

**Syncmold Enterprise Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2022 and 2021 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Syncmold Enterprise Corporation

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Syncmold Enterprise Corporation and its subsidiaries (collectively, the "Group") as of September 30, 2022 and 2021, the related consolidated statements of comprehensive income for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As disclosed in Note 11 to the consolidated financial statements, the financial statements of non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of September 30, 2022 and 2021, the combined total assets of these non-significant subsidiaries were NT\$3,914,450 thousand and NT\$3,864,606 thousand, respectively, representing 32.56% and 32.93%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$1,464,864 thousand and NT\$1,723,043 thousand, respectively, representing 24.09% and 29.54%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the amounts of combined comprehensive income (loss) of these subsidiaries were NT\$(217,119) thousand, NT\$(63,389) thousand, NT\$(441,816) thousand and NT\$(119,834) thousand, respectively, representing (78.32%), (156.35%), (71.34%) and (113.54%), respectively, of the consolidated total comprehensive income. In addition, as disclosed in Note 12 to the consolidated financial statements, as of September 30, 2022 and 2021, the amounts of

investments accounted for using the equity method were NT\$161,595 thousand and NT\$172,469 thousand, respectively; for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the shares of comprehensive income of associates, which amounted to NT\$13,228 thousand, NT\$7,115 thousand, NT\$20,772 thousand and NT\$6,274 thousand, respectively, were calculated based on the financial statements which have not been reviewed. The disclosure of information related to the aforementioned non-significant subsidiaries and associates in Note 30 was based on these subsidiaries' and associates' unreviewed financial statements for the same reporting periods as those of the Group.

### **Qualified Conclusion**

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph and the financial statements for which investments were accounted for using the equity method been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of September 30, 2022 and 2021, its consolidated financial performance for the three months ended September 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chih-Yuan Chen and Yao-Ling Huang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 7, 2022

### Notice to Readers

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

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

# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)		September 30, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 2,988,855	25	\$ 2,059,537	17	\$ 2,433,085	21
Financial assets at fair value through profit or loss - current (Note 7)	327,505	3	146,753	1	207,131	2
Financial assets at amortized cost - current (Notes 8 and 27)	338,490	3	338,700	3	317,850	3
Notes receivable	279,593	2	357,113	3	340,861	3
Trade receivables, net (Note 9)	3,044,517	25	3,416,893	29	3,292,459	28
Inventories (Note 10)	902,382	7	1,285,141	11	1,132,457	9
Other current assets	465,222	4	437,325	4	439,128	4
Total current assets	<u>8,346,564</u>	<u>69</u>	<u>8,041,462</u>	<u>68</u>	<u>8,162,971</u>	<u>70</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 18)	56,309	1	65,430	1	62,153	1
Financial assets at amortized cost - non-current (Note 8)	528	-	480	-	484	-
Investments accounted for using the equity method (Note 12)	161,595	1	172,058	2	172,469	1
Property, plant and equipment (Notes 13, 26 and 27)	2,209,391	18	2,149,209	18	2,136,520	18
Right-of-use assets (Notes 14 and 26)	668,807	6	744,012	6	629,721	5
Intangible assets (Notes 15 and 26)	61,376	1	52,980	-	33,100	-
Goodwill (Note 16)	324,597	3	324,597	3	324,597	3
Deferred tax assets (Notes 4 and 23)	101,796	1	106,378	1	88,528	1
Prepayments for equipment	46,293	-	90,606	1	70,159	1
Refundable deposits	41,535	-	41,452	-	48,165	-
Defined benefit assets (Notes 4 and 20)	2,898	-	2,898	-	2,779	-
Other non-current assets	522	-	731	-	2,440	-
Total non-current assets	<u>3,675,647</u>	<u>31</u>	<u>3,750,831</u>	<u>32</u>	<u>3,571,115</u>	<u>30</u>
<b>TOTAL</b>	<u>\$ 12,022,211</u>	<u>100</u>	<u>\$ 11,792,293</u>	<u>100</u>	<u>\$ 11,734,086</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 17 and 27)	\$ 1,395,000	12	\$ 895,836	8	\$ 1,236,275	10
Financial liabilities at fair value through profit or loss - current (Note 7)	-	-	41	-	-	-
Notes payable and trade payables	1,966,669	16	2,210,109	19	1,970,300	17
Other payables (Note 19)	554,457	5	405,745	3	433,280	4
Current tax liabilities (Note 23)	86,672	1	161,944	1	146,774	1
Lease liabilities - current (Notes 14 and 26)	187,004	1	182,430	2	183,345	2
Current portion of long - term borrowings (Notes 17 and 27)	26,490	-	16,545	-	15,498	-
Other current liabilities	18,966	-	6,284	-	23,399	-
Total current liabilities	<u>4,235,258</u>	<u>35</u>	<u>3,878,934</u>	<u>33</u>	<u>4,008,871</u>	<u>34</u>
<b>NON-CURRENT LIABILITIES</b>						
Bonds payable (Note 18)	1,175,567	10	1,166,288	10	1,163,164	10
Long-term borrowings (Notes 17 and 27)	181,868	2	194,185	2	199,189	2
Deferred tax liabilities (Note 23)	184,682	2	179,383	1	194,943	2
Lease liabilities - non-current (Notes 14 and 26)	277,407	2	368,731	3	237,358	2
Net defined benefit liabilities (Notes 4 and 20)	10,109	-	11,676	-	12,116	-
Guarantee deposits received	933	-	1,443	-	1,441	-
Other non-current liabilities	15,555	-	14,381	-	15,467	-
Total non-current liabilities	<u>1,846,121</u>	<u>16</u>	<u>1,936,087</u>	<u>16</u>	<u>1,823,678</u>	<u>16</u>
Total liabilities	<u>6,081,379</u>	<u>51</u>	<u>5,815,021</u>	<u>49</u>	<u>5,832,549</u>	<u>50</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION</b>						
Ordinary shares	1,237,242	10	1,237,242	11	1,237,242	10
Capital surplus	2,361,070	20	2,769,331	23	2,768,275	23
Retained earnings						
Legal reserve	1,026,386	8	1,001,175	9	1,001,175	9
Special reserve	687,191	6	635,615	5	635,615	5
Unappropriated earnings	719,984	6	700,911	6	672,683	6
Total retained earnings	<u>2,433,561</u>	<u>20</u>	<u>2,337,701</u>	<u>20</u>	<u>2,309,473</u>	<u>20</u>
Other equity						
Exchange differences on translating the financial statements of foreign operations	(418,556)	(4)	(698,561)	(6)	(741,007)	(6)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(5,817)	-	11,371	-	5,233	-
Total other equity	<u>(424,373)</u>	<u>(4)</u>	<u>(687,190)</u>	<u>(6)</u>	<u>(735,774)</u>	<u>(6)</u>
Total equity attributable to owners of the Corporation	<u>5,607,500</u>	<u>46</u>	<u>5,657,084</u>	<u>48</u>	<u>5,579,216</u>	<u>47</u>
<b>NON-CONTROLLING INTERESTS</b>	<u>333,332</u>	<u>3</u>	<u>320,188</u>	<u>3</u>	<u>322,321</u>	<u>3</u>
Total equity	<u>5,940,832</u>	<u>49</u>	<u>5,977,272</u>	<u>51</u>	<u>5,901,537</u>	<u>50</u>
<b>TOTAL</b>	<u>\$ 12,022,211</u>	<u>100</u>	<u>\$ 11,792,293</u>	<u>100</u>	<u>\$ 11,734,086</u>	<u>100</u>

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

(With Deloitte & Touche review report dated November 7, 2022)

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE	\$ 2,457,801	100	\$ 2,625,862	100	\$ 8,026,301	100	\$ 7,444,856	100
OPERATING COSTS (Notes 10 and 22)	<u>2,053,061</u>	<u>84</u>	<u>2,223,051</u>	<u>84</u>	<u>6,761,215</u>	<u>84</u>	<u>6,243,035</u>	<u>84</u>
GROSS PROFIT	<u>404,740</u>	<u>16</u>	<u>402,811</u>	<u>16</u>	<u>1,265,086</u>	<u>16</u>	<u>1,201,821</u>	<u>16</u>
OPERATING EXPENSES (Notes 9, 22 and 26)								
Selling and marketing expenses	77,037	3	84,229	3	250,356	3	231,777	3
General and administrative expenses	222,300	9	177,593	7	609,922	8	518,781	7
Research and development expenses	45,970	2	50,764	2	141,530	2	137,923	2
Expected credit loss (gain)	<u>2,033</u>	<u>-</u>	<u>(2,942)</u>	<u>-</u>	<u>3,008</u>	<u>-</u>	<u>(4,205)</u>	<u>-</u>
Total operating expenses	<u>347,340</u>	<u>14</u>	<u>309,644</u>	<u>12</u>	<u>1,004,816</u>	<u>13</u>	<u>884,276</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>57,400</u>	<u>2</u>	<u>93,167</u>	<u>4</u>	<u>260,270</u>	<u>3</u>	<u>317,545</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES								
Other income (Note 14)	8,091	-	20,894	1	31,484	-	50,219	1
Other gains and losses (Note 28)	(7,524)	-	(8,204)	-	(41,223)	-	(29,671)	-
Interest income	8,747	-	4,937	-	17,887	-	21,662	-
Net foreign exchange gain (loss) (Note 29)	172,091	7	12,577	-	329,335	4	(16,283)	-
Net gain (loss) on financial assets at fair value through profit or loss (Note 7)	1,222	-	2,800	-	(12,110)	-	36,874	-
Share of profit of associates (Note 12)	17,934	1	6,840	-	37,960	-	3,577	-
Interest expenses (Note 26)	(13,699)	-	(8,827)	-	(38,141)	-	(25,715)	-
Impairment loss on investments accounted for using the equity method (Note 12)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,835)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating income and expenses	<u>186,862</u>	<u>8</u>	<u>31,017</u>	<u>1</u>	<u>305,357</u>	<u>4</u>	<u>40,663</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM OPERATIONS	244,262	10	124,184	5	565,627	7	358,208	5
INCOME TAX EXPENSE (Notes 4 and 23)	<u>76,865</u>	<u>3</u>	<u>53,039</u>	<u>2</u>	<u>217,220</u>	<u>3</u>	<u>140,101</u>	<u>2</u>
NET PROFIT FOR THE PERIOD	<u>167,397</u>	<u>7</u>	<u>71,145</u>	<u>3</u>	<u>348,407</u>	<u>4</u>	<u>218,107</u>	<u>3</u>

(Continued)

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Share of other comprehensive income of subsidiaries accounted for using the equity method	\$ (4,706)	-	\$ 275	-	\$ (17,188)	-	\$ 2,697	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	<u>114,522</u>	<u>4</u>	<u>(30,875)</u>	<u>(1)</u>	<u>288,050</u>	<u>4</u>	<u>(115,258)</u>	<u>(2)</u>
Other comprehensive income (loss) for the period, net of income tax	<u>109,816</u>	<u>4</u>	<u>(30,600)</u>	<u>(1)</u>	<u>270,862</u>	<u>4</u>	<u>(112,561)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 277,213</u>	<u>11</u>	<u>\$ 40,545</u>	<u>2</u>	<u>\$ 619,269</u>	<u>8</u>	<u>\$ 105,546</u>	<u>1</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 161,470	7	\$ 74,718	3	\$ 343,308	4	\$ 225,539	3
Non-controlling interests	<u>5,927</u>	<u>-</u>	<u>(3,573)</u>	<u>-</u>	<u>5,099</u>	<u>-</u>	<u>(7,432)</u>	<u>-</u>
	<u>\$ 167,397</u>	<u>7</u>	<u>\$ 71,145</u>	<u>3</u>	<u>\$ 348,407</u>	<u>4</u>	<u>\$ 218,107</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 269,248	11	\$ 47,720	2	\$ 606,125	8	\$ 126,363	1
Non-controlling interests	<u>7,965</u>	<u>-</u>	<u>(7,175)</u>	<u>-</u>	<u>13,144</u>	<u>-</u>	<u>(20,817)</u>	<u>-</u>
	<u>\$ 277,213</u>	<u>11</u>	<u>\$ 40,545</u>	<u>2</u>	<u>\$ 619,269</u>	<u>8</u>	<u>\$ 105,546</u>	<u>1</u>
EARNINGS PER SHARE (Note 24)								
Basic	<u>\$ 1.31</u>		<u>\$ 0.60</u>		<u>\$ 2.77</u>		<u>\$ 1.82</u>	
Diluted	<u>\$ 1.14</u>		<u>\$ 0.60</u>		<u>\$ 2.45</u>		<u>\$ 1.82</u>	

