

**Syncmold Enterprise Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2023 and 2022 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 March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three 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 the Standards on Review Engagements of the Republic of China 2410 "Review of Interim 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 March 31, 2023 and 2022, the combined total assets of these non-significant subsidiaries were NT\$3,008,391 thousand and NT\$4,279,523 thousand, respectively, representing 26.76% and 34.53%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$1,320,125 thousand and NT\$1,748,472 thousand, respectively, representing 24.87% and 28.44%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2023 and 2022, the amounts of combined comprehensive income of these subsidiaries were NT\$(6,484) thousand and NT\$(7,735) thousand, respectively, representing (12.12%) and (2.88%), respectively, of the consolidated total comprehensive income. In addition, as disclosed in Note 12 to the consolidated financial statements, the amounts of investments accounted for using the equity method as of March 31, 2023 and 2022 were NT\$178,301 thousand and NT\$177,569 thousand, respectively; for the three months ended March 31, 2023 and 2022, the share of profit of associates of NT\$10,212 thousand and NT\$5,511 thousand, respectively, was calculated based on financial statements which have not been reviewed.

The disclosure information in Note 30 about the aforementioned non-significant subsidiaries and associates was based on the unreviewed financial statements of the subsidiaries and associates for the same reporting periods as those of the Group.

### **Qualified Conclusion**

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and associates accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023 and 2022 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

