Capital Stock		Sources of Capital	Remark	
		Shares	Amount	Shares	Amount		Capital Increase by Assets other than Cash	Others
09/2008	10	2,000,000,000	20,000,000,000	743,086,784	7,430,867,840	Conversion of shares MOEA Jing-Shou-Shang No. 09701236790 dated September 16, 2008.	—	—
09/2008	10	2,000,000,000	20,000,000,000	774,306,982	7,743,069,820	Recapitalization of retained earnings Capital increase by employee bonus Exercising employee stock warrant MOEA Jing-Shou-Shang No. 09701240610 dated September 18, 2008.	—	—
10/2008	10	2,000,000,000	20,000,000,000	774,736,482	7,747,364,820	Exercising employee stock warrant MOEA Jing-Shou-Shang No. 09701263220 dated October 17, 2008.	—	—
01/2009	10	2,000,000,000	20,000,000,000	774,993,607	7,749,936,070	Exercising employee stock warrant MOEA Jing-Shou-Shang No. 09801008180 dated January 15, 2009.	—	—
05/2009	10	2,000,000,000	20,000,000,000	891,751,941	8,917,519,410	Conversion of shares MOEA Jing-Shou-Shang No. 09801095190 dated May 14, 2009.	—	—
06/2009	10	2,000,000,000	20,000,000,000	892,629,941	8,926,299,410	Exercising employee stock warrant MOEA Jing-Shou-Shang No. 09801122940 dated June 17, 2009.	—	—
09/2009	10	2,000,000,000	20,000,000,000	893,398,816	8,933,988,160	Exercising employee stock warrant MOEA Jing-Shou-Shang No. 09801200400 dated September 3, 2009.	—	—
10/2009	10	2,000,000,000	20,000,000,000	893,772,566	8,937,725,660	Exercising employee stock warrant MOEA Jing-Shou-Shang No. 09801238420 dated October 15, 2009.	—	—
01/2010	10	2,000,000,000	20,000,000,000	894,412,316	8,944,123,160	Exercising employee stock warrant MOEA Jing-Shou-Shang No. 09901007210 dated January 14, 2010.	—	—
04/2010	10	2,000,000,000	20,000,000,000	894,625,566	8,946,255,660	Exercising employee stock warrant MOEA Jing-Shou-Shang No. 09901076640 dated April 21, 2010.	—	—

Month/year	Issue price	Authorized Share Capital		Capital Stock		Sources of Capital	Remark	
		Shares	Amount	Shares	Amount		Capital Increase by Assets other than Cash	Others
09/2010	10	2,000,000,000	20,000,000,000	1,056,048,043	10,560,480,430	Recapitalization of retained earnings Exercising employee stock warrant MOEA Jing-Shou-Shang No. 09901198560 dated September 3, 2010.	—	—
03/2011	10	2,000,000,000	20,000,000,000	1,453,073,506	14,530,735,060	Conversion of shares MOEA Jing-Shou-Shang No. 10001042020 dated March 7, 2011.	—	—
09/2011	10	2,000,000,000	20,000,000,000	1,583,850,122	15,838,501,220	Surplus transferred to capital MOEA Jing-Shou-Shang No. 10001207100 dated September 15, 2011.	—	—
04/2012	10	2,000,000,000	20,000,000,000	1,655,709,212	16,557,092,120	Conversion of shares MOEA Jing-Shou-Shang No. 10101072410 dated April 24, 2012.	—	—
10/2016	10	2,000,000,000	20,000,000,000	1,692,782,499	16,927,824,990	Shares converted from corporate bonds MOEA Jing-Shou-Shang No. 105011248620 dated October 25, 2016.	—	—
01/2017	10	2,000,000,000	20,000,000,000	1,723,895,350	17,238,953,500	Shares converted from corporate bonds MOEA Jing-Shou-Shang No. 10601006760 dated January 27, 2017.	—	—
04/2017	10	2,000,000,000	20,000,000,000	1,740,963,062	17,409,630,620	Shares converted from corporate bonds MOEA Jing-Shou-Shang No. 10601049450 dated April 20, 2017.	—	—
07/2017	10	2,000,000,000	20,000,000,000	1,745,420,665	17,454,206,650	Shares converted from corporate bonds MOEA Jing-Shou-Shang No. 10601094540 dated July 10, 2017.	—	—
08/2017	10	2,000,000,000	20,000,000,000	1,825,061,775	18,250,617,750	Shares converted from corporate bonds MOEA Jing-Shou-Shang No. 10601122870 dated August 25, 2017.	—	—

Month/year	Issue price	Authorized Share Capital		Capital Stock		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital		Capital Increase by Assets other than Cash
08/2018	10	2,000,000,000	20,000,000,000	1,679,056,833	16,790,568,330	Cash capital reduction MOEA Jing-Shou-Shang No. 10701100870 dated August 1, 2018.		
10/2019	10	2,500,000,000	25,000,000,000	1,879,056,833	18,790,568,330	Issue preferred stocks via cash capital increase MOEA Jing-Shou-Shang No. 10801132530 dated October 3, 2019.		

(2) Type of Stock

April 25, 2021/Unit: Shares

Type of Stock	Authorized Share Capital						Stock warrants, preferred shares with warrants or corporate bonds with warrants	
	Outstanding Shares (Note)			Unissued Shares	Total			
	Listed (OTC)	Not listed (OTC)	Total					
Common shares	1,679,056,833	—	1,679,056,833	620,943,167	2,500,000,000	50,000,000		
Preferred Shares A	200,000,000	—	200,000,000					

Note: Of the 2,500,000,000 shares, 50,000,000 shares are reserved for the issuance of stock warrants, preferred shares with warrants or corporate bonds with warrants.

#### 4.1.2 Structure

##### (1) Common Shares

April 25, 2021

Structure QTY	Government Agencies	Financial Institutions	Other Juridical Persons	Individual	Foreign Institutions & Natural Persons	Total
Number of Shareholders	8	33	364	68,505	619	69,529
Shareholding	55,079,106	380,876,700	243,223,307	518,075,817	481,801,903	1,679,056,833
Holding Percentage (%)	3.28	22.68	14.49	30.86	28.69	100.00

##### (2) Preferred Shares A

April 25, 2021

Structure QTY	Government Agencies	Financial Institutions	Other Juridical Persons	Individual	Foreign Institutions & Natural Persons	Total
Number of Shareholders	1	14	107	11,387	9	11,518
Shareholding	20,000,000	43,551,618	82,965,827	53,454,183	28,372	200,000,000
Holding Percentage (%)	10.00	21.78	41.48	26.73	0.01	100.00

#### 4.1.3 Distribution Profile of Share Ownership

##### (1) Common Shares

April 25, 2021

Shareholding Ownership	Number of Shareholders	Ownership	Ownership Percentage (%)
1~999	28,291	7,263,588	0.43
1,000 ~ 5,000	29,903	64,223,832	3.83
5,001 ~ 10,000	5,748	42,150,751	2.51
10,001 ~ 15,000	1,814	21,984,295	1.31
15,001 ~ 20,000	974	17,464,411	1.04
20,001 ~ 30,000	878	21,739,180	1.29
30,001 ~ 40,000	402	13,911,930	0.83
40,001 ~ 50,000	260	11,934,993	0.71
50,001 ~ 100,000	477	33,443,534	1.99
100,001 ~ 200,000	289	40,807,683	2.43
200,001 ~ 400,000	154	43,223,746	2.58
400,001 ~ 600,000	74	35,967,176	2.14
600,001 ~ 800,000	51	34,702,406	2.07
800,001 ~ 1,000,000	26	23,188,746	1.38
1,000,001 or more	188	1,267,050,562	75.46
Total	69,529	1,679,056,833	100.00

(2) Preferred Shares A

April 25, 2021

Shareholding Ownership	Number of Shareholders	Ownership	Ownership Percentage (%)
1~999	3,863	863,676	0.43
1,000 ~ 5,000	6,275	8,973,101	4.49
5,001 ~ 10,000	572	4,763,850	2.38
10,001 ~ 15,000	154	1,942,575	0.97
15,001 ~ 20,000	154	2,931,072	1.47
20,001 ~ 30,000	106	2,724,911	1.36
30,001 ~ 40,000	72	2,691,042	1.35
40,001 ~ 50,000	49	2,290,672	1.15
50,001 ~ 100,000	129	9,498,460	4.75
100,001 ~ 200,000	64	9,477,285	4.74
200,001 ~ 400,000	26	7,437,000	3.72
400,001 ~ 600,000	17	8,913,569	4.46
600,001 ~ 800,000	8	5,574,000	2.79
800,001 ~ 1,000,000	4	3,766,289	1.88
1,000,001 or more	25	128,152,498	64.06
Total	11,518	200,000,000	100.00

4.1.4 Major Shareholders

Name, number of shares held, and shareholding percentage of shareholders who hold more than 5% of the shares or the top 10 shareholders

April 25, 2021/Unit: Shares

Shareholders	Shareholding	Total Shares Owned	Ownership Percentage (%)
Fubon Insurance Co. Ltd.		126,362,000	7.53
CTBC Bank Co., Ltd. as custodian of Yuanta Bank		59,460,188	3.54
Nan Shan Life Insurance Company, Ltd.		48,427,000	2.88
Simon Huang		41,411,507	2.47
Taiwan Life Insurance Co., Ltd.		34,779,000	2.07
Fullerton Technology Co.		32,421,074	1.93
New Regulation for Labor Retirement Fund		24,220,080	1.44
Kaystar International Ltd.		22,351,057	1.33
Farglory Life Insurance Inc.		21,779,000	1.30
Vanguard Emerging Markets Index Fund, a series of Vanguard International Equity Index Funds.		20,828,720	1.24

Note: The ones disclosed in this table are the top 10 shareholders in terms of the ratios of shareholdings of common shares.

#### 4.1.5 Market Price, Net Worth, Earnings, and Dividends Per Common Share For the Last Two Years

Item		Year	2019	2020	Current fiscal year up to March 31
Market Price Per Share	Highest Market Value		41.80	44.80	49.25
	Lowest Market Value		36.70	31.45	42.50
	Average Market Value		39.28	39.51	45.04
Net Worth Per Share	Before Distribution		33.78	34.84	36.20
	After Distribution		31.57	Note1	Note1
Earnings Per Share	Weighted Average Shares (thousand shares)		1,679,057	1,679,057	1,679,057
	Earnings Per Share	Before Retrospective Adjustment	3.84	4.77	1.44
		After Retrospective Adjustment	3.84	Note1	—
Dividends Per Share	Cash Dividend		2.40	Note1	—
	Stock Grants	Dividends from Retained Earnings	—	—	—
		Dividends from Capital Surplus	—	—	—
	Accumulated Undistributed Dividend		—	—	—
Return on Investment	Price/Earnings Ratio (Note 2)		10.23	8.28	—
	Price/Dividend Ratio (Note 3)		16.37	Note1	—
	Cash Dividend Yield (%) (Note 4)		6.11	Note1	—

Note 1: Filled in accordance with the situation of the distribution of the resolution of the Shareholders' Meeting next year; however, the surplus of 2020 has not been distributed by resolution of the Shareholders' Meeting.

Note 2: Price/Earnings Ratio = Average Closing Price per share of the year/Earnings per share.

Note 3: Price/Dividend Ratio = Average Closing Price per share of the year/Cash Dividend per share.

Note 4: Cash Dividend Yield = Cash Dividend per share/Average Closing Price per share of the year.

#### 4.1.6 Dividend Policy and Implementation Status

##### (1) Dividend policy stipulated in the Company's Articles of Incorporation:

In accordance with the provisions of the Company's Articles of Incorporation, where if the Company has surplus earnings at the end of the year, after tax payment and recovery of losses over the years, 10% of the amount shall be appropriated as legal capital reserve; if there is any balance after setting aside or reversion to special capital reserve in accordance with laws and regulations, the remaining balance (hereinafter referred to as "earnings for the current year") is added to the undistributed surplus at the beginning of the period, as the surplus available for distribution, and the dividends for preferred shares shall be paid in priority, which is to be distributed as the dividends and bonuses to shareholders after the distribution plan shall be proposed by the Board of Directors and subject to the resolution of the Shareholders' Meeting. When the company has no surplus, no dividends and bonuses will be distributed.

This Company's dividend policy and dividend distribution shall consider the Company's profitability, future operation funding needs, and changes in industry environment, as well as

shareholders' rights and the Company's long-term financial plans. This Company's yearly total dividend distribution amount shall not be less than 50% of the year's earnings. The distributed cash dividend shall not be less than 20% of the total dividend distribution amount.

(2) Distribution of dividend proposed for approval at the Shareholders' Meeting:

The Company's surplus distribution plan for 2020 was approved by the Board of Directors on April 27, 2021. Among which, NT\$5,205,076,182 was accrued from the cumulative distributable surplus, and NT\$3.1 cash dividend was distributed per Common Share. NT\$2.0 cash dividend was distributed per Preferred Shares A.

4.1.7 Effect of Stock Dividends to Operating Performance and EPS: Not applicable. There is no stock dividend this year.

4.1.8 Information regarding Employee Bonus and Remuneration paid to Directors and Supervisors:

(1) Information regarding Compensation paid to Employees, Directors and Supervisors in the Articles of Incorporation:

Based on the Articles of Incorporation, if the financial results for the fiscal year show profit, the Company shall set aside, resolved by Board of Directors, not more than 5% and not less than 0.01% of its annual profit to employees as compensation and not more than 3% of the foresaid profit distributable to Directors and Supervisors as remuneration. Reports of such distribution as employees' compensation and remuneration of Directors and Supervisors shall be submitted to the Shareholders' Meeting. However, the Company shall reserve a portion of the losses in advance. The employees' compensation can be paid by stock or cash, and the target person may include the employees of the subordinate company that meet certain conditions.

(2) The estimation basis of the compensation amount to Employees, Directors, and Supervisors for the current period; the estimation basis of the number of shares distributed as compensation; and the accounting treatment of the discrepancy, if any, between the actual distributed amount and estimated figure, for the current period:

The compensation payable to Employees and the remuneration of Directors in 2020 are estimates based on past experiences. Action will be taken pursuant to relevant provisions once the proposal is resolved in the annual Shareholders' Meeting on June 23, 2021. If the actual amounts subsequently paid differ from the above estimated amounts, the difference will be recorded in the year resolved as a change in accounting estimate.

(3) The Board of Directors has approved the proposal to distribute Employees' compensation:

The Employees' compensation and remuneration of Directors to be distributed in 2020 were approved by the Board of Directors on April 27, 2021. The remuneration of Directors in 2020 was NT\$47,694,000; the Employees' compensation in 2020 was NT\$42,600,000. All of the above are distributed in cash. The Employees' compensation and remuneration of Directors in 2020 was expensed, which had no impact on earnings per share.

(4) The actual distribution of compensation for Employees, Directors, and Supervisors (including the number, sum, and price of shares distributed), and where there were discrepancies with the recognized compensation for Employees, Directors, and Supervisors in the prior year, the difference, cause, and treatment of the discrepancy be described:

The employees' compensation and remuneration of Directors in 2019 approved by the 2020 Shareholders' Meeting were NT\$29,300,000 and NT\$35,000,000 respectively, which have been distributed. The difference between the values recognized in the 2019 Financial Statements is only that employees' compensation was reduced by NT\$550,000 and will be adjusted into the gains and loss of the second quarter of 2020.

4.1.9 Repurchase of Shares by the Company: None.

**4.2 Issuance of Corporate Bonds:** None.

### 4.3 Preferred Shares

Item	Date of issuance	September 18, 2019 Preferred Shares A of WPG Holdings Ltd.
	Par value	NT\$10
	Issue price	NT\$50 per share
	Number of Shares Issued	Total 200,000,000 shares
	Total Amount	NT\$10,000,000,000
Rights and Obligations	Distribution of Dividends and Bonuses	<ol style="list-style-type: none"> <li>1. Dividends: The annual rate of Preferred Shares A is 4% (5-year IRS interest rate <math>0.605\% + 3.395\%</math>), calculated at the issue price per share, the 5-year IRS interest rate will be reset on the next business day every five years after the issuing date. The record date for reset is two business days prior to the interest rate reset date. The IRS rate is the arithmetic mean of 5-year IRS rates appearing on Reuters pages "TAIFXIRS" and "COSMOS3" at 11:00 a.m. (Taipei time) on the record date for reset. If the offered price cannot be obtained on the record date for reset, the company will determine the rate based on reasonable market price with good faith.</li> <li>2. Distribution of Dividend: Distributed in cash in a lump sum and on an annual basis. The Company's annual earnings at the end of the accounting year shall be first subject to taxation, reimbursement of previous losses, the remainder shall be provided for legal reserve in accordance with the provisions of the Articles of Incorporation and special capital reserve by law or reversal. The remainder may be first made available for distribution of Preferred Shares A dividends. The Company has the right to decide dividend distribution on Preferred Shares A, if any, at its sole discretion. If there are no surplus earnings, the surplus earnings are not enough for distributing dividends of the Preferred Shares A in whole or in part after the final account or due to any other consideration, the Company may by the approval of the Shareholders' Meeting decide not to distribute dividend for Preferred Shares A. The former shall not constitute a breach of contract. The undistributed or insufficiently distributed dividend shall not be accumulated for make-up in the future.</li> <li>3. Excess dividend distribution: In addition to aforementioned dividend distributed, shareholders of Preferred Shares A are not entitled to the cash and capital allocation with regard to earnings and capital reserves as dividend distribution of Common Shares.</li> </ol>
	Distribution of Remaining Assets	The order of claim for distribution of property of shareholders of Preferred Shares A is prior to Common Shares. The repayment shall be capped at the respective issue amount of Preferred Shares upon liquidation.
	Execute Rights of Voting	Shareholders of the Preferred Shares A shall have no right to vote or elect in the Company's Shareholders' Meeting, provided that they have right to vote or elect at the Preferred Shares A Shareholders' Meetings and any Shareholders' Meetings related to interest and right of the shareholders of Preferred Shares A.
	Other	For cash offering of new shares, stockholders of Preferred Shares A have the same preemptive rights as the Common Shareholders.

Item	Date of issuance		September 18, 2019 Preferred Shares A of WPG Holdings Ltd.
Outstanding Preferred Shares	Number of Preferred Shares Recovered or Converted		NT\$0
	Number of Preferred Shares Not Recovered or Converted		NT\$10,000,000,000
	Recovery or conversion terms		<ol style="list-style-type: none"> <li>Conversion into Common Shares: Preferred Shares A may not be converted to Common Shares. Shareholders of Preferred Shares A have no right to request the Company to redeem the Preferred Shares they hold.</li> <li>Preferred Shares A of the Company have no maturity, the Company may redeem all or partial Preferred Shares any time on the next day after five years of issuance with the original issuance price.</li> </ol>
Market Price per Share	2020	Highest	52.30
		Lowest	43.40
		Average	50.01
	Current fiscal year up to April 30, 2021	Highest	50.70
		Lowest	49.65
		Average	50.05
Other Rights	Amount converted into Common Shares or Stock Warrant as of the publish date of the Annual Report	Shareholders of Preferred Shares A can not be converted into Common Shares	
	Issuance and Conversion or Subscription Methods	None	
Impact of conditions of issuance on the rights and interests of preferred shareholders and possible dilution of shareholders' equity and impact on existing shareholders' equity		None	

**4.4 Issuance of Global Depository Receipts:** None.

**4.5 Status of Employee Stock Option Plan:** None.

**4.6 Status of Employee Restricted Stock:** None.

**4.7 Status of New Share Issuance in Connection with Mergers and Acquisitions**

4.7.1 Issue of New Shares in connection with any Acquisition of Shares of Another Company in the Most Recent Year and up to the Date of This Annual Report:

- (1) The Lead Securities Underwriters' opinion on the issuance of new shares for acquisition of shares of another company in the most recent quarter: None.
- (2) The status of implementation in the most recent quarter - if the implementation has not achieved the expected target, a statement on the impact on shareholders' equity and improvement plan shall be provided: None.

4.7.2 Any Issuance of New Shares in connection with Acquisition of Shares of Another Company approved by the Board of Directors in the Most Recent Year and up to the Date of This Annual Report:

- (1) Basic information of the company being acquired or transferred: None.
- (2) Implementation of undergoing merger or acquisition of other companies through the issuance of Common Shares shall be disclosed, so is the impact on shareholders' equity: None.

**4.8 Financing Plans and Implementation:** None.

## 5. Operational Highlights

### 5.1 Business Activities

#### 5.1.1 Business Scope

- (1) WPG Holdings: Investment industry.
- (2) WPG Group

##### I. Main Business Activities

Headquartered in Taipei(TSE:3702), WPG Holdings is the largest distributor of semiconductor components in the Asia-Pacific region and the world, which owns World Peace Industrial Group, Silicon Application Corporation, Asian Information Technology and Yosun Industrial Group, with approximately 5,200 employees, more than 250 agent product suppliers, 104 distribution locations worldwide, and 76 and 28 respectively in Asia Pacific and North America.

WPG is Taiwan's first investment holding company that is composed of semiconductor components distributors. WPG operates under the management team composed of executives from each subsidiary and builds an integrated logistics support platform to reduce operating costs. We have continuously improved our performance since incorporation to advance our leading position in the industry. We will continue to outperform competitors as a holding company and become the pioneer of semiconductor components distribution industry.

##### II. Business Breakdown in 2020

Product name	Sales percentage
Core components	33.17%
Analog IC and mixed-signal IC	15.33%
Discrete logic IC	13.26%
Memory Component	20.76%
Optical components and sensors	9.78%
Passive components, electromagnetic components, and connectors	5.42%
Other components	2.28%
Total	100%

##### III. Current Products/Services

###### a. Franchised Semiconductor Brands

WPG Group is the authorized distributor of more than 250 semiconductor brands, including ALI, AMD, AOS, Broadcom, CREE, Infineon, Intel, MediaTek, Micron, MPS, Novatek, OmniVision, ON semi, Qualcomm, Realtek, Richtek, Samsung Electronics, Samsung SDI, SEMCO, ST Micro, SEMTECH, Toshiba, Unisoc, Vishay and Winbond.

b. Category/Name of Franchised Semiconductor Products

Main Product Category	Product Name
Core Components	Chipset, graphics/audio/video controller, smartphone chip, network/modem chipset, CPU/MPU, RISC CPU, etc.
Analog IC and Mixed-Signal IC	Bipolar, CMOS operational amplifier, comparator, digital/analog converter, power supply controller, audio and video amplifier or controller, interface IC, high frequency devices, etc.
Discrete Logic IC	Diode, rectifier, transistor, thyristor, insulated-gate bipolar transistor, optical transistor, logic IC, etc.
Memory Component	DRAM, SRAM, EPROM, EEPROM, Flash, MCP, etc.
Optical Components and Sensors	LCD, sensor, LED, etc.
Passive Components, Electromagnetic Components, and Connectors	Resistor, capacitor, inductor, magnetic component, cable, connector, mechanics, electromechanics, circuit protection, material, battery, filter, oscillator, etc.
Other Components	Non-electronic component

c. New Products/Services in the Planning

Product Application Category	New Component Planned to Franchise
Computer & Peripheral	Network storage server and cloud computing solution
Communication	Wireless communication solution, wearable device, e-wallet, and 5G-related solution
Consumer	Smart home security system, smart lighting, smart health management system, outdoor lighting, robot solution, and aircraft solution
Industrial	Monitoring solution, motor control solution, power management solution, wireless charging solution and industrial robots
Automotive Electronics	Automotive audio/video entertainment system solution, Internet of Vehicle (IoV) solution, and advanced driver-assistance system (ADAS) solution
Other Purposes	Internet of Things (IoT) solutions and artificial intelligence (AI) solution

### 5.1.2 Industry Overview

#### (1) Current State and Future Development of the Industry

The global semiconductor market in 2020 unexpectedly revolved around the development of the COVID-19 pandemic and performed an unbelievable turnaround. From the panic in the first quarter, the stabilization in the second quarter, and the soaring high in the third quarter, the whole year showed a trend of opening lower and then soaring higher. According to data from Gartner, global semiconductor revenue in 2020 reached US\$449.8 billion, an increase of 7.32% from 2019. Among them, the demand for working from home and home school due to

the pandemic situation

has created a shortage of notebook computers, tablet computers, and game consoles. Although the overall shipment of smart phones has declined, the demand for 5G mobile phones has surged by more than 10 times, resulting in the semiconductor demand has not fallen but increased; in addition, countries have implemented lockdown measures, although the available on-site manpower in the workplace has been reduced, they have created a demanding environment for service type robots; coupled with the emergence of chain-breaking crises in the semiconductor supply chain, made overall demand of the semiconductor shine in 2020.

Looking forward to the global semiconductor market in 2021, due to the pandemic has been controlled to a considerable extent under the condition of the beginning of the vaccine, the US-China trade war has entered a long-term competition between. The two powers is a foregone conclusion, and Brexit has become a reality. Under the circumstances, the major uncertainties of the global economy have been greatly reduced. However, because of the long-term impact of the pandemic, such as remote work, teaching mode, medical care, etc., its feasibility has been proven and has become an irreversible trend. This move will completely change the looks of the future market and the rigid demand for semiconductors, which will play an important role among them. As shown in Figure 1, according to Gartner's estimates, global semiconductor revenue in 2021 is expected to reach 474.1 billion U.S. dollars, an increase of more than 5.4% over 2020, and global semiconductor revenue is expected to exceed 500 billion U.S. dollars in 2022 as a milestone.

Figure 1. Estimated Revenue of the Global Semiconductor Industry from 2018 to 2024

Year	2018	2019(F)	2020(F)	2021(F)	2022(F)	2023(F)	2024(F)
Revenue (Unit: US\$ billion)	476.2	419.1	449.8	474.1	519.0	539.3	589.0
Increase/Decrease (%)	12.5%	-12.0%	7.3%	5.4%	9.5%	3.9%	9.2%

Source: Gartner 2021

Looking at the future development direction of the industry, we believe that artificial intelligence (hereinafter referred to as AI) will be the main axis that countries cannot avoid, and the development of AI requires the help of big data to accelerate learning or simulate human wisdom and experience. With the following important infrastructure constructions in place one after another, this trend is becoming more unstoppable following the world situation after the pandemic:

## I. Internet

The emergence of online platforms such as Amazon, Google, Facebook, YouTube, and Alibaba has created substantial information flows, the fundamentals of AI development. To understand consumer needs, these online platform service providers have developed all kinds of data mining technologies in hopes of tapping into potential business opportunities. The focus of all countries in the world is to develop various software of AI.

## II. IoT

In addition to the Internet, IoT is what makes AI possible. The concept of connecting

everything to the Internet is paramount in the development of AI. As IoT has emerged in recent years, many end devices are able to provide big data required for AI development. This new trend that combines AI and IoT is called AIoT. The following are the most promising prospects of AIoT currently:

- a. Autonomous Vehicles: ADAS and 3D Visual Sub-System for Autonomous Vehicles  
As traditional cars evolve into semi-autonomous vehicles and unmanned vehicles, major automobile manufacturers around the world are using a large number of sensors to collect drivers' behavior and environmental data. According to the plan of the US Department of Transportation, installing an IoV device will be compulsory for all new vehicles starting 2025, so as to prevent accidents. It is estimated that unmanned vehicles will hit the road in the near future.
- b. Drone/Robot: 3D Visual for Independent Movements  
Drones and robots have been applied to agricultural production and industrial production to solve labor shortages. They also make precise manufacturing possible, creating unlimited business opportunities.
- c. VR/AR/MR Devices  
Entertainment and media devices with 3D environment scanning and 2D/3D object positioning functions are changing people's lives and have great potential for growth in education, healthcare, and other industries.
- d. Intelligent Surveillance Equipment  
Video surveillance has been ubiquitous in and around public places, businesses, and houses for a long time. A huge amount of data from surveillance equipment, together with the development of AIoT, will be applied to various scenarios in the future. The potential business opportunities are unlimited.

### III. High-Speed Wireless Network (5G)

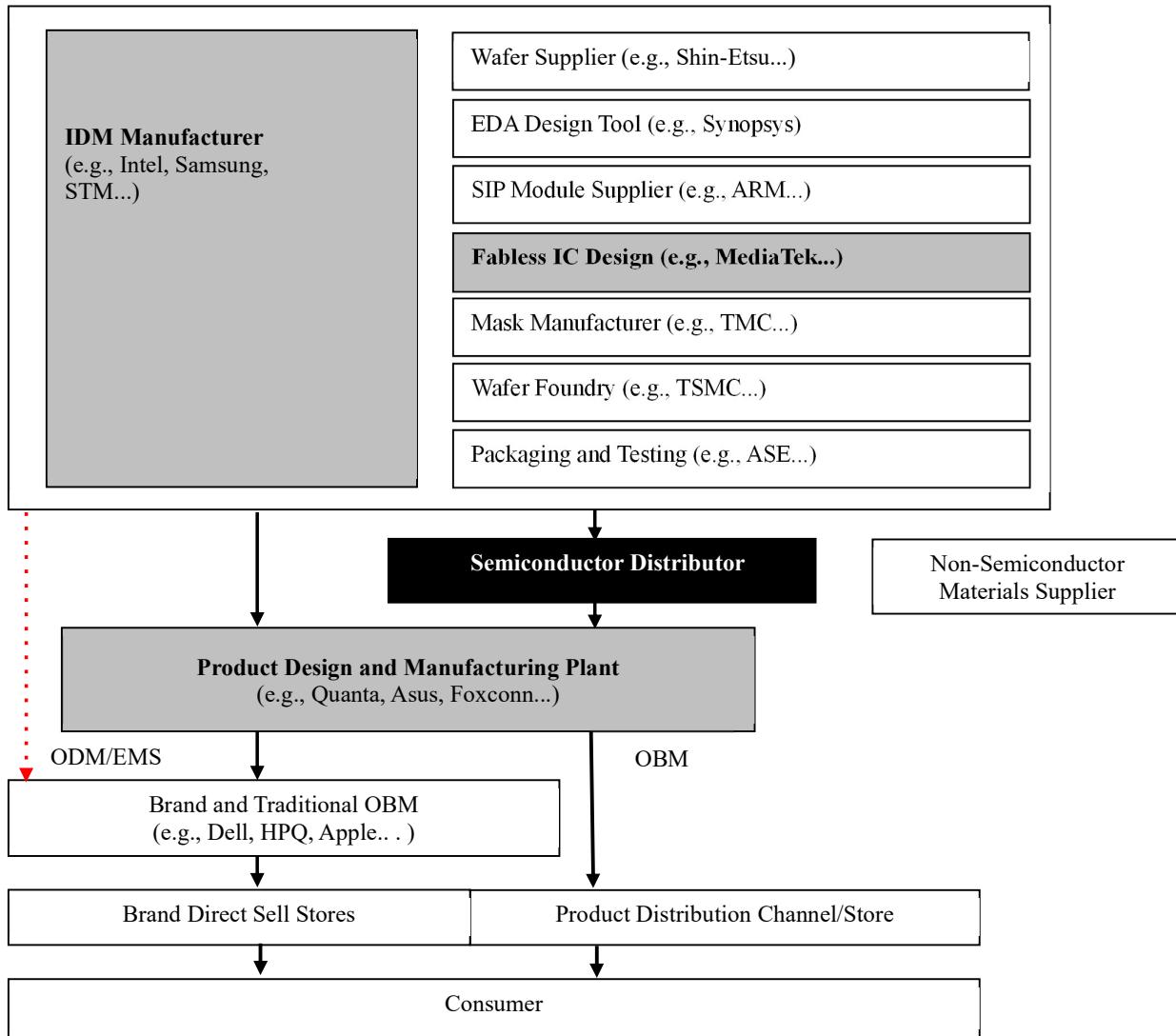
AIoT is built on the concept of IoT, but the implementation of AI will be impossible without high-speed networks. Every IoT device relies on high-speed wireless network to upload data to the cloud for computing and to receive the calculations. Without high-speed Internet connection, data transmission will be slow and operational efficiency is compromised; therefore, the development of 5G is imperative and is expected to become a major reason for semiconductor industry's growth in the short run.

PwC estimated that AI would contribute US\$15.7 trillion to global GDP in 2030, more than the sum of China's GDP and India's GDP currently, of which US\$6.6 trillion would come from an increase in productivity and US\$9.1 trillion would come from consumers. The development of AI will be semiconductor industry's key growth momentum for the next decade, when semiconductors become the necessities in lives, entertainment, and work.

(2) The Relevance of Upstream, Midstream and Downstream Companies in the Industry:

The relevance of upstream, midstream, and downstream companies in the semiconductor industry is summarized in Figure 2 below.

Figure 2. Semiconductor Supply Chain Analysis



I. Basic Structure of Semiconductor Supply Chain

a. Semiconductor Components Suppliers

Upstream semiconductor components suppliers can be broadly divided into two categories. The first category is integrated design manufacture (IDM), which has the strong capability of vertical integration and has relatively complete portfolios. The barriers to entry for IDM are extremely high. Companies of this category include Intel, Samsung Semiconductor.

The second category is fabless IC design houses with no foundry. This category is classified as high industrial specialization. Although their portfolios are not as complete as IDM, the barriers to entry are lower. Fabless IC design houses focus on

specific applications of semiconductor components. Companies of this category include Qualcomm and MediaTek.

These two categories of semiconductor component suppliers are the upstream suppliers in the semiconductor distribution industry. Semiconductor components distributors mostly secure the franchises through a distribution or agency model.

b. Semiconductor Distributors

Semiconductor distributors have no manufacturing plants themselves. They mainly distribute or act as agent for the semiconductor components of IDM or Fabless IC design houses. With their own value-added services, semiconductor distributors sell franchised semiconductor components to downstream electronics manufacturers including EMS, ODM and OBM. According to the scale and scope of business, semiconductor distributors can be divided into three categories.

The first category is international agents and distributors. Taking Arrow and Avnet from the United States for example, their franchised products and sales locations span the five continents. They have actively acquired the agents and distributors in Asia over the years to consolidate markets share

The second category is regional agents and distributors such as WPG, WT Microelectronics, and Supreme Electronics in Asia. In recent years, agents and distributors in Asia have actively invested in the Mainland China market through independent operation, M&A, holding companies, as well as strategic alliances.

The third category is territorial distributors and traders. Such distributors are concentrated in China, the factory of the world. As they are familiar with local laws and customers, they are popular among the distributors of the first and second category.

c. Downstream Product Manufacturers

Downstream product manufacturers can be divided into three categories.

The first category is original equipment manufacturers (OEM) or electronics manufacturing services provider (EMS). Such manufacturers mainly focus on production and manufacturing, supported by the capabilities of global logistics management, information system transparency, and product diversification. Companies of this category include Flextronics and more.

The second category is original design manufacturer (ODM). In addition to manufacturing capability, such manufacturers also accept design orders. Compared with EMSs, ODMs pay more attention to R&D investments and have relatively higher degree of control over electronics specifications and components used. Companies of this category include Quanta, Compal, Wistron, Pegatron, etc.

The third category is own brand manufacturer (OBM). In addition to design and manufacturing capability, such manufacturers are able to market their own brands. Compared with the first two categories of manufacturers, OBM pay more attention

to the product marketing strategies and market segmentation. Companies of this category include Sony, Lenovo, etc.

These three categories of product manufacturers are the most important customers in the semiconductor distribution industry. In recent years, due to fierce competition in the industry and end customers' increased demand for Just In Time, Vendor Managed Inventory, and Build to Order, IDMs and Fabless IC design houses have been forced to zero in on their core competencies (e.g., formulation of industrial specifications, product design, and manufacturing) and gradually release direct orders of electronic components from the aforesaid three categories of product manufacturers to semiconductor components distributors. Such a move has created tremendous business opportunities for the semiconductor distribution industry, along with tremendous stress on working capital and management knowledge and has indirectly contributed to the business consolidation trend within semiconductor distribution industry in recent years.

d. Brand and Direct Sell Stores

The representatives of this category include global leading electronics brands such as Apple, Dell, HP, Acer, Asus, etc. The common ground of such vendors lies in most of them outsource product manufacturing and design operations to EMSs or ODMs, and focus on high value-added work such as brand management, product specifications design, marketing strategy planning, global logistics management, and online/offline sales channel management. These brands are the top tier of the industry supply chain; they are the predators in the supply chain.

e. Product Distributors

In Asia, for example, the representatives of this category include Synnex Technology International and Trigold Holdings. In addition to acting as agents or distributors of internationally renowned brands such as Lenovo, Dell, Sony, and Toshiba, such companies also distribute products of emerging OBM<sup>s</sup> such as Asus, Acer, MSI, etc. In recent years, they have also partnered with ODMs to sell their own information products to various display channels, corporate users, or direct sell stores. In the overall supply chain, they are the closest to consumers.