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

(With Deloitte & Touche review report dated November 7, 2022)

(Concluded)

**SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Corporation (Note 21)												
	Ordinary Shares	Capital Surplus	Retained Earnings				Exchange Differences on Translating of the Financial Statements of Foreign Operations	Other Equity		Total Other Equity	Total	Non-controlling Interests (Note 21)	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total				
BALANCE AT JANUARY 1, 2021	\$ 1,237,242	\$ 2,592,857	\$ 904,665	\$ 634,020	\$ 1,165,528	\$ 2,704,213	\$ (639,134)	\$ 3,519	\$ (635,615)	\$ 5,898,697	\$ 343,138	\$ 6,241,835	
Appropriation of 2020 earnings													
Legal reserve	-	-	96,510	-	(96,510)	-	-	-	-	-	-	-	
Special reserve	-	-	-	1,595	(1,595)	-	-	-	-	-	-	-	
Cash dividends distributed by the Corporation	-	-	-	-	(618,621)	(618,621)	-	-	-	(618,621)	-	(618,621)	
	-	-	96,510	1,595	(716,726)	(618,621)	-	-	-	(618,621)	-	(618,621)	
Equity component of convertible bonds issued by the company	-	175,396	-	-	-	-	-	-	-	175,396	-	175,396	
Change in percentage of ownership interests in associates accounted for using the equity method	-	-	-	-	(2,641)	(2,641)	-	-	-	(2,641)	-	(2,641)	
Unclaimed dividends	-	22	-	-	-	-	-	-	-	22	-	22	
Net profit (loss) for the nine months ended September 30, 2021	-	-	-	-	225,539	225,539	-	-	-	225,539	(7,432)	218,107	
Other comprehensive income (loss) for the nine months ended September 30, 2021, net of income tax	-	-	-	-	-	-	(101,873)	2,697	(99,176)	(99,176)	(13,385)	(112,561)	
Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	225,539	225,539	(101,873)	2,697	(99,176)	126,363	(20,817)	105,546	
Disposal of investment in equity instrument designed as at fair value through other comprehensive income by associates	-	-	-	-	983	983	-	(983)	(983)	-	-	-	
BALANCE AT SEPTEMBER 30, 2021	\$ 1,237,242	\$ 2,768,275	\$ 1,001,175	\$ 635,615	\$ 672,683	\$ 2,309,473	\$ (741,007)	\$ 5,233	\$ (735,774)	\$ 5,579,216	\$ 322,321	\$ 5,901,537	
BALANCE AT JANUARY 1, 2022	\$ 1,237,242	\$ 2,769,331	\$ 1,001,175	\$ 635,615	\$ 700,911	\$ 2,337,701	\$ (698,561)	\$ 11,371	\$ (687,190)	\$ 5,657,084	\$ 320,188	\$ 5,977,272	
Appropriation of 2021 earnings													
Legal reserve	-	-	25,211	-	(25,211)	-	-	-	-	-	-	-	
Special reserve	-	-	-	51,576	(51,576)	-	-	-	-	-	-	-	
Cash dividends distributed by the Corporation	-	-	-	-	(247,448)	(247,448)	-	-	-	(247,448)	-	(247,448)	
	-	-	25,211	51,576	(324,235)	(247,448)	-	-	-	(247,448)	-	(247,448)	
Cash dividends distributed by capital surplus	-	(408,290)	-	-	-	-	-	-	-	(408,290)	-	(408,290)	
Unclaimed dividends	-	29	-	-	-	-	-	-	-	29	-	29	
Net profit for the nine months ended September 30, 2022	-	-	-	-	343,308	343,308	-	-	-	343,308	5,099	348,407	
Other comprehensive income (loss) for the nine months ended September 30, 2022, net of income tax	-	-	-	-	-	-	280,005	(17,188)	262,817	262,817	8,045	270,862	
Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	343,308	343,308	280,005	(17,188)	262,817	606,125	13,144	619,269	
BALANCE AT SEPTEMBER 30, 2022	\$ 1,237,242	\$ 2,361,070	\$ 1,026,386	\$ 687,191	\$ 719,984	\$ 2,433,561	\$ (418,556)	\$ (5,817)	\$ (424,373)	\$ 5,607,500	\$ 333,332	\$ 5,940,832	

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

(With Deloitte & Touche review report dated November 7, 2022)

# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 565,627	\$ 358,208
Adjustments for:		
Depreciation expenses	347,628	296,612
Amortization expenses	18,557	12,252
Expected credit loss (gain)	3,008	(4,205)
Net loss (gain) on financial assets at fair value through profit or loss	12,110	(36,874)
Interest expenses	38,141	25,715
Interest income	(17,887)	(21,662)
Dividend income	(11,703)	(23,299)
Share of profit of associates	(37,960)	(3,577)
Loss on disposal of property, plant and equipment	11,308	3,665
Loss on disposal of intangible assets	29	1,087
Impairment loss on property, plant and equipment	-	570
Impairment loss on investments accounted for using the equity method	19,835	-
Write-downs of inventories	30,346	21,795
Net unrealized gain on foreign currency exchange	(92,988)	(54,120)
Gain on lease modification	-	(9)
Changes in operating assets and liabilities		
Notes receivable	87,329	46,236
Trade receivables	650,545	361,369
Inventories	372,563	(207,207)
Other current assets	25,760	(22,873)
Notes payable and trade payables	(391,795)	(210,908)
Other payables	128,037	(52,135)
Other current liabilities	11,982	6,314
Net defined benefit assets and liabilities	(1,567)	(8,859)
Other non-current liabilities	1,420	(3,658)
Cash generated from operations	1,770,325	484,437
Interest paid	(28,355)	(26,228)
Income tax paid	(266,224)	(336,473)
Net cash generated from operating activities	<u>1,475,746</u>	<u>121,736</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(199,485)	(222,919)
Proceeds from sale of financial assets at amortized cost	222,258	502,735
Purchase of financial assets at fair value through profit or loss	(708,590)	(745,043)
Proceeds from sale of financial assets at fair value through profit or loss	531,680	956,816
Acquisition of associates	-	(15,680)

(Continued)



# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2022	2021
Payments for property, plant and equipment	\$ (178,125)	\$ (592,102)
Proceeds from disposal of property, plant and equipment	35,654	23,503
Decrease (increase) in refundable deposits	1,153	(11,941)
Payments for intangible assets	(25,451)	(12,464)
Decrease (increase) in non-current assets	4,323	(89)
Increase in prepayments for equipment	(10,013)	(43,528)
Interest received	17,887	21,662
Dividends received	<u>23,103</u>	<u>34,699</u>
Net cash used in investing activities	<u>(285,606)</u>	<u>(104,351)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	496,268	-
Repayments of short-term borrowings	-	(641,167)
Repayment of short-term bills payable	-	(29,981)
Proceeds from issuance of convertible bonds	-	1,337,453
Proceeds from long-term borrowings	10,000	219,000
Repayments of long-term borrowings	(12,372)	(77,449)
Proceeds from guarantee deposits received	-	137
Refunds of guarantee deposits received	(515)	-
Repayment of the principal portion of lease liabilities	(172,484)	(164,871)
Cash dividends	<u>(655,738)</u>	<u>(618,621)</u>
Net cash generated from (used in) financing activities	<u>(334,841)</u>	<u>24,501</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>74,019</u>	<u>(29,608)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>929,318</b>	<b>12,278</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u><b>2,059,537</b></u>	<u><b>2,420,807</b></u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u><b>\$ 2,988,855</b></u>	<u><b>\$ 2,433,085</b></u>

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

(With Deloitte & Touche review report dated November 7, 2022)

(Concluded)

# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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### 1. GENERAL INFORMATION

Syncmold Enterprise Corporation (the “Corporation”) was incorporated in the Republic of China (ROC) in July 1979 and is mainly engaged in the processing, manufacturing, trading, technology licensing and related import and export business of various metal molds, plastic molds and electronic parts.

The Corporation’s shares were approved for listing on the emerging stock board of the Taipei Exchange (“TPEX”) in December 2005 and after obtaining approval from the Financial Supervisory Commission, Executive Yuan in November 2006, the Corporation’s shares were listed on the over-the-counter market (OTC) on January 11, 2007. In November 2009, the Corporation obtained approval to transfer listing of its shares to the Taiwan Stock Exchange (TWSE) and they were officially listed and started trading its shares on December 17, 2009.

The consolidated financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by Corporation’s board of directors on November 7, 2022.

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

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2023.

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

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

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

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

See Note 11 and Tables 6 and 7 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2021.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Group considers the possible impact of the recent development of the COVID-19 and its economic environment implications when making its critical accounting estimates in cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

## 6. CASH AND CASH EQUIVALENTS

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand	\$ 2,467	\$ 2,067	\$ 2,766
Checking accounts and demand deposits	2,154,855	1,944,790	2,224,229
Cash equivalents (with original maturities within 3 months)			
Time deposits	<u>831,533</u>	<u>112,680</u>	<u>206,090</u>
	<u>\$ 2,988,855</u>	<u>\$ 2,059,537</u>	<u>\$ 2,433,085</u>

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets at fair value through profit or loss (FVTPL) - current			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts (a)	\$ -	\$ 4	\$ -
Non-derivative financial assets			
Domestic listed shares	80,445	81,379	78,056
Hybrid financial assets			
Structured deposits (b)	<u>247,060</u>	<u>65,370</u>	<u>129,075</u>
	<u>\$ 327,505</u>	<u>\$ 146,753</u>	<u>\$ 207,131</u>
			(Continued)

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Domestic third convertible bonds (Note 18)	\$ -	\$ 360	\$ 240
Non-derivative financial assets			
Domestic emerging market shares	15,170	17,528	15,535
Overseas unlisted shares	32,559	38,508	38,483
Private funds	<u>8,580</u>	<u>9,034</u>	<u>7,895</u>
	<u>\$ 56,309</u>	<u>\$ 65,430</u>	<u>\$ 62,153</u>

Financial liabilities at fair value through profit or loss (FVTPL) - current

Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts (a)	<u>\$ -</u>	<u>\$ 41</u>	<u>\$ -</u> (Concluded)

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

December 31, 2021

	Currency	Maturity Date	Notional Amount (In Thousands)
Sell	US\$/RMB	2022.07	US\$1,000/RMB6,460
Sell	US\$/RMB	2022.07	US\$1,000/RMB6,470

The Group entered into foreign exchange forward contracts to manage exposures due to exchange rate fluctuations of foreign currency denominated assets and liabilities.

- b. The Group successively entered into 1 to 6 months structured time deposit contracts with bank for the nine months ended September 30, 2022 and 2021. The structured time deposit contract includes an embedded derivative instrument which is not closely related to the host contract. The entire contract is assessed and mandatorily classified as at FVTPL since it contained a host that is an asset within the scope of IFRS 9.

## 8. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 336,736	\$ 336,972	\$ 316,140
Time deposits pledged as collateral with original maturities of more than 3 months	<u>1,754</u>	<u>1,728</u>	<u>1,710</u>
	<u>\$ 338,490</u>	<u>\$ 338,700</u>	<u>\$ 317,850</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 1 year	<u>\$ 528</u>	<u>\$ 480</u>	<u>\$ 484</u>

See Note 27 for detailed information on financial assets at amortized cost pledged as collateral.