May 8, 2023

### 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)

ASSETS	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 3,764,111	34	\$ 3,510,365	31	\$ 2,229,900	18
Financial assets at fair value through profit or loss - current (Note 7)	452,885	4	704,121	6	150,781	1
Financial assets at amortized cost - current (Notes 8 and 28)	341,206	3	238,110	2	259,071	2
Notes receivable	126,834	1	181,328	2	377,705	3
Trade receivables, net (Note 9)	1,892,722	17	1,969,799	17	3,669,101	30
Inventories (Note 10)	807,791	7	907,985	8	1,368,736	11
Other current assets	364,541	3	369,328	3	455,708	4
Total current assets	<u>7,750,090</u>	<u>69</u>	<u>7,881,036</u>	<u>69</u>	<u>8,511,002</u>	<u>69</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 18)	65,809	1	63,490	1	63,000	1
Financial assets at amortized cost - non-current (Note 8)	3,281	-	3,272	-	2,290	-
Investments accounted for using the equity method (Note 12)	178,301	2	168,088	1	177,569	1
Property, plant and equipment (Notes 13, 27 and 28)	2,137,694	19	2,181,140	19	2,262,460	18
Right-of-use assets (Notes 14 and 27)	540,355	5	583,556	5	769,357	6
Intangible assets (Notes 15 and 27)	55,656	-	59,246	1	56,885	1
Goodwill (Note 16)	324,597	3	324,597	3	324,597	3
Deferred tax assets (Notes 4 and 23)	122,491	1	107,155	1	123,564	1
Prepayments for equipment	21,790	-	25,317	-	53,926	-
Refundable deposits	34,931	-	43,812	-	44,130	-
Net defined benefit assets (Notes 4 and 20)	6,416	-	6,416	-	2,898	-
Other non-current assets	368	-	223	-	1,114	-
Total non-current assets	<u>3,491,689</u>	<u>31</u>	<u>3,566,312</u>	<u>31</u>	<u>3,881,790</u>	<u>31</u>
<b>TOTAL</b>	<u>\$ 11,241,779</u>	<u>100</u>	<u>\$ 11,447,348</u>	<u>100</u>	<u>\$ 12,392,792</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 17 and 28)	\$ 1,477,098	13	\$ 1,477,363	13	\$ 905,432	7
Notes payable and trade payables	1,331,965	12	1,466,764	13	2,470,751	20
Other payables (Notes 19 and 27)	495,025	5	553,842	5	417,438	3
Current tax liabilities (Note 23)	100,841	1	81,428	1	178,271	2
Lease liabilities - current (Notes 14 and 27)	155,124	1	158,482	1	204,043	2
Current portion of long-term borrowings (Notes 17 and 28)	16,468	-	16,476	-	16,555	-
Other current liabilities	11,848	-	33,212	-	20,046	-
Total current liabilities	<u>3,588,369</u>	<u>32</u>	<u>3,787,567</u>	<u>33</u>	<u>4,212,536</u>	<u>34</u>
<b>NON-CURRENT LIABILITIES</b>						
Bonds payable (Note 18)	1,181,714	10	1,178,724	10	1,169,344	9
Long-term borrowings (Notes 17 and 28)	173,670	2	177,771	2	190,043	2
Deferred tax liabilities (Notes 4 and 23)	152,288	1	158,517	2	179,110	2
Lease liabilities - non-current (Notes 14 and 27)	187,733	2	238,775	2	369,655	3
Net defined benefit liabilities (Notes 4 and 20)	6,403	-	6,998	-	10,129	-
Guarantee deposits received	883	-	933	-	1,226	-
Other non-current liabilities	17,063	-	16,734	-	15,132	-
Total non-current liabilities	<u>1,719,754</u>	<u>15</u>	<u>1,778,452</u>	<u>16</u>	<u>1,934,639</u>	<u>16</u>
Total liabilities	<u>5,308,123</u>	<u>47</u>	<u>5,566,019</u>	<u>49</u>	<u>6,147,175</u>	<u>50</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION</b>						
Ordinary shares	1,237,242	11	1,237,242	11	1,237,242	10
Capital collected in advance	16	-	-	-	-	-
Capital surplus	2,361,889	21	2,361,070	21	2,769,360	23
Retained earnings						
Legal reserve	1,026,386	9	1,026,386	9	1,001,175	8
Special reserve	687,191	6	687,191	6	635,615	5
Unappropriated earnings	791,235	7	753,104	6	731,832	6
Total retained earnings	<u>2,504,812</u>	<u>22</u>	<u>2,466,681</u>	<u>21</u>	<u>2,368,622</u>	<u>19</u>
Other equity						
Exchange differences on translating the financial statements of foreign operations	(496,549)	(4)	(514,593)	(5)	(467,360)	(4)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	2,451	-	(4,203)	-	8,785	-
Total other equity	<u>(494,098)</u>	<u>(4)</u>	<u>(518,796)</u>	<u>(5)</u>	<u>(458,575)</u>	<u>(4)</u>
Total equity attributable to owners of the Corporation	<u>5,609,861</u>	<u>50</u>	<u>5,546,197</u>	<u>48</u>	<u>5,916,649</u>	<u>48</u>
<b>NON-CONTROLLING INTERESTS</b>	<u>323,795</u>	<u>3</u>	<u>335,132</u>	<u>3</u>	<u>328,968</u>	<u>2</u>
Total equity	<u>5,933,656</u>	<u>53</u>	<u>5,881,329</u>	<u>51</u>	<u>6,245,617</u>	<u>50</u>
<b>TOTAL</b>	<u>\$ 11,241,779</u>	<u>100</u>	<u>\$ 11,447,348</u>	<u>100</u>	<u>\$ 12,392,792</u>	<u>100</u>

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

(With Deloitte & Touche auditors' review report dated May 8, 2023)

# 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 March 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE	\$ 1,830,264	100	\$ 2,765,060	100
OPERATING COSTS (Notes 10 and 22)	<u>1,519,525</u>	<u>83</u>	<u>2,398,165</u>	<u>87</u>
GROSS PROFIT	<u>310,739</u>	<u>17</u>	<u>366,895</u>	<u>13</u>
OPERATING EXPENSES (Notes 9, 22 and 27)				
Selling and marketing expenses	60,503	3	83,336	3
General and administrative expenses	164,030	9	185,089	6
Research and development expenses	44,832	3	46,966	2
Expected credit loss	<u>525</u>	<u>-</u>	<u>8</u>	<u>-</u>
Total operating expenses	<u>269,890</u>	<u>15</u>	<u>315,399</u>	<u>11</u>
PROFIT FROM OPERATIONS	<u>40,849</u>	<u>2</u>	<u>51,496</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 14)	4,892	-	5,347	-
Other gains and losses	(6,786)	-	(2,450)	-
Interest income	19,106	1	3,953	-
Net foreign exchange (loss) gain (Note 29)	(34,693)	(2)	7,917	-
Net gain on financial assets at fair value through profit or loss (Note 7)	26,603	2	1,165	-
Share of profit of associates (Note 12)	2,908	-	8,097	-
Interest expenses (Note 27)	<u>(14,894)</u>	<u>(1)</u>	<u>(12,006)</u>	<u>-</u>
Total non-operating income and expenses	<u>(2,864)</u>	<u>-</u>	<u>12,023</u>	<u>-</u>
PROFIT BEFORE INCOME TAX FROM OPERATIONS	37,985	2	63,519	2
INCOME TAX EXPENSE (Notes 4 and 23)	<u>11,384</u>	<u>1</u>	<u>35,172</u>	<u>1</u>
NET PROFIT FOR THE PERIOD	<u>26,601</u>	<u>1</u>	<u>28,347</u>	<u>1</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)