## II. The Role and Relevance of Semiconductor Distributors:



For upstream semiconductor suppliers, the role of semiconductor distributors is to support suppliers' sales of semiconductor components; for downstream product manufacturers, the main function of semiconductor distributors is to assist customers in purchasing semiconductor components that are indispensable to manufacturing. In addition to dealing with various semiconductor components with complex specifications that are irreplaceable, the supplementary value added services provided cover an even more extensive range that includes financial services, material management, logistics, and technical support, etc. The analysis of the seven major aspects is as follows:

a. Product Promotion

To deliver semiconductor components to a large number of customers in the shortest possible time, upstream suppliers must cooperate with professional regional distributors. As the transactions involve specialized semiconductors products and professional buyers, distributors often have to recruit sales representatives and technicians who are familiar with the suppliers' products in order to provide suitable products and technical support and respond to customer needs instantly.

b. Inventory Management

Due to requirement of semiconductor manufacturing, the standard delivery time for upstream semiconductor suppliers or manufacturers averages around 12 weeks. Yet, for most of the customers, it is difficult to predict the exact demand 12 weeks beforehand. In recent years, due to fierce competition in the electronic information

industry, customers have predicted shorter and more varied demand. The reason lies in brands have been making greater changes in demand forecast for products manufacturers (EMSs and ODMs) as well. Usually, demand is only confirmed for one to two weeks. Amidst the 10-week demand gap, distributors play a pivot role in coordinating and preparing appropriate safety stock to narrow the huge difference, thus maintaining the normal operation of the overall supply chain.

As a result, the more intense the competition of information industry is and the more uncertain future demand is, the more important semiconductor distributors' roles play.

c. Order Management

Due to the limited resources, upstream suppliers usually only provide direct services to a few large customers. Orders from many other small and medium customers thus need to be handled through distributors for efficient and instant services. After collecting the actual demand and demand forecast from many small and medium customers, distributors place orders collectively to suppliers for batch production. This greatly relieves the suppliers' stress on order management, and also helps suppliers maintain the stability and efficiency of their semiconductor manufacturers, ensuring that customers receive the agreed semiconductor components on the specified delivery dates in a predetermined quantity.

d. Sales Management

Except for few large-scale product manufacturers, most small and medium customers do not have enough orders to negotiate prices with semiconductor suppliers. This is where distributors weigh in. Through centralized orders, distributors can manage to lower the prices for small and medium scale customers; for suppliers, price is maintained through distributors, thus achieving the purpose of sales management.

e. Logistic Management

Suppliers only have to deliver products to distributors' designated warehouses in batches according to distributors' orders, which reduces the complexity of batch delivery operations, while distributors, are responsible to deliver the products in packaging (including labeling operations) requested, along with documents requested to locations specified by each small and medium scale customer in order to complete the logistic operation of semiconductor components. Distributors significantly save suppliers' time and costs on logistics management as well as downstream customers' human resources and space needs.

f. Financial Management

In order to purchase semiconductor components directly from semiconductor suppliers, besides meeting considerable purchase quantities, buyers must have a certain level of credit rating and collateral, and also the ability to bear shorter payment terms. However, not all customers have the ability or willingness to pay

such a price to complete the purchase of semiconductor components.

As a result, distributors play critical role as financiers. Distributors usually grant a certain line of credit to customers according to many objective conditions such as customers' history of bank transactions, credibility, business operations, person in charge's character, and usual transaction records, and payment terms better than those granted by suppliers to help customers obtain suppliers' products and services at a lower financing cost.

Through distributors, suppliers also familiarize themselves with the financing operations in the local market, so as to avoid financial risks and secure market share and business opportunities at the same time. The role the distributors play in financial and risk management is especially important in Asia market.

g. Information Management

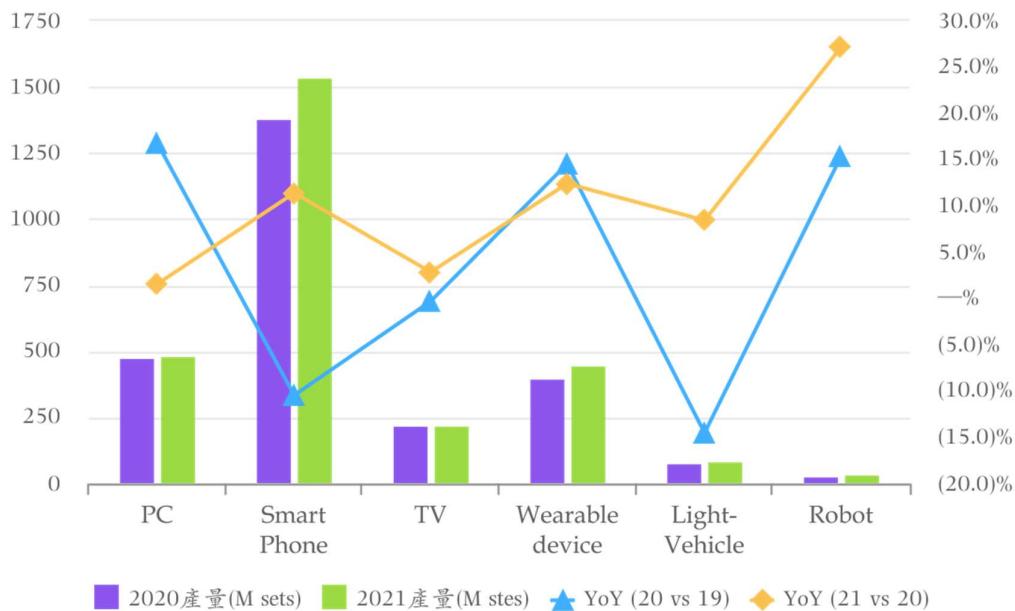
Semiconductor suppliers' core competencies lie in semiconductor component research and development, manufacturing, and industry standard specification. Professional sales representatives and technicians are required to help collect market information and integrate customer needs to assist them in maintaining the core competencies. In this regard, distributors play an indispensable role in consolidating suppliers' specialties with sufficient local professionals. For customers, they can voice their needs collectively through distributors so that suppliers can provide more suitable products to help customers design and manufacture next-generation electronics.

The underlying role of semiconductor distributors is to serve as a bridge between suppliers and customers. In addition to standing on the front-line for suppliers, distributors serve as suppliers for customer to jointly tackle the challenges in the ever-changing markets. In addition to these two roles, distributors have to stay cautious with their own operations and profits, so as to maintain long-term viability in the ever-changing electronics industry.

### III. The Main Semiconductor Applications and Development Trends:

Analysis of the key markets in the five fields of Computer, Communication, Consumer, Automotive, and Industrial is as follows (Figure 3), in order of personal computers, smart phones, TVs and wearables devices, vehicles, robots, etc..

Figure 3. Estimated Production of Global Semiconductor Applications from 2020 to 2021



Sources: Gartner, Canalys, DigiTimes, TrendForce, IDC, TRI, International Federation of Robotics(IFR )...etc.  
(complied by WPG)

### Personal Computer (including Desktop, Notebook, Tablet and Server)

According to the data from Canalys and Digi Times, global PC shipments in 2020 reached 474 million units, a soaring increase of 16.8%, as a result of demand for remote work and remote teaching due to the impact of the pandemic. Among them, desktop shipments continued to decline, reaching only 60 million units, a decline of 23.1%; Notebooks grew 27.9% to 241 million units; Tablets grew 26.5% to 156 million units; Server shipments were relatively stable, maintaining at more than 16 million units, a growth of 7.9%.

Looking ahead to the global PC shipments in 2021, under the implementation of vaccines successively, the pandemic situation has a chance to be contained. The new demand for PCs will not be able to replicate the grand situation in 2020. It is estimated to remain at 481 million units, a slight growth of 1.5%. Among them, desktop shipments will remain at 60 million units, a decline of 0.1%. Notebook is expected to grow by 3.3% to 249 million units; Tablet is expected to decline by 1.0% to remain at 155 million units; Server shipments are expected to remain at the same level as Cloud demand grows over 17 million units, a growth of 5.1%

Although the direct growth momentum of the overall personal computer market in the future is slow, the product portfolio and applications are becoming more diversified with the development of many emerging application fields, such as virtual reality (VR), augmented reality (AR), and mixed reality (MR), self-driving cars, robots, the Internet of Things, AI...etc. In the future, personal computers still have the opportunity to continue expand their application fields and development space, but the form

of existence is different. It may exist in the Cloud (such as Server), or in the Terminal (such as Edge Computer).

## **Smartphone**

Global smartphone sales have entered the cold winter for three consecutive years. According to a report by the research organization, Gartner, global smartphone sales continued to decline by 10.5% in 2020, with sales of only 1.379 billion units. However, the sales of the 5G Smart Phone surged, driven strongly by the leading brand in the market. In 2020, the sales reached 213 million units, an increase of nearly 13 times. The sales of the 5G Smartphone have accounted for 15.5% of the overall sales of smartphones.

Looking forward to 2021, in the optimistic atmosphere that the pandemic is expected to gradually ease, and with international trade entering the next competition and cooperation, the development of 5G has been regarded as a national security industry by mainland China, the United States and Europe. The power of the country is developing, and semiconductor suppliers, mobile phone brands and telecom operators are also sprinting with all their strength due to the new business models and business opportunities brought about by 5G. According to Gartner's forecast, global smartphone sales have a chance of recovering from 5G to a positive growth of 11.4%, reaching 1.535 billion units, which is close to the level of 2019. Among them, 5G mobile phones are estimated to reach **539** million units, a growth of 2.5 times, share of the overall proportion of smartphones, expected to reach 35.1%.

## **TV**

As the trend of smart homes has sprung up, various related products have been launched. Yet, living room and TV still play dominant roles in daily lives due to family lifestyle. Although smart speakers have emerged in recent years in an attempt to dominate the digital home setting, TV's dominant position remains in the digital home.

According to Trend Force's estimates, global TV shipments was only 217 million units in 2020, a slight decline of 0.3%. The main recession factor is still affected by the pandemic, which has forced the suspension of many sports events (such as the Olympics) and thus reduced consumer's purchase incentives. It is expected that with the launch of the vaccine in 2021, the TV market will maintain a growth of at least 2.8% to 223 million units under the stimulus of two important international events that have been postponed for one year. The first is the Olympic Games to be held in Tokyo, Japan from July 24 to August 9, 2021, which has attracted much attention because of the first 8K broadcast; the other is the European Cup of Nations that will be held from June 12 to July 12, 2021.

## **Wearable Device**

Driven by global health and fitness trends, a variety of wearable devices have emerged everywhere.

In addition to the three major areas: Hearables, Smart Watch & Sport Watch, and Wristbands, there are Head-Mounted Displays, the development of apparel, modules, and various wearable electronic devices, which are being developed and promoted one after another. According to IDC's report, the three major wearable electronic devices and related products will have a combined growth rate of 14.5% in 2020 and outstanding performance of 396 million shipments.

Looking to the future, in addition to new devices, the most important trend is the emergence of subscription services for wearable devices, including Apple's Fitness +, Amazon's Halo... and other health and fitness services, integrating wearable device data with other health detection Function, will increase the demand greatly with the stimulus of the development of the pandemic. It is expected that in 2021, with the assistance of new products from various manufacturers to actively improve user experience, the growth rate of the three main wearable electronic devices and related products is expected to reach 12.4%, and the shipment volume will reach 445 million. Among them, the shipment of Hearables is expected to be 267 million, with a growth rate of 14.1%; the shipment of watches is expected to exceed 100 million to reach 104 million, with a growth rate of 14.3%; the shipment of wristbands is stable at 70 million units, an increase of 2.4%; the remaining product shipments are estimated to be close to 3 million units, an increase of 16.7%. Wearable electronic devices are expected to gradually get rid of their dependence on the mobile phone market and become the rising star in the electronic device market.

## **Automotive Electronics**

According to reports from Trend Force and TRI, global sales of light vehicles (including sedans, SUVs, and pickup trucks) have been affected by the pandemic, and following the lockdown around the world, new car sales in 2020 have been hit hard. It is estimated that the decline is 14.6% and the sales volume is only 77 million vehicles. However, the sales growth rate of electric vehicles (including pure electric vehicles and petrol-electric vehicles) still bucked the trend and increased by 20% and exceeded 2 million units.

Thanks to technology and environmental protection needs, people concern more on energy conservation and carbon reduction, and the awakening of governments in various countries on environmental protection issues, and the promotion of environmental protection laws and regulations such as carbon emission taxes have accelerated the development of hybrid(petrol-electric) and pure electric vehicles, which significantly increases the position of semiconductors in the automotive market. In the design of traditional cars, the average cost of semiconductors per car is only about US\$320; but in hybrid electric vehicles (HEV), the cost of semiconductors increases to about US\$690; in electric vehicles (EV), the cost of semiconductors is about US\$690. At about US\$700, the cost of semiconductors per car in the future of self-driving cars will be expected to exceed US\$1,000.

It is expected that in 2021, global light vehicle sales will have a chance to return to 84 million vehicles, a growth of 8.4%, under the influence of expectation for the gradual relief of the pandemic and people's desire to travel. The growth of electric vehicles is even more likely to be inspired by Tesla's success story. In the active transformation actions of major traditional automakers, it will reach a growth rate of 41.7% and a record of 3.4 million vehicles. The trend of electric vehicles becoming the mainstream of the market is irreversible. , The proportion of electric vehicles in the overall automotive market is bound to increase significantly year by year in the foreseeable future.

## **Robot, Industrial Robots and Service Type Robots**

According to a survey of the International Federation of Robotics (IFR), the overall robotics industry has grown by 15.3% in 2020, with 27 million new units added. According to the IFR classification, it can be roughly divided into Traditional industrial robots and emerging service type robots are two major categories. Among them, industrial robots dominated by the automotive industry accounted for only 1.6%, a growth rate of 18.0%, and the number of newly added 440,000 units. Although the number is small but the average unit price is high; service type robots, due to travel and work bans derived from the pandemic, leading to a shortage of labor supply in the market, whether it is agricultural production, industrial production, logistics and distribution, cleaning management, medical institutions, etc., all have suffered significant impacts, and this has unexpectedly stimulated the demand for service type robots. Service-type robots would contribute in 2020. The overall demand for robots is nearly 98.4% of the new number, and the industry prospects are promising.

Service type robots can be roughly classified into three categories according to their application fields:

- Professional service type: such as medical robots, logistics robots, cleaning and disinfection robots, etc., would grow by 38.7% in 2020 and add 240,000 units
- Personal and family tasks: such as floor cleaning robots, automatic lawnmowers, etc., would grow by 16.1% in 2020 and add 22 million units
- Entertainment type: For example, entertainment robots, interactive robots, etc. would grow by 10.9% in 2020 and add 5 million units.

Looking to the future, global companies must accelerate the establishment of production bases in regions outside of China, such as Southeast Asia and India, to diversify risks. However, the establishment of a supply chain is not easy, so how to reduce the dependence on labor costs in production costs, and flexibly deploy global production bases to avoid risks, has become an urgent issue for global companies. Smart production can solve the above problems and is also an important option for the future survival of international companies. Industrial robots are a key element of smart production. According to IFR forecasts, global industrial robots will grow by 29.5% in 2021 and the number of new ones will reach 570,000.

In addition, in terms of service-type robots, after the spread of the pandemic, people have begun to understand that in an isolated social environment, the existence of service-type robots is already a

necessary option to maintain the basic operation of a society. According to IFR forecasts, global service-type robots will be with a growth of 27.0% and the number of new additions reaching 34 million units, service-type robots will continue to contribute nearly 98.4% of the total demand for new robots.

### **Brief Summary**

The future growth direction of the semiconductor "application market" is clear. In addition to the five basic markets, there are huge business opportunities such as 5G, AI, i-Cloud, and clean energy. The future growth momentum of semiconductors is worth looking forward to. In addition, owing to a diversity of applications, more and more business opportunities of semiconductor components have been created such as micro electro mechanical system (MEMS), non-optical sensor, microcontroller unit (MCU), Bluetooth low energy (BLE) and IoT modules. WPG will continuously expand our market presence, and has fully grasped the market growth opportunities, and will continue to serve important upstream and downstream partners, and work together for a better future.

#### **IV. Sales and Competition in the Global Semiconductor Industry:**

There is a clear substitute relationship between electronic component manufacturers and electronic component distributors (distributors) in terms of sales of electronic components. When electronic component manufacturers think it is more advantageous to sell products through their own marketing department, they are likely to withdraw the franchises. If electronic component manufacturers think it is more advantageous to sell products through electronic component distributors, they will transfer the original territories or customers to the distributors. As a result, these two channels (direct sales and franchises) mutually substitute.

According to Gartner analysis, as shown in Table 4, it can be clearly seen that in the global semiconductor component sales structure, upstream semiconductor manufacturers (such as Intel, Samsung, MediaTek... etc.) directly sell to downstream finished product manufacturers or brand manufacturers (such as Foxconn, Quanta...etc.) accounted for as high as 65.8%; the remaining 34.2% was sold through distributors. The original factory's dominance is self-evident.

Figure 4. Sales of Global Semiconductor Components Distributors

Ranking	W/W Semiconductor Distributor	2020Revenue (US\$ million)	Share (%)	W/W Semiconductor Industry Share (%)
1	WPG Holdings	19,702	12.8%	4.4%
2	Arrow Electronics	16,607	10.8%	3.7%
3	Avnet	13,694	8.9%	3.0%
4	WT Microelectronics	11,949	7.8 %	2.7%
5	Macnica Fuji Electronics Holdings	4,277	2.8%	1.0%
6	Toyota Tsusho	3,955	2.6%	0.9%
7	Future Electronics	3,918	2.5%	0.9%
8	Edom Technology	3,916	2.5%	0.9%
9	Supreme Electrnoics	3,687	2.4%	0.8%
10	S.A.S. Dragon	2,283	1.5%	0.5%
	Others Distributors/Traders	69,762	45.4%	15.5%
W/W Semiconductor Industry - Distributors - Total		153,749		34.2%
W/W Semiconductor Industry - Non-Distributors - Total		296,089		65.8%
W/W Semiconductor Revenue - Total		449,838		100%

Source: Gartner (compiled by WPG)

In addition to the original manufacturer's own dominance, which can decide to use direct sales or agency sales, the client also has dominance. Customers have the right to choose the distributors they want to meet their own needs. Therefore, distributors must continue to enhance the value of their own services and strive for the support of the original factory and the client to win. The seven major types of services provided by the WPG in the electronic component supply chain over the years, (1) Product promotion services, (2) Inventory management services, (3) Order management services, (4) Sales management services, (5) Operations management services, (6) Financial management services, (7) Information management services, etc., have indeed increased the contribution of the added value of the product, as well as the recognition of the original manufacturer and the customer. According to Gartner data, the WPG is currently in global semiconductor sales market share is only 4.4%. In the future, the WPG will still work harder to listen to the voices of customers and the original factory, and provide services that meet or exceed the expectations of the customers and the original factory. The WPG still has exciting and promising industries in the future. The WPG has to work harder to go deeper in the industry.

### 5.1.3 Technology and R&D Overview

#### (1) WPG Holdings Ltd.:

The Company is an investment holding company. Technology and R&D is conducted by each member of WPG Holdings.

#### (2) WPG Group:

I. As a semiconductor components distributor, WPG supports product design and provides value-added services for customers. The R&D expenses in the most recent two years and as of the most recent quarter of the date of this annual report are shown in the following table.

Units: NT\$ thousands; %

Item / Year	2019	2020	Current year up to March 31
R&D expenses	24,648	21,859	4,496
Percentage of revenue (%)	0.005	0.004	0.003

## II. Proportion of Expected Future R&D Expenses to Revenue (%):

WPG will continue to support product design and provide value-added services for customers in 2021. The proportion of expected future R&D expenses to revenue is estimated at 0.001%~0.01%.

## III. R&D Accomplishments in the Most Recent Year and as of the Date of this Annual Report:

WPG continues to provide solutions for different applications. An online digital platform, WPG DADAWANT, was launched in February 2009 to provide solutions for different applications in the following fields: consumer electronics, mobile phone and communication, computer & peripheral (including tablets), automotive electronics, and industrial electronics. The solutions are updated from time to time, with the latest hotspot solutions demonstrated online. The solutions proposed in 2020 are summarized below:

Category	Application	Solutions
Mobile phone and communication	Smart phones	NFC mobile device payment, wearable devices, and binocular face recognition
	Wireless communication	High integrated wireless communication modules, Zigbee, and MPOS
Computer & peripheral	Notebook, tablet, etc.	Notebook and tablet power adapters, 6-in-1 Bluetooth mouse, micro controller series, and Type-C to Display port converter, High-efficiency active power rectifier
Consumer electronics	Lighting, smart home, smart city, etc.	LoRa smart street lamps, atmosphere lamp application, SPS intelligent agricultural moisture sensing technology solution, LED lighting, smart pen solution for correct writing posture, smart storyteller, Bluetooth electronic cigarette, and neural compute stick for skin cancer identification, Smart city renewable energy data transmission application
Automotive electronics	Car headlights, Digital dashboard, etc.	Automotive digital dashboard, Bluetooth PEPS keyless modules, LED car headlight driver, analog standard definition four-way driving recorder, AVM 360° monitoring system, ADAS domain controller, and ADAS, Electric vehicle battery management (BMS) system solution, electric motorcycle controlled by permanent magnet synchronous motor
Industrial electronics	Security monitoring, instruments, etc.	Industrial remote testing and control terminal, industrial IoT cloud platform connected to Big Tree Cloud (BTC), industrial automated communication control of EtherCAT Slave Digital I/O module, and 10 kW, three-level, three-phase grid-tie inverter for solar string inverter, low-power consumption solar photovoltaic charging control board solution, wind power monitoring solution, 10W smart meter power supply solution

#### IV. Technologies or Products Planned to Develop in the Future

Category	Application
Mobile phone and communication	Smart phones, wearable devices, wireless modules, fingerprint identification, 3D identification, etc.
Computer & peripheral	Industrial computers, cloud computing and storage, high power battery, high efficiency power adapter etc.
Consumer electronics	Smart home, LED lighting, smart city, drone, service robots, etc.
Automotive electronics	Audio/Video entertainment, vehicle condition monitoring, IoV, electric vehicles, traditional pollution control etc.
Industrial electronics	Industrial meters, wireless security control, machine control, motor control, solar power, wind power, industrial automation technology, smart grid etc.

##### 5.1.4 Long-Term and Short-Term Business Development Plans

###### (1) WPG Holdings

###### I. Short-Term Plans

We will strive to retain excellent talent during business consolidations through M&As and the holding company business model. Each subsidiary of WPG Group keeps its characteristics, while WPG Holdings assist in communication, coordination, and resource integration among subsidiaries. This competitive and cooperative model reduces the operating costs of WPG Group and increases overall competitiveness, allowing us to offer more complete services to our clients and increase return on equity.

###### II. Long-Term Plans

We plan to expand our overall deployment in the semiconductor component market in Asia-Pacific by integrating industries related to 3C, automotive, industrial electronics, and IoT, so as to build the most comprehensive production lines; we will continue to provide high valued-added services and consolidate our position as an e-commerce distributor to reach economics of scale and stay ahead in the industry. Our goal is to become the pioneer and leader in the distribution of semiconductor components in Asia-Pacific and ultimately become the “First Choice of Industry and Benchmark of Distribution.

###### (2) WPG Group

###### I. Short-Term Plans

###### a. Expand all Components Product Lines and Enhance Portfolio Management

According to the 2019 Top 25 Semiconductor Supplier Report published by Gartner in 2020, WPG franchises more than 50% of the brands, including Intel, Samsung Electronics, Qualcomm, Micron, ST Micro, KIOXIA, NXP, Infineon, MediaTek, HiSilicon, AMD, ON Semi, Microchip, etc. While we grow our market share, we continue to integrate our production lines to increase the contribution of technology, communications, consumer electronics, automotive electronics, industrial electronics, and passive components (PEMCO) to revenue.

Moreover, the global electronics industry continues to promote BTO (built-to-order)

and other related measures to effectively reduce costs. With the increasing demands for design, logistics, and warehousing, distributors may continuously expand business following the BOT trend, achieving a win-win-win situation.

b. Develop Sales Footprint

Managing sales footprint is key to our distribution strategy. In the midst of semiconductor components distribution transformation, WPG is gradually expanding our sales footprints to Japan, South Korea, India, Vietnam, and North America in addition to existing footprints in Taiwan, Singapore, Hong Kong, and Mainland China, so as to meet customer needs for expanding overseas presence, hence building a global distribution network of semiconductor components. Also, we optimize our product portfolios and long-term viability through merging and acquiring other companies, establishing subsidiaries, and forging an alliance with local suppliers.

c. Seek to Expand Licensed Distribution Areas

By utilizing our managing result and experience in Taiwan, we seek to expand licensed distribution areas to Hong Kong, Mainland China, South Korea, Southeast Asia, and North America.

d. Expand the Franchises and Sales of New Products to Increase Market Share

WPG proactively expands the franchises and sales of new products and focus on key features such as energy saving and high-level integration. In addition, WPG continues to explore new product lines and clients in the field of passive components through strategic alliances or M&As.

e. Enhance FAE and Design-in Service

Currently, our application engineers provide the following services:

- Support customers' R&D project design
- Present technical briefings and demonstrate design results to customers from time to time.

Based on our professionalism and technical capabilities built on long-term customer services, WPG also continues to cooperate with system design houses to provide product solutions to clients, assist those with limited R&D resources, and even obtain patents, reinforcing close partnership with our clients.

f. Enhance Customer Relationship Management (CRM) and Supply Chain Management (SCM); Strengthen Horizontal Communication within Organization through Enterprise Resource Planning (ERP) to Accelerate Response Time

In addition to amplifying the sales and marketing engineers' knowledge of all production lines and new products, we build the tight cooperation between sales representatives and technical application professionals to offer value-added products with strong technical support, which is expected to create a better corporate image and increase the overall sales.

g. Improve Financial Structure and Soundness  
Utilize financial leverage to improve the financial structure; diversify ways to raise funds; and reduce operating costs and business risks.

## II. Long-Term Plans

a. Become An International Semiconductor Components Distributor  
We will persist in expanding our footprint in Asia-Pacific while merging and acquiring other companies or forging an strategic alliance with large-scale semiconductor components distributors worldwide, to become an international semiconductor components distributor.

b. Expand Distribution Foundation  
Focusing its business on the distribution of semiconductor components, WPG has maintained good relationships with both suppliers and clients over the past three decades. With our logistics centers set up in Taiwan, Hong Kong, Singapore, and Shanghai, we expect to tap into the business opportunities created by a wider range of electronic applications, as well as grasp market trends and key franchises, in hopes of becoming a one-stop distributor of semiconductor components.

c. WPGDADAWANT Project and Logistics As A Service Plan  
In the face of the cross-regional supply chain movement in the industry, the holding and each group continue to promote the implementation of digital transformation, using "DaDaWant" with smart warehousing, cutting in from different angles, and actively promoting "DaDaWant" and The concept of "Logistics as a Service" (LaaS) collects customer feedback, designs and plans related cooperation projects based on customer needs, in the hope of becoming the most powerful supply chain service partner for upstream suppliers and downstream customers. In this process, the front-end team actively reviews the changes in related production lines and customer layouts, and develops various resource utilization or production lines based on the characteristics of the production line and the target market, taking into account the interests of the company as a whole to avoid passive actions that may cause losses.

d. Implement Knowledge Management  
To develop shared corporate cultures and values and continuously strengthen our management team for future growth. Build shared corporate cultures and values for domestic/overseas employees and systems to create lasting competitiveness and strong management team.

e. Raise International Capital and Reduce Operating Costs  
To raise funds from the international capital market, stabilize the capital sources, and strengthen strategic alliances to share risks. Obtain funds at a lower cost through the diversification of capital markets and wealth management tools to expand the scale of operation and maximize shareholders' value.

f. Invest in Electronics Distribution-Related Business to Expand the Scope of Business  
Distribution of semiconductor components will remain the core business of WPG in

the long run. With core business as foundation, WPG will extend the investment to related business of electronics distribution, in order to expand services provided to customers within the industry.

## 5.2 Market and Sales Overview

### 5.2.1 WPG Holdings: N/A

### 5.2.2 WPG Group:

#### (1) Market Analysis

##### I. Sales Region of Main Products (services)

Units: NT\$ thousands; %

Region \ Year	2019		2020	
	Net Sales	Percentage	Net Sales	Percentage
Taiwan	79,802,035	15.13	86,244,135	14.14
Mainland China	398,259,303	75.48	479,575,807	78.63
Others	49,540,015	9.39	44,065,929	7.23
Total	527,601,353	100.00	609,885,871	100.00

##### II. Market Share

According to Gartner statistics in 2020, WPG was both the world's and Asia's largest semiconductor components distributor, accounting for 4.4% of the global semiconductor market sales.

##### III. Future Market Supply/Demand and Growth

###### a. Supply

The increased dependence on various electronics in daily lives has enticed semiconductor suppliers to expand investments. Traditional IDMs such as Intel and STMicro, Fabless IC Design Houses like Qualcomm and MTK, and Foundries such as TSMC all continue to invest in advanced semiconductor equipment, technologies, and processes to meet market needs.

###### b. Demand

As a result of increased demand in local emerging markets and the continued migration of European and American manufacturers' production centers, demand in the Asia-Pacific market continues to grow, with Mainland China showing the strongest momentum.

In terms of products, the KPMG survey indicated that the key application markets that are estimated to grow rapidly in the next few years include mobile technologies, consumer products, computing applications, alternative/renewable energy products, industrial applications, automotive solutions, medical devices, wireless communications, and IoT, etc. Growing demand in these markets would be sufficient to boom the semiconductor-related industries.

###### c. Growth

In recent years, approximately 80% of WPG Group's sales revenue come from shipments to Mainland China. The growth of sales revenue in Mainland China was

mainly driven by continuous urbanization, increased income of the population born after 1990s, and relatively low popularization of 4C products, as well as the promotion of government policies.

Since the implementation of the Five-year Plan, the Chinese government has constantly emphasized the expansion of domestic demand and adjustment of industrial structure; many policies have then been introduced to facilitate industrial upgrade and transformation. If the information industry in China and Taiwan can join forces to cooperate on affordable products and brands industry, and strengthen supply chain integration, they surely will play decisive roles in the global market in the future.

As Taiwanese companies accelerate the transfer of production sites to South Asia, WPG is now poised to assist Taiwanese and Chinese companies expand their global presence seamlessly with well-established footprints in India and other South Asian countries.

#### IV. Competitive Niche

##### a. Professional Image

WPG has managed the distribution of semiconductor components for over three decades, with its professional image highly recognized in the industry. For a sixth consecutive year, the Company was in the top 20% of the listed companies in the corporate governance evaluation. In 2020, the Company was selected as a constituent of the Taiwan Corporate Governance 100 Index and participated in the Taiwan Corporate Sustainability Award (TCSA) evaluation in 2020. The Company won a gold medal in the Corporate Sustainability Report - Service Category. Our value-added services have been well recognized in the semiconductor supply chain.

The results of these evaluations indicate that the technology industry is moving toward a new era of software and applied services. The value-added services WPG provides in the semiconductor supply chain are not only recognized by our customers and suppliers, the reflected business performance is also highly recognized by professional investors.

##### b. Complete Product Lines

WPG has evolved into a professional semiconductor components distributor with years of marketing experience and accumulated acute judgement on market trends. Our franchised products include central processing unit (CPU), chipset, logic IC, linear IC, memory, distributed-element circuit, and application-specific IC, covering all segments of semiconductor components. The Company also add PEMCO to our portfolio in order to offer the convenience of one-stop-shopping to our customers.

###### (i) Expansion of Applications Scopes

In addition to the well-known 3C (Computer & Peripheral, Communications, and Consumer), WPG emphasized car (automotive electronics), energy saving

lighting, industrial electronics, and IoT related applications as well.

(ii) Asia-wide Operating Locations

WPG has approximately 104 operating locations around the world (76 in Asia-Pacific and 28 in Northern American). The advantages of expanding operating locations lie in the ability to meet customers' component needs in response to downstream clients moving overseas and the flexibility in inventory managing. Having various operating locations also gives us more bargaining power when securing new product line franchises with overseas suppliers.

(iii) Competent Management Team

Our management team consists of a group of people with shared ambition to achieve success in business. They share the same business philosophy and their minds are in sync. Along with years of industry knowledge, our management team consistently deliberate business strategies for semiconductor components distributors and sought to create market value through teamwork. The significant increase in revenue and profit in recent years has proved the competency of the management team.

(iv) Complete Information Management Systems

WPG actively develops and uses information technology such as ERP, EDI, and Internet Services to improve the sales and management efficiency. Coupled with the advantages of our franchised products and various footprints, we have also introduced digital processes, automated equipment, and application programming interfaces (API) to support third-party warehousing management, to create a highly efficient smart warehouse. With the highly efficient logistics management system, we are able to transact in the most rapid and accurate way. Our clients can place orders in any Asia-Pacific footprint and have products delivered to any location they designate to save time and transportation costs. This has laid a solid foundation for e-commerce of semiconductor components distributors in the future.

(v) Value-Added Services

We provide the following value-added services for our customers as a supplier, consultant, and business partner:

(a) Special Delivery

- Provide special delivery per customers' special requirements
- Provide prompt delivery, cross-border transactions, and other international services for overseas customers

(b) Market Information

- Analyze and exchange industrial information.
- Issue "WPG E-paper" biweekly to provide the latest market information,

- trends, and suggestions
  - Established website to satisfy purchase needs of small and medium scale businesses and limited quantity purchase
  - Provide the latest product specifications in a timely manner
- (c) Technical Support
  - Field application engineers (FAE) support customers in product testing and design
- (d) Technology Tools
  - Established online portal to enable the exchange of information globally
  - Established EDI system that connects with upstream and downstream partners and RosettaNet that connects with suppliers to transmit sales data instantly and accurately
- (e) Financial Support
  - Allow cross-border transactions and payment, and support customer migration
  - Provide credit lines for customers to promote mutual prosperity
  - Enable the BTO model.
- (f) Distributor Value Well Recognized by Suppliers
 

WPG has gained an excellent reputation with 30 years of experience in the semiconductor components distribution industry. While some suppliers approach WPG proactively for franchise, WPG selects suitable products to franchise among suppliers as well. Being highly recognized by suppliers, WPG owns certain level of bargaining power for favorable deals while continues to increase number of franchised products by offering professional marketing and well-established footprints. This has shown that WPG is competent in franchising and has successfully created semiconductor components distributors' value.

## V. Advantages and Disadvantages of the Development Prospects and Countermeasures

### a. Advantages

#### (i) Complete Franchised Brands and Components

Our suppliers, including Intel, Qualcomm, Mediatek, Infineon, SAMSUNG, Micron, Toshiba, and ST Micro, are continuously developing new products to create new demand and stay competitive. WPG is positioned as a one-stop-shopping distributor with franchised products ranging over distributed-element circuit, linear IC, logic IC, basic memory, central processing unit/microprocessor, application-specific IC, and application-specific controller.

(ii) Enhanced Portfolio Management

Our portfolio centers on manufacturers of various types of popular consumer products such as Apple and Amazon, and traditional 3C products. Other key potential markets include industrial applications such as smart manufacturing, smart Healthcare, smart home, smart car, and smart transportation derived from big data and IoT, as well as IoT-related applications, renewable energy-based vehicle applications, video surveillance, machine tools, industrial control and instruments, etc. Besides coping with customer strategy development and enhance our technical support capabilities among new applications to expand demand creation business, we aim to optimize self-management ability, such as inventory control, accounts receivable, etc., to increase overall output value.

In addition, WPG Overseas Business Group continues to develop overseas operations. Facing the possibility of customer supply chain migration, we believe we are capable of responding quickly and provide satisfying services based on our solid foundations.

(iii) Industry Profession-oriented Marketing Department

WPG's marketing department specializes in specific industry or area, including NB, communications/network, and consumer electronics, etc., provides professional service, and develop long-term customer relationships. Our operating footprints span across Asia-Pacific including Taiwan, Hong Kong, Singapore, Mainland China, South Korea, Japan, and Southeast Asia.

(iv) Wide Range of Technological Applications and Design Services

Currently, WPG has hundreds of technology related engineers who assist clients complete design faster in order to grasp business opportunities early and secure higher profits and market share.

(v) High Value-Added Supply Chain Management

We serve high-tech product manufacturers in Asia-Pacific using the connected purchase, sales, and inventory system built on the ERP system and e-commerce, coupled with the existing support, logistics and warehouse systems.