## 9. TRADE RECEIVABLES, NET

	September 30, 2022	December 31, 2021	September 30, 2021
At amortized cost			
Gross carrying amount	\$ 3,052,683	\$ 3,421,964	\$ 3,298,828
Less: Allowance for impairment loss	<u>(8,166)</u>	<u>(5,071)</u>	<u>(6,369)</u>
	<u>\$ 3,044,517</u>	<u>\$ 3,416,893</u>	<u>\$ 3,292,459</u>

The average credit period of sales of goods is 130-160 days. No interest was charged on trade receivables. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

The Group applies the simplified approach to providing for expected credit losses prescribed, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

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

September 30, 2022

	<b>Not Past Due</b>	<b>Less than 30 Days</b>	<b>31 to 90 Days</b>	<b>91 to 180 Days</b>	<b>Over 180 Days</b>	<b>Total</b>
Expected credit loss rate	-	1.49%	3.46%	36.45%	98.87%	
Gross carrying amount	\$ 2,989,615	\$ 33,908	\$ 12,991	\$ 14,054	\$ 2,115	\$ 3,052,683
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(504)</u>	<u>(449)</u>	<u>(5,122)</u>	<u>(2,091)</u>	<u>(8,166)</u>
Amortized cost	<u>\$ 2,989,615</u>	<u>\$ 33,404</u>	<u>\$ 12,542</u>	<u>\$ 8,932</u>	<u>\$ 24</u>	<u>\$ 3,044,517</u>

December 31, 2021

	<b>Not Past Due</b>	<b>Less than 30 Days</b>	<b>31 to 90 Days</b>	<b>91 to 180 Days</b>	<b>Over 180 Days</b>	<b>Total</b>
Expected credit loss rate	-	2.86%	3.74%	46.27%	100%	
Gross carrying amount	\$ 3,376,504	\$ 30,590	\$ 9,039	\$ 3,674	\$ 2,157	\$ 3,421,964
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(876)</u>	<u>(338)</u>	<u>(1,700)</u>	<u>(2,157)</u>	<u>(5,071)</u>
Amortized cost	<u>\$ 3,376,504</u>	<u>\$ 29,714</u>	<u>\$ 8,701</u>	<u>\$ 1,974</u>	<u>\$ -</u>	<u>\$ 3,416,893</u>

September 30, 2021

	<b>Not Past Due</b>	<b>Less than 30 Days</b>	<b>31 to 90 Days</b>	<b>91 to 180 Days</b>	<b>Over 180 Days</b>	<b>Total</b>
Expected credit loss rate	-	4.10%	7.78%	41.30%	100%	
Gross carrying amount	\$ 3,253,266	\$ 29,550	\$ 9,192	\$ 4,051	\$ 2,769	\$ 3,298,828
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(1,212)</u>	<u>(715)</u>	<u>(1,673)</u>	<u>(2,769)</u>	<u>(6,369)</u>
Amortized cost	<u>\$ 3,253,266</u>	<u>\$ 28,338</u>	<u>\$ 8,477</u>	<u>\$ 2,378</u>	<u>\$ -</u>	<u>\$ 3,292,459</u>

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 5,071	\$ 10,876
Add: Net remeasurement of loss allowance	3,008	-
Less: Reversal of loss allowance	-	(4,205)
Foreign exchange gains and losses	<u>87</u>	<u>(302)</u>
Balance at September 30	<u>\$ 8,166</u>	<u>\$ 6,369</u>



## 10. INVENTORIES

	September 30, 2022	December 31, 2021	September 30, 2021
Finished goods	\$ 368,024	\$ 476,793	\$ 407,380
Work in progress	225,050	309,137	303,155
Raw materials	<u>309,308</u>	<u>499,211</u>	<u>421,922</u>
	<u>\$ 902,382</u>	<u>\$ 1,285,141</u>	<u>\$ 1,132,457</u>

The cost of goods sold for the three months ended September 30, 2022 and for the nine months ended September 30, 2022, included inventory write-downs of \$8,878 thousand and \$30,346 thousand, respectively. The cost of goods sold for the three months ended and the for the nine months ended September 30, 2021, included reversals of inventory of \$4,174 thousand and inventory write-downs of \$21,795 thousand, respectively. The reversals of inventory write-downs resulted from selling of slow-moving inventories.

## 11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			September 30, 2022	December 31, 2021	September 30, 2021	
Syncmold Enterprise Corp.	Syncmold Enterprise (Samoa) Corp.	The trading and commercial related practices of all metal molds and plastic molds as well as the reinvestment of subsidiaries in mainland China.	100.00	100.00	100.00	Note 1
	Grand Advance Inc.	The trading, imports, exports and investments of electronic parts.	100.00	100.00	100.00	Note 1
	Syncmold Enterprise (USA) Corp.	The trading, imports and exports of electronic parts.	100.00	100.00	100.00	Note 2
	Gatetech Technology Inc.	Precision molding and magnesium alloy die caster manufacturing and transaction business.	73.82	73.82	73.43	Notes 1 and 3
	Syncmold Enterprise Vietnam Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 2
	Syncmold Enterprise (MALAYSIA) Sdn., Bhd.	The trading, imports and exports of electronic parts.	100.00	100.00	100.00	Note 2
	Syncmold Enterprise (SINGAPORE) Pte., Ltd.	The trading, imports and exports of electronic parts.	100.00	100.00	100.00	Note 2
	Syncmold Enterprise (THAILAND) Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 2
	Leohab Enterprise Co., Ltd.	Precision hardware components manufacturing.	70.00	70.00	70.00	Note 2
	Grand Advance Inc.	Canford International Limited	Import and export trade and investment business.	100.00	100.00	100.00
Fullking Development Limited		Import and export trade and investment business.	100.00	100.00	100.00	Note 2
Full Glary Holding Limited		Import and export trade and investment business.	100.00	100.00	100.00	Note 2
Syncmold Enterprise (Samoa) Corp.	Full Big Limited	Reinvesting subsidiaries of mainland China and international business.	100.00	100.00	100.00	Notes 2 and 5
	Forever Business Development Limited	Reinvesting subsidiaries of mainland China and international business.	100.00	100.00	100.00	Note 2
	Full Celebration Limited	Reinvesting subsidiaries of mainland China and international business.	100.00	100.00	100.00	Note 2
	Fuzhou Fulfil Tech Co., Ltd.	Electronic parts processing and manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 1

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			September 30, 2022	December 31, 2021	September 30, 2021	
	Fujian Khuan Hua Precise Mold Co., Ltd.	Processing, manufacturing, trading and related import and export business of various metal molds, plastic molds and plastic injection molds.	100.00	100.00	100.00	Note 2
	Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Electronic parts processing and manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 2
Gatetech Technology Inc.	Gatech Holding Ltd.	General investment business.	100.00	100.00	100.00	Note 2
Leohab Enterprise Co., Ltd.	Sweet International Group Ltd.	General investment business.	100.00	100.00	100.00	Note 2
	Commuwell Enterprise (Thailand) Co., Ltd.	Plastic shot and hardware components manufacturing.	100.00	-	-	Notes 2 and 4
Forever Business Development Limited	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Processing, manufacturing, trading and related import and export business of various metal molds, plastic molds and plastic injection molds.	100.00	100.00	100.00	Note 2
Canford International Limited	Suzhou Fulfil Electronics Co., Ltd.	Electronic parts processing and manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 1
Fullking Development Limited	Zhongshan Fulfil Tech. Co., Ltd.	Electronic parts processing and manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 1
Full Glary Holding Limited	Kunshan Fulfil Tech Co., Ltd.	Manufacturing and assembling of laptop components such as precision bearing, hardware and related accessories.	100.00	100.00	100.00	Note 2
Full Celebration Limited	Chongqing Fulfil Tech Co., Ltd.	The processing, manufacturing, related imports and exports of all electronic, plastic and electronic parts.	100.00	100.00	100.00	Note 2
Gatech Holding Ltd.	Gatech International Ltd.	General investment business.	100.00	100.00	100.00	Note 2
Gatech International Ltd.	Gatech (Suzhou) Technology Co., Ltd.	Aluminum and magnesium alloy manufacturing and trading.	100.00	100.00	100.00	Note 2
Sweet International Group Ltd.	Lucky King Holdings Ltd.	General investment business.	100.00	100.00	100.00	Note 2
Lucky King Holdings Ltd.	Suzhou Leoho Electronics Co., Ltd.	Precision hardware components manufacturing.	100.00	100.00	100.00	Note 2
	Commuwell Enterprise (Thailand) Co., Ltd.	Plastic shot and hardware components manufacturing.	-	100.00	100.00	Notes 2 and 4

(Concluded)

Note 1: Its financial statements for the nine months ended September 30, 2022 and 2021 have been reviewed.

Note 2: As the subsidiary is not a major subsidiary, its financial statements for the nine months ended September 30, 2022 and 2021 have not been reviewed.

Note 3: On December 15, 2021, the Corporation acquired additional 0.39% ownerships in Gatetech Technology Inc. for a cash consideration of \$2,248 thousand.

Note 4: For organizational restructuring purposes, the Company's board of directors resolved to transfer 100% equity of Commuwell Enterprise (Thailand) Co., Ltd. held by Lucky King Holdings Ltd. to Leohab Enterprise Co., Ltd. for direct investment. The capital transfer was completed in May 2022.

Note 5: For organizational restructuring purposes, in July 2022, the board of directors resolved to dissolve Full Big Limited, and currently Full Big Limited is in liquidation proceedings.

## 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2022	December 31, 2021	September 30, 2021
Associates that are not individually material			
Unlisted company			
High Grade Tech Co., Ltd. (Note 1)	\$ 149,901	\$ 136,170	\$ 124,891
Corebio Technologies Co., Ltd. (Note 2)	-	20,730	31,824
Smart Automation Technology Inc.	<u>11,694</u>	<u>15,158</u>	<u>15,754</u>
	<u>\$ 161,595</u>	<u>\$ 172,058</u>	<u>\$ 172,469</u>

Note 1: The Corporation's percentage of ownership in High Grade Tech Co., Ltd. was 38% originally. After High Grade Tech Co., Ltd. handled employee stock option for new shares in September 2020, the Corporation's percentage of ownership in High Grade Tech Co., Ltd. decrease to 35.63%. The effect of the change in ownership of investment accounted for using the equity method of \$2,641 thousand was recognized in retained earnings.

Note 2: Considering that the market value of the Group's interest in Corebio Technologies Co., Ltd. in June 2022 was lower compared to the prior period, the management of the Corporation conducted an impairment test on the investment in June 2022, and evaluated whether the carrying amount is less than the recoverable amount. After evaluation, the book value of the investment in Corebio Technologies Co., Ltd. was higher than the recoverable amount; thus, an impairment loss of \$19,835 thousand was recognized for the three months ended June 30, 2022.

Investments were accounted for using the equity method and the share of comprehensive income or loss for the nine months ended September 30, 2022 and 2021 were calculated based on financial statements which have not been reviewed.

## 13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property Under Construction	Total
<u>Cost</u>								
Balance at January 1, 2022	\$ 770,538	\$ 924,441	\$ 1,581,096	\$ 41,549	\$ 63,002	\$ 212,698	\$ 268,260	\$ 3,861,584
Additions	-	8,794	88,649	1,021	6,280	14,863	58,518	178,125
Disposals	-	(6,297)	(184,010)	(4,540)	(3,896)	(18,348)	-	(217,091)
Transfer from prepayments for equipment	-	495	51,270	-	-	2,690	-	54,455
Reclassifications	-	(1,192)	(3,934)	1,251	(5,538)	5,204	-	(4,209)
Effect of foreign currency exchange differences	<u>46</u>	<u>16,628</u>	<u>40,396</u>	<u>1,125</u>	<u>1,293</u>	<u>4,914</u>	<u>30,815</u>	<u>95,217</u>
Balance at September 30, 2022	<u>\$ 770,584</u>	<u>\$ 942,869</u>	<u>\$ 1,573,467</u>	<u>\$ 40,406</u>	<u>\$ 61,141</u>	<u>\$ 222,021</u>	<u>\$ 357,593</u>	<u>\$ 3,968,081</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2022	\$ -	\$ 483,380	\$ 1,045,195	\$ 28,462	\$ 36,460	\$ 118,878	\$ -	\$ 1,712,375
Depreciation expenses	-	54,850	84,892	2,861	6,907	26,080	-	175,590
Disposals	-	(6,297)	(145,718)	(3,899)	(3,588)	(10,627)	-	(170,129)
Reclassifications	-	3	482	791	(3,386)	3,005	-	895
Effect of foreign currency exchange differences	<u>-</u>	<u>10,858</u>	<u>24,889</u>	<u>753</u>	<u>823</u>	<u>2,636</u>	<u>-</u>	<u>39,959</u>
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ 542,794</u>	<u>\$ 1,009,740</u>	<u>\$ 28,968</u>	<u>\$ 37,216</u>	<u>\$ 139,972</u>	<u>\$ -</u>	<u>\$ 1,758,690</u>
Carrying amounts at September 30, 2022	<u>\$ 770,584</u>	<u>\$ 400,075</u>	<u>\$ 563,727</u>	<u>\$ 11,438</u>	<u>\$ 23,925</u>	<u>\$ 82,049</u>	<u>\$ 357,593</u>	<u>\$ 2,209,391</u>