	<b>For the Three Months Ended March 31</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Items that will not be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	\$ 7,304	1	\$ (2,586)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>19,601</u>	<u>1</u>	<u>242,555</u>	<u>9</u>
Other comprehensive income for the period	<u>26,905</u>	<u>2</u>	<u>239,969</u>	<u>9</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>\$ 53,506</u>	<u>3</u>	<u>\$ 268,316</u>	<u>10</u>
<b>NET PROFIT ATTRIBUTABLE TO:</b>				
Owners of the Corporation	\$ 37,481	2	\$ 30,921	1
Non-controlling interests	<u>(10,880)</u>	<u>(1)</u>	<u>(2,574)</u>	<u>-</u>
	<u>\$ 26,601</u>	<u>1</u>	<u>\$ 28,347</u>	<u>1</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
Owners of the Corporation	\$ 62,829	3	\$ 259,536	10
Non-controlling interests	<u>(9,323)</u>	<u>-</u>	<u>8,780</u>	<u>-</u>
	<u>\$ 53,506</u>	<u>3</u>	<u>\$ 268,316</u>	<u>10</u>
<b>EARNINGS PER SHARE (Note 24)</b>				
Basic	<u>\$ 0.30</u>		<u>\$ 0.25</u>	
Diluted	<u>\$ 0.28</u>		<u>\$ 0.24</u>	

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

(With Deloitte & Touche auditors' review report dated May 8, 2023)

(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 (Notes 18 and 21)												
	Ordinary Share	Capital Collected in Advance	Capital Surplus	Retained Earnings			Total	Exchange Differences on Translating of the Financial Statements of Foreign Operations	Other Equity		Total	Non-controlling Interests (Notes 21 and 25)	Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings			Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity			
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
Unclaimed dividends	-	-	29	-	-	-	-	-	-	-	29	-	29
Net profit (loss) for the three months ended March 31, 2022	-	-	-	-	-	30,921	30,921	-	-	-	30,921	(2,574)	28,347
Other comprehensive income (loss) for the three months ended March 31, 2022, net of income tax	-	-	-	-	-	-	-	231,201	(2,586)	228,615	228,615	11,354	239,969
Total comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	-	30,921	30,921	231,201	(2,586)	228,615	259,536	8,780	268,316
BALANCE AT MARCH 31, 2022	\$ 1,237,242	\$ -	\$ 2,769,360	\$ 1,001,175	\$ 635,615	\$ 731,832	\$ 2,368,622	\$ (467,360)	\$ 8,785	\$ (458,575)	\$ 5,916,649	\$ 328,968	\$ 6,245,617
BALANCE AT JANUARY 1, 2023	\$ 1,237,242	\$ -	\$ 2,361,070	\$ 1,026,386	\$ 687,191	\$ 753,104	\$ 2,466,681	\$ (514,593)	\$ (4,203)	\$ (518,796)	\$ 5,546,197	\$ 335,132	\$ 5,881,329
Unclaimed dividends	-	-	15	-	-	-	-	-	-	-	15	-	15
Net profit (loss) for the three months ended March 31, 2023	-	-	-	-	-	37,481	37,481	-	-	-	37,481	(10,880)	26,601
Other comprehensive income for three months ended March 31, 2023, net of income tax	-	-	-	-	-	-	-	18,044	7,304	25,348	25,348	1,557	26,905
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	37,481	37,481	18,044	7,304	25,348	62,829	(9,323)	53,506
Actual acquisition of interests in subsidiaries	-	-	721	-	-	-	-	-	-	-	721	(2,014)	(1,293)
Convertible corporate bonds	-	16	83	-	-	-	-	-	-	-	99	-	99
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	-	650	650	-	(650)	(650)	-	-	-
BALANCE AT MARCH 31, 2023	\$ 1,237,242	\$ 16	\$ 2,361,889	\$ 1,026,386	\$ 687,191	\$ 791,235	\$ 2,504,812	\$ (496,549)	\$ 2,451	\$ (494,098)	\$ 5,609,861	\$ 323,795	\$ 5,933,656