Aiming to become a data-driven enterprise, WPG adopts a customer-oriented (C2B) approach to meet customers' needs in a flexible and efficient way, address customers' pain points, and provide fast and accurate services. With instant, transparent information, we build a reliable collaborative ecosystem together with our customers. Launched in 2018, WPGDADAWANT currently consists of five sub-platforms that operate under an online-to-offline (O2O) model, strengthening WPG New Distribution philosophy through internal and external promotion, as well as optimization of Inbound Marketing platform.

b. Disadvantages and Countermeasures

- (i) Foreign companies' acquiring local competitors/Countermeasures:
  - (a) Strengthen and develop better relationship with suppliers and customers through emphasizing local partner's flexible services and long term partnership
  - (b) Enhance employee training to increase familiarity of franchise products to provide customers the convenience of one-stop shopping, fully showing value of semiconductor components distributors
  - (c) Strengthen employees' sales management digital skills to improve personal output; introduce incentive policy to motivate sales and to increase competitiveness
  - (d) Establish resource sharing platform to integrate local companies
- (ii) Short Product Life Cycle/Countermeasures
  - (a) Hold sales meetings weekly/monthly to review the purchases/sales of components clients use for production and product development; enhance computer data management system to access accurate inventory aging analysis and develop countermeasures
  - (b) Strengthen product/market development; closely observe new trends in products and markets to set directions for WPG and to introduce new franchises and new clients accordingly
  - (c) Provide integrated product design based on the needs of the market and clients to assist clients complete design in a timely manner and thus grasping market opportunities
  - (d) Continue investing and expanding franchised product region to provide better services and grasp potential business opportunities of those who migrate for a lower production cost or longer product life cycle.

(2) Important Applications and Manufacturing Process of Main Products

I. Applications of Main Products

Main Product Category	Product Name and Applications
Core components	Chipset, graphics/audio/video controller, smartphone chip, network/modem chipset, CPU/MPU, RISC CPU, etc.
Analog IC and mixed-signal Component	Bipolar, CMOS operational amplifier, comparator, digital/analog converter, power supply controller, audio and video amplifier or controller, etc.
Discrete logic IC	Diode, rectifier, transistor, thyristor, insulated-gate bipolar transistor, optical transistor, logic IC, etc.
Memory	DRAM, SRAM, EPROM, EEPROM, Flash, MCP, etc.
Optical components	LCD, sensor, LED, etc.
Passive components, connector, and magnetic component	Resistor, capacitor, inductor, magnetic component, cable, connector, mechanics, electromechanics, circuit protection, material, battery, filter, oscillator, etc.
Others	Non-electronic component

II. Manufacturing Process of Main Products: Omitted. (WPG Group is not a manufacturing company.)

(3) Supply of Raw Materials: Omitted. (WPG Group is not a manufacturing company.)

(4) Major Suppliers and Customers in the Last Two Years

I. Suppliers that Accounted for at Least 10% of Annual Consolidated Net Purchases in Either of the Most Recent Two Years

Unit: NT\$ thousands; %

Item	2019				2020				As of 2021 Q1			
	Name	Amount	As % of 2018 Total Net Purchases	Relation with WPG	Name	Amount	As % of 2019 Total Net Purchases	Relation with WPG	Name	Amount	As % of 2020 Q1 Total Net Purchases	Relation with WPG
1	INTEL	108,300,713	21.31	None	INTEL	102,360,211	17.76	None	Micron	42,559,569	22.84	None
2	TI	57,718,739	11.36	None	Micron	83,372,428	14.47	None	Intel	28,224,495	15.14	None
3	Micron	66,865,081	13.16	None	Broadcom	33,661,871	5.84	None	Broadcom	10,680,133	5.73	None
4	Others	275,237,394	54.17	—	Others	356,819,620	61.92	—	Others	104,909,343	56.29	—
	Net Purchases	508,121,927	100.00	—	Net Purchases	576,214,130	100.00	—	Net Purchases	186,373,540	100.00	—

WPG maintains long-term partnership with main suppliers; the source of purchase is stable.

II. Customers that Accounted for at Least 10% of Annual Consolidated Net Revenue in Either of the Most Recent Two Years

WPG has a wide range of product lines and various customers. No customer was accounted for more than 10% of the net revenue in either of the most recent two years.

(5) Production in the Most Recent Two Years: Omitted. (WPG Group is not a manufacturing company.)

(6) Sales in the Most Recent Two Years

Units: NT thousands; %

Product category	Year	2019		2020	
		Net Sales	Percentage	Net Sales	Percentage
Core components		156,144,782	29.60%	202,310,074	33.17%
Analog IC and mixed-signal Component		113,860,827	21.58%	93,492,227	15.33%
Discrete logic IC		74,881,379	14.19%	80,852,236	13.26%
Memory		103,263,510	19.57%	126,631,458	20.76%
Passive components, connector and magnetic component		27,531,480	5.22%	33,056,264	5.42%
Optical components		41,465,436	7.86%	59,656,956	9.78%
Others		10,453,939	1.98%	13,886,656	2.28%
Total		527,601,353	100%	609,885,871	100%

Note: WPG has a wide range of product lines in different unit that cannot be calculated by the same unit; therefore, only the sales value is displayed by product category.

### 5.3 Employees

#### 5.3.1 WPG Holdings

Year		2019	2020	Current Year up to March, 31
Number of employees	Sales and marketing	0	0	0
	Administration	223	237	322
	Total	223	237	322
Average age		37.5	38.2	38.6
Average year of services		8.5	8.6	8.9
Educational background	Ph.D.	0.9%	0.9%	0.7%
	Master's degree	27.4%	27.4%	23.3%
	Bachelor's degree	70.8%	71.7%	74.2%
	(Vocational) Senior high school	0.9%	—	1.2%
	Below Senior high school	—	—	0.6%

### 5.3.2 WPG Group

Year		2019	2020	Current Year up to March, 31
Number of employees	Product sales technology	4,105	3,926	3,820
	Administration support	1,328	1,316	1,382
	Total	5,433	5,242	5,202
Average age		38.0	39.1	39.4
Average year of services		8.1	8.5	8.7
Educational Background	Ph.D.	0.1%	0.1%	0.1%
	Master's Degree	6.8%	7.7%	8.1%
	Bachelor's Degree	84.8%	83.4%	83.5%
	(Vocational) Senior High School	4.2%	4.4%	3.7%
	Below Senior High School	4.1%	4.4%	4.6%

5.3.3 The Personnel related to Financial Transparency Who Obtain Related License Required by the Competent Authorities: Five employees of the Auditing Office hold an international internal audit certificate.

### 5.4 Environmental Protection Expenses

The Company shall disclose losses caused by environmental pollution in the most recent year up to the date of this annual report (including environmental violations identified in the audit and punishments thereof, the date of punishment, Letter No. of punishment, provisions of laws and regulations violated, contents of laws and regulations violated, and the content of the punishment), and the estimated amount and countermeasures that may occur at present and in the future; where the amount cannot be reasonably estimated, the fact that the amount cannot be reasonably estimated shall be stated:

WPG Holdings and WPG Group purchase, distribute, and develop electronic components, which involves no environmental pollution; therefore, no environmental protection expenditures are applicable to be disclosed.

### 5.5 Labor Relations

5.5.1 Employee Benefits, Continuing Education, Training, Retirement System and implementations thereof, and Labor Agreements as well as Measures for Preserving Employees' Rights and Interests

Employees are our most valuable asset. When employees devote wholeheartedly to work and create profits for the Company, the Company has the responsibility to take care of them in return. WPG Holdings and WPG Group offer generous employee benefits, including wedding, birth, and funeral subsidies, emergency relief, and club activities. WPG Holdings and WPG Group establish different units to plan recreational activities for employees such as family days, domestic incentive tours, dining events, as well as artistic and cultural activities, in

accordance with the employee welfare regulations, so as to build cohesion among employees and increase employees' identification with the organization.

(1) In Accordance with the Corporate Culture of Each Member, WPG Holdings and WPG Group Offer Generous Employee Benefits as follows:

I. Generous Employee Benefits:

Employee benefits include the Moon Festival bonus, Dragon Boat Festival bonus, year-end bonus, defined contribution pension plan, domestic incentive tours, interest-free auto loans and maintenance allowances, parking allowances, mobile phone bill allowances, and computer subsidies, as well as various club activities such as the bicycle club, study group, golf club, and wine tasting.

II. Comprehensive Insurance and Protection:

By government regulations, we provide employees with labor insurance, national health insurance for employees, their families, and retirees, and also provide employees with free group insurance and family group insurance discounts, including term life insurance, critical illness insurance, accidental injury insurance, accidental medical limit insurance, and hospitalization medical insurance, cancer health insurance, etc.

III. Additional Leaves:

Employees' leaves and days-off are offered in line with the Labor Standards Act, coupled with one-day birthday leave.

IV. Wedding and Funeral Subsidies and Emergency Relief:

Wedding and funeral subsidies, and emergency relief for employees cover wedding, childbirth, retirement, and death of employees or their dependents.

V. Childcare-friendly workplace environment

Promoting a child-raising friendly workplace atmosphere, stipulating childcare leave in accordance with relevant laws and regulations, and setting up nursing rooms for childcare employees. WPG World Peace Group kindergarten has been established for 19 years, providing professional and trustworthy childcare environment for WPG employees.

VI. Regular health check ups for employees:

WPG provides regular employee health check ups once every two years for office employees and once every year for warehouse and logistics employees. On-site health consultation services by professional medical personnel is also available in office building.

(2) Continuing Education and Training:

We attach great importance to employees' learning and development. Our employee training is divided into internal training, external training, and knowledge management.

## I. Internal Training

Internal training in 2020:

Number of trainees	Number of training hours	Training expenses
46,080	47,983	NT\$7,827,000

Internal training includes orientation, management training, professional training, and others:

a. Orientation:

Orientation covers WPG company overview, business philosophy, HR rules and systems, corporate website, instructions on common system operations, occupational health and safety, and legal affairs.

b. Management Training:

The Company holds executive meetings every month and management seminars every half a year (semi-annual meetings) to communicate and discuss business strategies and directions.

c. Professional Training:

According to the job requirements and specialties, each department conducts professional training from time to time.

d. Other Training:

Monthly meetings are held every month to promote important affairs; Each functional unit organizes industry knowledge courses from time to time, and promotes to all employees or specific targets, depending on the employees' workplace ability; e.g. for new recruits and all employees, quarterly meetings are organized to introduce laws and regulations in relation to international trade.

## II. External Training

Employees may apply for external training according to the job requirements and personal development plans or per supervisors' requests. External training in 2020:

Number of trainees	Number of training hours	Training expenses
4,225	4,882	NT\$821,000

The details of external professional training courses in 2020:

2020 Domain Driven Design Annual Conference
2020 Corporate Governance Intellectual Finance Law Compliance Training Course
2020 Taiwan and international tax regulations update
2020 Global Human Resource Forum ~ atd VC Review
2020 ON Semiconductor Automotive Electronics Solutions Seminar
2020 Function Workshop
Certificate on RPA for Executives: Start to Deploy a Robotic Workforce in Your Enterprise
Excel and VBA Financial Application Introductory Course
Google Chart presentation

Microchip : digital power supply design course
Microsoft Azure : Development solutions
Microsoft Azure : Administrator certificate class
Power BI Desktop: Data analysis in action
Power BI-Data integration and analysis
RPA :Basic training courses for robot automation processes
UiPath :Basic application
Visual Components 4.0
General safety and health education training
The causal relationship between big data analysis on effective risk management operations and internal control three lines of defense
How internal auditors apply digital forensics to business secret protection and investigation
Internal auditors on “information security” and “personal privacy” law compliance anti-abuse practical issues analysis
Internal audit internal control of a capital law with actual application
An introduction to corporate governance and related compliance
The practical operation and the latest interpretation after the implementation of the Company Law
Public offering company share operation regulations workshop
Public offering company share operations practice
Competent authority's policy analysis and internal control management practices of "Assisting companies to improve their own financial reporting capabilities"
Competent authority's requirement of setting up the audit law of “corporate governance personnel” compliance practice
Managers of Taiwan's artificial intelligence schools weekend workshops
Foreign Exchange Intelligent Exchange Course(MT5)
Foreign nationals ( including Hong Kong , Macao and Taiwan ) in China employment norms and social security treatment related to the interpretation of policies and operational practices
Marketing strategy and hands-on skills
Five key elements for building a high-performance team
Class A Occupational Safety and Health Business Supervisor Issue 832
Hezhun Information Consultant-Quantitative Programming Trading Course
The enterprise's first internal auditor pre-service training and study
The establishment and management focus of the enterprise risk management structure
The common deficiency of the preparation of enterprise financial reports and the internal audit internal control decree compliance practice
Consolidated Statement Preparation Practice Workshop ( Self-Preparation of Consolidated Reports )
How to allocate digital advertising budget and performance evaluation
How to prevent major financial malpractices (short selling, insider trading, profit transfer, stock price manipulation, unconventional transactions, false financial reports, etc.)
How to use "Robot Process Automation" (RPA) to improve internal control efficiency
How to discuss investment conditions? Accountant teaches Term Sheet investment terms solution
Walk into DDO-Development-oriented organization- Create a sustainable growth organization
Retraining of fire protection managers
M&A master Lu Mingguang teaches you how to understand financial statements
User experience designer intensive course
Two-day counterbalance (forklift) training course
Logistics industry work safety
Brand original factory landing operation practical workshop

Renewal of Construction Industry Safety Training Certificate
Safety and health education and training for emergency personnel
First Aid Certificate Course (face-to-face teaching mode)
Purchasing to reduce costs and create profits: Purchasing practice and negotiation skills class
Hong Kong Red Cross First Aid Certificate Revisiting Course :SFAR20
Staff training x business operation
Discussion on Financial Report Fraud Cases and Financial Accountants' Criminal Liability
Basic accidents prevention
Professional influence HR dances with department heads
Strengthen corporate intellectual property management plan
Issue 106001 first aid personnel on-the-job training
The 12th TFC Taihu China Logistics and Customs Clearance
Implement a company strategy with OKR
Lecture class on innovative presentation making and graphic utilization skills
Practical Analysis of Improving IFRSs Financial Reporting Ability
Update on Tax Law Issues
Financial skills and capital planning for new ventures
Accounting supervisor training-how to carry out profit analysis
Accounting continuing education
Weekend seminar for managers
Introduction to Code of Integrity Management and ISO 37001 Implementation Practice
Power Electronics intensive course: Compensation Control and Design of Power Converter
Image communication
Key Courses for OBU Practice Analysis and Verification of Overseas Companies
Key skill for precise pricing
Lectures on Lean Inventory Management Practices
Domain Driven Design Annual Conference
Audit the key points of each operation and how to make good use of the system
How to respond to icloud information security and personal data protection
Online course operator certification
Talking about shareholder meetings and mergers and acquisitions
On-the-job education and training for occupational safety and health business supervisors
Occupational Safety and Health Administrator
Occupational First Aid Certificate and Automated External Cardiac Defibrillation
Key talent and successor development
Logical presentation construction skills
Conceptual and core function introduction and operation

The details of management team attending corporate governance-related continuing education and training in 2020:

Management team	Course name	Training hours
Frank Yeh (CEO)	Corporate Governance and Group Governance	3 hours
	Aspects Of ESG Governance-From Knowing To Doing	3 hours
Cliff Yuan (Chief Financial Officer)	Discussion on Financial Report Fraud Cases and Financial Accountants' Criminal Liability	3 hours
	Consolidated financial statement preparation practical seminar (self-preparation of consolidated financial report)	3 hours
	How to conduct profit analysis and improve operational performance	6 hours
	Platform Management Reading Club	4 hours
	High-level functions and talent development	7.5 hours
	Holding business model class	16 hours
	How internal auditors use digital forensics in business secret protection and investigation	6 hours
Shu-hui Chen (Internal Audit Officer)	Introduction to Code of Integrity Management and ISO 37001 Implementation Practice	6 hours
	Competent authority's policy analysis and internal control management practices of "Assisting companies to improve their own financial reporting capabilities"	6 hours
	Competent authority's requirement of setting up the audit law of "corporate governance personnel" compliance practice	6 hours
	High-level functions and talent development	7.5 hours
	Holding business model class	16 hours
David Li (Chief Human Resources Officer)	Platform Management Reading Club	4 hours
	High-level functions and talent development	7.5 hours
	Holding business model class	16 hours

### III. Knowledge Management

The Company established a knowledge management platform in which learning resources and standard operating procedures of every department are properly categorized, managed, and shared for employees to use at work.

#### (3) Retirement System:

##### I. Monthly Contribution to Pension:

The company appropriates pension reserves each month in accordance with the Labor Standards Act. The company and domestic subsidiaries stipulate employee retirement measures in accordance with the Labor Standards Act, which are defined benefit plans, and in accordance with the Labor Standards Act, the monthly labor pensions are in line with the old system of seniority employees' 2% of the total salary is allocated to the retirement reserve, which is supervised by The Labor Pension Preparation Supervisory Committee and deposited the fund in its name in the special account of the Bank of

Taiwan, which is in charge of receiving and disbursing, keeping, and using the fund.

**II. Qualifications and payment standards for applying for retirement**

a. **Self-applied retirement :**

Workers can apply for retirement under one of the following circumstances: (for those who choose to apply the Labor Pension Regulations, they shall be handled in accordance with the provisions of the same regulations)

- (i) Those who have worked for more than 15 years and have reached the age of 55.
- (ii) Those who have worked for more than 25 years.
- (iii) Those who have worked for more than ten years and have reached the age of 60.

b. **Mandatory retirement**

The company shall not force employees to retire if they are not in one of the following circumstances:

- (a) Those who are 65 years old or older.
- (b) Loss of mind or physical disability is incapable of being a qualified worker.

For the age specified in the first paragraph of the preceding paragraph, the company may report to the central competent authority for approval and adjustment for workers with special characteristics such as dangerous and strong physical strength. But the employee may not be less than 55 years old.

c. **The standard for giving employee pensions is as follows:**

Employees who choose to continue to apply the old system and the retained service years before applying the new system, their pension payment standards are as follows:

- (i) Two bases will be given for each full year according to their years of service, but one base will be given every full year after 15 years of service is 30 bases, and the maximum total is limited to 45 bases. Those who are less than half a year will be counted as half a year; those who have been half a year will be counted as one year.
- (ii) For employees who are forced to retire in accordance with the second paragraph of Paragraph 1, Article 6 of these Measures, if their loss of mind or physical disability is caused by the performance of their duties, 20% shall be added in accordance with the provisions of the preceding paragraph.
- (iii) The standard of pension base refers to the average monthly salary at the time of retirement approval.
- (iv) The calculation of average monthly salary is calculated by dividing the total salary of the six months prior to the effective date of retirement by the total number of days in that period.

**III. Personal Labor Pension Account:**

The company applies the Labor Pension Act pension system. According to the regulations, the company shall bear a labor pension contribution rate of not less than 6% per month in accordance with the Labor Pension Act. The company and its domestic

subsidiaries stipulate employee retirement measures in accordance with the regulations, which are a definite allocation plan, and withdraw 6% according to the monthly salary grading table approved by the Executive Yuan and deposited in the employee's pension accounts at the Labor Insurance Bureau.

#### IV. Appropriation situation

Until December 31 ,2020, the Group's definitive benefit plan is expected to allocate 18,831,000 dollars in the next year, and the weighted average duration of the retirement plan is 5 to 13 years.

#### (4) Employee stock ownership trust

In order to make up for the lack of social insurance-related labor retirement protection for Taiwanese employees and encourage employees to plan for retirement as soon as possible, in 2020, the Taiwanese employee stock ownership association was established and delivered to the trust. Employees who have worked for more than one year can freely apply to enter the trust. A fixed amount is deducted each month to purchase company shares, and company relatively allocates incentives to serve as additional benefit. This ESOT is aimed to not only assists employees in creating better retirement plans, but also provides a diversified profit-sharing mechanism to attract and retain talents. The company aims to encourage employees to work together with the company for a win-win situation. Upon first application, 91.1% of employees participated.

#### (5) The Company does not have a Union. The rights and benefits of the employees follow Labor Standards Act.

#### (6) Protective Measures for the Work Environment and Employees' Personal Safety:

WPG Holdings and WPG Group establish dedicated safety and health management units to continuously improve safety and health measures in order to build a quality workplace. We also organize safety awareness training and healthy promotion activities to effectively strengthen our employees' ability to protect their safety and health at work.

To fulfill corporate social responsibility and protect employees' safety, we view building a safe, healthy, and comfortable work environment as our top priority and promote health and safety management to develop accurate health concepts and mindsets. We take the following health and safety measures:

- I. Maintain and clean central air-conditioning in the office twice a year and disinfect the office from time to time.
- II. Inspect office environment such as water quality on a regular basis.
- III. Sanitize meeting entrance/exits daily and provide hand sanitizers at sinks to prevent epidemic diseases and maintain employee healthiness
- IV. Require new recruits to participate orientation to familiarize work environment and work safety.

- V. Organize health education from time to time to reduce the occurrence of accidents.
- VI. Conduct regular health examinations for employees and follow up their health conditions.
- VII. Organize health promotion activities such as mountain climbing, ball games, and hiking to encourage exercise habits
- VIII. Prohibit smoking in the office to ensure a non-smoking work environment.
- IX. Promote energy saving and environmental protection initiatives in the office.
- X. Purchase liability insurance for employees on their way to work/home to ensure safe work environment.
- XI. Install and regularly maintain firefighting facilities and equipment in line with firefighting regulations.
- XII. Implement the Act of Gender Equality in Employment and regulations regarding prevention of sexual harassment in the office.

(7) Evaluation on Employee Code of Conduct:

The Company places great importance on the Employee Code of Conduct. We appointed three independent directors and established the Audit Committee, composed of all independent directors, to supervise our management team and executives to set good examples with their own conduct. We also take the following measures:

- I. Promote and Carry Out the Core Values of WPG:  
Our vision is to become the first choice of industry and to become the benchmark of distribution. Upholding the shared values of teamwork, integrity, professionalism and effectiveness, we have the Employee Code of Conduct in place to guide employees' conduct in business activities and build cohesion among employees. Annual activities are also organized to promote the shared values of WPG, allowing employees to experience their true meanings in daily life and work. WPG's shared values are described as follows:
  - a. Teamwork:  
The interests of WPG are always the first to consider. Should there be a conflict of interests, groups' benefits take priority over personal bias, prejudice and motivation. We accelerate integration of same function teams among companies and regions. No prejudices in nationalities or regions but balanced interests and fairness shall prevail.
  - b. Integrity:  
We take an attitude toward upright and law-abiding operation, along with enthusiastic services. We make no light promises and always walk the talk. Our employees are committed to transparent operation and have the courage to admit mistakes and make corrections in time.

c. Professionalism:

We aim to become the first choice of stakeholders, including clients, vendors and shareholders, to construct a learning environment where individuals and groups continually enhance skill, and to focus on core operation and implement the assigned tasks strictly.

d. Effectiveness:

Our highlights are output, the quantity of capacity, and balance of both. Our employees set quantifiable objectives, are strict on details, and accurately execute and fulfill key tasks. We also set standard operating procedures to avoid the same mistakes.

In order to allow employees to understand and feel the core values of the company, the WPG Holdings and its affiliated groups have arranged for the company to post core value posters on the walls of executive offices, meeting rooms, and other important junctures to demonstrate the shared values to employees; to deepen the employees' impression and experience of the core values, expect to observe it together.

The work rules for the employees of WPG Holdings and WPG Group also specify the regulations regarding attendance, performance evaluation, rewards and punishments, and promotion that are handled in line with WPG's shared values.

II. Strictly Implement the Audit System:

Auditing Office is set up under the Board of Directors to conduct comprehensive audits on every department and every group member and region according to our policies and regulations. By doing this, we are able to keep track of how every department follows and implements the policies and regulations while preventing and curbing potential malpractice.

5.5.2 Any Losses Suffered by the Company in the Most Recent Year and up to the Date of this Annual Report due to Labor-Management Disputes (including any violations of the Labor Standards Act indicated in the labor inspection, with the date of punishment, punishment reference numbers, the articles of laws violated, and the content of punishment specified), the Estimated Expenses At Present and in the future, and Countermeasures (where a reasonable estimate cannot be provided, the fact that it cannot be provided should be disclosed):

(1) There was neither dispute nor agreement between the employees and the employers in the most recent year and up to the date of this annual report.

(2) Current and future countermeasures for strengthening the labor-management relations:

I. Reinforce the corporate philosophy of treating every WPG employee as a family member to enable mutual growth and success.

II. Build interactive communication and complaint channels for supervisors to take care of employees more proactively.

III. Fully comply with the labor laws and make supervisors and employees understand their respective rights and obligations.

IV. Increase employee benefits where the Company's operations permit.

(3) Possible losses at present and in the future: None.

#### **5.6 Material Contracts**

Nature of Contract	Counterparty	Commencement/Expiration Date	Major Content	Restriction
Insurance contract	AIG Asia Pacific Insurance Pte. Ltd., Taiwan Branch	Period: January 1, 2021 ~ January 1, 2022	Corporate Liability Insurance	The cumulative liability for all indemnifications within the coverage is limited to US\$15,000,000.

## 6. Financial Highlights

### 6.1 Condensed Balance Sheets and Comprehensive Income Statements in the Most Recent Five Years

#### 6.1.1 Condensed Consolidated Balance Sheets – IFRS

Unit: NT\$ thousands

Year (Note 1)		Financial information in the most recent five years					Current year up to March 31
Item		2016	2017	2018	2019	2020	
Current assets		165,270,734	163,854,548	180,974,906	205,966,261	198,011,363	236,295,001
Property, plant and equipment (Note 3)		5,495,789	6,227,191	6,808,682	7,924,611	13,764,966	13,365,719
Intangible assets		5,599,944	5,571,769	5,567,934	5,568,851	5,661,833	5,642,602
Other assets		2,648,479	3,014,118	2,709,342	10,887,097	16,538,951	17,208,763
Total assets		179,014,946	178,667,626	196,060,864	230,346,820	233,977,113	272,512,085
Current liabilities	Before distribution	122,287,418	118,162,495	126,464,265	156,959,067	146,656,318	177,822,456
	After distribution	126,465,729	122,542,643	130,997,718	161,103,871	Note2	Note2
Non-current liabilities		6,410,079	8,449,693	14,772,604	9,420,658	21,317,777	26,101,915
Total liabilities	Before distribution	128,697,497	126,612,188	141,236,869	166,379,725	167,974,095	203,924,371
	After distribution	132,875,808	130,992,336	145,770,322	170,524,529	Note2	Note2
Equity attributable to owners of parent		49,797,881	51,518,973	54,358,769	63,472,157	65,469,922	68,018,692
Share capital		17,241,892	18,250,618	16,790,568	18,790,568	18,790,568	18,790,568
Capital surplus		16,901,053	19,569,525	19,454,882	27,456,298	28,848,733	28,810,227
Retained earnings	Before distribution	14,746,873	17,823,767	20,716,001	22,645,985	26,663,415	29,259,374
	After distribution	10,568,562	13,443,619	16,182,548	18,501,181	Note2	Note2
Other equity		908,063	(4,124,937)	(2,602,682)	(5,420,694)	(8,832,794)	(8,841,477)
Treasury stock		—	—	—	—	—	—
Non-controlling interest		519,568	536,465	465,226	494,938	533,096	569,022
Total equity	Before distribution	50,317,449	52,055,438	54,823,995	63,967,095	66,003,018	68,587,714
	After distribution	46,139,138	47,675,290	50,290,542	59,822,291	Note2	Note2

Note 1: The consolidated financial statements for each year listed above have been duly audited by independent auditor, and the consolidated financial statements for the first quarter of 2021 have been duly reviewed by independent auditors.

Note 2: The figures after distribution listed above are filled out per resolution of the annual Shareholders' Meeting, but the distribution of profits for 2020 has not been resolved in the Shareholders' Meeting.

Note 3: Including right-of-use assets and investment properties.

### 6.1.2 Condensed Consolidated Statements of Comprehensive Income - IFRS

Unit: NT\$ thousands

Item	Year (Note 1)	Financial information in the most recent five years					Current year up to March 31
		2016	2017	2018	2019	2020	
Operating revenue	536,918,813	532,509,958	545,127,804	527,601,353	609,885,871	177,114,909	
Gross profit	22,595,819	22,151,094	23,630,421	22,428,096	23,050,129	6,571,403	
Operating profit	7,975,893	9,953,198	10,576,538	9,712,564	10,049,868	2,986,367	
Non-operating income and expenses	(1,287,669)	(1,073,077)	(1,375,358)	(1,524,962)	(162,315)	(5,970)	
Income before income tax	6,688,224	8,880,121	9,201,180	8,187,602	9,887,553	2,980,397	
Net income	5,350,598	7,366,435	7,515,017	6,505,959	8,200,504	2,456,299	
Other comprehensive income	(1,723,004)	(5,115,123)	1,536,182	(2,808,822)	(3,410,972)	(9,934)	
Total comprehensive income	3,627,594	2,251,312	9,051,199	3,697,137	4,789,532	2,446,365	
Net income attributable to owners of parent	5,312,875	7,307,987	7,462,010	6,453,401	8,123,355	2,419,128	
Net income attributable to non-controlling interest	37,723	58,448	53,007	52,558	77,149	37,171	
Comprehensive income attributable to owners of parent	3,601,246	2,222,421	9,008,246	3,645,425	4,719,952	2,410,439	
Comprehensive income attributable to non-controlling interest	26,348	28,891	42,953	51,712	69,580	35,926	
Basic earnings per share (Note 2)	3.18	4.10	4.22	3.84	4.77	1.44	

Note 1: The consolidated financial statements for each year listed above have been duly audited by independent auditor,

and the consolidated financial statements for the first quarter of 2021 have been duly reviewed by independent auditors.

Note 2: Based on weighted average outstanding shares in each year.

### 6.1.3 Condensed Parent Company Only Balance Sheets - IFRS

WPG has adopted the IFRS to prepare financial statements since 2013. According to the IFRS, WPG does not have to prepare the parent company only financial statements as of March 31, 2021.

Unit: NT\$ thousands

Item	Year (Note 1)	Financial information in the most recent five years				
		2016	2017	2018	2019	2020
Current assets		351,182	263,321	502,179	2,915,590	609,567
Property, plant and equipment (Note 3)		751,186	1,659,346	1,897,144	2,153,158	7,658,943
Intangible assets		18,969	16,273	7,691	15,419	109,573
Other assets		55,171,407	53,214,744	55,800,593	67,586,140	72,727,227
Total assets		56,292,744	55,153,684	58,207,607	72,670,307	81,105,310
Current liabilities	Before distribution	5,960,198	3,146,902	3,380,288	9,065,088	6,531,188
	After distribution	10,138,509	7,527,050	7,913,741	13,209,892	Note 2
Non-current liabilities		534,665	487,809	468,550	133,062	9,104,200
Total liabilities	Before distribution	6,494,863	3,634,711	3,848,838	9,198,150	15,635,388
	After distribution	10,673,174	8,014,859	8,382,291	13,342,954	Note 2
Equity		49,797,881	51,518,973	54,358,769	63,472,157	65,469,922
Share capital		17,241,892	18,250,618	16,790,568	18,790,568	18,790,568
Capital reserve		16,901,053	19,569,525	19,454,882	27,456,298	28,848,733
Retained earnings	Before distribution	14,746,873	17,823,767	20,716,001	22,645,985	26,663,415
	After distribution	10,568,562	13,443,619	16,182,548	18,501,181	Note 2
Other equity interest		908,063	(4,124,937)	(2,602,682)	(5,420,694)	(8,832,794)
Treasury stock		-	-	-	-	-
Non-controlling interest		-	-	-	-	-
Total equity	Before distribution	49,797,881	51,518,973	54,358,769	63,472,157	65,469,922
	After distribution	45,619,570	47,138,825	49,825,316	59,327,353	Note 2

Note 1: The financial statements for 2016~2020 have been duly audited by independent auditors.

Note 2: The figures after distribution listed above are filled out per resolution of the annual Shareholders' Meeting, but the distribution of earnings for 2020 has not been resolved in the Shareholders' Meeting.

Note 3: Including right-of-use assets and investment properties.

#### 6.1.4 Condensed Parent Company Only Comprehensive Income Statements - IFRS

WPG has adopted the IFRS to prepare financial statements since 2013. According to the IFRS, WPG does not have to prepare the parent company only financial statements as of March 31, 2021.

Unit: NT\$ thousands

Item	Year	Financial information in the most recent five years				
		2016	2017	2018	2019	2020
Operating revenues		6,062,201	7,983,324	8,212,827	7,384,531	9,072,831
Gross profit		5,519,815	7,398,699	7,514,872	6,652,117	8,167,068
Operating income		5,519,815	7,398,699	7,514,872	6,652,117	8,167,068
Non-operating income and expenses		(103,408)	(43,290)	(3,736)	2,845	(85,450)
Income before income tax		5,416,407	7,355,409	7,511,136	6,654,962	8,081,618
Profit for the year		5,312,875	7,307,987	7,462,010	6,453,401	8,123,355
Other comprehensive income (loss) after tax		(1,711,629)	(5,085,566)	1,546,236	(2,807,976)	(3,403,403)
Total comprehensive income		3,601,246	2,222,421	9,008,246	3,645,425	4,719,952
Net income attributable to owners of parent		5,312,875	7,307,987	7,462,010	6,453,401	8,123,355
Total comprehensive income attributable to owners of parent		3,601,246	2,222,421	9,008,246	3,645,425	4,719,952
Basic earnings per share (Note)		3.18	4.10	4.22	3.84	4.77

Note: Based on weighted average outstanding shares in each year.

#### 6.1.5 The Names of CPAs and Their Opinions in the Most Recent Five Years.

Year	Accounting firm	Name of CPA	Audit opinions
2016	PricewaterhouseCoopers, Taiwan	Hui-chin Tseng and Chun-yao Lin	Unqualified opinion
2017	PricewaterhouseCoopers, Taiwan	Hui-chin Tseng and Chun-yao Lin	Unqualified opinion
2018	PricewaterhouseCoopers, Taiwan	Chun-yao Lin and Chien-hung Chou	Unqualified opinion
2019	PricewaterhouseCoopers, Taiwan	Chun-yao Lin and Chien-hung Chou	Unqualified opinion
2020	PricewaterhouseCoopers, Taiwan	Chun-yao Lin and Chien-hung Chou	Unqualified opinion

## 6.2 Financial Analysis in the Most Recent Five Years

### 6.2.1 WPG Group Consolidated Financial Analysis – IFRS

Item	Year (Note 1)	Financial analysis in the most recent five years					Current year up to March 31
		2016	2017	2018	2019	2020	
Capital structure analysis	Debts ratio (%)	71.89	70.86	72.04	72.23	71.79	74.83
	Long-term fund to property, plant and equipment (%)	1,032.20	971.63	1,015.34	919.83	630.50	666.78
Liquidity analysis	Current ratio (%)	135.15	138.67	143.10	131.22	135.02	132.88
	Quick ratio (%)	93.29	88.77	90.69	86.65	94.30	90.02
	Times interest earned	6.25	6.43	5.01	4.80	6.85	9.32
Operating performance analysis	Accounts receivable turnover (times)	5.68	5.66	5.69	4.95	5.40	5.76
	Average collection days	64	65	64	74	68	63
	Inventory turnover (times)	10.26	9.50	8.41	7.51	9.22	10.27
	Accounts payable turnover	11.00	10.48	10.19	8.65	9.27	9.51
	Average inventory turnover days	36	39	43	49	40	36
	Property, plant and equipment turnover (times)	95.08	90.85	83.64	71.62	56.24	52.23
	Total assets turnover (times)	3.00	2.98	2.91	2.47	2.63	2.80
Profitability analysis	Return on total assets (%)	3.56	4.85	4.96	3.84	4.08	4.27
	Return on equity (%)	10.77	14.28	14.10	10.95	12.60	14.50
	Ratio of income before tax to paid-in capital (%)	38.80	48.66	54.80	43.57	52.62	63.44
	Net profit ratio (%)	0.99	1.37	1.37	1.22	1.33	1.37
	Basic earnings per share (NT\$) (Note 2)	3.18	4.10	4.22	3.84	4.77	1.44
	Diluted earnings per share (NT\$) (Note 2)	2.96	4.01	4.22	3.84	4.77	1.44
Cash flow	Cash flow ratio (%)	6.22	6.81	-0.96	-0.90	12.15	(9.23)
	Cash flow adequacy ratio (%)	-47.11	-24.63	-15.51	5.72	51.48	3.52
	Cash flow reinvestment ratio (%)	6.24	6.24	-7.86	-7.87	15.05	(16.82)
Leverage	Operating leverage	1.80	1.35	1.37	1.38	1.39	1.45
	Financial leverage	1.19	1.20	1.28	1.29	1.20	1.14

Item	Year (Note 1)	Financial analysis in the most recent five years					Current year up to March 31
		2016	2017	2018	2019	2020	
Industry specific key performance indicator	Return on working capital (%) (ROWC)	8.44	9.98	9.63	8.31	9.50	9.52
	Ratio of net working capital to sales (NWC/Sales)	0.18	0.19	0.20	0.22	0.17	0.18
Reasons for significant changes in the most recent two years: Please refer to Note 3. (not required if the difference does not exceed 20%)							

Note 1: The consolidated financial statements for each year listed above have been duly audited by independent auditor, and the consolidated financial statements for the first quarter of 2021 have been duly reviewed by independent auditors.

Note 2: Based on weighted average outstanding shares in each year.