(Continued)

	Freehold Land	Buildings	Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property Under Construction	Total
<u>Cost</u>								
Balance at January 1, 2021	\$ 714,292	\$ 883,285	\$ 1,497,074	\$ 41,069	\$ 50,318	\$ 250,313	\$ -	\$ 3,436,351
Additions	46,172	66,885	163,416	3,070	11,050	46,662	254,847	592,102
Disposals	-	(14,838)	(89,692)	(1,311)	(4,564)	(20,737)	-	(131,142)
Transfer from prepayments for equipment	10,673	3,927	22,219	-	2,560	352	-	39,731
Reclassifications	-	(833)	(4,368)	71	437	(4,752)	-	(9,445)
Effect of foreign currency exchange differences	(642)	(24,916)	(56,211)	(1,706)	(938)	(18,729)	15,649	(87,493)
Balance at September 30, 2021	<u>\$ 770,495</u>	<u>\$ 913,510</u>	<u>\$ 1,532,438</u>	<u>\$ 41,193</u>	<u>\$ 58,863</u>	<u>\$ 253,109</u>	<u>\$ 270,496</u>	<u>\$ 3,840,104</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2021	\$ -	\$ 444,043	\$ 1,056,696	\$ 24,956	\$ 32,117	\$ 192,522	\$ -	\$ 1,750,334
Depreciation expenses	-	50,332	63,139	3,082	5,920	20,250	-	142,723
Disposals	-	(14,838)	(64,843)	(1,180)	(4,218)	(18,895)	-	(103,974)
Impairment losses recognized	-	-	340	-	-	230	-	570
Reclassifications	-	(769)	(983)	283	(362)	(5,526)	-	(7,357)
Effect of foreign currency exchange differences	-	(16,298)	(37,193)	5	295	(25,521)	-	(78,712)
Balance at September 30, 2021	<u>\$ -</u>	<u>\$ 462,470</u>	<u>\$ 1,017,156</u>	<u>\$ 27,146</u>	<u>\$ 33,752</u>	<u>\$ 163,060</u>	<u>\$ -</u>	<u>\$ 1,703,584</u>
Carrying amounts at September 30, 2021	<u>\$ 770,495</u>	<u>\$ 451,040</u>	<u>\$ 515,282</u>	<u>\$ 14,047</u>	<u>\$ 25,111</u>	<u>\$ 90,049</u>	<u>\$ 270,496</u>	<u>\$ 2,136,520</u>

(Concluded)

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Building	
Main building	5-60 years
Electromechanical power equipment	4-5 years
Equipment	1-23 years
Transportation equipment	5-10 years
Office equipment	3-10 years
Other equipment	1-20 years

See Note 27 for detailed information on property, plant and equipment pledged as collateral.

## 14. LEASE ARRANGEMENTS

### a. Right-of-use assets

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Carrying amount</u>			
Lands	\$ 185,179	\$ 178,078	\$ 179,903
Buildings	477,534	564,917	448,522
Transportation equipment	1,268	1,017	1,296
Machinery equipment	<u>4,826</u>	<u>-</u>	<u>-</u>
	<u>\$ 668,807</u>	<u>\$ 744,012</u>	<u>\$ 629,721</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Additions to right-of-use assets			\$ 69,363	\$ 289,254
Depreciation charge for right-of-use assets				
Lands	\$ 1,240	\$ 1,182	\$ 3,660	\$ 3,229
Buildings	56,394	50,621	167,124	149,801
Transportation equipment	240	283	819	859
Machinery equipment	327	-	435	-
	<u>\$ 58,201</u>	<u>\$ 52,086</u>	<u>\$ 172,038</u>	<u>\$ 153,889</u>
Income from the subleasing of right-of-use assets (presented in other income)	<u>\$ (154)</u>	<u>\$ -</u>	<u>\$ (449)</u>	<u>\$ -</u>

Except for the additions, recognized depreciation, and subleasing the Group did not have any significant impairment of right-of-use assets during the nine months ended September 30, 2022 and 2021.

b. Lease liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Carrying amount</u>			
Current	<u>\$ 187,004</u>	<u>\$ 182,430</u>	<u>\$ 183,345</u>
Non-current	<u>\$ 277,407</u>	<u>\$ 368,731</u>	<u>\$ 237,358</u>

Range of discount rates for lease liabilities was as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Buildings	0.81%-4.90%	0.94%-4.90%	0.94%-4.90%
Transportation equipment	0.94%-4.55%	0.94%-4.55%	0.94%-4.55%
Machinery equipment	4.75%	-	-

c. Subleases

The Group subleases its right-of-use assets for buildings under operating leases with lease terms of 1 year and with the priority to extend the lease. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend.

The maturity analysis of lease payments receivable under operating subleases was as follow:

	September 30, 2022	December 31, 2021	September 30, 2021
Year 1	<u>\$ 99</u>	<u>\$ 357</u>	<u>\$ -</u>

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Expenses relating to short-term leases	\$ 1,815	\$ 9,439	\$ 11,129	\$ 25,872
Total cash outflow for leases			\$ (202,568)	\$ (202,884)

The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

## 15. INTANGIBLE ASSETS

	September 30, 2022	December 31, 2021	September 30, 2021
Trademarks	\$ 38	\$ 49	\$ 54
Computer software	60,607	52,104	32,136
Patents	<u>731</u>	<u>827</u>	<u>910</u>
	<u>\$ 61,376</u>	<u>\$ 52,980</u>	<u>\$ 33,100</u>

Except for the recognized amortization, the Group did not have any significant additions, disposals or impairment of intangible assets during the nine months ended September 30, 2022 and 2021. The above items of intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Trademarks	7-10 years
Computer software	1-5 years
Patents	1-19 years

## 16. GOODWILL

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Cost</u>			
Balance at January 1	<u>\$ 366,777</u>	<u>\$ 366,777</u>	<u>\$ 366,777</u>
Balance at end of period	<u>\$ 366,777</u>	<u>\$ 366,777</u>	<u>\$ 366,777</u>
<u>Accumulated impairment losses</u>			
Balance at January 1	<u>\$ 42,180</u>	<u>\$ 42,180</u>	<u>\$ 42,180</u>
Balance at end of period	<u>\$ 42,180</u>	<u>\$ 42,180</u>	<u>\$ 42,180</u>
Carrying amount at end of period	<u>\$ 324,597</u>	<u>\$ 324,597</u>	<u>\$ 324,597</u>

## 17. BORROWINGS

### a. Short-term borrowings

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Secured borrowings (Note 27)</u>			
Mortgage loans	\$ 385,000	\$ 400,836	\$ 403,309
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>1,010,000</u>	<u>495,000</u>	<u>832,966</u>
	<u>\$ 1,395,000</u>	<u>\$ 895,836</u>	<u>\$ 1,236,275</u>

The range of interest rates on bank loans was 1.08%-1.50%, 0.61%-3.75% and 0.50%-3.75% on September 30, 2022, December 31, 2021 and September 30, 2021, respectively.

### b. long-term borrowings

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Secured borrowings (Note 27)</u>			
Mortgage loans	\$ 208,358	\$ 210,730	\$ 214,687
Less: Current portion	<u>(26,490)</u>	<u>(16,545)</u>	<u>(15,498)</u>
	<u>\$ 181,868</u>	<u>\$ 194,185</u>	<u>\$ 199,189</u>

The effective interest rate on long-term borrowings was 1.28%-1.41%, 0.9%-1% and 1%-1.1%, on September 30, 2022, December 31, 2021 and September 30, 2021, respectively.

## 18. BONDS PAYABLE

	September 30, 2022	December 31, 2021	September 30, 2021
Domestic third unsecured convertible bonds	<u>\$ 1,175,567</u>	<u>\$ 1,166,288</u>	<u>\$ 1,163,164</u>

On September 9, 2021, the Company issued 12,000 units NTD denominated unsecured convertible corporate bonds with 0% coupon rate, 3 years issue period and total principal amount of NT\$1,200,000 thousand.

The bonds are exchangeable into ordinary shares of the Company at any time on or after December 10, 2021 and prior to September 9, 2024 except during closed period or suspension period.

The conversion price of bonds is set based on the arithmetic mean of the business day's closing share price multiplied by 102% premium rate before the effective date on August 20, 2021. In accordance with above method, the conversion price at the time of issuance of the convertible corporate bond is NT\$61.6 per share on September 30, 2022.

If the bonds are not converted between December 10, 2021 and July 31, 2024, and the closing price of ordinary shares has exceeded 30% of the current conversion price for 30 consecutive business days, the Company may send a copy of “Bond Redemption Notice” with expiration of one month by registered mail, and the expiration date of the period is determined as the base date for recovery of bonds. The Company will redeem the bonds at their par value within 5 business days following the base date.

If the bonds are not converted between December 10, 2021 and July 31, 2024, and the closing price of ordinary shares is lower than 10% of original total issue amount, the Company will therefore be entitled to send out a 30-day-expiration “Bond Redemption Notice” based on names recorded on bondholder’s name list 5 business days prior to the mailing day. The Company will redeem the bonds at their par value within 5 business days following the base date.

The convertible bonds contain both liability and equity components: The equity component was presented in equity under the heading of capital surplus-options. The liability components are recognized as liabilities of embedded derivative financial instruments and non-derivative products. Such embedded derivative financial instrument were assessed at fair value of NT\$0 thousand, NT\$360 thousand and NT\$240 thousand (included in financial assets - non-current which were measured at fair value through profit or loss); non-derivative product liabilities of NT\$1,175,567 thousand, NT\$1,166,288 thousand and NT\$1,163,164 thousand (included in bonds payable) were measured at amortized cost on September 30, 2022, December 31, 2021 and September 30, 2021, respectively and its effective interest rate which was originally recognized was 1.0663%.

Proceeds from insurance (less transaction cost of NT\$4,998 thousand)	\$ 1,337,453
Equity component	<u>(175,396)</u>
Liability component at the date of issue (including NT\$1,162,417 thousand of bonds payable and NT\$360 thousand of financial asset at fair value - non-current)	1,162,057
Interest charged at an effective interest rate of 1.0663%	<u>3,871</u>
Liability component on December 31, 2021	1,165,928
Interest charged at an effective interest rate of 1.0663%	9,279
Loss on valuation of financial instrument	<u>360</u>
Liability component on September 30, 2022	<u>\$ 1,175,567</u>

As of September 30, 2022, the third unsecured convertible bonds have no conversion.

## 19. OTHER PAYABLES

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Other payables			
Payables for salaries or bonuses	\$ 231,431	\$ 201,376	\$ 184,136
Others	<u>323,026</u>	<u>204,369</u>	<u>249,144</u>
	<u>\$ 554,457</u>	<u>\$ 405,745</u>	<u>\$ 433,280</u>

## 20. RETIREMENT BENEFIT PLANS

For the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the pension expenses of defined benefit plans were \$117 thousand, \$112 thousand, \$333 thousand and \$346 thousand, respectively, and these were calculated based on the actuarially determined pension cost rate on December 31, 2021 and 2020, respectively.



## 21. EQUITY

### a. Share capital

#### Ordinary shares

	September 30, 2022	December 31, 2021	September 30, 2021
Number of shares authorized (in thousands)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Value of shares authorized	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>123,724</u>	<u>123,724</u>	<u>123,724</u>
Value of shares issued	<u>\$ 1,237,242</u>	<u>\$ 1,237,242</u>	<u>\$ 1,237,242</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and a right to dividends.

The authorized shares include 3,000 thousand shares allocated for the exercise of employee stock options.