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

(With Deloitte & Touche auditors' review report dated May 8, 2023)

# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 37,985	\$ 63,519
Adjustments for:		
Depreciation expenses	108,230	113,579
Amortization expenses	6,085	5,824
Expected credit loss	525	8
Net gain on financial assets at fair value through profit or loss	(26,603)	(1,165)
Interest expenses	14,894	12,006
Interest income	(19,106)	(3,953)
Share of profit of associates	(2,908)	(8,097)
Loss on disposal of property, plant and equipment	6,018	739
Loss on disposal of intangible assets	13	29
Write-downs of inventories	215	28,025
Net loss (gain) on unrealized foreign currency exchange	19,145	(18,314)
Gain on lease modification	(1,108)	-
Changes in operating assets and liabilities		
Notes receivable	55,686	(6,755)
Trade receivables	103,928	(37,922)
Inventories	103,169	(64,141)
Other current assets	28,143	9,947
Other non-current assets	(144)	124
Notes payable and trade payables	(184,389)	116,841
Other payables	(54,004)	(5,113)
Other current liabilities	(28,887)	13,506
Net defined benefit assets and liabilities	(596)	(1,547)
Other non-current liabilities	270	225
Cash generated from operations	166,561	217,365
Interest paid	(10,770)	(12,003)
Income tax paid	(32,126)	(35,172)
Net cash generated from operating activities	<u>123,665</u>	<u>170,190</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(101,892)	-
Proceeds from sale of financial assets at amortized cost	-	88,153
Purchase of financial assets at fair value through profit or loss	(221,830)	(330,578)
Proceeds from sale of financial assets at fair value through profit or loss	500,618	332,620
Payments for property, plant and equipment	(15,892)	(79,886)
Proceeds from disposal of property, plant and equipment	2,293	348
Decrease (increase) in refundable deposits	9,077	(1,198)
Payments for intangible assets	(2,398)	(8,104)

(Continued)

# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
Increase in prepayments for equipment	\$ (8,269)	\$ (9,872)
Interest received	<u>16,887</u>	<u>3,953</u>
Net cash generated from (used in) investing activities	<u>178,594</u>	<u>(4,564)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Repayments of) proceeds from short-term borrowings	(54)	9,571
Repayments of long-term borrowings	(4,109)	(4,132)
Refunds of guarantee deposits received	(50)	(220)
Repayments of the principal portion of lease liabilities	(55,960)	(55,390)
Actual acquisition of interests in subsidiaries	<u>(1,293)</u>	<u>-</u>
Net cash used in financing activities	<u>(61,466)</u>	<u>(50,171)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>12,953</u>	<u>54,908</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	253,746	170,363
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>3,510,365</u>	<u>2,059,537</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 3,764,111</u>	<u>\$ 2,229,900</u>

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

(With Deloitte & Touche auditors' review report dated May 8, 2023)

(Concluded)

# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (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 (OTC) market on January 11, 2007. In November 2009, the Corporation obtained approval to transfer listing of its shares to the Taiwan Stock Exchange (TWSE) and 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 May 8, 2023.

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

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), 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 material impact on the Group’s accounting policies.

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

<u>New IFRSs</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 New 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 that 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 MATERIAL ACCOUNTING POLICIES INFORMATION**

##### **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 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 Corporation and the entities controlled by the Corporation (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 Corporation.

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 Corporation 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 material accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2022.