Note 3: Reasons for changes in financial ratios in the most recent two years:

- (1) The ratio of long-term funds to property, plant and equipment: The decrease was mainly due to the increase in property, plant and equipment for the completion of the building of the headquarter in 2020.
- (2) Times interest earned: The increase was mainly due to the increase in pre-tax profit and loss in 2020, and the decrease in interest expense, resulted in times interest earned increased.
- (3) Inventory turnover rate: The increase was mainly due to the increase in the cost of goods sold in 2020 and decrease in the inventory.
- (4) Turnover rate of property, plant and equipment: The decrease was mainly due to the completion of the building of the headquarter in 2020, property, plant and equipment increased.
- (5) The ratio of pre-tax net profit to paid-in capital: The increase was mainly because of the increase in profit in 2020.
- (6) Basic earnings per share: The increase was mainly due to the increase in profit in 2020.
- (7) Diluted earnings per share: The increase was mainly due to the increase in profit in 2020.
- (8) Cash flow ratio: The increase was mainly due to the increase in net cash inflow from operating activities in 2020.
- (9) Cash flow adequacy ratio: The increase was mainly due to the increase in the total inflow of net cash flow from operating activities in the past five years in 2020.
- (10) Cash reinvestment ratio: The increase was mainly due to the increase in net cash inflows from operating activities in 2020.
- (11) The ratio of net working capital to revenue: The decrease was mainly due to the growth of operating income in 2020.

Note 4: Formulas used for calculating the financial ratios are as follows:

- (1) Capital structure analysis
  - I. Debts ratio = Total liabilities / Total assets.
  - II. Long-term fund to property, plant and equipment = (Total equity + Non-current liabilities) /

Net property, plant, and equipment.

(2) Liquidity analysis

- I. Current ratio = Current assets / Current liabilities.
- II. Quick ratio = (Current assets - Inventory - prepaid expense) / Current liabilities.
- III. Times interest earned = Net profit before tax and interest expenses / Interest expenses.

(3) Operating performance ability

- I. Accounts receivable (including accounts receivable and notes receivable from business activities) turnover = Net sales / Balance of average accounts receivable in each period (including accounts receivable and notes receivable from business activities).
- II. Average collection days = 365 / Accounts receivable turnover.
- III. Inventory turnover = Cost of goods sold / Average inventory.
- IV. Accounts payable (including accounts payable and notes payable from business activities) turnover = Cost of goods sold / Balance of average accounts payable in each period (including accounts payable and notes payable from business activities).
- V. Average inventory turnover days = 365 / Inventory turnover.
- VI. Property, plant and equipment turnover = Net sales / Average net property, plant and equipment.
- VII. Total assets turnover = Net sales / Average total assets.

(4) Profitability analysis

- I. Return on assets = (Net income + Interest expenses  $\times$  (1 - Tax rate)) / Average total assets.
- II. Return on equity = Net income / Average total equity.
- III. Net profit ratio = Net income / Net sales.
- IV. Earnings per share = (Income attributable to owners of parent - Preferred stock dividend) / Weighted average number of shares outstanding. (Note 2)

(5) Cash flow

- I. Cash flow ratio = Net cash flows from operating activities / Current liabilities.
- II. Cash flow adequacy ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividend.
- III. Cash flow reinvestment ratio = (Cash provided by operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other noncurrent assets + working capital).

(6) Leverage

- I. Operating leverage = (Net sales - variable cost) / operating income.
- II. Financial leverage = Income from operations / (income from operations - interest expenses).

(7) Industry specific key performance indicator

- I. ROWC = Operating income / (Accounts receivable, end of period + Inventory, end of period - Accounts payable, end of period).
- II. NWC/Sales = (Accounts receivable, end of period + Inventory, end of period - Accounts payable, end of period) / Net sales.

## 6.2.2 WPG Holdings Financial Analysis - IFRS

Item	Year (Note 1)	Financial Analysis in the Most Recent Five Years				
		2016	2017	2018	2019	2020
Capital Structure Analysis	Debts ratio (%)	11.54	6.59	6.61	12.66	19.28
	Long-term fund to property, plant and equipment (%)	6,700.41	3,134.17	2,889.99	2,954.04	973.69
Liquidity Analysis	Current ratio (%)	5.89	8.37	14.86	32.16	9.33
	Quick ratio (%)	5.68	7.94	14.34	31.91	8.65
	Times interest earned	183.04	249.70	246.06	204.64	59.93
Operating Performance Analysis	Accounts receivable turnover (times) (Note 2)	15.69	28.75	12.69	8.62	8.97
	Average collection days	23	13	29	42	41
	Inventory turnover (times)	—	—	—	—	—
	Accounts payable turnover	—	—	—	—	—
	Average inventory turnover days	—	—	—	—	—
	Property, plant and equipment turnover (times) (Note 2)	8.03	6.62	4.62	3.65	1.85
	Total assets turnover (times) (Note 2)	0.11	0.14	0.14	0.11	0.12
Profitability Analysis	Return on total assets (%)	9.35	13.16	13.21	9.90	10.71
	Return on equity (%)	10.89	14.43	14.10	10.95	12.60
	Ratio of income before tax to paid-in capital (%)	32.02	40.30	44.73	35.42	43.01
	Net profit ratio (%) (Note 2)	87.64	91.54	90.86	87.39	89.53
	Basic earnings per share (NT\$) (Note 3)	3.18	4.10	4.22	3.84	4.77
	Diluted earnings per share (NT\$) (Note 3)	2.96	4.01	4.22	3.84	4.77
Cash flow	Cash flow ratio (%)	87.61	146.36	138.99	51.88	69.18
	Cash flow adequacy ratio (%)	78.06	78.37	81.88	62.01	52.67
	Cash flow reinvestment ratio (%)	2.47	0.82	0.58	0.27	0.50
Leverage	Operating leverage (Note 2)	1.01	1.00	1.00	1.01	1.01
	Financial leverage	1.01	1.00	1.00	1.00	1.02
Reasons for significant changes in the most recent two years: Please refer to Note 4. (not required if the difference does not exceed 20%)						

Note 1: The above financial statements have been duly audited by independent auditors.

Note 2: WPG Holdings is a holding company; operating revenue includes investment revenue and service revenue.

Note 3: Based on weighted average outstanding shares in each year.

Note 4: Reasons for changes in financial ratios in the most recent two years:

- (1) Debts ratio: The increase was mainly due to an increase in long-term loans in 2020.
- (2) The ratio of long-term funds to property, plant and equipment: The decrease was mainly due to the increase in property, plant and equipment for the completion of the building of the headquarter in 2020.
- (3) Current ratio: The decrease was mainly due to the decrease in cash and accounts receivables in 2020, resulting in decreased current assets.
- (4) Quick ratio: The decrease was mainly due to the decrease in cash and accounts receivables in 2020, resulting in decreased current assets.
- (5) Times interest earned: The decrease was mainly due to the increase in the interest expense in 2020.
- (6) Property, plant and equipment turnover: The decrease was mainly due to an increase in property, plant and equipment for the building of the headquarter in 2020.
- (7) The ratio of pre-tax net profit to paid-in capital: The increase was mainly due to the increase in profit in 2020.
- (8) Basic earnings per share: The increase was mainly due to the increase in profit in 2020.
- (9) Diluted earnings per share: The increase was mainly due to the increase in profit in 2020.
- (10) Cash flow ratio: The increase was mainly due to the decrease in short-term loans in 2020, resulting in a decrease in current liabilities.
- (11) Cash reinvestment ratio: The increase was mainly due to the increase in net cash inflows from operating activities in 2020 and decrease in the cash dividends.

Note 5: For formulas used for calculating the financial ratios, please refer to Note 4 on Page 122.

### **6.3 Audit Committee's Review Report**

## **AUDIT COMMITTEE'S REVIEW REPORT**

The Board of Directors has prepared the Company's 2020 Business Report, Financial Statements, and proposal for allocation of profits. The aforementioned 2020 Business Report, Financial Statements, and proposal for allocation of profits have been reviewed and determined to be correct and accurate by the Audit Committee members of WPG HOLDINGS LIMITED. According to Article 14-4, 14-5 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

### **AUDIT COMMITTEE OF WPG HOLDINGS LIMITED**

Independent Director Charles Chen

Independent Director Jack J. T. Huang

Independent Director Weiru Chen

April 27, 2021

**6.4 Consolidated Financial Statements and Independent Auditors' Report in the Most Recent Year**

For "WPG Holdings Limited and Subsidiaries Consolidated Financial Statements for the Years Ended December 31, 2020 and 2019 and Independent Auditors' Report" please refer to Pages 128~264.

**6.5 Parent Company Only Financial Statements and Independent Auditors' Report in the Most Recent Year**

For "WPG Holdings Limited Parent Company Only Financial Statements for the Years Ended December 31, 2020 and 2019 and Independent Auditors' Report" please refer to Pages 265~368.

**6.6 Financial Difficulties**

The Company should disclose the financial impact to the Company if the Company and its affiliated companies have incurred any financial or cash flow difficulties in the most recent year and as of the date of this Annual Report: None

**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REPORT**

**DECEMBER 31, 2020 AND 2019**

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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.

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Lin, Chun-Yao

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Chou, Chien-hung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 30, 2021

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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	%
<b>Current assets</b>					
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
<b>Total current assets</b>		<b>198,011,363</b>	<b>85</b>	<b>205,966,261</b>	<b>89</b>
<b>Non-current assets</b>					
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	-
<b>Total non-current assets</b>		<b>35,965,750</b>	<b>15</b>	<b>24,380,559</b>	<b>11</b>
<b>TOTAL ASSETS</b>		<b>\$ 233,977,113</b>	<b>100</b>	<b>\$ 230,346,820</b>	<b>100</b>

(Continued)

**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	%
<b>Current liabilities</b>					
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
<b>Total current liabilities</b>		<b>146,656,318</b>	<b>63</b>	<b>156,959,067</b>	<b>68</b>
<b>Non-current liabilities</b>					
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
<b>Total non-current liabilities</b>		<b>21,317,777</b>	<b>9</b>	<b>9,420,658</b>	<b>4</b>
<b>Total liabilities</b>		<b>167,974,095</b>	<b>72</b>	<b>166,379,725</b>	<b>72</b>
<b>Equity attributable to owners of parent</b>					
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)
<b>Equity attributable to owners of the parent</b>					
		65,469,922	28	63,472,157	28
Non-controlling interest	4	533,096	-	494,938	-
<b>Total equity</b>		<b>66,003,018</b>	<b>28</b>	<b>63,967,095</b>	<b>28</b>
Significant contingent liabilities and unrecognized contract commitments	7(3) and 9				
Significant events after the balance sheet date	11				
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 233,977,113</b>	<b>100</b>	<b>\$ 230,346,820</b>	<b>100</b>

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

(Continued)

**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	%
Other comprehensive income					
Components of other comprehensive income					
that will not be reclassified to profit or loss					
Other comprehensive income before tax, 6(20)					
actuarial gain (loss) on defined benefit plans		\$ 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**  
(bExpressed in thousands of New Taiwan Dollars)

	Notes	Equity attributable to owners of the parent										Non-controlling interest	Total equity		
		Share Capital			Retained Earnings			Other Equity Interest							
		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					
<b>Year ended December 31, 2019</b>															
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			
<b>Year ended December 31, 2020</b>															
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)**

	Notes	Years ended December 31,	
		2020	2019
<b>Cash flows from operating activities</b>			
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		<u>17,824,994</u>	<u>( 1,413,518 )</u>

(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)

	Notes	Years ended December 31,	
		2020	2019
<b>Cash flows from investing activities</b>			
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 )	
<b>Cash flows from financing activities</b>			
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		\$ 11,020,020 \$ 9,992,582	

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

The above standards and interpretations have no significant impact to the 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:**

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2020	December 31, 2019	
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 (%)		
			December 31, 2020	December 31, 2019	Description
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.	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:

Name of subsidiary	Principal place of business	Non-controlling interest			
		December 31, 2020	December 31, 2019	Amount	Ownership
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

Items	December 31, 2020	December 31, 2019
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 46,532	\$ 22,547
Beneficiary certificates	-	300,000
Derivatives	<u>3,827</u>	<u>2,513</u>
	50,359	325,060
Valuation adjustment	<u>36,765</u>	<u>14,589</u>
	<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	<u>1,474,855</u>	<u>1,461,216</u>
	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:

	Years ended December 31,	
	2020	2019
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 32,829	\$ 22,553
Derivatives	<u>140,133</u>	<u>61,368</u>
	<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) (Note)	Contract period	
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

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

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

- 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

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

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
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
E. SUN Commercial Bank	2,996,154	2,996,154	USD 187,000	1,594,413	0.99%~1.18%	Note 4
Taipei Fubon Commercial Bank	541,422	541,422	USD 23,000	479,845	0.77%~2.95%	Note 5
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	USD 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
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	
E. SUN Commercial Bank	2,943,332	2,943,332	USD 173,000	1,683,767	2.54%~3.39%	Note 4	
Taipei Fubon Commercial Bank	782,948	782,948	USD 21,000	500,377	1.11%~3.35%	Note 5	
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	
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	<u>567,423</u>	<u>238,550</u>
	<u>\$ 12,933,710</u>	<u>\$ 11,428,975</u>

(8) Inventories

	<u>December 31, 2020</u>		
	Allowance		
	Cost	for valuation	Book value
Inventories	\$ 55,394,035	(\$ 1,401,082)	\$ 53,992,953
Inventories in transit	<u>3,107,072</u>	<u>-</u>	<u>3,107,072</u>
	<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	56,428
Total net assets after adjustments	<u>\$ 45,999,423</u>
Share in associate's net assets	\$ 10,278,780
Goodwill (Note)	1,087,171
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	6,569,424
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.

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

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

	December 31, 2020
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>

	<u>Buildings and structures</u>	<u>Transportation equipment (Business vehicles)</u>	<u>Office equipment (Photocopiers)</u>	<u>Other equipment</u>	<u>Total</u>
<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

	Land	Buildings and structures	Total
<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>
	Land	Buildings and structures	Total
<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:

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

	Years ended December 31,	
	2020	2019
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 17,046	\$ 18,198
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

	<u>Operating right</u>	<u>Software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
<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	<u>58,135</u>	<u>12,361</u>
	<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	<u>\$ 978,510</u>	<u>\$ 1,026,348</u>
Less: Allowance for doubtful accounts	<u>( 971,636)</u>	<u>( 946,395)</u>
	<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	<u>\$ 946,395</u>	<u>\$ 927,792</u>
Reversal of provision for impairment	<u>( 30,234)</u>	<u>( 8,187)</u>
Write-off of bad debts	<u>( 8,955)</u>	<u>( 35,357)</u>
Transferred from accounts receivable	<u>109,622</u>	<u>86,488</u>
Effect due to changes in exchange rates	<u>( 45,192)</u>	<u>( 24,341)</u>
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	<u>\$ 14,815,186</u>	<u>\$ 20,737,137</u>
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	<u>\$ 4,945,000</u>	<u>\$ 5,560,000</u>
Less: Unamortized discount	<u>( 3,495)</u>	<u>( 4,576)</u>
	<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

Type of borrowings	Borrowing period / repayment term	December 31, 2020	December 31, 2019
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	<u>10,750,000</u> 25,098,710 ( 35,215)	<u>7,300,000</u> 12,858,769 ( 25,396)
Less: Discount on long-term borrowings		( 6,420,258)	( 5,502,585)
Less: Current portion of long-term borrowings (shown as 'other current liabilities')		<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	<u>346,648</u>	<u>454,895</u>
	<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)	<u>8,323</u>	(3,542)	4,781
	<u>1,190,941</u>	(502,390)	688,551
Remeasurements:			
Return on plan assets	- (11,980)	(11,980)	(11,980)
Change in financial assumptions	41,993	-	41,993
Experience adjustments	(33,538) (4,585)	(38,123)	(8,110)
	<u>8,455</u>	(16,565)	(8,110)
Paid pension	(38,624)	38,624	-
Direct payments charged to Company's account	(11,159) 267	(10,892)	(10,892)
Pension fund contribution	- (59,777)	(59,777)	(59,777)
	<u>(49,783)</u>	(20,886)	(70,669)
Balance at December 31	<u>\$ 1,149,613</u>	(\$ 539,841)	\$ 609,772
<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)	<u>10,902</u> (4,091)	6,811	6,811
	<u>1,197,901</u> (428,220)	769,681	769,681
Remeasurements:			
Return on plan assets	- (9,124)	(9,124)	(9,124)
Change in financial assumptions	27,077 (1,431)	25,646	25,646
Experience adjustments	(21,180) (4,191)	(25,371)	(8,849)
	<u>5,897</u> (14,746)	(8,849)	(8,849)
Paid pension	(8,480)	8,480	-
Direct payments charged to Company's account	(19,867) 1,550	(18,317)	(18,317)
Pension fund contribution	- (65,912)	(65,912)	(65,912)
	<u>(28,347)</u> (55,882)	(84,229)	(84,229)
Balance at December 31	<u>\$ 1,175,451</u> (\$ 498,848)	\$ 676,603	\$ 676,603

(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)				

December 31, 2019

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	<u>13,886,656</u>	<u>10,453,939</u>
	<u>\$ 609,885,871</u>	<u>\$ 527,601,353</u>

(26) Interest income

	<u>Years ended December 31,</u>	
	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

	<u>Years ended December 31,</u>	
	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

	<u>Years ended December 31,</u>	
	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

	<u>Years ended December 31,</u>	
	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

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Employee benefit expense	<u>\$ 8,167,961</u>	<u>\$ 7,908,516</u>
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	<u>\$ 764,940</u>	<u>\$ 724,256</u>
Amortization charges on intangible assets	<u>\$ 64,419</u>	<u>\$ 16,303</u>

(31) Employee benefit expense

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

- 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	<u>10,635</u>	<u>17,481</u>
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				
	<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	\$ 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	<u>(17,576)</u>	<u>6,627</u>	<u>-</u>	<u>-</u>	<u>(10,949)</u>
	<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

	<u>Year ended December 31, 2020</u>		
	Weighted average number of ordinary shares outstanding <u>Amount after tax</u>	Earnings per share (shares in thousands)	(in dollars)
<b>Basic earnings per share</b>			
Profit attributable to ordinary shareholders of the parent (Note)	\$ 8,008,287	1,679,057	\$ 4.77
<b>Diluted earnings per share</b>			
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.

	<u>Year ended December 31, 2019</u>		
	Weighted average number of ordinary shares outstanding <u>Amount after tax</u>	Earnings per share (shares in thousands)	(in dollars)
<b>Basic earnings per share</b>			
Profit attributable to ordinary shareholders of the parent	\$ 6,453,401	1,679,057	\$ 3.84
<b>Diluted earnings per share</b>			
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

Names of related parties	Relationship with the Group
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

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

	<u>Year ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
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**

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other receivables		
Others	<u>\$ 1,615</u>	<u>\$ 1,208</u>

The above represents receivables from payments on behalf of others.

**E. Payables to related parties**

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Accounts payable		
Associates	<u>\$ 77,023</u>	<u>\$ 653</u>

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**

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Associates		
VITEC WPG Limited	<u>\$ 64,080</u>	<u>\$ 67,455</u>

**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 through 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	<u>2,807,578</u>	<u>558,234</u>	"
	<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	<u>\$ 11,020,020</u>	<u>\$ 9,992,582</u>
Financial assets at amortized cost	<u>472,363</u>	<u>84,055</u>
Notes receivable	<u>3,210,976</u>	<u>1,977,097</u>
Accounts receivable (including related parties)	<u>108,398,920</u>	<u>110,754,374</u>
Other receivables (including related parties)	<u>12,935,325</u>	<u>12,168,174</u>
Guarantee deposits paid	<u>183,918</u>	<u>180,123</u>
Other financial assets	<u>2,304,294</u>	<u>1,399,588</u>
	<u><u>\$ 138,525,816</u></u>	<u><u>\$ 136,555,993</u></u>

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b><u>Financial liabilities</u></b>		
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: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<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	\$ 52,861,070	\$ 1,762,414	\$ 148,295	\$ 39,001	\$ 25,795	\$ 515,035	\$ 55,351,610
Loss allowance	\$ 108,696	\$ 42,336	\$ 18,007	\$ 8,439	\$ 9,342	\$ 515,035	\$ 701,855

	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	\$ 49,651,277	\$ 3,458,793	\$ 338,028	\$ 89,300	\$ 61,643	\$ 470,899	\$ 54,069,940
Loss allowance	\$ 89,954	\$ 60,060	\$ 47,054	\$ 53,877	\$ 26,675	\$ 470,899	\$ 748,519

(ii) Individually impaired and provisioned allowance for loss

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

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

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

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	Level 1	Level 2	Level 3	Total
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Assets

Recurring fair value measurements

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>

Liabilities

Recurring fair value measurements

Financial liabilities held for trading

Forward exchange contracts and options	<u>\$ —</u>	<u>\$ 2,737</u>	<u>\$ —</u>	<u>\$ 2,737</u>
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December 31, 2019	Level 1	Level 2	Level 3	Total
<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>

### Liabilities

#### Recurring fair value measurements

##### Financial liabilities held for trading

Forward exchange contracts	\$ -	\$ 16,051	\$ -	\$ 16,051
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(b) The methods and assumptions the Group used to measure fair value are as follows:

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

	Listed shares
Market quoted price	Closing price
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:

	2020	2019
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)	- ( 10,000)
Transfer into level 3	- ( 10,000)	- ( 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:

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
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

	Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
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:

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

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

### 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	<u>13,886,656</u>	<u>10,453,939</u>
	<u><u>\$ 609,885,871</u></u>	<u><u>\$ 527,601,353</u></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	
	<u>Revenue</u>	<u>Non-current assets</u>	<u>Revenue</u>	<u>Non-current assets</u>
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	<u>44,065,929</u>	<u>468,270</u>	<u>49,540,015</u>	<u>609,150</u>
	<u><u>\$ 609,885,871</u></u>	<u><u>\$ 19,901,238</u></u>	<u><u>\$ 527,601,353</u></u>	<u><u>\$ 21,665,926</u></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			Nature of loan (Note 8)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts			Limit on loans granted to a single party		Footnote	
					Balance at December 31, 2020	Balance at December 31, 2020	Actual amount drawn down				Item	Value	\$	76,278	\$	76,278	
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				Nature of loan (Note 8)	Amount of transactions with the borrower	Allowance		Limit on loans			Footnote	
					December 31, 2020	Balance at December 31, 2020	Actual amount drawn down	Interest rate			Reason for short-term financing	for doubtful accounts	Collateral Item	Value	Granted to a single party	Ceiling on total loans granted	
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			Nature of loan (Note 8)	Amount of transactions with the borrower	Allowance		Limit on loans			Ceiling on total loans granted	Footnote	
					December 31, 2020	Balance at December 31, 2020	Actual amount drawn down			Reason for short-term financing	for doubtful accounts	Item	Collateral Value	Granted to a single party			
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				Nature of loan (Note 8)	Amount of transactions with the borrower	Allowance			Limit on loans			Footnote
					Balance at December 31, 2020	Balance at December 31, 2020	Actual amount drawn down	Interest rate			Reason for short-term financing	for doubtful accounts	Collateral Item	Value	Granted to a single party	Ceiling on total loans granted	
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						Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts			Limit on loans granted to a single party			Footnote
					December 31, 2020	Balance at December 31, 2020	Actual amount drawn down	Interest rate	Nature of loan (Note 8)	Item			Item	Value	Collateral	Value	Party		
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 December 31, 2020	Actual amount drawn down	Interest rate	Nature of loan (Note 8)	Amount of transactions with the borrower	Allowance			Limit on loans			Footnote
					December 31, 2020	December 31, 2020	drawn down	Reason for short-term financing						Item	Collateral Value	Granted to a single party				
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	Company name	Party being endorsed/guaranteed		Relationship with the endorser/ guarantor	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 parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
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	Party being endorsed/guaranteed		Relationship with the endorser/guarantor	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		Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor		Ceiling on total amount of endorsements/guarantees provided by parent company to subsidiary	Provision of endorsements/guarantees by parent company	Provision of endorsements/guarantees by subsidiary to parent company	Provision of endorsements/guarantees to the party in Mainland China	Footnote
	Endorser/guarantor	Company name			2020	2020	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	company						
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)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2020				
				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	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2020				
				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)
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)

Purchaser/seller	Counterparty	Relationship with the counterparty	Differences in transaction terms compared to third party								Notes/accounts receivable (payable)		
			Transaction				transactions						
			Purchases (sales)		Percentage of total purchases (sales)		Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote	
Purchaser/seller	Counterparty	Relationship with the counterparty	Sales	(\$	553,738)	(	54.12)	Note 5	Note 5	Note 5	\$	57,015	46.29
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Parent company	"	"	(	135,140)	(	13.21)	"	"		17,218	13.98
"	Silicon Application corp.	"	"	"	(	133,239)	(	13.02)	"	"		9,392	7.63
"	Asian Information Technology Inc.	"	"	"	(	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

Purchaser/seller	Counterparty	Relationship with the counterparty	Differences in transaction terms compared to third party transactions								Notes/accounts receivable (payable)	
			Transaction				Transactions				Balance	Percentage of total notes/accounts receivable (payable)
			Purchases (sales)	Amount (\$)	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Note 3	4.47		
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			
"	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	

Purchaser/seller	Counterparty	Relationship with the counterparty	Differences in transaction terms compared to third party transactions								Notes/accounts receivable (payable)	
			Transaction				Transactions				Balance	Percentage of total notes/accounts receivable (payable)
			Purchases (sales)	Amount (\$)	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Note 2	Footnote		
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		

Purchaser/seller	Counterparty	Relationship with the counterparty	Differences in transaction terms compared to third party transactions								Notes/accounts receivable (payable)	
			Transaction				Transactions				Notes/accounts receivable (payable)	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote	
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	Overdue receivables				Action taken	Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts			
			Balance as at December 31, 2020		Turnover rate (Note 2)	Amount						
			(Note 1)									
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	Overdue receivables				Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts		
			Balance as at December 31, 2020		Turnover rate (Note 2)	Amount				
			(Note 1)							
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	Overdue receivables				Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
			Balance as at December 31, 2020		Turnover rate	Amount		
			(Note 1)	(Note 2)	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			Transaction terms	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		
				Sales	\$	Note 5		
3	WPI International (Hong Kong) Limited	WPG SCM Limited	3		978,321			0.16
3	WPI International (Hong Kong) Limited	WPG Korea Co., Ltd.	3	"	2,071,930			0.34
3	WPI International (Hong Kong) Limited	Peng Yu International Limited	3	"	140,373			0.02
5	Longview Technology Inc.	World Peace Industrial Co., Ltd.	3	"	197,757			0.03
7	Silicon Application corp.	Pernas Electronics Co., Ltd.	3	"	468,345			0.08
7	Silicon Application corp.	WPG Electronics (HK) Limited	3	"	4,421,725			0.73
7	Silicon Application corp.	WPG China (SZ) Inc.	3	"	1,223,630			0.20
7	Silicon Application corp.	WPG China Inc.	3	"	234,857			0.04
8	Pernas Electronics Co., Ltd.	Silicon Application corp.	3	"	721,566			0.12
8	Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	3	"	422,545			0.07
9	Everwiner Enterprise Co., Ltd.	Silicon Application corp.	3	"	426,734			0.07
9	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	1,644,611			0.27
10	Asian Information Technology Inc.	World Peace International (South Asia) Pte Ltd.	3	"	118,770			0.02
10	Asian Information Technology Inc.	Frontek Technology Corporation	3	"	4,312,185			0.71
10	Asian Information Technology Inc.	Apache Communication Inc.	3	"	1,151,427			0.19
10	Asian Information Technology Inc.	WPG Electronics (HK) Limited	3	"	105,618			0.02
10	Asian Information Technology Inc.	WPG China (SZ) Inc.	3	"	232,221			0.04
11	Henshen Electric Trading Co.,Ltd.	Asian Information Technology Inc.	3	"	124,002			0.02
11	Henshen Electric Trading Co.,Ltd.	Frontek Technology Corporation	3	"	351,102			0.06
12	Frontek Technology Corporation	Asian Information Technology Inc.	3	"	3,350,636			0.55
12	Frontek Technology Corporation	Gather Technology Incorporation Limited	3	"	100,113			0.02
12	Frontek Technology Corporation	WPG Electronics (HK) Limited	3	"	522,069			0.09
12	Frontek Technology Corporation	WPG China Inc.	3	"	164,238			0.03
13	Apache Communication Inc.	Asian Information Technology Inc.	3	"	630,026			0.10
13	Apache Communication Inc.	Frontek Technology Corporation	3	"	117,997			0.02
15	WPG Electronics (HK) Limited	World Peace Industrial Co., Ltd.	3	"	5,751,389			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		
				Sales	\$	Note 5		
15	WPG Electronics (HK) Limited	WPI International (Hong Kong) Limited	3		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	

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	
				Accounts receivable	"	892,491	Note 5	
21	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3					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)	General ledger account	\$	Amount	Transaction		Percentage of consolidated total operating revenues or total assets (Note 3)
							Transaction terms		
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			Investment income (loss) recognized by the Company for the year ended December 31, 2020		
				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	31, 2020 (Note 1)	Footnote
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			Investment income (loss) recognized by the Company for the year ended December 31, 2020		
				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	31, 2020 (Note 1)	Footnote
World Peace Industrial Co., Ltd.	Chainpower Technology Corp.	Taiwan	Agent and sales of electronic/ eletrical components	\$ 66,261	\$ 66,261	9,781,452	39.00	\$ 165,518	\$ 104,885	\$ -	Footnote 2 and 3
World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	Taiwan	Agent and sales of electronic/ eletrical 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/ eletrical 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/ eletrical 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/ eletrical 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				Net profit (loss) of the investee for the year ended December 31, 2020 (Note 1)	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							
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	\$ 126,790	-	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			-	Note 2 and 5			
Yosun Industrial Corp.	Pan-World Control Technologies, 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 Control Technologies, 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			Investment income (loss) recognized by the Company for the year ended December 31, 2020		
				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)
									31, 2020	8,256	\$
Investor	Investee	Location	Main business activities	Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value	31, 2020	8,256	\$
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	(\$ 31, 2020)	8,256	\$ -
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 (Note1)	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 January 1, 2020	Remitted to Mainland China	Remitted back to Taiwan	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 (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2020		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
				2020	2020							100.00	(\$ 19,019)			
LaaS (Dongguan) Supply Chain Management Limited	Supply chain management, design and related businesses.	\$ 1,139,200	1	\$ -	\$ 1,139,200	\$ -	\$ 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	Number of shares held	Shares	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.

**WPG HOLDINGS LIMITED**  
**PARENT COMPANY ONLY FINANCIAL STATEMENTS AND**  
**AUDIT REPORT OF INDEPENDENT AUDITORS**

**DECEMBER 31, 2020 AND 2019**

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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 parent company only balance sheets of WPG Holdings Limited (the “Company”) as at December 31, 2020 and 2019, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

### ***Basis for opinion***

We conducted our 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 Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants in 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 Company’s 2020 financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2020 parent company only financial statements are stated as follows:

### **Impairment assessment of investments accounted for under equity method**

#### Description

Refer to Note 4(12) for accounting policy on investments accounted for under equity method, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to impairment assessment of investments accounted for under equity method, and Note 6(4) for details of investments accounted for under equity method.

In 2010, the Company acquired 100% shareholding of Yosun Industrial Corp. (referred herein as "Yosun Industrial") amounting to \$12,939,060 thousand, and was recognized as investments accounted for under equity method. The Company uses the estimated future cash flows of each cash-generating unit and proper discount rate to assess whether the investment 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 the investment 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 investments accounted for under equity method**

### Description

Refer to Note 4(12) for accounting policy on investments accounted for under equity method, and Note 6(4) for details of investments accounted for under equity method.

As at December 31, 2020, the balance of the Company's investments in its subsidiaries, World Peace Industrial Co., Ltd. (referred herein as "World Peace Industrial"), Yosun Industrial, Silicon Application Corp. (referred herein as "Silicon Application") and Asian Information Technology Inc. (referred herein as "Asian Information Technology") amounted to \$24,925,013 thousand, \$11,919,185 thousand, \$7,288,058 thousand and \$5,702,692 thousand, respectively, and the investment income amounted to \$3,311,641 thousand, \$927,668 thousand, \$1,079,540 thousand and \$1,137,808 thousand for the year then ended, respectively. As the balance of investments accounted for under equity method constituted 61% of the Company's total assets, and investment income constituted 80% of the Company's profit before tax, we considered the assessment of investments accounted for under equity method, valuation of allowance for uncollectible accounts receivable, and recognition of purchase discounts and allowances of these subsidiaries as key audit matters as summarised below:

## **Valuation of allowance for uncollectible accounts receivable - World Peace Industrial, Yosun Industrial, Silicon Application and Asian Information Technology (collectively referred herein as the "Subsidiaries")**

### Description

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

The Subsidiaries assess the collectibility 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 consider 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 - subsidiaries**

#### Description

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

The Subsidiaries are engaged in operating sales channel for various electronic components. In line with industry practice, the Subsidiaries have entered into purchase discounts and allowances agreements with suppliers for various kinds and quantities of inventories. The Subsidiaries calculate and recognize the amount of purchase discounts and allowances in accordance with the agreement. The Subsidiaries negotiate the amount with the supplier, and after receiving credit note from supplier, the Subsidiaries pay the net amount.

The discounts and allowances from supplier are calculated either automatically by the system or manually. The Subsidiaries have 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 Subsidiaries have a large volume of purchases, and have entered into various purchase discounts and allowances agreements with terms and conditions that vary with each agreement, we consider 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 authorised 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.

### ***Responsibilities of management and those charged with governance for financial statements***

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

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

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

### ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the 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 parent company only financial statements.

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

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

statements. We are responsible for the direction, supervision and performance of the 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 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.

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Lin, Chun-Yao

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Chou, Chien-hung

for and on behalf of PricewaterhouseCoopers, Taiwan

March 30, 2021

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan 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**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2020 AND 2019**  
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	December 31, 2020		December 31, 2019	
			Amount	%	Amount	%
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 40,435	-	\$ 1,983,588	3
1180	Accounts receivable - related parties, net	7(3)	123,169	-	105,022	-
1200	Other receivables		56	-	56	-
1210	Other receivables - related parties	7(3)	341,239	1	803,118	1
1410	Prepayments		44,600	-	23,269	-
1470	Other current assets		60,068	-	537	-
11XX	<b>Total current assets</b>		<b>609,567</b>	<b>1</b>	<b>2,915,590</b>	<b>4</b>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	610,915	1	594,615	1
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	1,594,081	2	-	-
1550	Investments accounted for under equity method	6(4) and 8	70,484,850	87	58,854,405	81
1600	Property, plant and equipment	6(5) and 8	6,931,550	8	1,427,534	2
1755	Right-of-use assets	6(6) and 7(3)	23,061	-	15,819	-
1760	Investment property, net	6(7) and 8	704,332	1	709,805	1
1780	Intangible assets	6(8)	109,573	-	15,419	-
1840	Deferred income tax assets	6(25)	24,685	-	15,437	-
1960	Prepayment for investments	6(9)	-	-	8,111,638	11
1990	Other non-current assets		12,696	-	10,045	-
15XX	<b>Total non-current assets</b>		<b>80,495,743</b>	<b>99</b>	<b>69,754,717</b>	<b>96</b>
1XXX	<b>Total assets</b>		<b>\$ 81,105,310</b>	<b>100</b>	<b>\$ 72,670,307</b>	<b>100</b>

(Continued)

**WPG HOLDINGS LIMITED**  
**PARENT COMPANY ONLY 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	%
<b>Current liabilities</b>					
2100	Short-term borrowings	6(10)	\$ 4,450,000	6 \$ 7,200,000	10
2110	Short-term notes and bills payable	6(11)	1,199,421	1 998,987	1
2150	Notes payable		1,698	- 1,603	-
2200	Other payables		421,295	1 288,929	1
2220	Other payables - related parties	7(3)	7,802	- 133,802	-
2230	Current income tax liabilities		343,154	- 430,090	1
2280	Current lease liabilities		12,050	- 7,013	-
2300	Other current liabilities	6(12)	95,768	- 4,664	-
21XX	<b>Total current liabilities</b>		<u>6,531,188</u>	<u>8</u> <u>9,065,088</u>	<u>13</u>
<b>Non-current liabilities</b>					
2540	Long-term borrowings	6(12) and 8	8,929,646	11 -	-
2570	Deferred income tax liabilities	6(25)	78,941	- 78,413	-
2580	Non-current lease liabilities		10,746	- 8,890	-
2600	Other non-current liabilities	6(13)	84,867	- 45,759	-
25XX	<b>Total non-current liabilities</b>		<u>9,104,200</u>	<u>11</u> <u>133,062</u>	<u>-</u>
2XXX	<b>Total liabilities</b>		<u>15,635,388</u>	<u>19</u> <u>9,198,150</u>	<u>13</u>
<b>Equity</b>					
<b>Capital</b>					
3110	Common stock		16,790,568	21 16,790,568	23
3120	Preference stock		2,000,000	2 2,000,000	3
<b>Capital reserve</b>					
3200	Capital reserve		28,848,733	36 27,456,298	38
<b>Retained earnings</b>					
3310	Legal reserve		6,667,417	8 6,021,073	8
3320	Special reserve		5,420,694	7 2,602,682	4
3350	Unappropriated earnings		14,575,304	18 14,022,230	19
<b>Other equity interest</b>					
3400	Other equity interest		( 8,832,794)	( 11) ( 5,420,694)	( 8)
3XXX	<b>Total equity</b>		<u>65,469,922</u>	<u>81</u> <u>63,472,157</u>	<u>87</u>
<b>Significant contingent liabilities</b>					
<b>and unrecognized contract commitments</b>					
<b>Significant events after the balance sheet date</b>					
3X2X	<b>Total liabilities and equity</b>		<u>\$ 81,105,310</u>	<u>100</u> <u>\$ 72,670,307</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

**WPG HOLDINGS LIMITED**  
**PARENT COMPANY ONLY 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	2020	2019
			Amount	Amount
			%	%
4000	<b>Operating revenues</b>	6(18) and 7(3)	\$ 9,072,831	100
5000	<b>Operating costs</b>	6(23)(24)and 7(3)	( 905,763)	( 10)
5900	<b>Gross profit</b>		<u>8,167,068</u>	<u>90</u>
	<b>Non-operating income and expenses</b>			
7100	Interest income	6(19)	533	-
7010	Other income	6(20)	44,692	-
7020	Other gains or losses	6(21)	( 19,551)	-
7050	Financial costs	6(22)	( 111,124)	( 1)
7000	<b>Total non-operating income and expenses</b>		( 85,450)	( 1)
7900	<b>Income before income tax</b>		8,081,618	89
7950	Income tax benefit (expense)	6(25)	41,737	( 1)
8200	<b>Profit for the year</b>		<u>\$ 8,123,355</u>	<u>90</u>
	<b>Other comprehensive income / (loss), net</b>			
	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>			
8311	Loss on remeasurement of defined benefit plan	6(13)	(\$ 3,914)	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	56,066	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under equity method		1,816,133	20
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	783	-
8310	<b>Other comprehensive income that will not be reclassified to profit or loss</b>		<u>1,869,068</u>	<u>20</u>
	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>			
8361	Exchange differences on translation of foreign financial statements		( 74,489)	( 1)
8380	Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for under equity method		( 5,203,124)	( 57)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(25)	5,142	-
8360	<b>Other comprehensive loss that will be reclassified to profit or loss</b>		( 5,272,471)	( 58)
8300	<b>Other comprehensive loss, net</b>		<u>(\$ 3,403,403)</u>	<u>( 38)</u>
8500	<b>Total comprehensive income</b>		<u>\$ 4,719,952</u>	<u>52</u>
	<b>Earnings per share (in dollars)</b>			
9750	<b>Basic earnings per share</b>	6(26)	\$ 4.77	\$ 3.84
9850	<b>Diluted earnings per share</b>	6(26)	\$ 4.77	\$ 3.84

The accompanying notes are an integral part of these parent company only financial statements.