### b. Capital surplus

	September 30, 2022	December 31, 2021	September 30, 2021
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)</u>			
Issuance of ordinary shares	\$ 776,519	\$ 1,184,809	\$ 1,184,809
The difference between the consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	413,526	413,526	412,470
Consolidation excess	852,372	852,372	852,372
Unclaimed dividends	107	78	78
<u>May only be used to offset a deficit (Note 2)</u>			
Changes in percentage of ownership interests in subsidiaries	143,150	143,150	143,150
<u>May not be used for any purpose</u>			
Convertible bonds option	<u>175,396</u>	<u>175,396</u>	<u>175,396</u>
	<u>\$ 2,361,070</u>	<u>\$ 2,769,331</u>	<u>\$ 2,768,275</u>

Note 1: Such capital surplus, which includes the amount in excess of par value of issued stocks (including the issuance of ordinary shares at the excess premium, the conversion premium of bonds, and the premium of stocks due to the consolidation excess, etc.), unclaimed dividends, and the difference between the consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition, may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

Note 2: Such capital surplus which arises from the effects of changes in ownership interests in subsidiaries may only be used to offset a deficit.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 22-b.

As the Corporation is currently in the growth stage, the Corporation considers its industry development and long-term interests of shareholders as well as its programs to maintain operating efficiency and meet its financial goals when determining the distribution of bonuses in shares or cash. The board of directors shall propose allocation ratio every year and submit it to the shareholders' meeting for approval. For the distribution of bonuses to shareholders, cash dividends are preferred. Distribution of earnings may also be made in the form of stock dividends; provided that the ratio of cash dividends distributed is 5% to 100% of the total dividends distributed.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Corporation.

The appropriations of earnings for 2021 and 2020, which were approved in the shareholders' meetings on June 10, 2022 and July 30, 2021, respectively, were as follows:

	<b><u>For the Year Ended December 31</u></b>	
	<b>2021</b>	<b>2020</b>
Legal reserve	\$ <u>25,211</u>	\$ <u>96,510</u>
Special reserve	\$ <u>51,576</u>	\$ <u>1,595</u>
Cash dividends	\$ <u>247,448</u>	\$ <u>618,621</u>
Cash dividends per share (NT\$)	\$ <u>2.00</u>	\$ <u>5.00</u>

The shareholders' meeting proposed to allocate capital surplus of \$408,290 thousand for each dividend of \$3.30 per share.

d. Special reserve

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 635,615	\$ 634,020
Appropriations to special reserve		
Debits to other equity items	<u>51,576</u>	<u>1,595</u>
Balance at September 30	<u>\$ 687,191</u>	<u>\$ 635,615</u>

On the initial application of the IFRSs, the balance of retained earnings was not enough to appropriate to special reserve the full amount of IFRS adjustments; the Group appropriated to special reserve only at the amount of \$230,916 thousand representing the remaining amount in retained earnings that resulted from the conversion to IFRSs. Additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRSs. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and is thereafter, distributed.

e. Non-controlling interests

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 320,188	\$ 343,138
Share of profit (loss) for the year	5,099	(7,432)
Other comprehensive income (loss) during the year		
Exchange differences on translating the financial statements of foreign operations	<u>8,045</u>	<u>(13,385)</u>
Balance at September 30	<u>\$ 333,332</u>	<u>\$ 322,321</u>

## 22. NET PROFIT

a. Employee benefits expense, depreciation and amortization

	<b>For the Three Months Ended September 30</b>					
	<b>2022</b>			<b>2021</b>		
	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>
Employee benefits expense						
Defined contribution plan	\$ 19,300	\$ 5,206	\$ 24,506	\$ 16,454	\$ 5,554	\$ 22,008
Defined benefit plan	63	54	117	62	50	112
Other employee benefits	<u>384,779</u>	<u>175,856</u>	<u>560,635</u>	<u>445,640</u>	<u>127,615</u>	<u>573,255</u>
	<u>\$ 404,142</u>	<u>\$ 181,116</u>	<u>\$ 585,258</u>	<u>\$ 462,156</u>	<u>\$ 133,219</u>	<u>\$ 595,375</u>
Depreciation	<u>\$ 79,789</u>	<u>\$ 37,580</u>	<u>\$ 117,369</u>	<u>\$ 67,579</u>	<u>\$ 35,539</u>	<u>\$ 103,118</u>
Amortization	<u>\$ 800</u>	<u>\$ 5,588</u>	<u>\$ 6,388</u>	<u>\$ 231</u>	<u>\$ 3,625</u>	<u>\$ 3,856</u>

	For the Nine Months Ended September 30					
	2022			2021		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Defined contribution plan	\$ 56,372	\$ 16,206	\$ 72,578	\$ 53,171	\$ 16,551	\$ 69,722
Defined benefit plan	182	151	333	203	143	346
Other employee benefits	1,274,734	473,366	1,748,100	1,362,735	380,897	1,743,632
	<u>\$ 1,331,288</u>	<u>\$ 489,723</u>	<u>\$ 1,821,011</u>	<u>\$ 1,416,109</u>	<u>\$ 397,591</u>	<u>\$ 1,813,700</u>
Depreciation	\$ 239,786	\$ 107,842	\$ 347,628	\$ 190,298	\$ 106,314	\$ 296,612
Amortization	\$ 2,134	\$ 16,423	\$ 18,557	\$ 746	\$ 11,506	\$ 12,252

b. Compensation of employees and remuneration of directors

According to the Corporation's Articles of Incorporation, the Corporation accrued compensation of employees and remuneration of directors at rates of no less than 3% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. The compensation of employees and the remuneration of directors and supervisors for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, respectively, are as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2022	2021
Compensation of employees	8.87%	6.60%
Remuneration of directors	1.95%	1.53%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Compensation of employees	<u>\$ 18,465</u>	<u>\$ 7,470</u>	<u>\$ 40,055</u>	<u>\$ 19,901</u>
Remuneration of directors	<u>\$ 4,054</u>	<u>\$ 1,640</u>	<u>\$ 8,793</u>	<u>\$ 4,622</u>

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

The appropriations of compensation of employees and remuneration of directors for 2021 and 2020 that were resolved by the board of directors on March 15, 2022 and March 16, 2021, respectively, are as shown below:

Amount

	For the Year Ended December 31	
	2021	2020
	Cash	Cash
Compensation of employees	\$ 31,000	\$ 80,000
Remuneration of directors and supervisors	7,000	18,000

The Corporation held board of directors' meetings on March 15, 2022 and March 16, 2021 and those meetings resulted in the actual amounts of the compensation of employees and remuneration of directors and supervisors paid for 2021 and 2020 to differ from the amounts recognized in the consolidated financial statements. The adjustment for differences was recognized in profit and loss for the years ended December 31, 2021.

	<b>For the Year Ended December 31</b>			
	<b>2021</b>		<b>2020</b>	
	<b>Compensation of Employees</b>	<b>Remuneration of Directors and Supervisors</b>	<b>Compensation of Employees</b>	<b>Remuneration of Directors and Supervisors</b>
Amounts approved in the board of directors' meeting	<u>\$ 31,000</u>	<u>\$ 7,000</u>	<u>\$ 80,000</u>	<u>\$ 18,000</u>
Amounts recognized in the annual consolidated financial statements	<u>\$ 31,000</u>	<u>\$ 7,000</u>	<u>\$ 80,847</u>	<u>\$ 17,747</u>

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

### 23. INCOME TAXES

#### a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Current tax				
In respect of the current period	\$ 67,703	\$ 113,356	\$ 185,502	\$ 280,636
Income tax on unappropriated earnings	-	9,200	-	9,200
Adjustments for prior periods	<u>8,533</u>	<u>-</u>	<u>20,236</u>	<u>(2,752)</u>
	<u>76,236</u>	<u>122,556</u>	<u>205,738</u>	<u>287,084</u>
Deferred tax				
In respect of the current period	(196)	(69,517)	19,101	(146,983)
Adjustments for prior periods	<u>825</u>	<u>-</u>	<u>(7,619)</u>	<u>-</u>
	<u>629</u>	<u>(69,517)</u>	<u>11,482</u>	<u>(146,983)</u>
Income tax expense recognized in profit or loss	<u>\$ 76,865</u>	<u>\$ 53,039</u>	<u>\$ 217,220</u>	<u>\$ 140,101</u>

b. Income tax assessments

The income tax returns of the Leohab Enterprise Co., Ltd. through 2019 have been assessed by the tax authorities.

The income tax returns of the Corporation and the Gatetech Technology Inc. through 2020 have been assessed by the tax authorities.

All the subsidiaries in China and other overseas countries have completed income tax returns within the time limit specified by the local tax collection authority.

## 24. EARNINGS PER SHARE

### Net Profit for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Earnings used in the computation of diluted earnings per share	\$ 161,470	\$ 74,718	\$ 343,308	\$ 225,539
Effect of potentially dilutive ordinary shares				
Invest on convertible bonds	<u>3,132</u>	<u>-</u>	<u>9,639</u>	<u>-</u>
	<u>\$ 164,602</u>	<u>\$ 74,718</u>	<u>\$ 352,947</u>	<u>\$ 225,539</u>

### Shares

The weighted average number of ordinary shares outstanding (in thousands of shares) is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	123,724	123,724	123,724	123,724
Effect of potentially dilutive ordinary shares				
Convertible bonds	19,481	-	19,481	-
Compensation of employees	<u>633</u>	<u>288</u>	<u>753</u>	<u>535</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>143,838</u>	<u>124,012</u>	<u>143,958</u>	<u>124,259</u>

The Group may settle the compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 25. FINANCIAL INSTRUMENTS

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

September 30, 2022

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 1,175,567	\$ 1,348,800	\$ -	\$ -	\$ 1,348,800

December 31, 2021

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 1,166,288	\$ 1,390,200	\$ -	\$ -	\$ 1,390,200

September 30, 2021

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 1,163,164	\$ 1,351,320	\$ -	\$ -	\$ 1,351,320

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

#### 1) Fair value hierarchy

September 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 80,445	\$ -	\$ -	\$ 80,445
Structured deposits	247,060	-	-	247,060
Emerging market shares	9,105	-	6,065	15,170
Overseas unlisted shares	-	-	32,559	32,559
Private funds	-	-	8,580	8,580
	<u>\$ 336,610</u>	<u>\$ -</u>	<u>\$ 47,204</u>	<u>\$ 383,814</u>

December 31, 2021

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Foreign exchange forward contracts	\$ -	\$ 4	\$ -	\$ 4
Listed shares	81,379	-	-	81,379
Bonds payable	-	360	-	360
Structured deposits	65,370	-	-	65,370
Emerging market shares	10,427	-	7,101	17,528
Overseas unlisted shares	-	-	38,508	38,508
Private funds	<u>-</u>	<u>-</u>	<u>9,034</u>	<u>9,034</u>
	<u>\$ 157,176</u>	<u>\$ 364</u>	<u>\$ 54,643</u>	<u>\$ 212,183</u>
Financial liabilities at FVTPL				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ 41</u>

September 30, 2021

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Listed shares	\$ 78,056	\$ -	\$ -	\$ 78,056
Structured deposits	129,075	-	-	129,075
Bonds payable	-	240	-	240
Emerging market shares	8,190	-	7,345	15,535
Overseas unlisted shares	-	-	38,483	38,483
Private funds	<u>-</u>	<u>-</u>	<u>7,895</u>	<u>7,895</u>
	<u>\$ 215,321</u>	<u>\$ 240</u>	<u>\$ 53,723</u>	<u>\$ 269,284</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

The financial assets which is measured by the third level of fair value is FVTPL.

The followings are the adjustment for the nine months ended September 30, 2022 and 2021.

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 54,643	\$ 63,578
Purchase	-	8,105
Recognized in profit or loss	<u>(7,439)</u>	<u>(17,960)</u>
Balance at September 30	<u>\$ 47,204</u>	<u>\$ 53,723</u>



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

<u>Financial Instrument</u>	<u>Valuation Technique and Inputs</u>
Foreign exchange forward contracts	Discounted cash flows Future cash flows are estimated based on observable forward exchange rates at the end of the year and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Domestic third unsecured convertible bonds	Under the assumption that bonds will be redeemed on September 9, 2024, discount rate adopted is calculated via interpolation method using government bond yield rates from public offer 2-year and 5- year period.

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

Fair values of emerging market shares are measured using the market approach, while the fair values of overseas unlisted shares are measured using the asset approach.

c. Categories of financial instruments

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
<u>Financial assets</u>			
Mandatorily classified as at FVTPL	\$ 383,814	\$ 212,183	\$ 269,284
Financial assets at amortized cost (Note 1)	6,778,603	6,279,111	6,480,146
<u>Financial liabilities</u>			
Mandatorily classified as at FVTPL	-	41	-
Financial liabilities at amortized cost (Note 2)	5,069,553	4,688,776	4,835,011

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable and trade receivables, other receivables and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise notes payable and trade payables, other payable and less salary payable, short-term borrowings, long-term borrowings, current portion of long-term borrowing, bonds payable and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, financial assets mandatorily classified as at FVTPL, financial assets at amortized costs, equity investment, trade receivables, trade payables, accounts payable, bonds payable, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other prices (see (c) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

Several subsidiaries of the Group have sales and purchases denominated in foreign currencies, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 29.