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. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Group considers the possible impact of the recent development of the COVID-19 pandemic in Taiwan and its economic environment implications when making its critical accounting estimates on 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

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 2,012	\$ 2,225	\$ 2,701
Checking accounts and demand deposits	2,622,359	2,363,885	2,124,149
Cash equivalents (with original maturities within 3 months)			
Time deposits	<u>1,139,740</u>	<u>1,144,255</u>	<u>103,050</u>
	<u>\$ 3,764,111</u>	<u>\$ 3,510,365</u>	<u>\$ 2,229,900</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
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)	\$ -	\$ -	\$ 1,030
Non-derivative financial assets			
Domestic listed shares	97,026	86,154	81,898
Hybrid financial assets			
Structured deposits (b)	<u>355,859</u>	<u>617,967</u>	<u>67,853</u>
	<u>\$ 452,885</u>	<u>\$ 704,121</u>	<u>\$ 150,781</u>
<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
Non-derivative financial assets			
Domestic emerging market shares	21,381	20,482	16,655
Overseas unlisted shares	29,248	28,725	36,692
Private funds	<u>15,180</u>	<u>14,283</u>	<u>9,293</u>
	<u>\$ 65,809</u>	<u>\$ 63,490</u>	<u>\$ 63,000</u>

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

March 31, 2022

	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
Sell	US\$/RMB	2022.08	US\$1,000/RMB6,452
Sell	US\$/RMB	2022.08	US\$1,000/RMB6,413
Sell	US\$/RMB	2022.08	US\$1,000/RMB6,418

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 a one 1-6 month structured time deposit contracts with bank for the three months ended March 31, 2023 and 2022. 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

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 341,204	\$ 238,110	\$ 259,071
Time deposits pledged as collateral with original maturities of more than 3 months	<u>2</u>	<u>-</u>	<u>-</u>
	<u>\$ 341,206</u>	<u>\$ 238,110</u>	<u>\$ 259,071</u>
<u>Non-current</u>			
Pledged time deposits with original maturities of more than 1 year	<u>\$ 3,281</u>	<u>\$ 3,272</u>	<u>\$ 2,290</u>

See Note 28 for detailed information on financial assets at amortized cost pledged as collateral.

## 9. TRADE RECEIVABLES, NET

	March 31, 2023	December 31, 2022	March 31, 2022
At amortized cost			
Gross carrying amount	\$ 1,900,196	\$ 1,976,706	\$ 3,674,389
Less: Allowance for impairment loss	<u>(7,474)</u>	<u>(6,907)</u>	<u>(5,288)</u>
	<u>\$ 1,892,722</u>	<u>\$ 1,969,799</u>	<u>\$ 3,669,101</u>

The average credit period of sales of goods was 90-160 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 by IFRS 9, 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 records 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.

March 31, 2023

	<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	-	1.29%	4.68%	42.79%	100.00%	
Gross carrying amount	\$ 1,833,089	\$ 28,344	\$ 28,170	\$ 8,392	\$ 2,201	\$ 1,900,196
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(365)</u>	<u>(1,317)</u>	<u>(3,591)</u>	<u>(2,201)</u>	<u>(7,474)</u>
Amortized cost	<u>\$ 1,833,089</u>	<u>\$ 27,979</u>	<u>\$ 26,853</u>	<u>\$ 4,801</u>	<u>\$ -</u>	<u>\$ 1,892,722</u>

December 31, 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	-	2.67%	13.42%	38.52%	100.00%	
Gross carrying amount	\$ 1,922,267	\$ 26,189	\$ 23,856	\$ 2,258	\$ 2,136	\$ 1,976,706
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(700)</u>	<u>(3,201)</u>	<u>(870)</u>	<u>(2,136)</u>	<u>(6,907)</u>
Amortized cost	<u>\$ 1,922,267</u>	<u>\$ 25,489</u>	<u>\$ 20,655</u>	<u>\$ 1,388</u>	<u>\$ -</u>	<u>\$ 1,969,799</u>