**WPG HOLDINGS LIMITED**  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Notes	Capital			Retained Earnings			Other Equity Interest			Total equity
	Common stock	Preference stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		
<b>2019</b>										
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	
Net income	-	-	-	-	-	6,453,401	-	-	6,453,401	
Other comprehensive income (loss)	-	-	-	-	-	10,036	( 2,818,012 )	-	( 2,807,976 )	
Total comprehensive income (loss)	-	-	-	-	-	6,463,437	( 2,818,012 )	-	3,645,425	
Appropriations and distribution of 2018 retained earnings 6(16)										
Legal reserve	-	-	-	746,201	-	( 746,201 )	-	-	-	
Reversal of special reserve	-	-	-	-	( 1,522,254 )	1,522,254	-	-	-	
Cash dividends	-	-	-	-	-	( 4,533,453 )	-	-	( 4,533,453 )	
Issuance of preference stock 6(14)	-	2,000,000	7,994,638	-	-	-	-	-	9,994,638	
Changes in equity of associates and joint ventures accounted for under equity method 6(15)			6,778	-	-	-	-	-	6,778	
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	
<b>2020</b>										
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	
Net income	-	-	-	-	-	8,123,355	-	-	8,123,355	
Other comprehensive income (loss)	-	-	-	-	-	8,697	( 5,272,471 )	1,860,371	( 3,403,403 )	
Total comprehensive income (loss)	-	-	-	-	-	8,132,052	( 5,272,471 )	1,860,371	4,719,952	
Appropriations and distribution of 2019 retained earnings 6(16)										
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 )	
Cash dividends for preference stock	-	-	-	-	-	( 115,068 )	-	-	( 115,068 )	
Changes in equity of associates and joint ventures accounted for under equity method 6(15)			1,392,435	-	-	30,182	-	-	1,422,617	
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	

The accompanying notes are an integral part of these parent company only financial statements.

**WPG HOLDINGS LIMITED**  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2020	2019
<b><u>Cash flows from operating activities</u></b>			
Income before income tax		\$ 8,081,618	\$ 6,654,962
<b>Adjustments</b>			
Income and expenses			
Depreciation	6(23)	43,808	25,133
Amortization	6(23)	50,610	8,174
Interest expense	6(22)	111,124	26,166
Interest income	6(19)	( 533 )	( 1,263 )
Dividend income	6(20)	( 22,021 )	( 4,128 )
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(18)	( 8,049,744 )	( 6,580,682 )
Gains on financial assets at fair value through profit or loss	6(21)	( 6,856 )	( 12,602 )
Loss on disposal of investment	6(21)	17,447	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Accounts receivable - related parties, net		( 18,147 )	( 23,597 )
Other receivables		-	8,584
Other receivables - related parties		462,564	640,097
Prepayments		( 92,709 )	64,979
Other current assets		( 59,531 )	( 241 )
Changes in operating liabilities			
Notes payable		95	585
Other payables		61,832	7,990
Other payables - related parties		( 1,000 )	( 5,883 )
Other current liabilities		246	141
Other non-current liabilities		652	7,957
Cash inflow generated from operations		579,455	816,372
Interest paid		( 109,480 )	( 25,020 )
Income tax paid		( 648,567 )	( 681,415 )
Interest received		533	1,263
Dividends received		4,696,648	4,662,994
Net cash provided by operating activities		<u>4,518,589</u>	<u>4,774,194</u>

(Continued)

**WPG HOLDINGS LIMITED**  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2020	2019
<b>Cash flows from investing activities</b>			
Increase in prepayments for investments	6(9)	\$ -	(\$ 8,111,638 )
Acquisition of property, plant and equipment	6(27)	( 5,440,649 )	( 330,668 )
Proceeds from disposal of property, plant and equipment	6(5)	41	-
Acquisition of intangible assets	6(27)	( 65,101 )	( 15,902 )
Increase in guarantee deposits paid		( 2,651 )	( 4,800 )
Proceeds from capital reduction of financial assets at fair value through profit or loss		17,466	22,666
Acquisition of financial assets at fair value through profit or loss - non-current		( 26,910 )	( 57,322 )
Capital increase in investees	7(3)	( 1,600,000 )	( 5,100,000 )
Acquisition of financial assets at fair value through other comprehensive income - non-current		( 1,538,015 )	-
Net cash used in investing activities		<u>( 8,655,819 )</u>	<u>( 13,597,664 )</u>
<b>Cash flows from financing activities</b>			
Principal repayment of lease liability	6(28)	( 8,257 )	( 6,959 )
Increase in short-term borrowings	6(28)	28,440,000	35,270,000
Decrease in short-term borrowings	6(28)	( 31,190,000 )	( 30,065,000 )
Increase in short-term notes and bills payables	6(28)	5,850,000	4,391,097
Decrease in short-term notes and bills payables	6(28)	( 5,649,566 )	( 4,011,703 )
Increase in long-term borrowings (including current portion of long-term borrowings)	6(28)	9,025,620	-
Decrease in long-term borrowings (including current portion of long-term borrowings)	6(28)	( 5,116 )	( 409,199 )
(Decrease) increase in other payables - related parties		( 125,000 )	125,000
Increase in guarantee deposits received		1,200	-
Distribution of cash dividends	6(16)	( 4,144,804 )	( 4,533,453 )
Issuance of preference stock	6(14)	<u>-</u>	<u>9,994,638</u>
Net cash provided by financing activities		<u>2,194,077</u>	<u>10,754,421</u>
Net (decrease) increase in cash and cash equivalents		<u>( 1,943,153 )</u>	<u>1,930,951</u>
Cash and cash equivalents at beginning of year		<u>1,983,588</u>	<u>52,637</u>
Cash and cash equivalents at end of year		<u>\$ 40,435</u>	<u>\$ 1,983,588</u>

The accompanying notes are an integral part of these parent company only financial statements.

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

**1. HISTORY AND ORGANISATION**

- (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 on January 1, 2008. The Company acquired Pernas Electronics Co., Ltd., Asian Information Technology Inc., Yosun Industrial Corp. and AECO Technology Inc. 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 organisation 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 through its subsidiary, World Peace Industrial Co., Ltd. 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 and World Peace Industrial Co., Ltd. collectively 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 owned 60.5% equity of Trigold after the stock swap.
- (2) The Company was organized to create the management mechanism of the group, supervise the subsidiaries, integrate the whole group and improve operational efficiency. As of December 31, 2020, the Company's authorized capital was \$25,000,000 (certain shares can be issued as preference shares, and including \$500,000 reserved for employee stock option certificate, restricted stocks to employees, preferred stocks with warrants and corporate bonds with warrants), 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 PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These parent company only financial statements were authorized for issuance by the Board of Directors on March 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 (“IFRSs”) 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 Company’s financial condition and financial performance based on the Company’s assessment.

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

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

<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 Company’s financial condition and financial performance based on the Company’s assessment.

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

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

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

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### (1) Compliance statement

These parent company only financial statements are prepared by the Company in accordance with the "Rules Governing the Preparation of Financial Statements by Securities Issuers".

##### (2) Basis of preparation

A. Except for the following item, these parent company only financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities is 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 International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to

exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

**(3) Foreign currency translation**

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

**A. Foreign currency transactions and balances**

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are 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 Company entities 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) 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 Company 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.
- (c) 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 Company 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.
- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

**(4) Classification of current and non-current items**

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
  - (a) Assets arising from operating activities that are expected to be 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.

**(5) Cash and cash equivalents**

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

commitment in operations are classified as cash equivalents.

(6) 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.
- 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 Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) 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 Company 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 Company measures the financial assets at fair value plus transaction costs. The Company 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 Company and the amount of the dividend can be measured reliably.

(8) Accounts and notes receivable

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

(9) Impairment of financial assets

For financial assets at amortized cost including accounts and notes receivable that have a significant financing component, at each reporting date, the Company 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 Company recognizes the impairment provision for lifetime ECLs.

**(10) Derecognition of financial assets**

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

**(11) Leasing arrangements (lessor) - operating leases**

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

**(12) Investments accounted for under the equity method / subsidiaries**

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealized profit (loss) arising from the transactions between the Company and subsidiaries have been offset.
- C. The Company'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 Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses proportionate to its ownership.
- D. Pursuant to the "Rules Governing the Preparation of Financial Statements by Securities Issuers," profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

**(13) 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 Company 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 financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5 ~ 50 years
Office equipment	2 ~ 8 years
Leasehold improvements	3 years

#### (14) 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 Company. 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 Company 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.

**(15) 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 37~50 years.

**(16) Intangible assets**

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 1 to 3 years.

**(17) Impairment of non-financial assets**

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is 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.

**(18) 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 draw-down 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 prepayment for liquidity services and amortized over the period of the facility to which it relates.

(19) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of 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.

(20) 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.

(21) 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.

(22) 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 plan

For defined contribution plan, 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 plan

- 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 Company in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plan 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 currency and term of the

employment benefit obligation.

- ii. Remeasurement arising on defined benefit plan is recognized in other comprehensive income in the period in which they arise and is 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 Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(23) 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 expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates 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 Company 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 income 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 utilised.

At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

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

(24) 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.

(25) 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.

(26) Revenue recognition

- A. The Company's main business is to manage investees. When services rendered can be reasonably estimated, revenue is recognized by reference to the stage of completion at the balance sheet date.
- B. When services rendered cannot be reasonably estimated, possibility of cost recovery is considered when recognizing revenue. If it is possible to recover the cost incurred, the Company shall recognize revenue to the extent of the estimated recoverable cost that has been incurred; if it is not possible to recover the cost incurred, the Company shall not recognize revenue and shall recognize costs incurred as expense during the period.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such

assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The above information is addressed below:

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

None.

(2) Critical accounting estimates and assumptions

Impairment assessment of investments accounted for under the equity method

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Checking accounts deposits	\$ 43	\$ 43
Demand deposits	21,884	1,973,274
Foreign currency deposits	18,508	10,271
	<u>\$ 40,435</u>	<u>\$ 1,983,588</u>

- A. The Company 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. No cash and cash equivalents were pledged to others.

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

Items	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 85,347	\$ 85,347
Unlisted stocks	<u>501,597</u>	<u>492,153</u>
	586,944	577,500
Valuation adjustment	<u>23,971</u>	<u>17,115</u>
	<u>\$ 610,915</u>	<u>\$ 594,615</u>

- A. Amounts recognized in profit (loss) in relation to financial assets at fair value through profit or loss for the years ended December 31, 2020 and 2019 was \$6,856 and \$12,602, respectively.
- B. The Company has no financial assets at fair value through profit or loss pledged to others as collateral.

C. Information relating to 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

Items	<u>December 31, 2020</u>
Non-current items:	
Equity instruments	
Listed stocks	\$ 1,538,015
Valuation adjustment	<u>56,066</u>
	<u><u>\$ 1,594,081</u></u>

For December 31, 2019: None.

- A. The Company 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 \$1,594,081 as at December 31, 2020.
- B. Amount recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income for the year ended December 31, 2020 was \$56,066.
- C. As at December 31, 2020, 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 Company amounted to \$1,538,015.
- D. The Company 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).

(3) Investments accounted for under the equity method

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
WT Microelectronics Co., Ltd. (WT)	\$ 11,365,951	\$ -
World Peace Industrial Co., Ltd.	24,925,013	26,017,736
Yosun Industrial Corp.	11,919,185	12,581,042
Silicon Application Corp.	7,288,058	7,074,395
Asian Information Technology Inc.	5,702,692	6,178,954
WPG International (CI) Limited	5,846,935	5,286,291
WPG Investment Co., Ltd.	2,094,595	434,708
Trigold Holdings Ltd.	811,453	738,954
WPG Korea Co., Ltd.	470,660	491,955
WPG Electronics Ltd.	<u>60,308</u>	<u>50,370</u>
	<u><u>\$ 70,484,850</u></u>	<u><u>\$ 58,854,405</u></u>

A. The basic information on the associate that is material to the Company is as follows:

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

The summarized financial information of the associate that is material to the Company 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><u>\$ 45,999,423</u></u>
Share in associate's net assets	\$ 10,278,780
Goodwill (Note)	<u>1,087,171</u>
Carrying amount of the associate	<u><u>\$ 11,365,951</u></u>

Note: In February 2020, the Company 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 Company did not subscribe to the capital increase proportionately to its equity interest, the Company's shareholding ratio of WT decreased to 22.47%, and its capital reserve increased by an \$1,386,811. The Company obtained a 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>Year ended</u>
	<u>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><u>\$ 10,190,614</u></u>
Dividends received from associates	<u><u>\$ 369,904</u></u>

For the year ended December 31, 2019: None.

B. The fair value of the Company's material associates with quoted market prices is as follows:

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

C. There was no impairment on investments accounted for under the equity method for the years ended December 31, 2020 and 2019.

D. The Company 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 Company has no current ability to direct the relevant activities of WT, the Company has no control, but only has significant influence, over the investee.

E. Details of the Company's subsidiaries are provided in Note 4(3) in the Company's 2020 consolidated financial statements.

(5) Property, plant and equipment

	<u>Land</u>	<u>Buildings and structures</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Construction in progress and equipment to be tested</u>	<u>Total</u>
<u>Cost</u>						
At January 1, 2020	\$ -	\$ -	\$ 104,365	\$ 15,506	\$ 1,410,680	\$ 1,530,551
Additions	10,093	20,256	107,254	-	5,396,447	5,534,050
Disposals	-	-	( 15,215)	( 14,460)	-	( 29,675)
Transfer	4,296,037	2,469,372	41,718	-	( 6,807,127)	-
At December 31, 2020	<u>\$ 4,306,130</u>	<u>\$ 2,489,628</u>	<u>\$ 238,122</u>	<u>\$ 1,046</u>	<u>\$ -</u>	<u>\$ 7,034,926</u>
<u>Accumulated depreciation and impairment</u>						
At January 1, 2020	\$ -	\$ -	\$ 88,034	\$ 14,983	\$ -	\$ 103,017
Depreciation charge	-	17,752	11,731	510	-	29,993
Disposals	-	-	( 15,174)	( 14,460)	-	( 29,634)
At December 31, 2020	<u>\$ -</u>	<u>\$ 17,752</u>	<u>\$ 84,591</u>	<u>\$ 1,033</u>	<u>\$ -</u>	<u>\$ 103,376</u>
Closing net book amount as at December 31, 2020	<u>\$ 4,306,130</u>	<u>\$ 2,471,876</u>	<u>\$ 153,531</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 6,931,550</u>
	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Construction in progress and equipment to be tested</u>		<u>Total</u>	
<u>Cost</u>						
At January 1, 2019	\$ 104,365	\$ 15,506	\$ 1,152,522	\$ -	\$ 1,272,393	
Additions	-	-	258,158	-	258,158	
At December 31, 2019	<u>\$ 104,365</u>	<u>\$ 15,506</u>	<u>\$ 1,410,680</u>	<u>\$ -</u>	<u>\$ 1,530,551</u>	
<u>Accumulated depreciation and impairment</u>						
At January 1, 2019	\$ 79,062	\$ 11,338	\$ -	\$ -	\$ 90,400	
Depreciation charge	8,972	3,645	-	-	12,617	
At December 31, 2019	<u>\$ 88,034</u>	<u>\$ 14,983</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,017</u>	
Closing net book amount as at December 31, 2019	<u>\$ 16,331</u>	<u>\$ 523</u>	<u>\$ 1,410,680</u>	<u>\$ -</u>	<u>\$ 1,427,534</u>	

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. No property, plant and equipment was pledged to others as collateral.

(6) Leasing arrangements-lessee

A. The Company leases various assets including business vehicles, multifunction printers and engine room. Rental contracts are made for periods of 2 to 4 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:

	Transportation equipment (Business vehicles)	Office equipment (multifunction printers and engine room)	Other (parking space)	Total
<u>Cost</u>				
At January 1, 2020	\$ 6,206	\$ 16,656	\$ -	\$ 22,862
Additions	-	-	15,584	15,584
At December 31, 2020	<u>\$ 6,206</u>	<u>\$ 16,656</u>	<u>\$ 15,584</u>	<u>\$ 38,446</u>

	Transportation equipment (Business vehicles)	Office equipment (multifunction printers and engine room)	Other (parking space)	Total
<u>Accumulated depreciation</u>				
At January 1, 2020	\$ 2,031	\$ 5,012	\$ -	\$ 7,043
Depreciation charge	2,031	5,012	1,299	8,342
At December 31, 2020	<u>\$ 4,062</u>	<u>\$ 10,024</u>	<u>\$ 1,299</u>	<u>\$ 15,385</u>
Closing net book amount as at December 31, 2020	<u>\$ 2,144</u>	<u>\$ 6,632</u>	<u>\$ 14,285</u>	<u>\$ 23,061</u>

	Transportation equipment (Business vehicles)	Office equipment (multifunction printers and engine room)	Total
<u>Cost</u>			
At January 1, 2019	\$ -	\$ -	\$ -
Modified retrospective adjustments under IFRS 16	6,206	15,749	21,955
Additions	-	907	907
At December 31, 2019	<u>\$ 6,206</u>	<u>\$ 16,656</u>	<u>\$ 22,862</u>
<u>Accumulated depreciation</u>			
At January 1, 2019	\$ -	\$ -	\$ -
Depreciation charge	2,031	5,012	7,043
At December 31, 2019	<u>\$ 2,031</u>	<u>\$ 5,012</u>	<u>\$ 7,043</u>
Closing net book amount as at December 31, 2019	<u>\$ 4,175</u>	<u>\$ 11,644</u>	<u>\$ 15,819</u>

C. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets were \$15,584 and \$907, respectively.

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

	Year ended	
	December 31, 2020	December 31, 2019
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 310	\$ 365
Expense on short-term lease contracts	139	288

E. For the years ended December 31, 2020 and 2019, the Company's total cash outflow for leases were \$8,706 and \$7,612, respectively.

(7) Investment property

	Land	Buildings and structures	Total
<u>Cost</u>			
At January 1, 2020	\$ 541,428	\$ 213,511	\$ 754,939
Additions	-	-	-
At December 31, 2020	<u>\$ 541,428</u>	<u>\$ 213,511</u>	<u>\$ 754,939</u>

Accumulated depreciation

At January 1, 2020	\$ -	\$ 45,134	\$ 45,134
Depreciation charge	-	5,473	5,473
At December 31, 2020	<u>\$ -</u>	<u>\$ 50,607</u>	<u>\$ 50,607</u>

Closing net book amount as at December 31, 2020

	\$ 541,428	\$ 162,904	\$ 704,332
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	Land	Buildings and structures	Total
<u>Cost</u>			
At January 1, 2019	\$ 541,428	\$ 213,384	\$ 754,812
Additions	-	127	127
At December 31, 2019	<u>\$ 541,428</u>	<u>\$ 213,511</u>	<u>\$ 754,939</u>

Accumulated depreciation

At January 1, 2019	\$ -	\$ 39,661	\$ 39,661
Depreciation charge	-	5,473	5,473
At December 31, 2019	<u>\$ -</u>	<u>\$ 45,134</u>	<u>\$ 45,134</u>

Closing net book amount as at December 31, 2019

	\$ 541,428	\$ 168,377	\$ 709,805
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A. Rental income from the lease of the 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 income from the investment property (shown as “other income”)	\$ 19,171	\$ 19,171
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 9,217</u>	<u>\$ 10,137</u>

B. The fair value of the investment property held by the Company as at December 31, 2020 and 2019 was \$915,300 and \$833,500, respectively. The fair value as of December 31, 2020 and 2019 was based on independent appraisers’ valuation. Valuations were made using the income approach falling under Level 3 fair value. The key assumptions are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Discount rate	2.1%~2.2%	2.35%~2.5%
Growth rate	-	-

C. There is no impairment loss on investment property.

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

E. All of the Company’s investment property are leased to subsidiaries. The leasing period is from March 2012 to March 2022. Except for the aforementioned leasing transactions, there was no similar transactions to compare with. The prices and terms are determined in accordance with mutual agreement. Rent is collected monthly.

(8) Intangible assets

	<u>Software</u>	
	<u>2020</u>	<u>2019</u>
<u>Cost</u>		
At January 1	\$ 140,969	\$ 125,067
Additions	144,764	15,902
Disposals	<u>( 15,470)</u>	<u>-</u>
At December 31	<u>\$ 270,263</u>	<u>\$ 140,969</u>
<u>Accumulated amortization</u>		
At January 1	\$ 125,550	\$ 117,376
Amortization charge	50,610	8,174
Disposals	<u>( 15,470)</u>	<u>-</u>
At December 31	<u>\$ 160,690</u>	<u>\$ 125,550</u>
<u>At December 31</u>		
Closing net book amount as at December 31	<u>\$ 109,573</u>	<u>\$ 15,419</u>

The details of amortization charge are as follows:

	Years ended December 31,	
	2020	2019
Operating costs	\$ 50,610	\$ 8,174

(9) Prepayments for investments

	December 31, 2020	December 31, 2019
Prepayments for investments	\$ -	\$ 8,111,638

On November 12, 2019, the Board of Directors of the Company resolved to publicly acquire the common stocks of WT Microelectronics Co., Ltd. (WT). The public acquisition period was terminated on January 30, 2020, the numbers of stock acquired were 177,110,000 at 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’.

(10) Short-term borrowings

Type of borrowings	December 31, 2020	December 31, 2019
Unsecured borrowings	\$ 4,450,000	\$ 7,200,000
Interest rate range	<u>0.89%~1.1%</u>	<u>0.98%~1.31%</u>

There was no collateral pledged for all types of short-term borrowings for all periods.

(11) Short-term notes and bills payable

	December 31, 2020	December 31, 2019
Commercial papers payable	\$ 1,200,000	\$ 1,000,000
Less: Unamortized discount	( 579 )	( 1,013 )
	<u>\$ 1,199,421</u>	<u>\$ 998,987</u>
Annual interest rates	<u>0.23%~0.8%</u>	<u>0.5%~1.04%</u>

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

(12) Long-term borrowings

Type	Period	December 31, 2020
Secured bank borrowings (Note 1)	2020/03/31~2040/04/30	\$ 5,560,000
Unsecured bank borrowings (Notes 2 and 3)	2020/03/10~2025/12/31	3,460,504
Less: Current portion of long-term loan (Shown as other ‘current liabilities’)		<u>( 90,858 )</u>
		<u>\$ 8,929,646</u>
		<u>1.15%~1.43%</u>

The Company has no long-term borrowing as of December 31, 2019.

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 should 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 is the index rate plus 0.45%. Details of collateral for the long-term borrowings are provided in Note 8.

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. The principal should be repaid in equal monthly installments starting from October 2020.

### (13) Pensions

#### A. Defined benefit plan

(a) The Company has 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 contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned 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 will make contribution for the deficit by next March.

Effective January 1, 2010, the Company has funded defined benefit pension plan 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 obligation	\$ 58,392	\$ 52,269
Fair value of plan assets	( 16,801)	( 15,247)
Net defined benefit liability (shown as 'other non-current liabilities')	<u>\$ 41,591</u>	<u>\$ 37,022</u>

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

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>Year ended December 31, 2020</u>			
Balance at January 1	\$ 52,269	( \$ 15,247)	\$ 37,022
Current service cost	1,348	-	1,348
Interest expense (income)	<u>366</u>	( <u>106</u> )	<u>260</u>
	<u>53,983</u>	( <u>15,353</u> )	<u>38,630</u>
Remeasurements:			
Return on plan assets	- ( 495)	( 495)	( 495)
Change in financial assumptions	3,465	-	3,465
Experience adjustments	<u>944</u>	<u>-</u>	<u>944</u>
	<u>4,409</u>	( <u>495</u> )	<u>3,914</u>
Pension fund contribution	- ( 953)	( 953)	( 953)
	<u>-</u>	( <u>953</u> )	( <u>953</u> )
Balance at December 31	<u>\$ 58,392</u>	<u>( \$ 16,801)</u>	<u>\$ 41,591</u>
 <u>Year ended December 31, 2019</u>			
Balance at January 1	\$ 48,389	( \$ 12,289)	\$ 36,100
Current service cost	1,420	-	1,420
Interest expense (income)	<u>484</u>	( <u>123</u> )	<u>361</u>
	<u>50,293</u>	( <u>12,412</u> )	<u>37,881</u>
Remeasurements:			
Return on plan assets	- ( 410)	( 410)	( 410)
Change in financial assumptions	2,583	-	2,583
Experience adjustments	( <u>471</u> )	<u>-</u>	( <u>471</u> )
	<u>2,112</u>	( <u>410</u> )	<u>1,702</u>
Direct payments charged to Company's account	( 136)	-	( 136)
Pension fund contribution	- ( 2,425)	( 2,425)	( 2,425)
	<u>( 136)</u>	( <u>2,425</u> )	( <u>2,561</u> )
Balance at December 31	<u>\$ 52,269</u>	<u>( \$ 15,247)</u>	<u>\$ 37,022</u>

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

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

	Years ended December 31,	
	2020	2019
Discount rate	0.30%	0.70%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience by 5<sup>th</sup> 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				
	(\$ 8,752)	\$ 9,056	\$ 6,232	(\$ 6,068)

December 31, 2019

Effect on present value of defined benefit obligation	(\$ 8,640)	\$ 8,960	\$ 6,184	(\$ 6,008)
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The sensitivity analysis above was arrived at 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 plan of the Company for the year ending December 31, 2021 are \$944.
- (g) As of December 31, 2020, the weighted average duration of that retirement plan is 10 years.

B. Defined contribution plan

- (a) Effective July 1, 2005, the Company has 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 contributes 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) The pension costs of the Company under the defined contribution pension plan for the years ended December 31, 2020 and 2019 were \$9,192 and \$8,659, respectively.

(14) 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 certificate, 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 amount 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 case to increase its capital by issuing series B preference shares. And the application for cancellation had not yet approved by FSC.

**(15) 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 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 under 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 under 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>

(16) Retained earnings

A. Under the Company's amended 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. The appropriations of earnings for 2019 and 2018 had been resolved at the stockholders' meeting on June 24, 2020 and June 28, 2019, respectively. Details are summarized below:

	Year ended December 31, 2019		Year ended December 31, 2018	
	Amount	Dividend per share	Amount	Dividend per share
		(in dollars)		(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 as 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(24).

(17) Other equity items

	2020		
	Investment measured at fair value through other comprehensive income	Currency translation	Total
At January 1	(\$ 6,000)	(\$ 5,414,694)	(\$ 5,420,694)
Revaluation-gross	56,066	-	56,066
Revaluation- associates	1,834,329	-	1,834,329
Revaluation transferred to retained earnings-associates	( 30,024)	- (	30,024)
Cumulative translation differences:			
- Group	- ( 4,911,792)	( 4,911,792)	
- Tax on Group	- 5,142	5,142	
- Associates	( 365,821)	( 365,821)	
At December 31	<u>\$ 1,854,371</u>	<u>(\$ 10,687,165)</u>	<u>(\$ 8,832,794)</u>
	2019		
	Investment measured at fair value through other comprehensive income	Currency translation	Total
At January 1	(\$ 6,000)	(\$ 2,596,682)	(\$ 2,602,682)
Cumulative translation differences:			
- Group	- ( 2,821,445)	( 2,821,445)	
- Tax on Group	- 3,433	3,433	
At December 31	<u>(\$ 6,000)</u>	<u>(\$ 5,414,694)</u>	<u>(\$ 5,420,694)</u>

(18) Operating revenue

	Years ended December 31,	
	2020	2019
Investment revenues	\$ 8,049,744	\$ 6,580,682
Service revenue	1,023,087	803,849
	<u>\$ 9,072,831</u>	<u>\$ 7,384,531</u>

(19) Interest income

	Years ended December 31,	
	2020	2019
Interest income from bank deposits	\$ 478	\$ 1,208
Others	55	55
	<u><u>\$ 533</u></u>	<u><u>\$ 1,263</u></u>

(20) Other income

	Years ended December 31,	
	2020	2019
Dividend income	\$ 22,021	\$ 4,128
Rental revenue	19,171	19,171
Other income	3,500	1,565
	<u><u>\$ 44,692</u></u>	<u><u>\$ 24,864</u></u>

(21) Other gains and losses

	Years ended December 31,	
	2020	2019
Currency exchange gain	\$ 279	\$ 429
Direct operating expenses arising from the investment property	( 9,217)	( 10,137)
Gains on financial assets at fair value through profit or loss	6,856	12,602
Loss on disposal of investments	( 17,447)	-
Other losses	( 22)	( 10)
	<u><u>(\$ 19,551)</u></u>	<u><u>\$ 2,884</u></u>

(22) Finance costs

	Years ended December 31,	
	2020	2019
Interest expense:		
Bank borrowings	\$ 137,143	\$ 32,680
Less: Capitalization of qualifying assets	( 30,812)	( 9,401)
Others	4,793	2,887
	<u><u>\$ 111,124</u></u>	<u><u>\$ 26,166</u></u>

(23) Additional information on expenses by nature

	Years ended December 31,	
	2020	2019
Employee benefit expense	<u><u>\$ 481,727</u></u>	<u><u>\$ 442,817</u></u>
Depreciation charges		
Property, plant and equipment	\$ 29,993	\$ 12,617
Investment property	5,473	5,473
Right-of-use assets	8,342	7,043
	<u><u>\$ 43,808</u></u>	<u><u>\$ 25,133</u></u>
Amortization charges on intangible assets	<u><u>\$ 50,610</u></u>	<u><u>\$ 8,174</u></u>

(24) Employee benefit expense

	Years ended December 31,	
	2020	2019
Wages and salaries	\$ 386,273	\$ 357,550
Labor and health insurance fees	19,174	20,640
Pension costs	10,800	10,440
Directors' remuneration	47,825	35,000
Other personnel expenses	<u>17,655</u>	<u>19,187</u>
	<u><u>\$ 481,727</u></u>	<u><u>\$ 442,817</u></u>

- 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 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 acted their owned responsibilities on behalf of the Company no matter whether the Company had operating deficits. The determination of the reward to directors was authorised to the Board of Directors based on their participation frequency in the Company's operation and contribution to the Company's operation 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, if any, shall be distributed as directors' remuneration under the Company's Articles of Incorporation. Managers' salary has highly relevant with the Company's operating result and performance. Managers' salary 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 are served 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 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.

(25) 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	\$ 12,403	\$ 14,187
Tax on undistributed surplus earnings	-	177,176
Prior year income tax (over) underestimation	( 51,345)	5,189
Total current tax	( 38,942)	196,552
Deferred tax		
Origination and reversal of temporary differences	( 2,795)	5,009
Total deferred tax	( 2,795)	5,009
Income tax (benefit) expense	<u>(\$ 41,737)</u>	<u>\$ 201,561</u>

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

	Years ended December 31,	
	2020	2019
Currency translation differences	(\$ 5,142)	(\$ 3,433)
Remeasurement of defined benefit obligation	( 783)	( 339)
	<u><u>(\$ 5,925)</u></u>	<u><u>(\$ 3,772)</u></u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2020	2019
Tax calculated based on profit before tax and statutory tax rate	\$ 1,616,324	\$ 1,330,993
Effects from items disallowed by tax regulation	( 1,606,716)	( 1,311,797)
Prior year income tax (over) underestimation	( 51,345)	5,189
Tax on undistributed surplus earnings	-	177,176
Tax (benefit) expense	<u><u>(\$ 41,737)</u></u>	<u><u>\$ 201,561</u></u>

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

	Year ended December 31, 2020			
	Recognized			
	January 1	Recognized in profit or loss	in other comprehensive income	December 31
<b>Temporary differences:</b>				
-Deferred tax assets:				
Investment loss	\$ -	\$ 3,470	\$ -	\$ 3,470
Pension	4,473	( 147)	783	5,109
Currency translation adjustments	<u><u>10,964</u></u>	<u><u>-</u></u>	<u><u>5,142</u></u>	<u><u>16,106</u></u>
	<u><u>15,437</u></u>	<u><u>3,323</u></u>	<u><u>5,925</u></u>	<u><u>24,685</u></u>
-Deferred tax liabilities:				
Investment income	( 75,306)	895	-	( 74,411)
Unrealized gains on valuation of foreign listed stocks	( 3,107)	( 1,423)	-	( 4,530)
	<u><u>( 78,413)</u></u>	<u><u>( 528)</u></u>	<u><u>-</u></u>	<u><u>( 78,941)</u></u>
	<u><u>(\$ 62,976)</u></u>	<u><u>\$ 2,795</u></u>	<u><u>\$ 5,925</u></u>	<u><u>(\$ 54,256)</u></u>

	Year ended December 31, 2019			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	
			December 31	
Temporary differences:				
-Deferred tax assets:				
Pension	\$ 4,603	(\$ 469)	\$ 339	\$ 4,473
Currency translation adjustments	<u>7,531</u>	<u>-</u>	<u>3,433</u>	<u>10,964</u>
	<u>12,134</u>	<u>( 469)</u>	<u>3,772</u>	<u>15,437</u>
-Deferred tax liabilities:				
Investment income	( 73,286)	( 2,020)	-	( 75,306)
Unrealized gains on valuation of foreign listed stocks	( 587)	( 2,520)	-	( 3,107)
	<u>( 73,873)</u>	<u>( 4,540)</u>	<u>-</u>	<u>( 78,413)</u>
	<u>( \$ 61,739)</u>	<u>( \$ 5,009)</u>	<u>\$ 3,772</u>	<u>( \$ 62,976)</u>

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

(26) Earnings per share

	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the Company (Note)	\$ 8,008,287	1,679,057	\$ 4.77
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the Company (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 Company 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 Company 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)
<b>Basic earnings per share</b>			
Profit attributable to ordinary shareholders of the Company	\$ 6,453,401	1,679,057	\$ 3.84
<b>Diluted earnings per share</b>			
Profit attributable to ordinary shareholders of the Company	\$ 6,453,401	1,679,057	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	908	
Profit attributable to ordinary shareholders of the Company plus assumed conversion of all dilutive potential ordinary shares	\$ 6,453,401	1,679,965	\$ 3.84

**(27) Supplemental cash flow information**

Partial payment of cash from investing activities:

	Years ended December 31,	
	2020	2019
Acquisition of property, plant and equipment, investment property and intangible assets	\$ 5,678,814	\$ 274,187
Add: Accounts payable at the beginning of the year	-	1,551
Prepayments for business facilities at the end of the year	-	70,832
Less: Accounts payable at the end of year	( 102,232)	-
Prepayments for business facilities at the beginning of the year	( 70,832)	-
Cash paid during the year	\$ 5,505,750	\$ 346,570

**(28) Changes in liabilities from financing activities**

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings (Note)	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2020	\$ 7,200,000	\$ 998,987	\$ -	\$ 15,903	\$ 8,214,890
Changes in cash flow from financing activities	( 2,750,000)	200,434	9,020,504	( 8,257)	6,462,681
Others	-	-	-	15,150	15,150
At December 31, 2020	\$ 4,450,000	\$ 1,199,421	\$ 9,020,504	\$ 22,796	\$ 14,692,721

	Short-term borrowings	Short-term notes and <u>bills payable</u>	Long-term borrowings <u>(Note)</u>	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2019	\$ 1,995,000	\$ 619,593	\$ 409,199	\$ -	\$ 3,023,792
Modified retrospective adjustments under IFRS 16	-	-	-	21,955	21,955
Changes in cash flow from financing activities	5,205,000	379,394	( 409,199)	( 6,959)	5,168,236
Others	-	-	-	907	907
At December 31, 2019	<u>\$ 7,200,000</u>	<u>\$ 998,987</u>	<u>\$ -</u>	<u>\$ 15,903</u>	<u>\$ 8,214,890</u>

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

## 7. RELATED PARTY TRANSACTIONS

### (1) Parent and ultimate controlling party

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

### (2) Name of related parties and relationship

Names of related parties	Relationship with the Company
World Peace Industrial Co., Ltd. (World Peace Industrial)	Subsidiary
Silicon Application Corporation (Silicon Application)	"
Asian Information Technology Inc. (Asian Information Technology)	"
WPG International (CI) Limited	"
WPG Electronic Ltd.	"
WPG Electronics (Hong Kong) Limited	"
WPG China (SZ) Inc. (China (SZ))	"
WPG China Inc.	"
WPG Korea Co., Ltd.	"
Yosun Industrial Corp. (Yosun Industrial)	"
Trigold Holdings Limited (Trigold)	"
WPG Investment Co., Ltd. (WPG Investment)	"
WPG South Asia Pte. Ltd.	"
AutoSys Co., Ltd.	Subsidiary accounted for under equity method of the Company's subsidiary
WPG Holdings Education Foundation	One third of paid-in-capital was granted by the Company

(3) Significant transactions and balances with related parties

A. Service revenue

	<u>Years ended December 31,</u>	
	2020	2019
Subsidiaries		
World Peace Industrial	\$ 553,738	\$ 445,048
Yosun Industrial	174,937	116,519
Silicon Application	135,140	117,708
Asian Information Technology	133,239	113,533
Others	26,033	11,041
	<u>\$ 1,023,087</u>	<u>\$ 803,849</u>

Service revenue arose from providing administrative resources and managing services to subsidiaries. Prices and terms are determined in accordance with mutual agreement.