Sensitivity analysis

The Group is mainly exposed to the USD and RMB.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A negative number below indicates a decrease in pre-tax profit associated with the New Taiwan dollar strengthening 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be positive.

	<b>For the Nine Months Ended</b>	
	<b>September 30</b>	
	<b>2022</b>	<b>2021</b>
<u>USD impact</u>		
USD:NTD	\$ (2,526)	\$ (527)
USD:RMB	\$ (24,311)	\$ (21,566)
USD:VND	\$ (236)	\$ 1,198
<u>RMB impact</u>		
RMB:NTD	\$ (1,631)	\$ (1,875)
RMB:USD	\$ (452)	\$ (436)

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

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign currency risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates.

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

	September 30, 2022	December 31, 2021	September 30, 2021
Fair value interest rate risk			
Financial assets	\$ 1,417,611	\$ 517,230	\$ 653,498
Financial liabilities	3,243,336	2,824,014	3,034,830
Cash flow interest rate risk			
Financial assets	2,149,859	1,940,437	2,220,152

Sensitivity analysis

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

If interest rates had been 100 basis point higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2022 and 2021 would have increased/decreased by \$16,124 thousand and \$16,651 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in domestic listed shares, domestic emerging market shares, mutual funds and overseas unlisted shares. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower, pre-tax profit for the nine months ended September 30, 2022 and 2021 would have increased/decreased by \$1,282 thousand and \$1,321 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to reduce credit risk, the management team of the Group designated a special team to decide the credit ratings of counterparties and other monitoring procedures to make sure there are appropriate actions taken to collect the overdue receivables. Additionally, on each balance sheet date, the Group reviews the recoverable amounts to ensure appropriate allowances have been made for doubtful accounts. Therefore, the Group considers its credit risk to be significantly reduced.

The Group continuously assesses the financial conditions of customers with outstanding receivables.

As the counterparties of the Group are financial institutions and companies with good credit ratings, the Group has limited credit risk.

### 3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. The Group had available unutilized bank loan facilities set out in below.

#### Financing facilities

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Unsecured bank overdraft facilities, reviewed annually and payable on demand			
Amount used	\$ 1,010,000	\$ 495,000	\$ 832,966
Amount unused	<u>2,773,952</u>	<u>3,410,000</u>	<u>3,347,034</u>
	<u>\$ 3,783,952</u>	<u>\$ 3,905,000</u>	<u>\$ 4,180,000</u>
Secured bank overdraft facilities			
Amount used	\$ 593,358	\$ 611,566	\$ 617,996
Amount unused	<u>62,950</u>	<u>47,633</u>	<u>81,960</u>
	<u>\$ 656,308</u>	<u>\$ 659,199</u>	<u>\$ 699,956</u>

## 26. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

### a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Chen Chien Hung	Related party in substance (first-degree relative of the Corporation's director)
Chen Chien Yuan	The legal representative of the Corporation's director
Smart Automation Technology Inc.	Associate
Dongguan Smart Automation Technology Inc.	The subsidiary of associate
High Grade Tech Co., Ltd.	Associate

### b. Operating expenses

<u>Related Party Category</u>	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2022	2021	2022	2021
Associate	\$ <u>      -</u>	\$ <u>    12</u>	\$ <u>      -</u>	\$ <u>    12</u>

### c. Acquisition of property, plant and equipment

<u>Related Party Category</u>	<u>Purchase Price</u>			
	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2022	2021	2022	2021
<u>Acquisition of property, plant and equipment</u>				
Associate	\$ 476	\$ -	\$ 476	\$ -
The subsidiary of associate	<u>2,175</u>	<u>-</u>	<u>3,960</u>	<u>-</u>
	<u>\$ 2,651</u>	<u>\$ -</u>	<u>\$ 4,436</u>	<u>\$ -</u>

### d. Lease agreements

<u>Related Party Category</u>	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2022	2021	2022	2021
<u>Acquisitions of right-of-use assets</u>				
Related party in substance	\$ 337	\$ -	\$ 3,216	\$ -
The legal representative of the Corporation's director	<u>175</u>	<u>-</u>	<u>1,749</u>	<u>-</u>
	<u>\$ 512</u>	<u>\$ -</u>	<u>\$ 4,965</u>	<u>\$ -</u>

<b>Line Item</b>	<b>Related Party Category</b>	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Lease liabilities	Related party in substance	\$ 2,363	\$ 242	\$ 604
	The legal representative of the Corporation's director	<u>1,283</u>	<u>132</u>	<u>330</u>
		<u>\$ 3,646</u>	<u>\$ 374</u>	<u>\$ 934</u>

<b>Related Party Category</b>	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<u>Interest expense</u>				
Related party in substance The legal representative of the Corporation's director	\$ 7	\$ 1	\$ 13	\$ 8
	<u>3</u>	<u>1</u>	<u>7</u>	<u>5</u>
	<u>\$ 10</u>	<u>\$ 2</u>	<u>\$ 20</u>	<u>\$ 13</u>

Lease expense

The legal representative of the Corporation's director	<u>\$ 239</u>	<u>\$ -</u>	<u>\$ 239</u>	<u>\$ -</u>
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Lease expenses included expenses relating to short-term leases.

The rental amounts agreed in lease contracts between the Group and other related parties are determined based on market prices and general payment terms.

e. Acquisition of other assets

<b>Line Item</b>	<b>Related Party Category</b>	<b>Purchase Price</b>			
		<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Intangible assets	Associate	\$ 3,757	\$ 724	\$ 6,213	\$ 724
	The subsidiary of associate	<u>126</u>	<u>-</u>	<u>126</u>	<u>-</u>
		<u>\$ 3,883</u>	<u>\$ 724</u>	<u>\$ 6,339</u>	<u>\$ 724</u>

f. Compensation of key management personnel

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Short-term employee benefits	\$ 11,218	\$ 3,500	\$ 33,655	\$ 33,328
Post-employment benefits	<u>79</u>	<u>79</u>	<u>236</u>	<u>236</u>
	<u>\$ 11,297</u>	<u>\$ 3,579</u>	<u>\$ 33,891</u>	<u>\$ 33,564</u>

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

## 27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets at amortized cost	\$ 1,754	\$ 1,728	\$ 1,710
Property, plant and equipment	<u>819,243</u>	<u>822,189</u>	<u>823,880</u>
	<u>\$ 820,997</u>	<u>\$ 823,917</u>	<u>\$ 825,590</u>

## 28. OTHER ITEMS

A fire broke out in the premises of Suzhou Fulfil Electronics Co., Ltd. on January 20, 2021, which caused damage to some of the plant, machinery, equipment and inventories. The Corporation has property insurance and public liability insurance for the aforementioned plant, machinery, equipment and inventories. The Company negotiated claims settlement with the insurance company in June 2022. The related losses after deducting insurance claims amounted to \$42,719 thousand. The estimated cost of damage in the amount of \$24,886 thousand and \$17,833 thousand were recognized in other gains and losses for the nine months ended September 30, 2022 and 2021, respectively.

## 29. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 65,282	31.75 (USD:NTD)	\$ 2,072,704
USD	78,211	7.0998 (USD:RMB)	2,483,199
USD	1,610	23,855 (USD:VND)	51,118
RMB	45,941	4.4730 (RMB:NTD)	205,494
RMB	10,108	0.1409 (RMB:USD)	45,213
Non-monetary items			
Financial assets at FVTPL - non-current			
USD	1,025	31.75 (USD:NTD)	32,559

(Continued)

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 57,326	31.75 (USD:NTD)	\$ 1,820,101
USD	1,640	7.0998 (USD:RMB)	52,070
USD	867	23,855 (USD:VND)	27,527
RMB	9,487	4.4730 (RMB:NTD)	42,435
			(Concluded)

December 31, 2021

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 59,638	27.68 (USD:NTD)	\$ 1,650,780
USD	90,378	6.3757 (USD:RMB)	2,501,663
USD	4,417	23,130 (USD:VND)	122,263
RMB	58,264	4.344 (RMB:NTD)	253,099
RMB	10,158	0.1569 (RMB:USD)	44,126
Non-monetary items			
Financial assets at FVTPL - non-current			
USD	1,391	27.68 (USD:NTD)	38,508

Financial liabilities

Monetary items			
USD	59,940	27.68 (USD:NTD)	1,659,139
USD	1,967	6.3757 (USD:RMB)	54,447
USD	1,026	23,130 (USD:VND)	28,400
RMB	5,056	4.344 (RMB:NTD)	21,963

September 30, 2021

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 62,822	27.85 (USD:NTD)	\$ 1,751,264
USD	79,364	6.4854 (USD:RMB)	2,210,287
USD	2,644	23,098 (USD:VND)	73,635
RMB	49,372	4.3050 (RMB:NTD)	212,546
RMB	10,127	0.1546 (RMB:USD)	43,597
Non-monetary items			
Financial assets at FVTPL - non-current			
USD	1,382	27.85 (USD:NTD)	38,483
			(Continued)



	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 60,991	27.85 (USD:NTD)	\$ 1,698,599
USD	1,929	6.4854 (USD:RMB)	53,723
USD	6,947	23,098 (USD:VND)	193,474
RMB	5,818	4.3050 (RMB:NTD)	25,046
			(Concluded)

The Group is mainly exposed to the USD and RMB. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

<b>For the Three Months Ended September 30</b>				
<b>2022</b>			<b>2021</b>	
<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Losses</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gains</b>
NTD	1 (NTD:NTD)	\$ 43,888	1 (NTD:NTD)	\$ 757
USD	31.75 (USD:NTD)	(2,544)	27.85 (USD:NTD)	(173)
RMB	4.4730 (RMB:NTD)	130,133	4.3050 (RMB:NTD)	10,075
VND	0.00133 (VND:NTD)	399	0.00121 (VND:NTD)	1,277
Other		<u>215</u>		<u>641</u>
		<u>\$ 172,091</u>		<u>\$ 12,577</u>

<b>For the Nine Months Ended September 30</b>				
<b>2022</b>			<b>2021</b>	
<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Losses</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gains</b>
NTD	1 (NTD:NTD)	\$ 74,903	1 (NTD:NTD)	\$ 7,351
USD	31.75 (USD:NTD)	(4,921)	27.85 (USD:NTD)	263
RMB	4.4730 (RMB:NTD)	256,472	4.3050 (RMB:NTD)	(26,313)
VND	0.00133 (VND:NTD)	2,243	0.00121 (VND:NTD)	1,083
Other		<u>638</u>		<u>1,333</u>
		<u>\$ 329,335</u>		<u>\$ (16,283)</u>

### 30. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)

- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
  - 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
  - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
  - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
  - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
  - 9) Trading in derivative instruments (Table 7)
  - 10) Intercompany relationships and significant intercompany transactions (Table 8)
- b. Information of investees (Table 6)
- c. Information on investments in mainland China:
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 7)
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Tables 1, 2, 4, 5 and 8)
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
    - c) The amount of property transactions and the amount of the resultant gains or losses
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
    - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds
    - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

### 31. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

No operating segments have ceased operation during the year.

#### a. Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	Income		Loss	
	2022	2021	2022	2021
Equipment - electronic parts	\$ 7,827,517	\$ 7,213,653	\$ 859,184	\$ 821,919
- plastic molding	198,784	231,203	11,008	14,407
Revenue from continuing operations	\$ 8,026,301	\$ 7,444,856	870,192	836,326
Other income			31,484	50,219
Other gains and losses			(41,223)	(29,671)
Interest income			17,887	21,662
Net foreign exchange gain (loss)			329,335	(16,283)
Net gain (loss) on financial assets at fair value through profit or loss			(12,110)	36,874
Share of profit of associates			37,960	3,577
Interest expenses			(38,141)	(25,715)
Impairment loss on investments accounted for using the equity method			(19,835)	-
General and administrative expenses			(609,922)	(518,781)
Income before tax			\$ 565,627	\$ 358,208

The above segment revenues and results were generated from the transactions with external customers. There were no inter-segment transactions for the nine months ended September 30, 2022 and 2021.