March 31, 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	-	1.53%	4.83%	49.19%	100%	
Gross carrying amount	\$ 3,620,842	\$ 17,984	\$ 31,872	\$ 431	\$ 3,260	\$ 3,674,389
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(276)</u>	<u>(1,540)</u>	<u>(212)</u>	<u>(3,260)</u>	<u>(5,288)</u>
Amortized cost	<u>\$ 3,620,842</u>	<u>\$ 17,708</u>	<u>\$ 30,332</u>	<u>\$ 219</u>	<u>\$ -</u>	<u>\$ 3,669,101</u>

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

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 6,907	\$ 5,071
Add: Net remeasurement of loss allowance	525	8
Foreign exchange gains and losses	<u>42</u>	<u>209</u>
Balance at March 31	<u>\$ 7,474</u>	<u>\$ 5,288</u>

## 10. INVENTORIES

	March 31, 2023	December 31, 2022	March 31, 2022
Finished goods	\$ 339,093	\$ 374,665	\$ 465,688
Work in progress	188,996	210,740	341,938
Raw materials	<u>279,702</u>	<u>322,580</u>	<u>561,110</u>
	<u>\$ 807,791</u>	<u>\$ 907,985</u>	<u>\$ 1,368,736</u>

The cost of goods sold for the three months ended March 31, 2023 and 2022 included inventory write-downs of \$215 thousand and \$28,025 thousand, respectively.

## 11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
Syncmold Enterprise Corp.	Grand Advance Inc.	The trading, imports, exports and investments of electronic parts	100.00	100.00	100.00	Note 1
	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
	Syncmold Enterprise (USA) Corp.	The trading, imports and exports of electronic parts.	100.00	100.00	100.00	Note 2
	Leohab Enterprise Co., Ltd.	Precision hardware components manufacturing	70.00	70.00	70.00	Note 2
	Gatetech Technology Inc.	Precision molding and magnesium alloy die caster manufacturing and transaction business	74.05	73.82	73.82	Notes 1 and 6
	Syncmold Enterprise Vietnam Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 5
	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
Grand Advance Inc.	Canford International Limited	Import and export trade and investment	100.00	100.00	100.00	Note 2
	Fullking Development Limited	Import and export trade and investment	100.00	100.00	100.00	Note 2
Syncmold Enterprise (Samoa) Corp.	Full Glary Holding Limited	Import and export trade and investment	100.00	100.00	100.00	Note 2
	Full Big Limited	Reinvesting subsidiaries of mainland China and international business	-	-	100.00	Note 4
	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 manufacturing, trading and related import and export business	100.00	100.00	100.00	Note 1
	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 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	100.00	-	Notes 2 and 3

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
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 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 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.	Gatetech (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	Notes 2 and 3

(Concluded)

Note 1: Its financial statements for the three months ended March 31, 2023 and 2022 have been reviewed.

Note 2: As the subsidiary is not a major subsidiary, its financial statements for the three months ended March 31, 2023 and 2022 have not been reviewed.

Note 3: For organizational restructuring purposes, the Corporation'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 4: For organizational restructuring purposes, in July 2022, the board of directors resolved to dissolve Full Big Limited, and Full Big Limited was completed the liquidation procedures in October 2022. As the subsidiary is not a major subsidiary, its financial statements for the three months ended March 31, 2022 have not been reviewed.

Note 5: As the subsidiary is a major subsidiary, its financial statements for the three months ended March 31, 2023 have been reviewed. Its financial statements for the three months ended March 31, 2022 have not been reviewed.

Note 6: On March 27, 2023, the Corporation acquired additional 0.23% ownership in Gatetech Technology Inc. for a cash consideration of \$1,293 thousand. The proportion of the Group's ownership was 74.05% as of March 31, 2023. Refer to Note 25 for detailed information on the acquisition of non-controlling interests during 2023.

## 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2023	December 31, 2022	March 31, 2022
Associates that are not individually material			
Unlisted company			
High Grade Tech Co., Ltd.	\$ 164,555	\$ 153,143	\$ 143,678
Corebio technologies Co., Ltd. (Note)	-	-	19,835
Smart Automation Technology Inc.	<u>13,746</u>	<u>14,945</u>	<u>14,056</u>
	<u>\$ 178,301</u>	<u>\$ 168,088</u>	<u>\$ 177,569</u>

Note: Considering that the Group's interest in Corebio Technologies Co., Ltd. on December 31, 2022 was lower than the market value, the management of the Corporation conducted an impairment test on the investment on December 31, 2021, 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, and an impairment loss of \$19,835 thousand was recognized in 2022.