B. Service cost

	<u>Years ended December 31,</u>	
	2020	2019
Subsidiaries	<u>\$ 73,009</u>	<u>\$ 75,183</u>

Service cost pertains to payments paid to subsidiaries for administrative resources and management services for engine room use. Prices and terms are determined in accordance with mutual agreement, and cost is paid at the end of the following month.

C. Accounts receivable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries		
World Peace Industrial	\$ 57,015	\$ 67,345
Silicon Application	17,218	14,083
Yosun Industrial	34,261	9,531
Asian Information Technology	9,392	12,566
Others	5,283	1,497
	<u>\$ 123,169</u>	<u>\$ 105,022</u>

D. Other receivables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries		
World Peace Industrial	\$ 98,479	\$ 45,513
Asian Information Technology	100,684	46,315
Silicon Application	81,051	658,296
Yosun Industrial	58,750	50,907
Others	2,275	2,087
	<u>\$ 341,239</u>	<u>\$ 803,118</u>

Other receivables represent receipts under custody, payment on behalf of others and collections from subsidiaries for filing consolidated tax returns.

**E. Other payables**

(a) Financing:

	Year ended December 31, 2020				
	Maximum balance	Ending balance	Interest rate	Amount of interest	Ending balance of interest payable
Subsidiaries					
WPG Investment	\$ 125,000	\$ -	1.15%	\$ 532	\$ -
Year ended December 31, 2019					
	Maximum balance	Ending balance	Interest rate	Amount of interest	Ending balance of interest payable
Subsidiaries					
WPG Investment	\$ 125,000	\$ 125,000	1.15%	\$ 164	\$ 164

(b) Other payables:

	December 31, 2020	December 31, 2019
Subsidiaries		
China (SZ)	\$ 3,747	\$ 3,423
World Peace Industrial	1,843	1,952
Yosun Industrial	866	1,845
Others	1,346	1,418
	\$ 7,802	\$ 8,638

The above represents payables to subsidiaries arising from payments on behalf of others and management service.

**F. Lease transactions - lessor**

Please refer to Note 6(6) for details.

**G. Endorsements and guarantees provided to related parties**

	December 31, 2020	December 31, 2019
Subsidiaries		
World Peace Industrial	\$ 89,758	\$ 78,239

**H. Others**

- (a) For the years ended December 31, 2020 and 2019, the amount of the Company's donations to other related parties was \$6,730 and \$7,100, respectively.
- (b) To meet subsidiaries' operating requirements, the Company increased its capital in the subsidiaries, WPG Inrestrnent Co, Ltd. Amounting to \$1,600,000 for the year ended December 31, 2020 and World Peace Industrial, Silicon Application, Asian Information Technology and WPG International (CI) Limited amounting to \$2,500,000, \$1,000,000, \$800,000 and \$800,000 for the year ended December 31, 2019, respectively.

(4) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Short-term employee benefits	\$ 203,939	\$ 164,773
Post-employment benefits	1,389	1,429
	<u><b>\$ 205,328</b></u>	<u><b>\$ 166,202</b></u>

8. PLEDGED ASSETS

<u>Pledged asset</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>Purpose</u>
Investments accounted for under the equity method	\$ 89,758	\$ 78,239	Subsidiary's guarantee for payment on purchases
Property, plant and equipmtn (including investment property)			
– Land	4,839,796	533,666	Collateral for long-term borrowings
– Buildings	<u>2,618,468</u>	<u>151,934</u>	"
	<u><b>\$ 7,548,022</b></u>	<u><b>\$ 763,839</b></u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

- A. Information on endorsement/guarantee is provided in Note 7(3).
- B. 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	<u>\$ -</u>	<u>\$ 5,069,191</u>

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

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Please refer to Note 6(14) D.

12. OTHERS

(1) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital

structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or 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>
<b><u>Financial assets</u></b>		
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 610,915	\$ 594,615
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	1,594,081	-
Financial assets at amortized cost		
Cash and cash equivalents	40,435	1,983,588
Accounts receivable - related parties	123,169	105,022
Other receivables (including related parties)	341,295	803,174
Guarantee deposits paid	<u>12,696</u>	<u>10,045</u>
	<u>\$ 2,722,591</u>	<u>\$ 3,496,444</u>
<b><u>Financial liabilities</u></b>		
Financial liabilities at amortized cost		
Short-term borrowings	\$ 4,450,000	\$ 7,200,000
Short-term notes and bills payable	1,199,421	998,987
Notes payable	1,698	1,603
Accounts payable (including related parties)	429,097	422,731
Long-term borrowings (including current portion)	9,020,504	-
Guarantee deposits received	<u>1,200</u>	<u>-</u>
	<u>\$ 15,101,920</u>	<u>\$ 8,623,321</u>
Lease liabilities	<u>\$ 22,796</u>	<u>\$ 15,903</u>

B. Risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.
- (b) Risk management is carried out by the central treasury department (Company treasury) under policies approved by the Board of Directors. The Company treasury identifies,

evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and KRW. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.
- ii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

<u>December 31, 2020</u>			
Foreign currency	amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Non-monetary items</u>			
USD: NTD	\$ 205,300	28.48	\$ 5,846,935
KRW: NTD	17,980,250	0.026	470,660

<u>December 31, 2019</u>			
Foreign currency	amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Non-monetary items</u>			
USD: NTD	\$ 176,327	29.98	\$ 5,286,291
KRW: NTD	18,798,449	0.026	491,955

As of December 31, 2020 and 2019, there was no significant monetary financial assets and liabilities.

There was no foreign currency market risk arising from significant foreign

exchange variation.

Price risk

- i. The Company'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 Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company's investments in equity securities comprise shares in 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 \$6,109 and \$5,946, 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 \$15,941 and \$0, 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 risk

The Company's interest rate risk arises from short-term and long-term borrowings (including long-term liabilities due within a year) and short-term notes and bills payable. Borrowings and short-term notes payable issued at fixed rates expose the Company to fair value interest rate risk. The Company's borrowings were mainly in fixed rate. During the years ended December 31, 2020 and 2019, the Company's borrowings and commercial papers payable were mainly denominated in the NTD.

**(b) Credit risk**

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Company manages their credit risk taking into consideration the entire company's concern. For banks and financial institutions, only independently rated parties with good credit quality are accepted. According to the Company's credit policy, each local entity in the Company is responsible for managing and analyzing 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 over 5 months.
- v. For the year ended December 31, 2020, no credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company. The 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 Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans and covenant compliance.
- ii. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 4,454,337	\$ -	\$ -	\$ -
Short-term notes and bills payable	1,200,000	- -	- -	- -
Notes payable	1,698	- -	- -	- -
Other payables	421,295	- -	- -	- -
Other payables - related parties	7,802	- -	- -	- -
Lease liabilities	12,400	7,065	3,902	- -
Long-term borrowings (including current portion)	202,935	207,720	4,304,868	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	\$ 7,220,121	\$ -	\$ -	\$ -
Short-term notes and bills payable	1,000,000	-	-	-
Notes payable	1,603	-	-	-
Other payables	288,929	-	-	-
Other payables - related parties	133,802	-	-	-
Lease liabilities	7,267	7,198	1,863	-

**(3) Fair value information**

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

Level 1: Imput 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 condition: the item traded in market are homogeneous; willing buyers and sellers can normally be found at any time; and price are available to the public. The fair value of the Company's investment in listed stocks is included in Level 1.

Level 2: Inputs other than public 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).

Level 3: Inputs for the asset and liability that are not based on observable market data. The fair value of the Company'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(7).

C. The carrying amounts of financial instruments not measured at fair value including cash and cash equivalents, accounts receivable - related parties, other receivables (including related parties), other financial assets, guarantee deposits paid, short-term borrowings, short-term notes and bills payable, notes payable, other payables (including related parties), 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 of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

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

<u>December 31, 2020</u>	<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				
Equity securities	\$ 141,142	\$ -	\$ 469,773	\$ 610,915
Financial assets at fair value through other comprehensive income				
Equity securities	1,594,081	-	-	1,594,081
	<u>\$1,735,223</u>	<u>\$</u>	<u>469,773</u>	<u>\$2,204,996</u>

<u>December 31, 2019</u>	<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				
Equity securities	\$ 128,864	\$ -	\$ 465,751	\$ 594,615

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

- The instruments the Company 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 Company 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. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs. In accordance with the Company'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.

- v. The Company 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 Company's credit quality.
- E. For the years ended December 31, 2020 and 2019, there was no transfer from Level 1 to Level 2.
- F. Movements in Level 3 for the years ended December 31, 2020 and 2019 are as follows:

	Years ended December 31,	
	2020	2019
At January 1	\$ 465,751	\$ 431,094
Additions	26,910	57,323
Decrease in the period (Note)	( 17,466)	( 22,666)
Losses on valuation	( 5,442)	-
At December 31	<u>\$ 469,773</u>	<u>\$ 465,751</u>

Note: It refers to the investee reducing its capital in 2020 and 2019.

- G. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions and frequently reviewed.

Treasury segment set 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 authority monthly. Management is responsible for managing and reviewing valuation processes.

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

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

Equity without active market	\$ 469,773	Net asset value	Net asset value	- The higher the net assets, the higher the fair value
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Fair value at <u>December 31, 2019</u>	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
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Non-derivative equity instrument:

Equity without active market	\$ 465,751	Net asset value	Net asset value	- The higher the net assets, the higher the fair value
------------------------------	------------	-----------------	-----------------	--

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

		December 31, 2020			
		Recognized in profit or loss		Recognized in other comprehensive income	
		Favourable	Unfavourable	Favourable	Unfavourable
		Input	Change	Input	Change
Financial assets					
Equity instruments	Net asset value	± 1%	\$ 4,698	(\$ 4,698)	\$ -
December 31, 2019					
		December 31, 2019			
		Recognized in profit or loss		Recognized in other comprehensive income	
		Favourable	Unfavourable	Favourable	Unfavourable
		Input	Change	Input	Change
Financial assets					
Equity instruments	Net asset value	± 1%	\$ 4,658	\$ 4,658	\$ -

### 13. SUPPLEMENTARY DISCLOSURES

#### (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 sale of the same security with reaching \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- 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) and 12(3).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 8.

(2) Information of investee companies

Names, locations and other information of investee companies (not including 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.

14. OPERATING SEGMENT INFORMATION

In accordance with IFRS 8, operating segment information is disclosed in the consolidated financial statements.

WPG Holdings Limited  
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			Nature of loan (Note 8)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts			Limit on loans		Footnote	
					December 31, 2020	December 31, 2020	Actual amount drawn down				Item	Value	Granted to a single party	Collateral	Limit on loans granted		
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			Nature of loan (Note 8)	Amount of transactions with the borrower	Allowance		Limit on loans			Footnote		
					December 31, 2020	Balance at December 31, 2020	Actual amount drawn down			Reason for short-term financing	for doubtful accounts	Collateral Item	Value	Granted to a single party	Ceiling on total loans granted		
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			Nature of loan (Note 8)	Amount of transactions with the borrower	Allowance		Limit on loans			Ceiling on total loans granted	Footnote	
					December 31, 2020	Balance at December 31, 2020	Actual amount drawn down			Reason for short-term financing	for doubtful accounts	Item	Collateral Value	Granted to a single party			
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				Nature of loan (Note 8)	Amount of transactions with the borrower	Allowance			Limit on loans			Footnote
					Balance at December 31, 2020	Balance at December 31, 2020	Actual amount drawn down	Interest rate			Reason for short-term financing	for doubtful accounts	Collateral Item	Value	Granted to a single party	Ceiling on total loans granted	
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						Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts			Limit on loans granted to a single party			Footnote
					December 31, 2020	Balance at December 31, 2020	Actual amount drawn down	Interest rate	Nature of loan (Note 8)	Item			Item	Value	Collateral	Value	Party		
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 December 31, 2020	Actual amount drawn down	Interest rate	Nature of loan (Note 8)	Amount of transactions with the borrower	Allowance			Limit on loans			Footnote
					December 31, 2020	December 31, 2020	drawn down	Reason for short-term financing						Item	Collateral Value	Granted to a single party				
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  
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	Company name	Party being endorsed/guaranteed		Relationship with the endorser/ guarantor	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 subsidiary to parent company	Provision of endorsements/ guarantees by parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
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	Party being endorsed/guaranteed		Relationship with the endorser/guarantor	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		Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor		Ceiling on total amount of endorsements/guarantees provided by parent company to subsidiary	Provision of endorsements/guarantees by parent company	Provision of endorsements/guarantees by subsidiary to parent company	Provision of endorsements/guarantees to the party in Mainland China	Footnote
	Endorser/guarantor	Company name			2020	2020	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	company						
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

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)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2020				
				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	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2020				
				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

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)
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  
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	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
							who sold the real estate to the counterparty					
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
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
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

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  
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)

Purchaser/seller	Counterparty	Relationship with the counterparty	Differences in transaction terms compared to third party								Notes/accounts receivable (payable)		
			Transaction				transactions						
			Purchases (sales)		Percentage of total purchases (sales)		Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote	
Purchaser/seller	Counterparty	Relationship with the counterparty	Sales	(\$	553,738)	(	54.12)	Note 5	Note 5	Note 5	\$	57,015	46.29
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Parent company											
"	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

Purchaser/seller	Counterparty	Relationship with the counterparty	Differences in transaction terms compared to third party transactions								Notes/accounts receivable (payable)	
			Transaction				Transactions				Notes/accounts receivable (payable)	
			Purchases (sales)	Amount (\$)	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance \$	Percentage of total notes/accounts receivable (payable)	Footnote	
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		

Purchaser/seller	Counterparty	Relationship with the counterparty	Differences in transaction terms compared to third party transactions								Notes/accounts receivable (payable)	
			Transaction				Transactions				Balance	Percentage of total notes/accounts receivable (payable)
			Purchases (sales)	Amount (\$)	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Note 2	Footnote		
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		

Purchaser/seller	Counterparty	Relationship with the counterparty	Differences in transaction terms compared to third party transactions								Notes/accounts receivable (payable)	
			Transaction				Transactions				Notes/accounts receivable (payable)	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote	
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  
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	Overdue receivables				Action taken	Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts			
			Balance as at December 31, 2020		Turnover rate (Note 2)	Amount						
			(Note 1)									
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	Overdue receivables				Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts		
			Balance as at December 31, 2020		Turnover rate (Note 2)	Amount				
			(Note 1)							
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	Overdue receivables				Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
			Balance as at December 31, 2020		Turnover rate	Amount		
			(Note 1)	(Note 2)	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  
 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		
				Sales	\$	Note 5		
3	WPI International (Hong Kong) Limited	WPG SCM Limited	3		978,321			0.16
3	WPI International (Hong Kong) Limited	WPG Korea Co., Ltd.	3	"	2,071,930			0.34
3	WPI International (Hong Kong) Limited	Peng Yu International Limited	3	"	140,373			0.02
5	Longview Technology Inc.	World Peace Industrial Co., Ltd.	3	"	197,757			0.03
7	Silicon Application corp.	Pernas Electronics Co., Ltd.	3	"	468,345			0.08
7	Silicon Application corp.	WPG Electronics (HK) Limited	3	"	4,421,725			0.73
7	Silicon Application corp.	WPG China (SZ) Inc.	3	"	1,223,630			0.20
7	Silicon Application corp.	WPG China Inc.	3	"	234,857			0.04
8	Pernas Electronics Co., Ltd.	Silicon Application corp.	3	"	721,566			0.12
8	Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	3	"	422,545			0.07
9	Everwiner Enterprise Co., Ltd.	Silicon Application corp.	3	"	426,734			0.07
9	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	1,644,611			0.27
10	Asian Information Technology Inc.	World Peace International (South Asia) Pte Ltd.	3	"	118,770			0.02
10	Asian Information Technology Inc.	Frontek Technology Corporation	3	"	4,312,185			0.71
10	Asian Information Technology Inc.	Apache Communication Inc.	3	"	1,151,427			0.19
10	Asian Information Technology Inc.	WPG Electronics (HK) Limited	3	"	105,618			0.02
10	Asian Information Technology Inc.	WPG China (SZ) Inc.	3	"	232,221			0.04
11	Henshen Electric Trading Co.,Ltd.	Asian Information Technology Inc.	3	"	124,002			0.02
11	Henshen Electric Trading Co.,Ltd.	Frontek Technology Corporation	3	"	351,102			0.06
12	Frontek Technology Corporation	Asian Information Technology Inc.	3	"	3,350,636			0.55
12	Frontek Technology Corporation	Gather Technology Incorporation Limited	3	"	100,113			0.02
12	Frontek Technology Corporation	WPG Electronics (HK) Limited	3	"	522,069			0.09
12	Frontek Technology Corporation	WPG China Inc.	3	"	164,238			0.03
13	Apache Communication Inc.	Asian Information Technology Inc.	3	"	630,026			0.10
13	Apache Communication Inc.	Frontek Technology Corporation	3	"	117,997			0.02
15	WPG Electronics (HK) Limited	World Peace Industrial Co., Ltd.	3	"	5,751,389			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		
				Sales	\$	Note 5		
15	WPG Electronics (HK) Limited	WPI International (Hong Kong) Limited	3		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	

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	
				Accounts receivable	"	892,491	Note 5	
21	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3					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	AEKO 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)	General ledger account	\$	Amount	Transaction		Percentage of consolidated total operating revenues or total assets (Note 3)
							Transaction terms		
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  
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			Investment income (loss) recognized by the Company for the year ended December 31, 2020		
				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	31, 2020	(Note 1)
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			Investment income (loss) recognized by the Company for the year ended December 31, 2020		
				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	31, 2020 (Note 1)	Footnote
World Peace Industrial Co., Ltd.	Chainpower Technology Corp.	Taiwan	Agent and sales of electronic/ eletrical components	\$ 66,261	\$ 66,261	9,781,452	39.00	\$ 165,518	\$ 104,885	\$ -	Footnote 2 and 3
World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	Taiwan	Agent and sales of electronic/ eletrical 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/ eletrical 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/ eletrical 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/ eletrical 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				Net profit (loss) of the investee for the year ended December 31, 2020 (Note 1)	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							
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	\$ 126,790	-	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			-	Note 2 and 5			
Yosun Industrial Corp.	Pan-World Control Technologies, 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 Control Technologies, 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			Investment income (loss) recognized by the Company for the year ended December 31, 2020					
						Balance as at December 31, 2019		Ownership (%)	Net profit (loss) of the investee for the year ended December 31, 2020					
				2020	\$ 79,999	2019	\$ 79,999	Number of shares	100.00	\$ 2,018	(\$ 8,256)	\$	-	Footnote
Genuine C&C Inc.	Hoban Inc.	Taiwan	An E-commerce company which operates B2C and O2O businesses					8,000,000	100.00	\$ 2,018	(\$ 8,256)	\$	-	Footnote
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		-	Footnote
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		-	Footnote

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  
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	-	
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	-	
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 (Note1)	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 January 1, 2020	Remitted to Mainland China	Remitted back to Taiwan	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 (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2020		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
				2020	2020							(Note 3)	2020 (Note 6)			
LaaS (Dongguan) Supply Chain Management Limited	Supply chain management, design and related businesses.	\$ 1,139,200	1	\$ -	\$ 1,139,200	\$ -	\$ 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  
 Major shareholders information  
 December 31, 2020

Table 11

Name of major shareholders	Number of shares held	Shares	
			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.

WPG HOLDINGS LIMITED  
DETAILS OF CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Statement 1

Items	Summary	Amount
Checking accounts and demand deposits		\$ 21,927
Foreign currency deposits	USD \$164,551.76 dollars, exchange rate: 28.48 JPY \$50,025,000 dollars, exchange rate: 0.2763	4,686
		13,822
		\$ 40,435

**WPG HOLDINGS LIMITED**  
**MOVEMENT SUMMARY OF INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD**  
**YEAR ENDED DECEMBER 31, 2020**  
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Statement 2

Investee	Type of investments	As of January 1, 2020		Additions (Note 2)		Deductions (Note 4)		As of December 31, 2020		Ownership as of December 31, 2020	Market value or net equity		
		No. of shares (Note 1)	Amount	No. of shares (Note 1)	Amount	No. of shares (Note 1)	Amount	No. of shares (Note 1)	Amount		Unit price (Note 3)	Net equity	Guarantee
World Peace Industrial Co., Ltd.	Common stock	1,502,700	\$ 26,017,736	89,800	\$ 3,318,088	-	(\$ 4,410,811)	1,592,500	\$ 24,925,013	100%	\$ 15.66	\$ 24,937,432	None
Silicon Application Corp.	Common stock	555,000	7,074,395	24,000	1,079,540	-	( 865,877)	579,000	7,288,058	100%	12.59	7,288,058	None
Trigold Holdings Limited	Common stock	48,139	738,954	-	129,897	-	( 57,398)	48,139	811,453	60.5%	16.06	773,169	None
WPG Electronic Ltd.	Common stock	3,920	50,370	-	17,011	-	( 7,073)	3,920	60,308	100%	15.31	60,004	None
WPG Korea Co., Ltd.	Common stock	1,088	491,955	-	-	-	( 21,295)	1,088	470,660	100%	432.59	470,660	None
WPG International (CI) Limited	Common stock	150,283	5,286,291	-	614,911	-	( 54,267)	150,283	5,846,935	100%	38.91	5,846,935	None
Asian Information Technology Inc.	Common stock	500,000	6,178,954	30,000	1,137,995	-	( 1,614,257)	530,000	5,702,692	100%	10.76	5,702,692	None
WPG Investment Co., Ltd.	Common stock	50,000	434,708	160,000	1,661,519	-	( 1,632)	210,000	2,094,595	100%	9.97	2,094,595	Please refer to Note 8
Yosun Industrial Corp.	Common stock	362,074	12,581,042	-	938,973	-	( 1,600,830)	362,074	11,919,185	100%	22.55	8,164,951	None
WT Microelectronics Co., Ltd.	Common stock	-	-	177,110	<u>12,119,123</u>	-	( <u>753,172</u> )	177,110	<u>11,365,951</u>	22.47%	58.36	10,336,072	None
			<u>\$ 58,854,405</u>		<u>\$ 21,017,057</u>		( <u>\$ 9,386,612</u> )		<u>\$ 70,484,850</u>				

Note 1: In thousands of shares.

Note 2: It mainly arose from new investments, loss (gain) on investments accounted for under equity method, cumulative translation adjustment, capital increase of subsidiary, increase in the number of shares from capital increase out of the subsidiary's earnings and accounts changes under the stockholders' equity of the subsidiary.

Note 3: Currency: NTD.

Note 4: It arose from loss (gain) on investments accounted for under equity method, cash dividends paid by the subsidiaries, cumulative translation adjustment and accounts changes under the stockholders' equity of the subsidiary.

**WPG HOLDINGS LIMITED**  
**SUMMARY OF SHORT-TERM LOANS**  
**DECEMBER 31, 2020**  
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Statement 3

Type of loans	Description	Ending balance	Loan period	Interest rate range	Pledge /collateral	Remark
Unsecured loans	First Commercial Bank	\$ 300,000	December 18, 2020~January 29, 2021	0.95%	None	
"	Land Bank of Taiwan	600,000	November 6, 2020~February 4, 2021	0.95%	"	
"	Mizuho Bank	1,500,000	November 23, 2020~February 26, 2021	0.89%	"	
"	Bank of Taiwan	700,000	November 23, 2020~March 17, 2021	0.98%	"	
"	Bank SinoPac	300,000	December 4, 2020~January 29, 2021	1.00%	"	
"	E. SUN Commercial Bank	200,000	December 25, 2020~January 22, 2021	0.95%	"	
"	Mega International				"	
	Commercial Bank	300,000	November 23, 2020~February 19, 2021	0.90%	"	
"	Cathay United Bank	200,000	December 4, 2020~January 4, 2021	0.95%	"	
"	Chang Hwa Bank	<u>350,000</u>	December 30, 2020~January 6, 2021	1.10%	"	
		<u><u>\$ 4,450,000</u></u>				

**WPG HOLDINGS LIMITED**  
**DETAILS OF LONG-TERM BORROWINGS**  
**DECEMBER 31, 2020**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

Statement 4

<u>Creditor</u>	<u>Summary</u>	<u>Ending balance</u>	<u>Contract period</u>	<u>Interest rate range</u>	<u>Pledge /collateral</u>
Mizuho Bank	Unsecured bank borrowings	\$ 3,000,000	March 10, 2020～March 10, 2023	1.43%	None
Chang Hwa Bank	"	460,504	September 30, 2020～December 31, 2025	1.26%	"
Chang Hwa Bank	Secured bank borrowings	5,560,000 9,020,504	March 31, 2020～April 30, 2040	1.15%	Land and structures
Less: Current portion of long-term borrowings		( 90,858)			
		<u>\$ 8,929,646</u>			

**WPG HOLDINGS LIMITED**  
**SUMMARY OF OPERATING COST**  
**YEAR ENDED DECEMBER 31, 2020**  
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Statement 5

Items	Amount	Remark
Salaries expense	\$ 386,273	
Service fees	103,738	
Management service fee	72,921	
Amortization expense	50,610	
Directors' remuneration	47,825	
Other expenses	<u>244,396</u>	Balance of individual accounts is under 5% of this account's balance.
	<u>\$ 905,763</u>	

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**WPG HOLDINGS LIMITED**  
**SUMMARY OF EMPLOYEE BENEFIT EXPENSE,**  
**DEPRECIATION AND AMORTISATION**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

Statement 6

	<u>Operating cost</u>	
	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Employee benefit expense		
Wages and salaries	\$ 386,273	\$ 357,550
Labor and health insurance fees	19,174	20,640
Pension costs	10,800	10,440
Directors' remuneration	47,825	35,000
Other personnel expenses	<u>17,655</u>	<u>19,187</u>
	<u>\$ 481,727</u>	<u>\$ 442,817</u>
Depreciation (including investment property and right-of-use assets)	<u>\$ 43,808</u>	<u>\$ 25,133</u>
Amortization	<u>\$ 50,610</u>	<u>\$ 8,174</u>

Note:

1. As at December 31, 2020 and 2019, the Company had 245 and 232 employees, including 8 and 9 non-employee directors, respectively.
2. Average employee benefit expense in current year was \$1,831; average employee benefit expense in previous year was \$1,829.
3. Average employees salaries in current year was \$1,630; average employees salaries in previous year was \$1,603.
4. Adjustments of average employees salaries was 1.68%.
5. Please refer to Note 6(24) C. for the Company's salary and remuneration policy.

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## 7. Analysis and Risk Items of Financial Status and Financial Performance

### 7.1 Financial Status

#### 7.1.1 Consolidated Financial Status Comparison and Analysis

Unit: NT\$ thousands

Item	Year	2020	2019	Difference	
		Amount	%		
Current Assets	198,011,363	205,966,261	(7,954,898)	(3.86)	
Cash and Cash Equivalents	11,020,020	9,992,582	1,027,438	10.28	
Notes and Accounts Receivable	111,609,896	112,731,471	(1,121,575)	(0.99)	
Other Receivables	12,935,325	11,430,183	1,505,142	13.17	
Inventory	57,100,025	67,721,637	(10,621,612)	(15.68)	
Non-Current Assets	35,965,750	24,380,559	11,585,191	47.52	
Financial Assets at Fair Value through Profit or Loss - Non-Current	1,346,806	1,315,509	31,297	2.38	
Financial Assets at Fair Value through Other Comprehensive Income - Non-Current	1,831,394	32,035	1,799,359	5,616.85	
Investments accounted for under Equity Method	11,922,666	586,142	11,336,524	1,934.09	
Property, Plant and Equipment	10,560,533	5,735,417	4,825,116	84.13	
Total Assets Value	233,977,113	230,346,820	3,630,293	1.58	
Current Liabilities	146,656,318	156,959,067	(10,302,749)	(6.56)	
Bank Loan (including short-term notes and bills payable and corporate bonds)	63,982,052	74,447,038	(10,464,986)	(14.06)	
Notes Payables and Accounts Payables	62,963,243	63,623,465	(660,222)	(1.04)	
Long-term Liabilities - Current Portion	6,420,258	5,502,585	917,673	16.68	
Other Current Liabilities	13,290,765	13,385,979	(95,214)	(0.71)	
Non-Current Liabilities	21,317,777	9,420,658	11,897,119	126.29	
Long-term Borrowings	18,643,237	7,330,788	11,312,449	154.31	
Total Liabilities	167,974,095	166,379,725	1,594,370	0.96	
Capital	18,790,568	18,790,568	—	—	
Total Equity	66,003,018	63,967,095	2,035,923	3.18	

#### 7.1.2 Major Reasons, Impacts and Future Plans about Significant Changes in Consolidated Assets, Liabilities and Equity in the Last Two Years

- (1) Non-current assets: The increase in 2020 compared with 2019 was mainly due to the increase in financial assets measured at fair value through other comprehensive gains and losses (non-current), equity method investments and property, plant and equipment.
- (2) Financial assets measured at fair value through other comprehensive gains and losses (non-current): The increase in 2020 compared with 2019, mainly due to new investment in T3EX Global Holdings and WT Microelectronics Preferred Shares in 2020.
- (3) Investment using the equity method: The increase in 2020 compared with 2019, mainly due

to new investment in WT Microelectronics.

- (4) Property, plant and equipment: The increase in 2020 compared to 2019 was mainly due to the completion of the headquarter building.
- (5) Non-current liabilities and long-term loans: The increase in 2020 compared with that in 2019, was mainly due to increase in capital demand, resulting in new loans.

#### 7.1.3 Parent Company-Only Financial Status Comparison and Analysis

Unit: NT\$ thousands

Item	Year	2020	2019	Difference	
				Amount	%
Current Assets		609,567	2,915,590	(2,306,023)	(79.09)
Investment accounted for under Equity Method		70,484,850	58,854,405	11,630,445	19.76
Property, Plant and Equipment		6,931,550	1,427,534	5,504,016	385.56
Total Assets		81,105,310	72,670,307	8,435,003	11.61
Bank Loan (including short-term notes and bills payable)		5,649,421	8,198,987	(2,549,566)	(31.10)
Total Liabilities		15,635,388	9,198,150	6,437,238	69.98
Capital		18,790,568	18,790,568	—	—
Total Equity		65,469,922	63,472,157	1,997,765	3.15

#### 7.1.4 Major Reasons, Impacts and Future Plans about Significant Changes in Parent Company-Only Assets, Liabilities, and Equity in the Last Two Years

- (1) Current Assets: Decreased in 2020 compared with 2019, mainly due to decrease in cash for investment, property, plant and equipment requirements expenditures and cash capital increase of investee companies.
- (2) Property, Plant, and Equipment: Increased in 2020 compared with 2019, mainly due to completion of the headquarter building in Nangang.
- (3) Bank Loan (including short-term notes and bills payable): Decreased in 2020 compared with 2019, mainly due decrease in investment and cash capital increase of investee companies.

## 7.2 Financial Performance

### 7.2.1 Consolidated Statement - Financial Performance Comparison and Analysis

Unit: NT\$ thousands

Item	Year	2020	2019	Difference	
				Amount	%
Operating Revenue		609,885,871	527,601,353	82,284,518	15.60
Operating Costs		(586,835,742)	(505,173,257)	(81,662,485)	16.17
Gross Profit		23,050,129	22,428,096	622,033	2.77
Operating Expenses		(13,000,261)	(12,715,532)	(284,729)	2.24
Operating Profit		10,049,868	9,712,564	337,304	3.47
Non-operating Incomes and Expenses		(162,315)	(1,524,962)	1,362,647	(89.36)
Income before Income Tax		9,887,553	8,187,602	1,699,951	20.76
Income Tax Expense		(1,687,049)	(1,681,643)	(5,406)	0.32
Profit for the year		8,200,504	6,505,959	1,694,545	26.05

7.2.2 Major Reasons and Impacts for Significant Changes in Consolidated Operating Income, Operating Profit, and Income Before Income Tax in the Last Two Years: No significant changes and impacts.

### 7.2.3 Parent Company-Only Statements - Financial Performance Comparison and Analysis

Unit: NT\$ thousands

Item	Year	2020	2019	Difference	
				Amount	%
Operating Revenue		9,072,831	7,384,531	1,688,300	22.86
Operating Costs		(905,763)	(732,414)	(173,349)	23.67
Gross Profit		8,167,068	6,652,117	1,514,951	22.77
Non-operating Incomes and Expenses		(85,450)	2,845	(88,295)	(3,103.51)
Income before Income Tax		8,081,618	6,654,962	1,426,656	21.44
Income Tax Expense		41,737	(201,561)	243,298	(120.71)
Profit for the year		8,123,355	6,453,401	1,669,954	25.88

7.2.4 Major Reasons and Impacts for Significant Changes in Parent Company-Only Operating Income, Operating Profit, and Income Before Income Tax in the Last Two Years

- (1) Non-operating Income and Expenses: Decreased in 2020 compared with 2019, mainly due to the increase in interest expenses on bank loans in 2020.
- (2) Income Tax (expense) benefits: Increased in 2020 compared with 2019, mainly due to the

decrease in tax payable for undistributed retained earnings.

#### 7.2.5 The Expected Sales and its basis, and the Possible Impact on the Company's Future Financial Operations and Response Plans for the Coming Year

The management team will continue to focus on the after-tax net profit and operating expenses and gross profit ratio (OPEX/GP) control. Looking forward to the growth of global semiconductor revenue in 2021, 5G mobile communications, servers, storage, memory, Internet of Things (IoT), automobiles, industrial electronics and other fields have become the main market. After years of active deployment and hard work, the company has fully grasped the market growth opportunities, and continues to provide value-added supply chain management services, competitive parts and complete machine solutions to assist customers in developing and investing in the future market. The company will continue to maintain its global leadership position. Through the project process of the digital transformation of the WPG, continuous expansion and healthy development of product revenue structure, integration and data analysis of customer needs, connecting upstream and downstream, driving supply chain management, and output innovative business models and provide customers with higher value-added services.