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, interest income, other incomes, other gains and losses, net foreign exchange gain (loss), net gain (loss) on financial assets at fair value through profit or loss, share of profit (loss) of associates, interest expense and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

#### b. Segment total assets

The Group has no key operational personnel to monitor segment performance, and thus, the amount of segment assets is zero.

TABLE 1

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	Syncmold Enterprise Corporation	Syncmold Enterprise (Samoa) Corp.	Other receivables from related parties	Yes	\$ 100,000	\$ 100,000	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,243,000 (40% of the net worth of the Corporation)
		Grand Advance Inc.	Other receivables from related parties	Yes	100,000	100,000	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,243,000 (40% of the net worth of the Corporation)
		Syncmold Enterprise Vietnam Co., Ltd.	Other receivables from related parties	Yes	100,000	100,000	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,243,000 (40% of the net worth of the Corporation)
		Gatetech Technology Inc.	Other receivables from related parties	Yes	100,000	100,000	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,243,000 (40% of the net worth of the Corporation)
		Leohab Enterprise Co., Ltd.	Other receivables from related parties	Yes	100,000	100,000	45,000	1.43	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,243,000 (40% of the net worth of the Corporation)
1	Syncmold Enterprise (Samoa) Corp.	Fujian Khuan Hua Precise Mold Co., Ltd.	Other receivables from related parties	Yes	63,500	63,500	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)
		Fullking Development Limited	Other receivables from related parties	Yes	25,400	25,400	25,400	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)
		Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	63,500	63,500	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	330,200	330,200	234,950	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	142,875	142,875	47,625	2.00	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)
2	Grand Advance Inc.	Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	63,500	63,500	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)
		Syncmold Enterprise (Samoa) Corp.	Other receivables from related parties	Yes	63,500	63,500	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	95,250	-	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	63,500	63,500	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)
		Syncmold Enterprise (USA) Corp.	Other receivables from related parties	Yes	28,575	28,575	12,700	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)
		Fullking Development Limited	Other receivables from related parties	Yes	111,125	47,625	47,625	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	349,250	174,625	174,625	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)
3	Full Big Limited	Fullking Development Limited	Other receivables from related parties	Yes	25,400	-	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
4	Fuzhou Fulfil Tech Co., Ltd.	Fujian Khuan Hua Precise Mold Co., Ltd.	Other receivables from related parties	Yes	\$ 44,720	\$ 44,720	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)
		Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Other receivables from related parties	Yes	58,136	58,136	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	71,552	44,720	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)
5	Suzhou Fulfil Electronics Co., Ltd.	Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	40,248	40,248	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)
6	Zhongshan Fulfil Tech. Co., Ltd.	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	35,776	35,776	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	44,720	44,720	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	35,776	35,776	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,121,500 (20% of the net worth of the Corporation)	\$2,803,750 (50% of the net worth of the Corporation)

Note 1: The authorized amount of loans was approved by the board of directors.

Note 2: The highest balance, ending balance, and the actual amount borrowed were calculated based on the exchange rate at the end of September 2022.

Note 3: All the transactions in the table above have been eliminated during the preparation of the consolidated financial statements.

(Concluded)

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Syncmold Enterprise Corporation	Gatetech Technology Inc.	Subsidiary	\$1,121,500 (20% of the net worth of the Corporation)	\$ 200,000	\$ 200,000	\$ 100,000	\$ -	3.57	\$2,803,750 (50% of the net worth of the Corporation)	Y	N	N
		Leohab Enterprise Co., Ltd.	Subsidiary	\$1,121,500 (20% of the net worth of the Corporation)	255,000	190,000 (Note)	155,000	-	3.39	\$2,803,750 (50% of the net worth of the Corporation)	Y	N	N
		Syncmold Enterprise Vietnam Co., Ltd.	Subsidiary	\$1,682,250 (30% of the net worth of the Corporation)	635,000 (US\$ 20,000 thousand)	635,000 (US\$ 20,000 thousand)	-	-	11.32	\$2,803,750 (50% of the net worth of the Corporation)	Y	N	N

Note: By the resolution of the board of directors of the Corporation on March 15, 2022, in order to obtain relatively favorable bank credit conditions, it is proposed that Syncmold Enterprise Corporation provide an endorsement guarantee within the limit of NT\$260,000 thousand for Leohab Enterprise Co., Ltd. As of September 30, 2022, the remaining NT\$70,000 thousand has not been implemented.

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Syncmold Enterprise Corporation	<u>Stock</u>							
	Gigastone Corporation	-	Financial assets at FVTPL - non-current	847,011	\$ 9,105	1.67	\$ 9,105	(Notes 2 and 6)
	Tiga Gaming Inc.	-	Financial assets at FVTPL - non-current	1,332,132	6,065	5.06	6,065	(Notes 3 and 6)
	Foxfortune Technology Ventures Ltd.	-	Financial assets at FVTPL - non-current	1,000,000	20,070	5.80	20,070	(Notes 4 and 6)
	Hercules BioVenture, L.P.	-	Financial assets at FVTPL - non-current	342,105	12,489	2.63	12,489	(Notes 4 and 6)
	Winmate Inc.	-	Financial assets at FVTPL - current	1,038,000	80,445	1.44	80,445	(Notes 2 and 6)
	<u>Private funds</u>							
	China Development of Healthcare Venture of Limited Partnership	-	Financial assets at FVTPL - non-current	13,122,465	8,580	0.96	8,580	(Notes 4 and 6)
	<u>Structured commodity</u>							
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Pagged exchange rate daily accumulated interest to corporate structured deposits No. 72	-	Financial assets at FVTPL - current	-	45,022	-	45,022	(Notes 5 and 6)
	Pagged exchange rate daily accumulated interest to corporate structured deposits No. 73	-	Financial assets at FVTPL - current	-	22,510	-	22,510	(Notes 5 and 6)
Zhongshan Fulfil Tech. Co., Ltd.	Linked interest rate (ten-year treasury bond maturity yield) structured deposit products	-	Financial assets at FVTPL - current	-	44,780	-	44,780	(Notes 5 and 6)
Kunshan Fulfil Tech Co., Ltd.	Monthly profit 2205111	-	Financial assets at FVTPL - current	-	44,970	-	44,970	(Notes 5 and 6)
Gatetech (Suzhou) Technology Co., Ltd.	Monthly profit 22060402	-	Financial assets at FVTPL - current	-	44,890	-	44,890	(Notes 5 and 6)
	Monthly profit 22060403	-	Financial assets at FVTPL - current	-	44,888	-	44,888	(Notes 5 and 6)

Note 1: The negotiable securities in the table above are the shares, bonds and mutual funds recognized under IFRS 9 - financial instruments.

Note 2: The shares are calculated at the strike price as of September 30, 2022.

Note 3: The shares are measured using the market approach.

Note 4: The shares are measured using the asset approach.

Note 5: The structured commodity is calculated at its contract worth as of September 30, 2022.

Note 6: No guarantees, pledged collateral or other restricted situations.

Note 7: Refer to Tables 6 for information on investments in subsidiaries and associates.

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Syncmold Enterprise Corporation	Zhongshan Fulfil Tech. Co., Ltd.	Subsidiary	Purchase	\$ 1,432,232	48	Note 1	\$ -	-	\$ (624,240)	(46)	
	Suzhou Fulfil Electronics Co., Ltd.	Subsidiary	Purchase	943,315	32	Note 1	-	-	(457,812)	(34)	
	Fuzhou Fulfil Tech Co., Ltd.	Subsidiary	Purchase	422,260	14	Note 1	-	-	(200,329)	(15)	
	Chongqing Fulfil Tech Co., Ltd.	Subsidiary	Purchase	102,193	3	Note 1	-	-	(46,909)	(3)	
Zhongshan Fulfil Tech. Co., Ltd.	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Indirect subsidiary	Purchase	157,030	8	Note 1	-	-	(31,131)	(5)	
Suzhou Fulfil Electronics Co., Ltd.	Kunshan Fulfil Tech Co., Ltd.	Indirect subsidiary	Purchase	325,517	17	Note 1	-	-	(60,823)	(13)	
Fuzhou Fulfil Tech Co., Ltd.	Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Indirect subsidiary	Purchase	208,295	17	Note 1	-	-	(35,536)	(10)	
Suzhou Fulfil Electronics Co., Ltd.	Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Indirect subsidiary	Purchase	129,821	7	Note 1	-	-	(18,359)	(4)	
Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(1,432,232)	(60)	Note 1	-	-	624,240	48	
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(943,315)	(42)	Note 1	-	-	457,812	40	
Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(422,260)	(30)	Note 1	-	-	200,329	26	
Chongqing Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(102,193)	(29)	Note 1	-	-	46,909	23	
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Zhongshan Fulfil Tech. Co., Ltd.	Indirect subsidiary	Sales	(157,030)	(51)	Note 1	-	-	31,131	53	
Kunshan Fulfil Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary	Sales	(325,517)	(99)	Note 1	-	-	60,823	100	
Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Fuzhou Fulfil Tech Co., Ltd.	Indirect subsidiary	Sales	(208,295)	(50)	Note 1	-	-	35,536	52	
	Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary	Sales	(129,821)	(31)	Note 1	-	-	18,359	27	

Note 1: Payment terms are the same as the payment terms of non-related parties.

Note 2: All the transactions in the table above have been eliminated during the preparation of the consolidated financial statements.



## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

SEPTEMBER 30, 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Grand Advance Inc.	Syncmold Enterprise Corporation	Parent company	\$ 174,625 (Note 1)	-	\$ -	-	\$ -	\$ -
Syncmold Enterprise (Samoa) Corp.	Syncmold Enterprise Corporation	Parent company	234,950 (Note 1)	-	-	-	-	-
Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	200,329	-	-	-	67,109	-
Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation	Parent company	624,240	-	-	-	184,916	-
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	457,812	-	-	-	174,508	-

Note 1: Financing.

Note 2: All the transactions in the table above have been eliminated during the preparation of the consolidated financial statements.