### 7.3 Cash Flow

#### 7.3.1 Analysis of Consolidated Cash Flow Changes in the Most Recent Year

Cash and Cash Equivalents at Beginning of Year	Net Cash Inflow (Outflow) from Operating Activities in the Year	Cash Inflow (Outflow) in the Year	Cash Balance, End of Year	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financial Plan
9,992,582	17,824,994	1,027,438	11,020,020	-	-

Net cash inflow from operating activities in the 2020 consolidated financial statements was mainly due to increase in operating profit; net cash outflow from investment activities in 2020 was mainly due to the increase of property, plant and equipment to the headquarters building; net cash outflow from financing activities in 2020 was mainly due to payment to shareholders cash dividends. The cash inflows for the whole year of 2020 resulted in an increase in the closing cash balance compared with the beginning cash balance.

### 7.3.2 Analysis of Parent Company-Only Cash Flow Changes in the Most Recent Year

Unit: NT\$ thousands

Cash and Cash Equivalents at Beginning of Year	Net Cash Inflow (Outflow) from Operating Activities in the Year	Cash Inflow (Outflow) in the Year	Cash Balance, End of Year	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financial Plan
1,983,588	4,518,589	(1,943,153)	40,435	-	-

The Company's cash flow mainly consists of general funds required for daily operations, obtaining cash dividends from subsidiaries and paying dividends. The net cash outflow from investment activities in 2020 was due to the increase of property for the building of the headquarter, plant and equipment and capital increase for subsidiaries; the net cash inflow from financing activities in 2020 was mainly due to the increase in long-term loans. The cash outflows for the whole year of 2020 resulted in a decrease in the closing cash balance compared with the beginning cash balance.

### 7.3.3 Improvement Plan for Lack of Liquidity: There is no lack of liquidity for WPG Holdings Limited and WPG Group.

### 7.3.4 Analysis of the Consolidated Cash Liquidity for the Upcoming Year

Unit: NT\$ thousands

Cash and Cash Equivalents at Beginning of Year	Net Cash Inflow (Outflow) from Operating Activities in the Year	Cash Inflow (Outflow) in the Year	Cash Balance, End of Year	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financial Plan
11,020,020	(4,648,038)	(2,975,048)	8,044,972	-	-

Net cash outflow from operating activities is expected in the next year, mainly due to the expected increase in revenue in 2021 and increased working capital requirements; net cash inflow from financing activities in 2021 is due to increased loans in response to capital needs; cash outflow for the entire year in 2021, resulting in a decrease in the closing cash balance compared with the beginning cash balance.

### 7.3.5 Analysis of the Parent Company-Only Cash Liquidity for the Upcoming Year

Unit: NT\$ thousands

Cash and Cash Equivalents at Beginning of Year	Net Cash Inflow (Outflow) from Operating Activities in the Year	Cash Inflow (Outflow) in the Year	Cash Balance, End of Year	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financial Plan
40,435	7,208,924	(16,173)	24,262	-	-

The Company's cash flow mainly consists of general funds required for daily operations, obtaining cash dividends from subsidiaries and paying dividends. The net cash outflow from investment activities in 2021 will be the capital increase for the subsidiary. The cash outflow in the whole year of 2021 is estimated to result in a decrease in the closing cash balance compared with the beginning cash balance.

### 7.4 Major Capital Expenditures and Impact on Financial and Business in the Most Recent Year

For the major capital expenditures of the WPG Group, please refer to "5. The amount of property acquired reaches NT\$300 million or more than 20% of the paid-in capital" on page 242 of the annual report.

### 7.5 Reinvestment Policy, Main Reasons for Profit or Loss, and Improvement Plans in the Most Recent Year, and Investment Plan for the Upcoming Year

#### 7.5.1 Reinvestment Analysis

December 31, 2020 / Unit: NT\$ thousands

Item \ Description	Closing Balance of Long-term Investment	Business Activities	Profit (loss) for 2020 Amount	Reason for Profits or Losses	Improvement plan	Other Future Investment Plans
World Peace Industrial Co., Ltd.	24,925,013	Agent and sales of electronic / electrical components	3,311,641	Increased investment income due to investees' continued profitability	-	-
Silicon Application Corporation	7,288,058	Sales of computer software and electronic products	1,079,540	"	-	-

Item Description	Closing Balance of Long-term Investment	Business Activities	Profit (loss) for 2020 Amount	Reason for Profits or Losses	Improvement plan	Other Future Investment Plans
Asian Information Technology Inc.	5,702,692	Sales of electronic / electrical components	1,137,808	"/	—	—
Yosun Industrial Corp.	11,919,185	Sales of electronic / electrical components	931,184	"/	—	—
WPG Electronics Ltd.	60,308	Agent and sales of electronic / electrical components	16,991	"/	—	—
WPG Korea Co., Limited	470,660	Agent and sales of electronic / electrical components	(1,074)	Investment loss caused by the loss of the invested business	—	—
WPG Investment Co., Ltd.	2,094,595	Investment Company	3,670	Increased investment income due to investees' continued profitability	—	—
WPG Int'l (CI) Limited	5,846,935	Holding Company	614,911	"/	—	—
Trigold Holdings Limited	811,453	Investment Company	212,483	"/	—	—
WT Microelectronics Co., Ltd.	11,365,951	Sales of electronic / electrical components	3,841,846			

### 7.5.2 Reinvestment Policy in the Most Recent Year

The Company's reinvestment policy focuses on reinvesting in professional distributors of electronic components, in consideration of the integration of the markets and distributed product line, and enhancement of added value of the services to achieve economy of scale in order to maintain and expand market share and profit continuously.

### 7.5.3 Investment Plan for the Upcoming Year

As of the date of the annual report, the Company has no material investment plan.

## **7.6 Risks Assessment in the Most Recent Year and up to the Date of this Annual Report**

Regarding risk management, WPG aims to focus on integrated risk management. Considering the enterprise as a whole, all levels of risk management units shall integrate risk management into regular operation management procedures through systematic risk identification, risk assessment, and risk response and monitoring to achieve organizational goals. All risk management units should also actively engage in various businesses, improve the quality and quantity of revenue, achieve resource allocation optimization, and ensure that appropriate risk awareness and culture are established and maintained throughout the organization at an acceptable level of risk.

### **7.6.1 Impact of Interest Rate, Exchange Rate, and Inflation on the Company's Profit and Loss and Countermeasures**

- **Interest Rate Changes**

The Company's financial cost in 2020 was NT\$1,926,036 thousand, a decrease of NT\$421,336 thousand from 2019. The Company's bank loans are mainly due to the capital demand arising from the operations. Interest expense decreased 17.95%. Through continuous evaluation of interest rate trends, long-term and short-term financing instruments and working capital management, the Company continues to reduce the impact of the changes in interest rates.

- **Exchange Rate Changes**

The Company operates internationally, and the main exchange rate risks come from USD and RMB. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. WPG policies require companies in the Group to manage the exchange rate risks of their corresponding functional currencies. The companies in the Group are required to hedge their entire foreign exchange risk exposure via the finance department. In order to manage the exchange rate risk from future commercial transactions and the recognized assets and liabilities, the companies in the Group use forward foreign exchange contracts through the finance department to reduce the impact of exchange rate changes on the Company's gain and loss. The profit on exchange for 2020 was NT\$539,379 thousand, accounting for 6.58% of the net profit for the period, which was a significant benefit.

- **Inflation**

The main products distributed by the Company are semiconductor components, and the sales territory is mainly in the Asia-Pacific region. The characteristics and prices of the products sold by the Company mostly reflect the market supply and demand status and technological progress, which are updated quickly. Inflation or deflation in the various

countries of the Asia-Pacific region has no significant impact on the company's 2020 annual operating results.

#### 7.6.2 Policy and Impact of High-Risk, High-Leveraged Investments, Loans to others, Endorsement and Guarantee and Financial Derivative Transactions on the Company's Profit and Loss, and Countermeasures

The Company is not engaged in high-risk and high-leveraged investment; and the Company's related procedures for loans to others, endorsement and guarantee and financial derivative transactions are based on the policies and countermeasures specified in the Company's Operational Procedures for Acquisition and Disposal of Assets, Procedures for Lending Funds to Other Parties and Procedures for Endorsements and Guarantees.

- Credit Risk

At present, in order to improve the performance of credit risk monitoring, the Company and its subsidiaries will continue to optimize the management process of credit risk control to achieve the purpose of reducing risk and protecting creditors' rights. The main focuses of credit management are 1. Customer management 2. Credit management 3. Accounts receivable management 4. Risk management. Early warning of customer risks, mastery of customer operating status, reconciliation of accounts receivable, payment and write-off operations are all management priorities.

- Quality Risks of Financial Statement Expression

Establish financial statistics analysis and inspection mechanisms, regularly educate and train accounting personnel to strengthen their understanding of the laws, accounting and taxation, and regularly review internal control mechanisms and operating procedures.

- Risks of Capital Structure and Capital Acquisition Restrictions

Set goals for ratios of capital utilization and strengthen working capital management, etc.

#### 7.6.3 Future Plans and Expected Investments for R&D

The Company's subsidiaries establish FAE roles to support customers in product testing and design and provide or update optimal solutions for different categories of product applications from time to time to help customers reduce manufacturing costs and improve product efficiency. The research and development expenses as of the first quarter of the current year were NT\$4,496 thousand.

7.6.4 Impact of Important Domestic and Foreign Policies and Laws Changes on the Company's Financial and Business, and Countermeasures

In response to the amendments of corporate governance, the Company Act and related policies by the competent authority, the Company will pay attention to the changes of the relevant laws and regulations continuously and comply with them.

7.6.5 Impact of Technological and Market Changes on the Company's Financial and Business, and Countermeasures

The Company is located in the midstream of the semiconductor component supply chain. The Company responds to the changes in the supply and demand of semiconductor components caused by rapid technological changes via expansion of product lines and customers coverage. Competition is fierce in the industry, and to ensure market competitiveness, domestic and foreign peers continuously conduct mergers and acquisitions. In order to maintain the leading position in the Asia-Pacific regions, the Company will continue to seek strategic alliances, increase the number of product lines and customers coverage, maintain, and continue to expand market share through investment holdings.

7.6.6 Impact of the Company's Corporate Image Change on Corporate Crisis Management and Countermeasures

The company adheres to the principle of professionalism, integrity, and sustainable management, and attaches great importance to corporate image and risk control. There is no major foreseeable crisis.

7.6.7 Expected Benefits, Possible Risks, and Countermeasures for Mergers and Acquisitions

The Company has no plans for mergers and acquisitions in the most recent year and the most recent quarter.

7.6.8 Expected Benefits, Possible Risks, and Countermeasures for Plants Expansion

The Company and its subsidiaries are not manufacturers; not applicable.

7.6.9 Risks associated with any Consolidation of Sales or Purchasing Operations and Countermeasures taken:

The Company's customers are extremely dispersed and distributed throughout the Asia-Pacific region. The products produced covered the computer peripherals, communications, consumer electronics, and automotive electronics markets. In the most recent year and the first quarter of this year, the sales amount of a single customer did not exceed 10% of the

consolidated revenue; there is no risk of concentrated sales. The Company maintains good long-term relationships with suppliers; sources of supply are stable and normal.

- 7.6.10 Impact and Risk to the Company in the event a Major Quantity of Shares belonging to a Director, Supervisor, or Shareholder Holding greater than a 10% stake in the Company has been transferred or has otherwise changed hands, and Countermeasures to be taken: None.
- 7.6.11 Impact of Change in Management on the Company, the Associated Risks and Countermeasures: None.
- 7.6.12 For Litigious or Non-Litigious Incidents, please specify the Material Litigations that have been ruled or are in the process, Non-Litigious or Administrative Disputes for the Company and its Directors, Supervisors, President, Substantial Person in Charge, Major Shareholders holding 10% or more of Shares and Affiliates, and possible Material Impacts on the Shareholders' Rights or Prices of Securities: None.
- 7.6.13 Other Important Risks and Countermeasures: There is no other important risk for WPG Holdings Ltd. in 2020 and as of the date of the annual report.

## **7.7 Other Material Matters**

Measurement and Assumption for Asset and Liability valuation

### 7.7.1 Policy for Allowance for Bad Debts - Account Receivable:

For the Group's accounts and bills receivables, after considering all reasonable and supportive information (including forecasts), if the credit risk has not increased significantly since the original recognition, the allowance is measured by the amount of 12-month expected credit losses; if the credit risk has increased significantly since the original recognition, the allowance loss is measured by the expected credit loss amount during the duration; for accounts receivable that do not contain significant financing components, the allowance is measured by the expected credit loss amount during the duration.

For accounts receivable of individual customers, assess whether there is objective evidence that impairment has occurred:

- (1) The customer has major financial difficulties
- (2) The customer has overdue payments
- (3) The customers are likely to declare bankruptcy or undergo financial reorganization.

### 7.7.2 Policy for Provision for Loss on Inventory Devaluation:

Inventories are measured at the lower of cost and net realizable value. Cost is determined

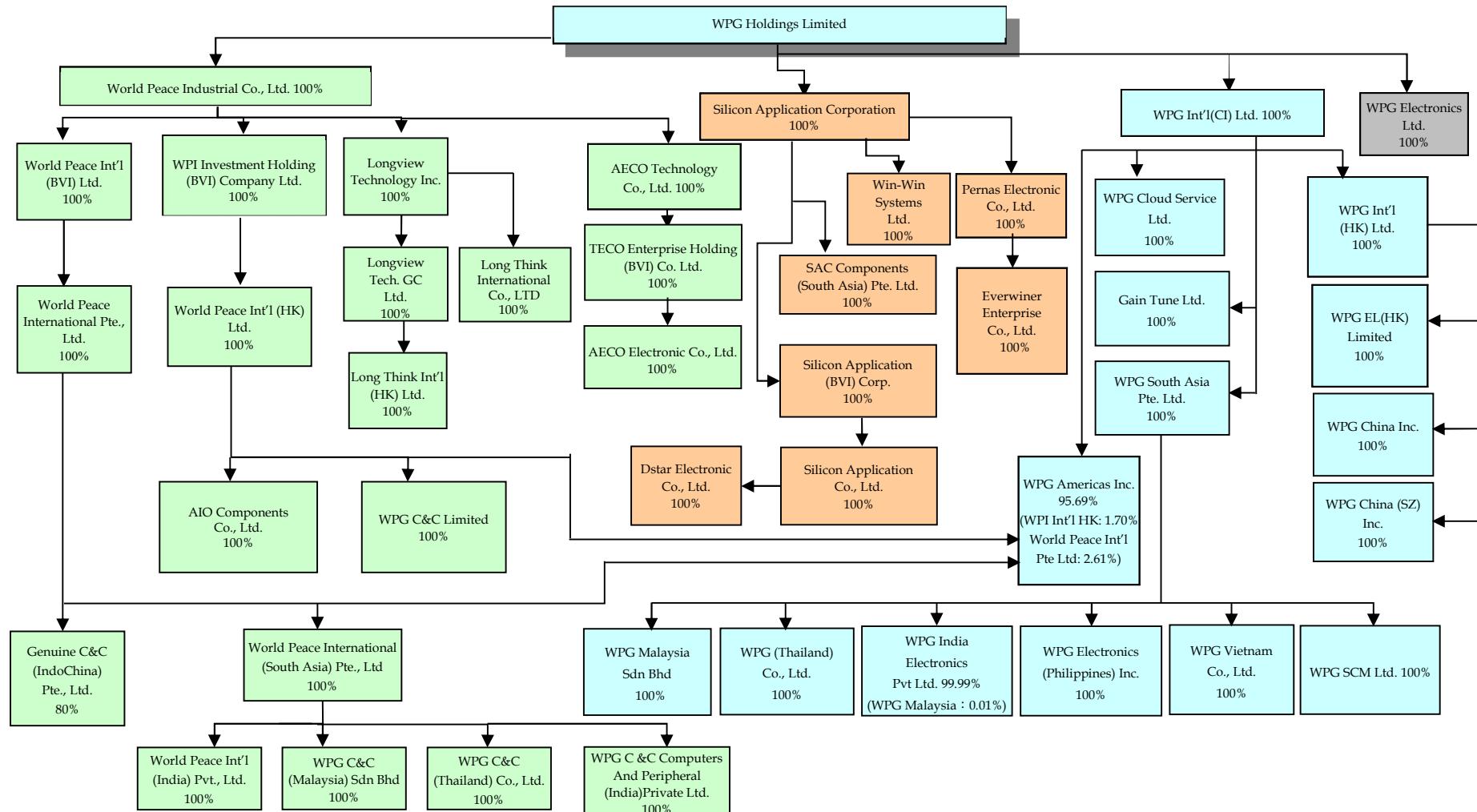
using the weighted-average cost method. When comparing the comparative cost and the net realizable price to determine which is lower, the item-by-item comparison method is adopted. The net realizable value refers to the balance of the estimated selling price in the normal course of business less the selling expenses.

## 8. Special Disclosure

### 8.1 Subsidiaries Information

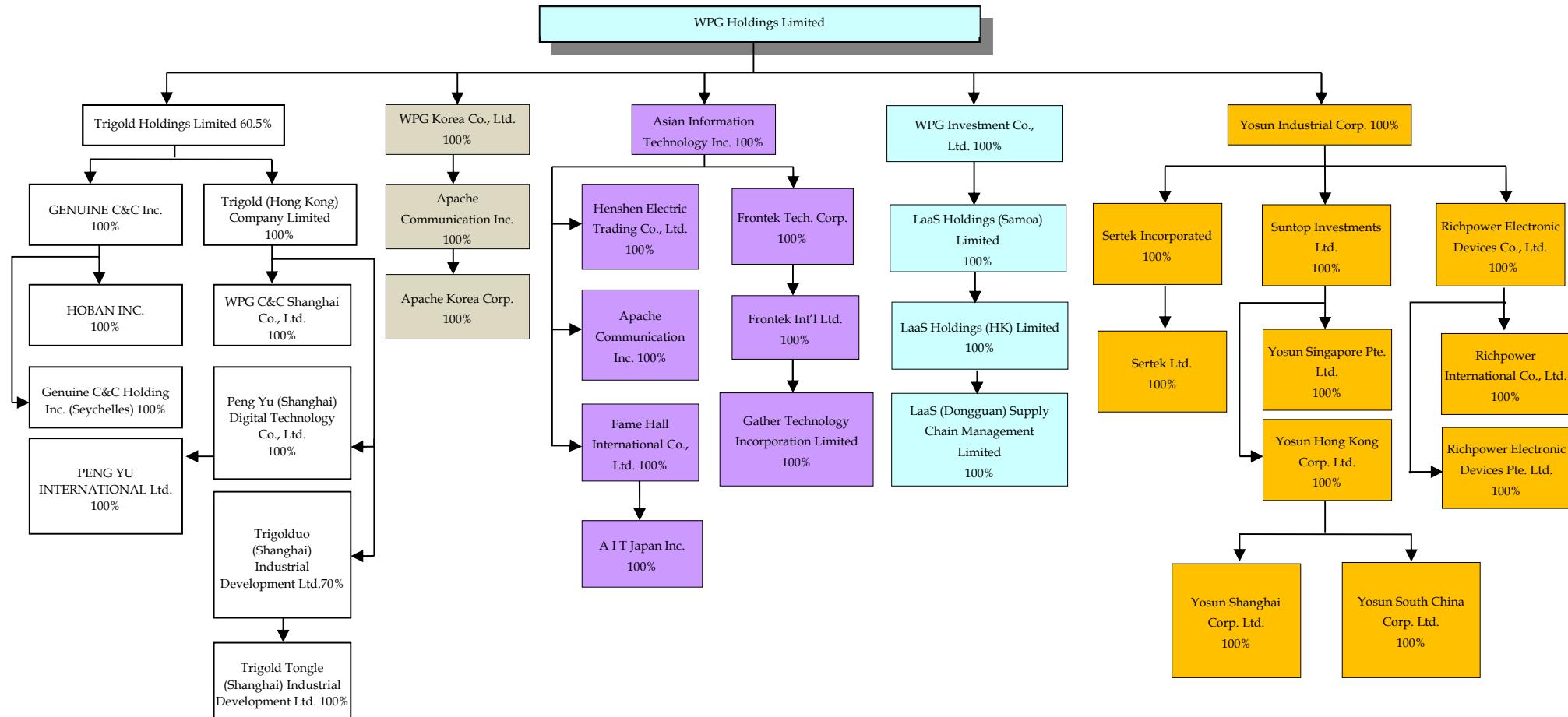
#### 8.1.1 Subsidiaries Chart

December 31, 2020



### 8.1.1 Subsidiaries Chart (Continued)

December 31, 2020



### 8.1.2 WPG Subsidiaries

December 31, 2020 Unit: NT\$ thousands unless otherwise specified

Name	Date of Incorporation	Address	Capital Stock	Business Activities
World Peace Industrial Co., Ltd.	1981/6/3	8th Floor, No. 189, Jingmao 2nd Road, Nangang District, Taipei City	15,925,000	Agent and sales of electronic/electrical components
Silicon Application Corporation	1987/1/21	18th Floor, No. 189, Jingmao 2nd Road, Nangang District, Taipei City	5,790,000	Sales of computer software and electronic products
Asian Information Technology Inc.	1993/7/29	13th Floor, No. 189, Jingmao 2nd Road, Nangang District, Taipei City	5,300,000	Sales of electronic/ Electrical components
Yosun Industrial Corp.	1980/5/30	16th Floor, No. 189, Jingmao 2nd Road, Nangang District, Taipei City	3,620,744	Sales of electronic/ Electrical components
WPG Electronics Ltd.	2002/4/22	22th Floor, No. 189, Jingmao 2nd Road, Nangang District, Taipei City	39,200	Agent and sales of electronic/electrical components
WPG Korea Co., Ltd.	2005/11/8	(Pangyo Innovalley) B-301, 253, Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, 13486, Korea	KRW 5,438,970 thousand	Agent and sales of electronic/electrical components
WPG International (CI) Limited	2007/3/1	P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands.	USD 150,283 thousand	Holding Company
WPG Investment Co., Ltd.	1998/7/9	22th Floor, No. 189, Jingmao 2nd Road, Nangang District, Taipei City	2,100,000	Investment Company
Trigold Holdings Limited	2017/9/1	22th Floor, No. 189, Jingmao 2nd Road, Nangang District, Taipei City	795,695	Holding Company
AECO Technology Co., Ltd.	1975/8/8	6th Floor, No. 189, Jingmao 2nd Road, Nangang District, Taipei City	946,000	Agent and sales of electronic/electrical components

Name	Date of Incorporation	Address	Capital Stock	Business Activities
WPI Investment Holding (BVI) Company Ltd.	1996/3/15	Commerce Chambers, P.O. Box 2208, Road Town, Tortola, British Virgin Islands	USD 83,179 thousand	Holding Company
World Peace International (BVI) Ltd.	1995/5/4	Commerce Chambers, P.O. Box 2208, Road Town, Tortola, British Virgin Islands	USD 34,196 thousand	Holding Company
Longview Technology Inc.	1992/1/24	7th Floor, No. 189, Jingmao 2nd Road, Nangang District, Taipei City	339,000	Agent and sales of electronic/electrical components
World Peace Int'l (Asia) Ltd.	2011/8/5	Units 07-11, 15/F, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong	HK 10 thousand	Agent and sales of electronic/electrical components
World Peace Int'l (HK) Ltd.	1996/4/16	Units 07-11, 15/F, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong	USD 33,520 thousand	Agent and sales of electronic/electrical components
			HKD 564,304 thousand	Agent and sales of electronic/electrical components
Prime Future Technology Limited (Note2)	2000/9/15	Commerce Chambers, P.O. Box 2208, Road Town, Tortola, British Virgin Islands	USD 36,448 thousand	Holding company
World Peace International Pte Ltd	2000/6/29	No. 10 Upper Aljunied Link #06-07, Singapore 367904	USD 30,390 thousand	Holding Company
Genuine C&C (IndoChina) Pte. Ltd.	2002/5/23	No. 10 Upper Aljunied Link #06-07, Singapore 367904	USD 5,000 thousand	Agent and sales of electronic/electrical components
World Peace International (South Asia) Pte Ltd	1995/5/17	No. 10 Upper Aljunied Link #06-07, Singapore 367904	USD 21,774 thousand	Agent and sales of electronic/electrical components
World Peace International (India) Pvt., Ltd.	1997/10/3	Unit No. 2144, 2nd Floor, Oberoi Garden Estate Off, Sakivihar Road, Chandidali Mumbai, Maharashtra India - 400072	INR 3,575 thousand	Agent and sales of electronic/electrical components
WPG C&C Computers and Peripheral (India) Private Limited	2008/6/4	No.26, 2nd Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020, India	INR 484,200 thousand	Agent and sales of electronic/electrical components

Name	Date of Incorporation	Address	Capital Stock	Business Activities
WPG C&C (Malaysia) Sdn Bhd	2001/1/26	25-4 & 27-4 (Ground Floor) Block D1, Dataran Prima, Jalan PJU 1/4, 47301 P.J., Selangor	MYR 11,250 thousand	Agent and sales of electronic/electrical components
WPG C&C (Thailand) Co., Ltd.	2006/2/23	No. 9/302-4 UM Tower, 30th Floor, Suanluang District, Ramkhamhaeng Road, Suanlung Sub-district Bangkok, Thailand	BAHT 25,750 thousand	Agent and sales of Information products
WPG C&C Limited	2002/7/19	Units 07-11, 15/F, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong	USD 6,500 thousand	Agent and sales of Information products
WPG C&C Shanghai Co., Ltd.	2005/1/13	3688 Jindu Rd, Minhang District, Shanghai Xinzhuang Industrial Zone, Shanghai, China	USD 7,700 thousand	Sales of electronic/electrical products
AIO Shanghai Components Co., Ltd.	1992/10/15	Units 07-11, 15/F, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong	HKD 1,362 thousand	Agent and sales of electronic/electrical components
Long-Think International Co., Ltd.	2010/3/19	5F., No. 76, Sec. 1, Chenggong Rd., Nangang Dist., Taipei City	40,000	Agent and sales of electronic/electrical components
Longview Technology GC Limited	2012/5/10	Commence Chambers, P.O , Tortola, Box 2208, Road Town British Virgin Islands	USD 11,300 thousand	Holding Company
Long Think Int'l (Hong Kong) Ltd.	1991/5/14	Units 07-11, 15/F, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong	USD 10,000 thousand	Agent and sales of electronic/electrical components
Long-Think International (Shanghai) Limited	2002/10/21	H2, 5F., No. 2, No. 115, Fute West 1st Rd, China (Shanghai) Pilot Free Trade Zone	USD 400 thousand	Agent and sales of electronic/electrical components
Silicon Application (BVI) Corp.	1997/6/17	Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands	USD 22,000 thousand	Holding Company

Name	Date of Incorporation	Address	Capital Stock	Business Activities
Silicon Application Co., Ltd.	2000/2/14	Units 07-11, 15/F, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong	HKD 110,000 thousand	Sales of computer software and electronic products
Dstar Electronic Company Limited	2000/9/4	Units 07-11, 15/F, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong	HKD 6,000 thousand	Sales of computer software and electronic products
Win-Win Systems Ltd.	2000/6/20	Intershore Chambers, P.O. Box 4342, Road Town, Tortola, British Virgin Islands	USD 765 thousand	Holding Company
SAC Components (South Asia) Pte. Ltd.	2012/4/25	No. 10 Upper Aljunied Link #06-07, Singapore 367904	USD 3,500 thousand	Sales of computer software and electronic products
Pernas Electronic Co., Ltd.	1984/2/14	18th Floor, No. 189, Jingmao 2nd Road, Nangang District, Taipei City	735,000	Agent and sales of electronic/electrical components
Everwiner Enterprise Co., Ltd.	1998/3/31	18th Floor, No. 189, Jingmao 2nd Road, Nangang District, Taipei City	280,000	Agent and sales of electronic/electrical components
Apache Communication Inc.	1998/3/9	10th Floor, No. 189, Jingmao 2nd Road, Nangang District, Taipei City	1,543,000	Sales of electronic/electrical products
Henshen Electric Trading Co., Ltd.	1978/7/7	13th Floor, No. 189, Jingmao 2nd Road, Nangang District, Taipei City	100,000	Sales of electronic/electrical products
Frontek Technology Corporation	1985/12/10	10th Floor, No. 189, Jingmao 2nd Road, Nangang District, Taipei City	2,145,634	Sales of electronic/electrical products
Fame Hall International Co., Ltd.	1998/12/7	P.O. Box 2208, Road Town, Tortola, British Virgin Islands	USD 4,703 thousand	Investment Company
Frontek International Limited	2002/6/4	P.O. Box 2208, Road Town, Tortola, British Virgin Islands	USD 2,970 thousand	Investment Company

Name	Date of Incorporation	Address	Capital Stock	Business Activities
Gather Technology Incorporation Limited	2002/8/9	Rm C, 21 F., No.169, Electric Road, North Point, Lee & Man Commercial Center	HKD 22,800 thousand	Sales of electronic/electrical components
AIT Japan Inc.	2005/3/7	〒140-0001 Tōkyō-to, Shinagawa City, Kitashinagawa, 3-chōme-6-6, 7F	JPY 300,050 thousand	Sales of electronic/electrical products
Richpower Electronic Devices Co., Ltd.	2005/1/13	14th Floor, No. 189, Jingmao 2nd Road, Nangang District, Taipei City	850,000	Sales of electronic/electrical components
Sertek Incorporated.	1983/3/23	15th Floor, No. 189, Jingmao 2nd Road, Nangang District, Taipei City	948,281	Sales of electronic/electrical components
Sertek Limited	1988/12/2	Room 901, Central, YipFung Building 2-12 D'Aguilar Street, Hong Kong	HKD19,500 thousand	Sales of electronic/electrical components
Suntop Investments Limited	1997/7/18	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman, KY1-1208, Cayman Islands	USD 50,700 thousand	Investment Company
Richpower Electronic Devices Co., Limited	1998/5/27	Units 07-11, 15/F, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong	HKD 63,000 thousand	Sales of electronic/electrical products
Richpower Electronic Devices Pte., Ltd.	2004/8/6	No. 10 Upper Aljunied Link #06-07, Singapore 367904	SGD 100 thousand	Sales of electronic/electrical products
Yosun Hong Kong Corp. Ltd.	1995/4/13	Units 07-11, 15/F, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong	HKD 303,220 thousand	Sales of electronic/electrical components
Yosun Singapore Pte Ltd.	1991/2/14	No. 10 Upper Aljunied Link #06-07, Singapore 367904	SGD 20,600 thousand	Sales of electronic/electrical components
Yosun Shanghai Corp. Ltd.	2002/4/24	Rm 626, 6F., No. 38, Yinglun Rd, Pudong, Shanghai, China	USD 7,700 thousand	Warehouse business and sales of electronic components

Name	Date of Incorporation	Address	Capital Stock	Business Activities
Yosun South China Corp. Ltd.	1999/10/12	Room 903 & 904, 9F., No.2, Cadre Group Center, No.168, Tongsha Road, Xili Town, Nanshan District, Shenzhen	USD 4,300 thousand	Sales of electronic/electrical components
Apache Communication Inc.(B.V.I.)	2000/1/4	2nd Floor, Abbott Building, Road Town, Tortola, British Virgin Islands	USD 2,795 thousand	Investment Company
Apache Korea Corp.	2003/8/8	(Pangyo Innovalley)B-301,253, Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, 13486, Korea	KRW 1,054,910 thousand	Sales of electronic/electrical products
WPG International (Hong Kong) Limited	2007/6/5	Units 07-11, 15/F, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong	USD 92,173 thousand	Holding Company
WPG Americas Inc.	2006/5/16	5285 Hellyer Ave Suite 150, San Jose, CA 95138	USD66,100 thousand	Agent and sales of electronic/electrical components
WPG Cloud Service Ltd.	2012/9/4	Units 07-11, 15/F, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong	USD 2,157 thousand	General trading
WPG Gain Tune Ltd.	1986/2/18	Units 07-11, 15/F, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong	USD1,000 thousand	Agent for selling electronic/electrical components
WPG Electronics (HK) Limited	1997/6/6	Units 07-11, 15/F, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong	HKD234,082 thousand	Agent for selling electronic/electrical components
WPG China Inc.	1995/3/16	B part, 6F., Jialisl Building, No.191, Rijing Rd, Pudong, Shanghai Pilot Free Trade Zone, Shanghai, China	USD 58,280 thousand	Sales of electronic/electrical components
WPG China (SZ) Inc.	2000/7/7	3-5 F. & 8F. & 12-14 F., No.2, Kai Da Er Building, No.168, TongSha Road, XiLi Street, Nanshan, Shenzhen, P.R.C	HKD 37,000 thousand	Sales of computer software and electronic components
WPG South Asia Pte. Ltd.	2006/9/20	No. 10 Upper Aljunied Link #06-07, Singapore 367904	USD 15,650 thousand	Sales of electronic/electrical products

Name	Date of Incorporation	Address	Capital Stock	Business Activities
WPG Malaysia Sdn Bhd	1995/10/18	25-4 & 27-4, Block D1, Dataran Prima, Jalan PJU 1/41, 47301 Petaling Jaya, Selangor, Malaysia	MYR 1,011 thousand	Agent and sales of electronic/electrical components
WPG (Thailand) Co., Ltd.	1995/11/28	No. 9/302-4 UM Tower, 30th Floor, , Suanluang District, Ramkhamhaeng Road Suanlung Sub-district Bangkok, Thailand	BAHT 10,372 thousand	Agent and sales of electronic/electrical components
WPG India Electronics Pvt Ltd	2011/3/4	No.26, 2nd Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020, India	INR 159,100 thousand	Agent and sales of electronic/electrical components
WPG Electronics (Philippines) Inc.	1999/9/2	Unit 501 Richville Corporate Centre, #1314 Commerce Ave. Ext., Madrigal Business Park, Ayala Alabang, Muntinlupa, 1780 Philippines	PHP 1,000 thousand	Agent and sales of electronic/electrical components
WPG SCM Limited	2001/12/12	Units 07-11, 15/F, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong	USD 1,641 thousand	Agent and sales of electronic/electrical components
Teco Enterprise Holding (BVI) Co., Ltd.	2002/4/19	Commerce Chambers P.O.Box 2208 Road	USD 12,610 thousand	Investment Company
AECO Electronic Co., Ltd.	2002/5/2	Units 07-11, 15/F, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong	USD 12,600 thousand	Trading of electronic/electrical products
Hoban Inc.	1999/4/10	3F., No. 36, Ln. 66, Ruiguang Rd., Neihu Dist., Taipei City	80,000	E-commerce company operating B2C and O2O businesses
Genuine C&C Holding Inc. (Seychelles)	2011/6/22	No.4, Franky Building, Providence Industrial Estate, Mahe, Seychelles	USD 6,500 thousand	Holding Company
Peng Yu (Shanghai) Digital Technology Co., Ltd.	2014/5/30	Rm 517, 5F., No. 88, Taigu Rd, China (Shanghai) Pilot Free Trade Zone	RMB 22,500 thousand	Sales of electronics products

Name	Date of Incorporation	Address	Capital Stock	Business Activities
Trigold Holdings (Hong Kong) Co., Ltd.	2017/11/6	UNITS 07-11, 15/F CDW BLDG 388 CASTLE PEAK RD TSUEN WAN HONG KONG	HKD 20,200 thousand	Holding Company
GENUINE C&C Inc.	1988/11/30	No. 36, Ln. 66, Ruiguang Rd., Neihu Dist., Taipei City	795,695	Sales of computer and its peripherals
Peng Yu International Ltd.	2017/3/28	UNITS 07-11, 15/F CDW BLDG 388 CASTLE PEAK RD TSUEN WAN HONG KONG	USD 10 thousand	Sales of electronic/electrical products
Trigolduo (Shanghai) Industrial Development Ltd.	2019/1/31	Rm 701, No. 37, Aly. 1555, Jin Sha Jiang West Rd, Jiading Dist., Shanghai, China	RMB 10,000 thousand	Children's indoor theme park
Trigold Tongle (Shanghai) Industrial Development Ltd.	2019/3/25	F302, No. 1569, Mu Dan Jiang Lu, Baoshan Dist., Shanghai, China	RMB 1,500 thousand	Children's indoor theme park
WPG Vietnam Company Limited	2019/10/25	22 Street 16, Tan Hung, Him Lam District 7, Ho Chi Minh City Vietnam	USD 100 thousand	Agent and sales of electronic/electrical components
LaaS Holdings (Samoa) Limited	2020/06/02	Portcullis Chambers, P.O.BOX 1225, Apia, Samoa	USD 40,060 thousand	Holding Company
LaaS Holdings (HK) Limited	2020/06/30	806-807, 8/F, One Pacific Place, 88 Queensway, Hong Kong	USD 40,050 thousand	Holding Company
LaaS Holdings (Dongguan) Supply Chain Management Limited	2020/08/02	Room 701, Block 5, No.2 Bao Shui Huan Road, Shatian Town, Dongguan City, Guangdong Province	USD 40,000 thousand	Smart warehousing value-added service industry

Note 1: WPI International (Asia) Ltd was dissolved and liquidated in September, 2020.

Note 2: Prime Future Technology Limited was dissolved after merged with the parent company, World Peace International (BVI) Limited on October 31th, 2020.

Note 3: Long Xin International Trade (Shanghai) Limited was dissolved and liquidated in August, 2020.

#### 8.1.3 Shareholders in Common of WPG and Its Subsidiaries with Deemed Control and Subordination: None.

8.1.4 Business Scope of WPG and Its Subsidiaries: The businesses scope of WPG and its Subsidiaries includes electronic component distribution, holding companies, general investment business, and information software service business, etc.

8.1.5 Rosters of Directors, Supervisors, and Presidents of WPG's Subsidiaries

December 31, 2020

Name of Company	Title	Name or Representative	Shareholding	
			Shares	%
World Peace Industrial Co., Ltd.	Chairman Chairman/President Director Director Director Supervisor	Mike Chang (Representative of WPG Holdings Limited) Hsu Chu Hung (Representative of WPG Holdings Limited) Simon Huang (Representative of WPG Holdings Limited) Hsu Ying Che (Representative of WPG Holdings Limited) Frank Yeh (Representative of WPG Holdings Limited) Cliff Yuan (Representative of WPG Holdings Limited)	WPG holds 1,592,500,000 shares	100.00%
Silicon Application Corporation	Chairman Director Chairman/CEO Director Director Supervisor	K.Y. Chen (Representative of WPG Holdings Limited) Simon Huang (Representative of WPG Holdings Limited) Chen Ming-Chi (Representative of WPG Holdings Limited) Frank Yeh (Representative of WPG Holdings Limited) Lin Yu-Sheng (Representative of WPG Holdings Limited) Cliff Yuan (Representative of WPG Holdings Limited)	WPG holds 579,000,000 shares	100.00%
Asian Information Technology Inc.	Chairman Director Director Director Director Supervisor	Hsu Ming-Jen (Representative of WPG Holdings Limited) Frank Yeh (Representative of WPG Holdings Limited) Hsu Yu-Kun (Representative of WPG Holdings Limited) Simon Huang (Representative of WPG Holdings Limited) Huang Kuo-Chen (Representative of WPG Holdings Limited) Cliff Yuan (Representative of WPG Holdings Limited)	WPG holds 530,000,000 shares	100.00%
Yosun Industrial Corporation	Chairman Director Director Director Director Supervisor	K.D. Tsung (Representative of WPG Holdings Limited) Simon Huang (Representative of WPG Holdings Limited) Frank Yeh (Representative of WPG Holdings Limited) Chiang Chun-Hui (Representative of WPG Holdings Limited) Chang Chih-Wen (Representative of WPG Holdings Limited) Cliff Yuan (Representative of WPG Holdings Limited)	WPG holds 362,074,400 shares	100.00%

Name of Company	Title	Name or Representative	Shareholding	
			Shares	%
WPG Electronics Ltd.	Chairman Director Director Supervisor	Simon Huang (Representative of WPG Holdings Limited) Yang Tsung-Po (Representative of WPG Holdings Limited) Frank Yeh (Representative of WPG Holdings Limited) Cliff Yuan (Representative of WPG Holdings Limited)	WPG holds 3,920,000 shares	100.00%
WPG Korea Co., Ltd.	Representative Director Director Director Supervisor	Kwak, Choong-Pyo Simon Huang Chai Kim Yin Cliff Yuan	WPG holds 1,087,794 shares	100.00%
WPG International (CI) Limited	Director Director	Simon Huang Cliff Yuan	WPG holds 124,442,727 shares	100.00%
WPG Investment Co., Ltd.	Chairman Director Director Supervisor	Simon Huang (Representative of WPG Holdings Limited) Cliff Yuan (Representative of WPG Holdings Limited) Lucia Tai (Representative of WPG Holdings Limited) Chiu Chin-Chuan (Representative of WPG Holdings Limited)	WPG holds 210,000,000 shares	100.00%
Trigold Holdings Limited	Chairman/President Director Director Director Independent Director Independent Director Independent Director	Simon Huang (WPG Holdings Limited) Yeh Chi-Tung K.D. Tsung (WPG Holdings Limited) T.L. Lin (WPG Holdings Limited) Guo,Cing-Huei Chen, Shih-Chieh Chen Wei-Shen	WPG holds 48,139,319 shares	60.50%
AECO Technology Co., Ltd.	Chairman Director Director Supervisor	Hsu Chu Hung (Representative of World Peace Industrial Co., Ltd.) Mike Chang (Representative of World Peace Industrial Co., Ltd.) I.J. Hsu (Representative of World Peace Industrial Co., Ltd.) Yao Su-Mei (Representative of World Peace Industrial Co., Ltd.)	World Peace holds 94,600,000 shares	100.00%
WPI Investment Holding (BVI) Company Ltd.	Director Director	World Peace Industrial Co., Ltd. Mike Chang	World Peace holds 83,179,435 shares	100.00%
World Peace International (BVI) Ltd.	Director	Mike Chang	World Peace holds 34,196,393 shares	100.00%

Name of Company	Title	Name or Representative	Shareholding	
			Shares	%
Longview Technology Inc.	Chairman/President Director Director Supervisor	Hsu Chu Hung (Representative of World Peace Industrial Co., Ltd.) I.J. Hsu (Representative of World Peace Industrial Co., Ltd.) Yu Chen-Chang (Representative of World Peace Industrial Co., Ltd.) Yao Su-Mei (Representative of World Peace Industrial Co., Ltd.)	World Peace holds 33,900,000 shares	100.00%
World Peace International (Asia) Limited	Director Director Director	Mike Chang Hsu Chu Hung I.J. Hsu	WPI Investment holds 100,000 shares	100.00%
WPI International (Hong Kong) Limited	Director Director Director	Mike Chang Hsu Chu Hung I.J. Hsu	WPI Investment holds 4,087,084,000 shares	100.00%
Prime Future Technology Limited	Director	Mike Chang	World Peace Int'l (BVI) holds 36,448,096 shares	100.00%
World Peace International Pte Ltd	Director Director	Chai Kim Yin Mike Chang	Prime Future Tech. holds 248,632,599 shares	100.00%
Genuine C&C (Indochina) Pte. Ltd.	Director Director Director	Tan Yew Teck Tan Sze Chuarn Chai Kim Yin	World Peace Int'l holds 5,359,370 shares	80.00%
World Peace International (South Asia) Pte Ltd.	Director Director Director	Tan Yew Teck Chai Kim Yin Mike Chang	World Peace Int'l holds 34,314,692 shares	100.00%
World Peace International (India) Pvt., Ltd.	Director Director Director Director	Chai Kim Yin Rick Tan Jason Saw Kashinath Karekar	World Peace Int'l (SA) holds 3,575,058 shares	100.00%
WPG C&C Computers and Peripheral (India) Private Limited	Director Director Director	Tan Sze Chuarn Rajeev Bajpai Chai Kim Yin	World Peace Int'l SA holds 48,415,000 shares World Peace Int'l holds 5,000 shares	99.00% 1.00%
WPG C&C (Malaysia) Sdn Bhd	Director Director Director	Tan Sze Chuarn Chai Kim Yin Wendy Tiong Siew Ling	World Peace Int'l SA holds 11,250,000 shares	100%

Name of Company	Title	Name or Representative	Shareholding	
			Shares	%
	Director	Hia Bun Ching		
WPG C&C (Thailand) Co., Ltd.	Director Director Director	Chai Kim Yin Tan Sze Chuarn Sopanarat Sintavanon	1,000 shares 1,000 shares 360,000 shares Lumphuan Srisurat(staff) 150,000 shares World Peace Int'l SA holds 488,000 shares	0.10% 0.10% 36.00% 15.00% 48.80%
WPG C&C Limited	Director Director Director	Mike Chang Hsu Chu Hung I.J. Hsu	World Peace Int'l (HK) Ltd. holds 6,500,000 shares	100.00%
WPG C&C Shanghai Co., Ltd.	Chairman/Legal Representative Director Director Supervisor	Tsao Tai-Sun Simon Huang Chung Pei-Yuan Tsao Chun-Chieh	—(Note 1)	WPG TRIGOLD (HK) Ltd. holds 100.00%
AIO Components Co., Ltd.	Director Director Director	Yao Su-Mei HSU Chu Hung Yu Cheng Chang	World Peace Int'l (HK) Ltd. holds 1,361,688 shares	100.00%
Long-Think International Co., Ltd.	Chairman Director Director Supervisor	Hsu Chu Hung (Representative of Longview Technology Inc.) Yu Cheng Chang (Representative of Longview Technology Inc.) I.J. Hsu (Representative of Longview Technology Inc.) Yao Su-Mei (Representative of Longview Technology Inc.)	Longview Technology Inc. holds 4,000,000 shares	100.00%
Longview Technology GC Limited	Director	Hsu Chu Hung	Longview Technology Inc. holds 11,300,000 shares	100.00%
Long-Think International (Hong Kong) Limited	Director Director Director	Hsu Chu Hung I.J. Hsu Yu Cheng Chang	Longview Technology GC holds 780,000,000 shares	100.00%

Name of Company	Title	Name or Representative	Shareholding	
			Shares	%
Long-Think International (Shanghai) Co., Ltd.	Director/Legal Representative Director Director Supervisor	Shen Wei-Chung Yu Cheng Chang Chen Chun-Hung Chung Pei-Yuan	— (Note 1)	Long Think Int'l (HK) Ltd. holds 100.00%
Silicon Application (BVI) Corporation	Chairman	K.Y. Chen	Silicon Application Corporation holds 22,000,000 shares	100.00%
Silicon Application Co., Ltd.	Director Director Director	K.Y. Chen Su Tein Jye Chen Ming-Chih	Silicon Application (BVI) Corporation holds 100,000,000 shares	100.00%
Dstar Electronic Company Limited	Director Director Director	K.Y. Chen Su Tein Jye Chen Ming-Chih	Silicon Application Corporation holds 6,000,000 shares	100.00%
Win-Win Systems Ltd.	Chairman	K.Y. Chen	Silicon Application Corporation holds 765,000 shares	100.00%
SAC Components (South Asia) Pte. Ltd.	Director Director Director Director	K.Y. Chen Chen Ming Chih Tan Yew Teck Chai Kim Yin	Silicon Application Corporation holds 3,500,000 shares	100.00%
Pernas Electronics Co., Ltd.	Chairman Director Director Supervisor	K.Y. Chen (Representative of Silicon Application Corporation) Chen Ming-Chi (Representative of Silicon Application Corporation) Wu Yung-Chang (Representative of Silicon Application Corporation) Lin Yu-Sheng (Representative of Silicon Application Corporation)	Silicon Application Corporation holds 73,500,000 shares	100.00%
Everwiner Enterprise Co., Ltd.	Chairman Director Director Supervisor	K.Y. Chen (Representative of Pernas Electronics Co., Ltd) Chen Ming-Chi (Representative of Pernas Electronics Co., Ltd) Wu Yung-Chang (Representative of Pernas Electronics Co., Ltd) Lin Yu-Sheng (Representative of Pernas Electronics Co.,	Pernas Electronics Co., Ltd. holds 28,000,000 shares	100.00%

Name of Company	Title	Name or Representative	Shareholding	
			Shares	%
	Ltd)			
Apache Communication Inc.	Chairman Director Director Supervisor	Hsu Ming-Jen (Representative of Asian Information Technology Inc.) Huang Kuo-Chen (Representative of Asian Information Technology Inc.) Hsu Yu-Kun (Representative of Asian Information Technology Inc.) Huang Shu-Pin (Representative of Asian Information Technology Inc.)	Asian Information Technology Inc. holds 154,300,000 shares	100.00%
Henshen Electric Trading Co., Ltd.	Chairman Director Director Supervisor	Hsu Ming-Jen (Representative of Asian Information Technology Inc.) Huang Kuo-Chen (Representative of Asian Information Technology Inc.) Hsu Yu-Kun (Representative of Asian Information Technology Inc.) Huang Shu-Pin (Representative of Asian Information Technology Inc.)	Asian Information Technology Inc. holds 10,000,000 shares	100.00%
Frontek Technology Corporation	Chairman Director Director Supervisor	Hsu Ming-Jen (Representative of Asian Information Technology Inc.) Huang Kuo-Chen (Representative of Asian Information Technology Inc.) Hsu Yu-Kun (Representative of Asian Information Technology Inc.) Huang Shu-Pin (Representative of Asian Information Technology Inc.)	Asian Information Technology Inc. holds 214,563,352 shares	100.00%
Fame Hall International Co., Ltd	Director Director	Hsu Yu-Kun Huang Shu-Pin	Asian Information Technology Inc. holds 4,703,107 shares	100.00%
Frontek International Limited	Director Director	Hsu Yu-Kun Huang Shu-Pin	Frontek Technology Corporation holds 2,970,000 shares	100.00%
Gather Technology Incorporation Limited	Director Director Director	Hsu Yu-Kun Hsu Ming-Jen Huang Kuo-Chen	1 share Frontek International Limited holds 22,799,999 shares	— 100.00%
AIT Japan Inc.	Chairman Chairman	Huang Kuo-Chen Masafumi Nakano	Fame Hall International Co., Ltd holds 6,001 shares	100.00%

Name of Company	Title	Name or Representative	Shareholding	
			Shares	%
	Director Director Supervisor	Hsu Yu-Kun Hsu Ming-Jen Huang Shu-Pin		
Richpower Electronic Devices Co., Ltd.	Chairman/President Director Director Supervisor	K.D. Tsung (Representative of Yosun Industrial Corporation) Wu Sheng-Ming (Representative of Yosun Industrial Corporation) Chang Chih-Wen (Representative of Yosun Industrial Corporation) Liu Hung-An (Representative of Yosun Industrial Corporation)	Yosun Industrial Corporation holds 85,000,000 shares	100.00%
Sertek Incorporated	Chairman/President Director Director Supervisor	K.D. Tsung (Representative of Yosun Industrial Corporation) Chang Chih-Wen (Representative of Yosun Industrial Corporation) Chiang Chun-Hui (Representative of Yosun Industrial Corporation) Liu Hung-An (Representative of Yosun Industrial Corporation)	Yosun Industrial Corporation holds 94,828,100 shares	100.00%
Sertek Limited	Director Director	K.D. Tsung Chang Chih-Wen	Sertek Ltd. holds 19,500,000 shares	100.00%
Suntop Investments Limited	Director	K.D. Tsung (Representative of Yosun Industrial Corporation)	Yosun Industrial Corporation holds 50,700,000 shares	100.00%
Richpower Electronic Devices Co., Limited	Director Director	K.D. Tsung Ho, Peng-Hsiung	Richpower Electronic Devices Co., Ltd. holds 63,000,000 shares	100.00%
Richpower Electronic Devices Pte., Ltd.	Director Director	Ho, Peng-Hsiung Chai Kim Yin	Richpower Electronic Devices Co., Ltd holds 10,000 shares	100.00%
Yosun Hong Kong Corp. Ltd.	Director Director	K.D. Tsung Chang Chih-Wen	Suntop Investments holds 295,270,000 shares	100.00%
Yosun Singapore Pte Ltd.	Director Director Director	K.D. Tsung Chai Kim Yin Tan Yew Teck	Suntop Investments holds 20,600,000 shares	100.00%

Name of Company	Title	Name or Representative	Shareholding	
			Shares	%
Yosun Shanghai Corp. Ltd.	Chairman/Legal Representative Director Director	Cheng Kun-Mao Chen Chien-Chung Cheng Hung-Chi	—(Note 1)	Yosun HK holds 100.00%
Yosun South China Corp. Ltd.	Chairman/Legal Representative Director Director	Ou Tung-Kuan Liang Kuo-Chen Li Tao-Jui	—(Note 1)	Yosun HK holds 100.00%
Apache Communication Inc.(B.V.I.)	Director	WPG Korea Co., Ltd.	WPG Korea holds 2,795,000 shares	100.00%
Apache Korea Corp.	Representative Director Director Director Supervisor	CP Kwak KJ Jung James Park Gang Li	Apache Communication Inc. holds 210,982 share	100.00%
WPG International (Hong Kong) Limited	Director Director	Simon Huang Cliff Yuan	WPG International (CI) holds 717,238,341 shares	100.00%
WPG Americas Inc.	Director Director Director Director Director	Yao Su-Mei Mike Chang Simon Huang I.J. Hsu Richard J. Davis	World Peace Int'l holds 6,100,000 shares World Peace Int'l (HK) Ltd. holds 4,000,000 shares WPG International (CI) holds 224,000,000 shares	2.60% 1.71% 95.69%
WPG Cloud Service Ltd.	Director Director Director	Simon Huang Mike Chang Frank Yeh	WPG International (CI) holds 2,157,130 shares	100.00%
WPG Gain Tune Ltd.	Director Director Director	Mike Chang Frank Yeh Cliff Yuan	WPG International (CI) Ltd holds 77,500,000 shares	100.00%
WPG Electronics (Hong Kong) Ltd.	Director Director Director	Simon Huang Jao Shih-Wei Frank Yeh	WPG International (HK) holds 234,081,858 shares	100.00%

Name of Company	Title	Name or Representative	Shareholding	
			Shares	%
WPG China Inc.	Director/Legal Representative Director Director Supervisor	Jao Shih-Wei Simon Huang Frank Yeh Cliff Yuan	—(Note 1)	WPG International (HK) holds 100%
WPG China (SZ) Inc.	Director/Legal Representative Director Director Supervisor	Jao Shih-Wei Simon Huang Frank Yeh Cliff Yuan	—(Note 1)	WPG International (HK) holds 100%
WPG South Asia Pte. Ltd.	Director Director Director	Tan Say Chong Chai Kim Yin Simon Huang	WPG International (CI) holds 21,133,600 shares	100.00%
WPG Malaysia Sdn Bhd	Director Director Director Director	Chai Kim Yin Hia Bun Ching Tan Say Chong Wong Boon Hee	WPG South Asia holds 1,010,800 shares	100.00%
WPG (Thailand) Co., Ltd.	Director Director	Chai Kim Yin Sopanarat Sintavanon	WPG South Asia holds 40,451 shares Chai Kim Yin holds 5,186 shares Soponarat Sintavanon (staff) holds 31,116 shares Lumphuan Srisurat (staff) holds 21,781 shares Tan Say Chong holds 5,186 shares	100.00%
WPG India Electronics Pvt Ltd	Director Director Director	Chai Kim Yin Tan Say Chong Karekar Kashinath Arvind	WPG South Asia holds 15,909,990 shares WPG Malaysia Sdn. Bhd. holds 10 shares	99.99% 0.01%
WPG Electronics (Philippines) Inc.	Director Director Director Director Director	Tan Say Chong Nelissa Senido Eulalio R. Villanueva Aquino, Eduardo Jr. Chai Kim Yin	100 shares 2,000 shares 2,000 shares 2,000 shares 100 shares	1.00% 20.00% 20.00% 20.00% 1.00%

Name of Company	Title	Name or Representative	Shareholding	
			Shares	%
			WPG South Asia holds 3,800 shares	38.00%
WPG Vietnam Company Limited	Director Director Director	Chai Kim Yin Tan Say Chong Hia Bun Ching	50,000 shares 49,000 shares 1,000 shares WPG South Asia holds 100,000 shares	50.00% 49.00% 1.00%
WPG SCM Ltd.	Director Director	Chai Kim Yin Mike Chang	WPG South Asia Pte. Ltd holds 12,800,000 shares	100.00%
Teco Enterprise Holding (BVI) Co., Ltd.	Director	Hsu Chu Hung	TECO holds 12,610,000 shares	100.00%
AECO Electronic Co., Ltd.	Director Director	Hsu Chu Hung Chung Pei-Yuan	Teco Enterprise Holding(BVI) holds 98,280,000 shares	100.00%
Hoban Inc.	Chairman Director Director Supervisor	Yeh Chi-Tung (Representative of GENUINE C&C Inc.) Chuang Chung-Lin (Representative of GENUINE C&C Inc.) Hsieh Ming-Shan (Representative of GENUINE C&C Inc.) Tsao Chun-Chieh (Representative of GENUINE C&C Inc.)	GENUINE C&C Inc. holds 8,000,000 shares	100.00%
Genuine C&C Holding Inc. (Seychelles)	Director Director	Simon Huang Yeh Chi-Tung	GENUINE C&C Inc. holds 6,500,000 shares	100.00%
Peng Yu (Shanghai) Digital Technology Co., Ltd.	Chairman/Legal Representative Director Director Supervisor	Tsao Tai-Sun (Representative of Triglod (Hong Kong) Company Limited) Simon Huang (Representative of Triglod (Hong Kong) Company Limited) Chung Pei-Yuan (Representative of Triglod (Hong Kong) Company Limited) Tsao Chun-Chieh (Representative of Triglod (Hong Kong) Company Limited)	— (Note 1)	Triglod (Hong Kong) Company Limited holds 100%
Trigold (Hong Kong) Company Limited	Director Director	Simon Huang Tsao Chun-Chieh	Trigold Holdings Limited holds 130,200,000 shares	100.00%
GENUINE C&C Inc.	Chairman/President Director	Representative of Trigold Holdings Limited: Yeh Chi-Tung Representative of Trigold Holdings Limited: Simon Huang	Trigold Holdings Limited holds 79,569,450 shares	100.00%

Name of Company	Title	Name or Representative	Shareholding	
			Shares	%
	Director Director Director Supervisor	Representative of Trigold Holdings Limited: Li Chun-Ying Representative of Trigold Holdings Limited: Yeh Kung Tung Representative of Trigold Holdings Limited: Kuo Shih-Tsun Representative of Trigold Holdings Limited: Peng Fan-Ling		
Peng Yu International Ltd.	Director Director	Yeh Chih-Shu Tsao Tai-Sun	Peng Yu (Shanghai) Digital Technology Co., Ltd. holds 10,000 shares	100.00%
Trigold (Shanghai) Industrial Development Ltd.	Chairman Director Director Supervisor	Chung Pei-Yuan Simon Huang Wang Jung-Mao Tsao Chun-Chieh	—(Note 1)	Triglod (Hong Kong) Company Limited holds 70%
Trigold Tongle (Shanghai) Industrial Development Ltd.	Chairman Director Director Supervisor	Li Hsiang Chung Pei-Yuan Liu Ching Ku Han-Wen	—(Note 1)	Trigolduo (Shanghai) Industrial Development Ltd. holds 100%
LaaS Holdings (Samoa) Limited	Director Director	Simon Huang Cliff Yuan	WPG Investment Co., Ltd. holds 40,060,000shares	100.00%
LaaS Holdings (HK) Limited	Director Director	Simon Huang Cliff Yuan	LaaS Holdings (Samoa) Limited holds 40,050,000shares	100.00%
LaaS Holdings(Dongguan)Supply Chain Management Limited	Director and Legal Representative Director Supervisor	Jao Shih-Wei Simon Huang Frank Yeh Cliff Yuan	—(Note1)	LaaS Holdings (HK) Limited holds 100.00%

Note 1: The limited company has not issued shares and is not applicable.

Note 2: WPI International (Asia) Ltd was dissolved and liquidated in September, 2020.

Note 3: Prime Future Technology Limited was dissolved after merged with the parent company, World Peace International (BVI) Limited on October 31th, 2020.

Note 4: Long Xin International Trade (Shanghai) Limited was dissolved and liquidated in August, 2020.

### 8.1.6 Operational Highlights of WPG Subsidiaries

December 31, 2020 Unit: NT\$ thousands

Name	Currency	Capital Stock	Asset	Liabilities	Net Worth	Net Revenues	Operating Profit (Loss)	Net Income	Earnings per Share after Tax (NT\$)
World Peace Industrial Co., Ltd.	NTD	15,925,000	59,659,310	34,721,877	24,937,433	131,414,946	668,251	3,311,641	2.08
Silicon Application Corp.	NTD	5,790,000	35,304,004	28,015,945	7,288,059	69,707,798	1,193,382	1,079,540	1.86
Asian Information Technology Inc.	NTD	5,300,000	15,845,993	10,143,302	5,702,691	35,223,446	581,586	1,137,808	2.15
Yosun Industrial Corp.	NTD	3,620,744	19,280,890	11,115,939	8,164,951	28,602,426	321,175	931,184	2.57
WPG Electronics Ltd.	NTD	39,200	133,467	73,463	60,004	166,334	22,860	16,991	4.33
WPG Korea Co., Ltd	NTD	142,370	3,714,982	3,244,322	470,660	6,558,117	33,329	(1,074)	(0.99)
WPG International (CI) Limited	NTD	4,280,060	5,878,701	31,766	5,846,935	—	(165)	614,911	4.94
WPG Investment Co., Ltd.	NTD	2,100,000	2,095,785	1,150	2,094,635	—	(18,484)	(18,255)	(0.09)
Trigold Holdings Limited	NTD	795,695	1,851,747	573,779	1,277,968	254,660	219,830	212,483	2.67
AECO Technology Co., Ltd.	NTD	946,000	1,048,030	56,948	991,546	—	(2,429)	39,330	0.42
TECO Enterprise Holding (BVI) CO., Ltd.	NTD	359,133	759,435	—	759,435	—	—	12,569	1.00
AECO Electronic Co., Ltd.	NTD	358,848	758,855	(463)	759,318	—	(755)	12,568	0.13
WPI Investment Holding (BVI) Company Ltd.	NTD	2,368,950	19,759,007	615	19,758,392	—	(199)	2,331,259	9.84
World Peace International (BVI) Ltd.	NTD	973,913	8,275,495	3,619,205	4,656,290	23,570,700	192,156	203,416	5.95
Longview Technology Inc.	NTD	339,000	595,177	56,978	538,199	273,539	27,581	44,106	1.30
WPI International (HK) Ltd.	NTD	2,436,332	51,586,652	31,805,981	19,780,670	179,680,877	3,162,287	2,332,711	0.57

Name	Currency	Capital Stock	Asset	Liabilities	Net Worth	Net Revenues	Operating Profit (Loss)	Net Income	Earnings per Share after Tax (NT\$)
World Peace International Pte Ltd	NTD	865,499	911,372	1,695	909,677	—	(2,114)	2,909	0.01
Genuine C&C (IndoChina) Pte. Ltd.	NTD	142,400	216,503	24,521	191,982	224,182	4,542	5,552	1.04
World Peace International (South Asia) Pte Ltd	NTD	620,121	6,506,276	3,188,272	3,318,004	22,427,595	183,349	146,972	4.28
World Peace International (India) Pvt., Ltd.	NTD	1,392	97,221	76,206	21,015	121,180	(50,566)	3,083	0.86
WPG C&C Computers and Peripheral (India) Private Limited	NTD	188,530	706,327	513,831	192,496	1,632,241	50,403	29,802	0.62
WPG C&C (Malaysia) Sdn Bhd	NTD	79,376	52,771	846	51,925	218,174	1,709	5,082	0.45
WPG C&C (Thailand) Co., Ltd.	NTD	24,434	46,634	24,464	22,170	157,287	3,428	3,481	3.48
WPG C&C Limited	NTD	185,120	259,306	220	259,086	(7)	(1,723)	3,045	0.47
WPG C&C Shanghai Co., Ltd.	NTD	232,580	1,428,677	1,062,352	366,325	5,255,915	113,194	70,197	Note 1
AIO Components Co., Ltd.	NTD	5,003	14,198	—	14,198	—	(4)	(3)	—
Long-Think International Co., Ltd.	NTD	40,000	52,050	5,619	46,431	18,979	1,814	1,352	0.34
Longview Technology GC Limited	NTD	321,824	523,931	—	523,931	—	(126)	21,275	1.88
Long-Think International (Hong Kong) Ltd.	NTD	284,800	539,523	15,772	523,751	158,800	29,340	22,010	0.03
Silicon Application (BVI) Co., Ltd.	NTD	626,560	3,092,841	—	3,092,841	—	—	58,681	2.67

Name	Currency	Capital Stock	Asset	Liabilities	Net Worth	Net Revenues	Operating Profit (Loss)	Net Income	Earnings per Share after Tax (NT\$)
Silicon Application Co., Ltd.	NTD	404,030	1,783,658	41,777	1,741,881	26,391	(14,875)	57,728	0.58
Dstar Electronic Company Limited	NTD	—	—	—	—	—	(51)	90	—
Win-Win Systems Ltd.	NTD	21,787	24,609	—	24,609	—	—	192	0.25
SAC Components (South Asia) Pte. Ltd.	NTD	99,680	112,926	4,184	108,742	46,474	1,021	1,715	0.49
Pernas Electronics Co., Ltd.	NTD	735,000	3,041,501	1,827,022	1,214,479	5,208,094	123,617	210,436	3.35
Everwiner Enterprise Co., Ltd.	NTD	280,000	2,144,911	1,517,140	627,770	4,482,307	162,617	119,521	4.27
Apache Communication Inc.	NTD	1,543,000	5,304,572	3,754,541	1,550,031	22,167,725	224,593	169,434	1.10
Henshen Electric Trading Co., Ltd.	NTD	100,000	240,078	115,583	124,495	1,075,120	12,080	11,225	1.12
Frontek Technology Corporation	NTD	2,145,634	10,179,200	8,110,608	2,068,591	24,773,072	435,544	346,793	1.62
Fame Hall International Co., Ltd.	NTD	133,941	278,768	12	278,756	—	(133)	(19,137)	(4.07)
Frontek International Limited	NTD	84,586	120,952	—	120,952	—	(132)	2,556	0.86
Gather Technology Incorporation Limited	NTD	83,744	192,594	81,280	111,314	132,006	1,385	2,584	0.11
AIT Japan Inc.	NTD	82,904	298,592	54,430	244,162	367,972	(29,688)	(19,490)	(3,247.79)
Richpower Electronic Devices Co., Ltd.	NTD	850,000	7,149,527	5,092,871	2,056,656	9,566,211	158,091	220,444	2.59
Sertek Inc.	NTD	948,281	3,320,266	1,891,548	1,428,718	12,693,674	240,166	126,790	1.34
Sertek Ltd.	NTD	71,200	75,837	43	75,794	—	(53)	4,763	0.24
Suntop Investments Limited	NTD	1,443,936	4,979,713	—	4,979,713	17,882,162	157,897	71,286	14.06

Name	Currency	Capital Stock	Asset	Liabilities	Net Worth	Net Revenues	Operating Profit (Loss)	Net Income	Earnings per Share after Tax (NT\$)
Richpower Electronic Devices Co., Limited	NTD	231,399	5,797,043	3,479,239	2,317,804	17,882,162	157,897	125,946	2.00
Richpower Electronic Devices Pte Ltd	NTD	1,743	215,997	608	215,389	—	(315)	3,593	359.30
Yosun Hong Kong Corp. Ltd.	NTD	1,113,727	12,386,883	8,133,051	4,253,832	33,933,788	53,954	51,580	0.17
Yosun Singapore Pte Ltd.	NTD	355,300	1,622,151	1,292,978	329,172	5,980,019	30,496	9,315	0.25
Yosun Shanghai Corp. Ltd.	NTD	219,296	371,343	765	370,578	—	(116)	5,954	Note 1
Yosun South China Corp. Ltd.	NTD	122,464	215,313	4,612	210,701	—	(133)	4,436	Note 1
Apache Communication Inc.(B.V.I.)	NTD	79,602	87,475	—	87,475	—	—	804	0.29
Apache Korea Corp.	NTD	27,613	76,441	22	76,419	5,642	(183)	804	3.81
WPG International (Hong Kong) Limited	NTD	2,625,087	4,168,897	11,351	4,157,546	—	(130)	430,408	0.60
WPG Americas Inc.	NTD	1,882,528	3,576,497	2,815,129	761,368	13,783,847	144,225	113,250	0.58
WPG Cloud Service Ltd.	NTD	61,431	41,441	153	41,288	—	(686)	(676)	(0.31)
WPG Gain Tune Ltd.	NTD	28,480	31,898	1,000	30,898	—	(1,373)	(1,369)	(0.02)
WPG Electronics (Hong Kong) Ltd.	NTD	859,783	6,878,786	6,359,626	519,160	20,484,835	31,361	56,131	0.23
WPG China Inc.	NTD	1,659,814	11,926,433	9,327,517	2,598,916	19,615,566	(688,279)	240,139	Note 1
WPG China (SZ) Inc.	NTD	135,901	4,541,991	3,665,453	876,538	10,299,272	(1,194,798)	130,439	Note 1
WPG South Asia Pte. Ltd.	NTD	445,718	1,633,929	963,364	670,565	1,610,636	(5,173)	36,454	1.72
WPG Malaysia Sdn Bhd	NTD	7,133	28,333	8,131	20,202	43,447	2,631	2,224	2.20

Name	Currency	Capital Stock	Asset	Liabilities	Net Worth	Net Revenues	Operating Profit (Loss)	Net Income	Earnings per Share after Tax (NT\$)
WPG (Thailand) Co., Ltd.	NTD	9,842	30,251	7,489	22,762	27,831	1,625	1,411	13.60
WPG India Electronics Pvt Ltd	NTD	61,948	91,999	12,037	79,962	18,973	527	2,158	0.14
WPG Electronics (Philippines) Inc.	NTD	599	3,669	356	3,313	—	(3,961)	695	69.54
WPG Vietnam Company Limited	NTD	2,841	2,717	14	2,703	—	(131)	(142)	(1.42)
WPG SCM Ltd.	NTD	46,736	1,767,722	1,232,670	535,052	5,315,886	40,983	35,543	2.78
Hoban Inc.	NTD	80,000	14,015	11,997	2,018	94,511	(8,316)	(8,255)	(1.03)
Genuine C&C Holding Inc. (Seychelles)	NTD	185,120	129,174	—	129,174	—	(33)	4,432	0.68
Peng Yu (Shanghai) Digital Technology Co., Ltd.	NTD	98,483	358,247	29,094	329,153	188,090	1,315	80,810	Note 1
WPG TRIGOLD (HONG KONG) LIMITED	NTD	472,501	704,281	7,560	696,721	—	(2,390)	129,503	0.99
GENUINE C&C Inc.	NTD	795,695	2,977,622	1,848,094	1,129,528	9,675,064	137,998	103,454	1.30
Peng Yu International Ltd.	NTD	285	588,012	416,033	171,979	5,562,187	120,028	86,819	8,681.90
Trigolduo (Shanghai) Industrial Development Ltd.	NTD	43,770	116,754	120,524	(3,770)	31,200	(25,991)	(27,308)	Note 1
Trigold Tongle (Shanghai) Industrial Development Ltd.	NTD	6,566	33,400	35,821	(2,421)	10,424	(3,541)	(2,829)	Note 1
LaaS Holdings (Samoa) Limited	NTD	1,142,712	1,134,382	—	1,134,382	—	(3)	(19,026)	(0.81)
LaaS Holdings (HK) Limited	NTD	1,142,426	1,134,100	—	1,134,100	—	(3)	(19,023)	(0.95)

Name	Currency	Capital Stock	Asset	Liabilities	Net Worth	Net Revenues	Operating Profit (Loss)	Net Income	Earnings per Share after Tax (NT\$)
LaaS Holdings(Dongguan)Supply Chain Management Limited	NTD	1,141,000	1,149,434	16,756	1,132,678	—	(12,660)	(19,019)	Note1

Note 1: The limited company has not issued shares and is not applicable.

Note 2: Filled in accordance with the financial information of the individual statements audited by the appointed accountant.

Note 3: The exchange rates of various foreign currencies to Taiwanese currency are the exchange rates of the Bank of Taiwan at the end of the year on December 31, 2020: USD exchange rate 28.48, HKD exchange rate 3.673, KRW exchange rate 0.026176; exchange rate of USD to RMB at the end of year, on December 31, 2020, is 6.50674, and the average exchange rate in 2020 are: USD exchange rate 29.53318, HKD exchange rate 3.807, and KRW exchange rate,0.025027; the average exchange rate of USD to RMB in 2020 is 6.898219.

- 8.1.7 Consolidated Financial Statements of Subsidiaries: Please refer to pages 128 to 264 for details.
- 8.1.8 Relationship with the Controlling Company: The Company is not an affiliate and thus not applicable.
- 8.2 Private Placement Securities in the Most Recent Year and as of the Date of this Annual Report:** None.
- 8.3 Status of the Company's Common Shares Acquired, Disposed of, and Held by Subsidiaries in the Most Recent Year and as of the Date of this Annual Report:** None.
- 8.4 Other Necessary Supplement:** None.
- 8.5 Any Events in the Most Recent Year and as of the Date of this Annual Report that Had Significant Impacts on Shareholders' Right or Security Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan:**  
Please refer to the important resolutions of the Shareholders' Meeting and the Board of Directors for the most recent year and up to the date of this annual report: Please refer to page 58 for details.



**The Benchmark of Distribution**