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2022	December 31, 2021	Number of Shares	%	Carrying Amount			
Syncmold Enterprise Corporation	Syncmold Enterprise (Samoa) Corp.	Samoa	Trading and related import and export businesses of metal molds and plastic molds as well as the reinvestment of subsidiaries in mainland China	\$ 110,598	\$ 110,598	3,546	100.00	\$ 2,276,038	\$ 21,849	\$ 25,969	(Note 1)
	Grand Advance Inc.	Samoa	Trading, import and export and investment in electronic parts	506,240	506,240	-	100.00	2,914,916	230,657	230,614	(Note 1)
	Syncmold Enterprise (USA) Corp.	USA	Trading, import and export in electronic parts	32	32	-	100.00	(3,545)	(332)	(332)	(Note 2)
	High Grade Tech Co., Ltd.	Taiwan	The design and sale of television hangers and related import and export businesses	36,075	36,075	2,280	35.63	149,901	118,792	42,319	(Note 2)
	Corebio Technologies Co., Ltd.	Taiwan	Medical technology and precision instrument wholesale and retail	52,000	52,000	5,200	38.29	-	(2,337)	(895)	(Note 2)
	Smart Automation Technology Inc.	Taiwan	Software design services	15,680	15,680	1,568	49.00	11,694	(7,069)	(3,464)	(Note 2)
	Leohab Enterprise Co., Ltd.	Taiwan	Precision hardware components manufacturing	232,677	232,677	16,620	70.00	221,789	(19,890)	(14,987)	(Note 2)
	Gatetech Technology Inc.	Taiwan	Precise molding and magnesium alloy die caster manufacturing and transaction business	556,063	556,063	42,432	73.82	672,049	46,107	32,520	(Note 1)
	Syncmold Enterprise Vietnam Co., Ltd.	Vietnam	Trading, import and export and investment in electronic parts	579,944	579,944	-	100.00	524,637	(24,599)	(24,599)	(Note 2)
	Syncmold Enterprise (Malaysia) Sdn. Bhd.	Malaysia	Trading, import and export in electronic parts, customer support and service center	7,192	7,192	-	100.00	2,187	(40)	(40)	(Note 2)
	Syncmold Enterprise (Singapore) Pte., Ltd.	Singapore	Trading, import and export in electronic parts, electronic components and parts design	1,100	1,100	-	100.00	5,523	1,957	1,957	(Note 2)
	Syncmold Enterprise (Thailand) Co., Ltd.	Thailand	Trading, import and export and investment in electronic parts	33,638	33,638	-	100.00	12,122	108	108	(Note 2)
Grand Advance Inc.	Canford International Limited	Samoa	Import and export trade and investment business	119,342	119,342	-	100.00	1,413,876	41,694	41,694	(Note 2)
	Fullking Development Limited	Hong Kong	Import and export trade and investment business	160,175	160,175	-	100.00	1,020,704	306,490	306,489	(Note 2)
	Full Glary Holding Limited	Hong Kong	Import and export trade and investment business	259,720	259,720	-	100.00	262,303	(29,562)	(30,974)	(Note 2)
Syncmold Enterprise (Samoa) Corp.	Full Big Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	-	16,643	-	100.00	-	292	292	(Notes 2 and 5)
	Forever Business Development Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	125,957	125,957	-	100.00	360,492	(1,941)	(464)	(Note 2)
	Full Celebration Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	147,710	147,710	-	100.00	179,635	(14,291)	(14,291)	(Note 2)
Gatetech Technology Inc.	Gatech Holdings Ltd.	Samoa	General investment business	647,041	647,041	20,130	100.00	623,037	(1,059)	(1,059)	(Note 2)
Gatech Holdings Ltd.	Gatech International Ltd.	Samoa	General investment business	657,284	657,284	20,268	100.00	623,037	(1,059)	(1,059)	(Note 2)
Leohab Enterprise Co., Ltd.	Sweet International Group Ltd.	British Virgin Islands	General investment business	147,834	280,368	-	100.00	316,854	(4,852)	(4,831)	(Note 2)
	Commuwell Enterprise (Thailand) Co., Ltd.	Thailand	Plastic shot and hardware components manufacturing	190,728	-	-	100.00	208,030	14,100	14,100	(Notes 2 and 4)
Sweet International Group Ltd.	Lucky King Holdings Ltd.	Mauritius	General investment business	147,834	280,368	-	100.00	310,544	(4,852)	(4,852)	(Note 2)
Lucky King Holdings Ltd.	Commuwell Enterprise (Thailand) Co., Ltd.	Thailand	Plastic shot and hardware components manufacturing	-	113,236	-	-	-	4,184	4,184	(Notes 2 and 4)

Note 1: Calculated based on the reviewed financial statements of the investee company and the investee company's shareholding ratio.

Note 2: Calculated based on the non-reviewed financial statements of the investee company and the investee company's shareholding ratio.

(Continued)

Note 3: Refer to Table 7 for related information on investees from mainland China.

Note 4: For organizational restricting purposes, the Company's board of directors resolved to transfer 100% equity of Commuwell Enterprise (Thailand) Co., Ltd. held by Lucky King Holdings Ltd. to Leohab Enterprise Co., Ltd. for direct investment. The capital transfer was completed on May 2022.

Note 5: For organizational restructuring purposes, Full Big Limited's board of directors resolved to dissolution in July 2022, currently in liquidation proceedings.

Note 6: The profit and loss of investments between reinvested companies, investments accounted for using the equity method, and the equity of investee companies were all eliminated during the preparation of the consolidated financial statements, except for High Grade Tech Co., Ltd., Corebio Technology Co., Ltd. and Smart Automation Technology Inc.

(Concluded)

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of September 30, 2022	Accumulated Repatriation of Investment Income as of September 30, 2022
					Outward	Inward						
Fuzhou Fulfil Tech Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	\$ 43,338	Invested through Syncmold Enterprise (Samoa) Corp.	\$ 66,135 (US\$ 2,083 thousand)	\$ -	\$ -	\$ 66,135 (US\$ 2,083 thousand)	\$ 92,133	100.00	\$ 92,133 (Note 1)	\$ 978,384	\$ 2,510,282 (US\$ 79,064 thousand)
Fujian Khuan Hua Precise Mold Co., Ltd.	Processing, manufacturing, trading and related import and export business of various metal molds, plastic molds and plastic injection molds	110,970	Invested through Syncmold Enterprise (Samoa) Corp.	43,053 (US\$ 1,356 thousand)	-	-	43,053 (US\$ 1,356 thousand)	(34,894)	100.00	(34,894) (Note 2)	250,482	-
Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	59,140	Invested through Syncmold Enterprise (Samoa) Corp.	-	-	-	-	(13,979)	100.00	(13,979) (Note 2)	151,069	123,762 (US\$ 3,898 thousand)
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Processing, manufacturing, trading and related import and export business of various metal molds, plastic molds and plastic injection molds	125,396	Invested through Forever Business Development Limited	-	-	-	-	(2,684)	100.00	(2,684) (Note 2)	263,713	-
Suzhou Fulfil Electronics Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	18,507	Invested through Canford International Limited	-	-	-	-	41,694	100.00	41,694 (Note 1)	1,413,856	1,353,503 (US\$ 42,630 thousand)
Zhongshan Fulfil Tech. Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	152,616	Invested through Fullking Development Limited	-	-	-	-	306,489	100.00	306,489 (Note 1)	1,092,637	1,819,720 (US\$ 57,314 thousand)
Kunshan Fulfil Tech Co., Ltd.	Manufacturing and assembling of laptops uses precise bearing, hardware and related accessories	234,354	Invested through Full Glary Holding Limited	190,500 (US\$ 6,000 thousand)	-	-	190,500 (US\$ 6,000 thousand)	(29,562)	100.00	(29,562) (Note 2)	262,097	-
Chongqing Fulfil Tech Co., Ltd.	The processing, manufacturing, related imports and exports of all electronic, plastic and hardware parts	139,321	Invested through Full Celebration Limited	-	-	-	-	(14,291)	100.00	(14,291) (Note 2)	179,621	575,437 (US\$ 18,124 thousand)
Gatetech (Suzhou) Technology Co., Ltd.	Aluminum and magnesium alloy die caster	722,785	Invested through Gatech International Ltd.	771,525 (US\$ 24,300 thousand)	-	-	771,525 (US\$ 24,300 thousand)	(2,451)	73.82	(1,810) (Note 2)	623,037	-
Suzhou Leoho Electronics Co., Ltd.	Precision hardware components manufacturing	206,707	Invested through Lucky King Holdings Ltd.	142,177 (US\$ 4,478 thousand)	-	-	142,177 (US\$ 4,478 thousand)	(9,036)	70.00	(6,325) (Note 2)	310,543	-

(Continued)

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2022	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
\$1,450,181 (US\$45,675 thousand)	\$2,458,815 (US\$77,443 thousand)	\$3,564,499

Note 1: Calculated based on the reviewed financial statements of the investee company and the investee company's shareholding ratio.

Note 2: Calculated based on the non-reviewed financial statements of the investee company and the investee company's shareholding ratio.

Note 3: The profit and loss of investments between reinvested companies, investments accounted for using the equity method, and the equity of investee companies were all eliminated during the preparation of the consolidated financial statements.

(Concluded)

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details		Payment Terms	% of Total Sales or Asset (Note 3)
				Financial Statement Account	Price		
0	Syncmold Enterprise Corporation	Zhongshan Fulfil Tech. Co., Ltd. Leohab Enterprise Co., Ltd	1 1	Trade receivables from related parties Other receivables from related parties - financing	\$ 95,582 45,018	No significant difference with non-related parties Based on the contract between both parties	1 -
1	Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation Syncmold Enterprise Corporation	2 2	Sale Trade receivables from related parties	1,432,232 624,240	No significant difference with non-related parties No significant difference with non-related parties	18 5
2	Dongguan Khuan Huang Precision Mold Plastic Co., Ltd.	Zhongshan Fulfil Tech. Co., Ltd. Zhongshan Fulfil Tech. Co., Ltd. Fuzhou Fulfil Tech Co., Ltd. Suzhou Fulfil Electronics Co., Ltd.	3 3 3 3	Sale Trade receivables from related parties Sale Sale	157,030 31,131 64,116 58,026	No significant difference with non-related parties No significant difference with non-related parties No significant difference with non-related parties No significant difference with non-related parties	2 - 1 1
3	Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation Syncmold Enterprise Corporation	2 2	Sale Trade receivables from related parties	422,260 200,329	No significant difference with non-related parties No significant difference with non-related parties	5 2
4	Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Fuzhou Fulfil Tech Co., Ltd. Fuzhou Fulfil Tech Co., Ltd. Suzhou Fulfil Electronics Co., Ltd. Suzhou Fulfil Electronics Co., Ltd. Zhongshan Fulfil Tech. Co., Ltd. Zhongshan Fulfil Tech. Co., Ltd.	3 3 3 3 3 3	Sale Trade receivables from related parties Sale Trade receivables from related parties Sale Trade receivables from related parties	208,295 35,536 129,821 18,359 75,650 12,332	No significant difference with non-related parties No significant difference with non-related parties No significant difference with non-related parties No significant difference with non-related parties No significant difference with non-related parties No significant difference with non-related parties	3 - 2 - 1 -
5	Grand Advance Inc.	Syncmold Enterprise Corporation Fullking Development Limited	2 3	Other receivables from related parties - financing Other receivables from related parties - financing	174,625 47,625	Based on the contract between both parties Based on the contract between both parties	1 -
6	Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation Syncmold Enterprise Corporation	2 2	Sale Trade receivables from related parties	943,315 457,812	No significant difference with non-related parties No significant difference with non-related parties	12 4
7	Gatetech (Suzhou) Technology Co., Ltd.	Gatetech Technology Co., Ltd. Gatetech Technology Co., Ltd.	3 3	Sale Trade receivables from related parties	90,733 69,655	No significant difference with non-related parties No significant difference with non-related parties	1 1
8	Kunshan Fulfil Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd. Suzhou Fulfil Electronics Co., Ltd.	3 3	Sale Trade receivables from related parties	325,517 60,823	No significant difference with non-related parties No significant difference with non-related parties	4 1

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details		Payment Terms	% of Total Sales or Asset (Note 3)
				Financial Statement Account	Price		
9	Chongqing Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	2	Sale	\$ 102,193	No significant difference with non-related parties	1
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	46,909	No significant difference with non-related parties	-
10	Syncmold Enterprise (Samoa) Corp.	Syncmold Enterprise Corporation	2	Other receivables from related parties - financing	234,950	Based on the contract between both parties	2
		Fujian Khuan Hua Precise Mold Co., Ltd.	3	Other receivables from related parties - dividends	44,928	Based on the contract between both parties	-
		Fullking Development Limited	3	Other receivables from related parties - financing	25,400	Based on the contract between both parties	-
		Chongqing Fulfil Tech Co., Ltd	3	Other receivables from related parties - financing	47,943	Based on the contract between both parties	-
11	Fujian Khuan Hua Precise Mold Co., Ltd.	Fuzhou Fulfil Tech Co., Ltd.	3	Sale	32,389	No significant difference with non-related parties	-
		Suzhou Fulfil Electronics Co., Ltd.	3	Sale	31,863	No significant difference with non-related parties	-
		Zhongshan Fulfil Tech. Co., Ltd.	3	Sale	32,253	No significant difference with non-related parties	-
12	Suzhou Leohab Enterprise Co., Ltd	Leohab Enterprise Co., Ltd	3	Trade receivables from related parties	74,674	No significant difference with non-related parties	1
13	Syncmold Enterprise Vietnam Co., Ltd.	Syncmold Enterprise Corporation	2	Sale	17,277	No significant difference with non-related parties	-
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	14,451	No significant difference with non-related parties	-

Note 1: 0 represents the parent company and the subsidiaries are numbered from 1.

Note 2: 1 represents transactions from the parent company to the subsidiaries, 2 represents transactions from the subsidiaries to the parent company, and 3 represents transactions between the subsidiaries.

Note 3: The monetary amount of the transaction is calculated based on percentage of total sales or assets. If the account is an asset or a liability, the ratio is calculated using the ending balance. If the account is in the income statement, the ratio is calculated using cumulative amount during that period.

Note 4: The disclosure standard of the table above was 10% of the specified account and reached to \$10,000 thousand.

Note 5: All the transactions in the table above have been eliminated during the preparation of the consolidated financial statements.

(Concluded)

**SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES****INFORMATION ON MAJOR SHAREHOLDERS  
SEPTEMBER 30, 2022**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Chen Chiu-Lang	8,708,211	7.03

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.