Investments were accounted for using the equity method and the share of profit or loss for the three months ended March 31, 2023 and 2022 was 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, 2023	\$ 770,826	\$ 1,267,421	\$ 1,558,758	\$ 54,595	\$ 63,176	\$ 254,785	\$ -	\$ 3,969,561
Additions	-	3,661	6,353	-	281	5,597	-	15,892
Transfer from prepayments for equipment	-	2,610	8,590	-	-	40	-	11,240
Disposals	-	(2,654)	(29,263)	-	(2,413)	(3,424)	-	(37,754)
Effect of foreign currency exchange differences	<u>16</u>	<u>413</u>	<u>6,222</u>	<u>24</u>	<u>197</u>	<u>602</u>	<u>-</u>	<u>7,474</u>
Balance at March 31, 2023	<u>\$ 770,842</u>	<u>\$ 1,271,451</u>	<u>\$ 1,550,660</u>	<u>\$ 54,619</u>	<u>\$ 61,241</u>	<u>\$ 257,600</u>	<u>\$ -</u>	<u>\$ 3,966,413</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2023	\$ -	\$ 568,575	\$ 1,012,084	\$ 29,490	\$ 39,192	\$ 139,080	\$ -	\$ 1,788,421
Depreciation expense	-	20,847	28,251	1,228	2,497	10,233	-	63,056
Disposals	-	(2,504)	(21,509)	-	(2,281)	(3,149)	-	(29,443)
Effect of foreign currency exchange differences	<u>-</u>	<u>2,002</u>	<u>3,963</u>	<u>105</u>	<u>130</u>	<u>485</u>	<u>-</u>	<u>6,685</u>
Balance at March 31, 2023	<u>\$ -</u>	<u>\$ 588,920</u>	<u>\$ 1,022,789</u>	<u>\$ 30,823</u>	<u>\$ 39,538</u>	<u>\$ 146,649</u>	<u>\$ -</u>	<u>\$ 1,828,719</u>
Carrying amount at March 31, 2023	<u>\$ 770,842</u>	<u>\$ 682,531</u>	<u>\$ 527,871</u>	<u>\$ 23,796</u>	<u>\$ 21,703</u>	<u>\$ 110,951</u>	<u>\$ -</u>	<u>\$ 2,137,694</u>
<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	-	4,378	22,780	423	584	3,441	48,280	79,886
Transfer from prepayments for equipment	-	495	48,116	-	-	259	-	48,870
Disposals	-	(4,973)	(15,981)	(513)	(345)	(5,034)	-	(26,846)
Reclassifications	-	(1,172)	570	-	-	-	-	(602)
Effect of foreign currency exchange differences	<u>141</u>	<u>22,079</u>	<u>54,291</u>	<u>1,328</u>	<u>1,753</u>	<u>6,491</u>	<u>9,734</u>	<u>95,817</u>
Balance at March 31, 2022	<u>\$ 770,679</u>	<u>\$ 945,248</u>	<u>\$ 1,690,872</u>	<u>\$ 42,787</u>	<u>\$ 64,994</u>	<u>\$ 217,855</u>	<u>\$ 326,274</u>	<u>\$ 4,058,709</u>

(Continued)

	Freehold Land	Buildings	Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property Under Construction	Total
<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 expense	-	18,233	26,541	1,000	2,153	8,300	-	56,227
Disposals	-	(4,973)	(15,651)	(461)	(235)	(4,439)	-	(25,759)
Reclassifications	-	(122)	(207)	16	-	-	-	(313)
Effect of foreign currency exchange differences	-	14,539	33,530	927	1,162	3,561	-	53,719
Balance at March 31, 2022	<u>\$ -</u>	<u>\$ 511,057</u>	<u>\$ 1,089,408</u>	<u>\$ 29,944</u>	<u>\$ 39,540</u>	<u>\$ 126,300</u>	<u>\$ -</u>	<u>\$ 1,796,249</u>
Carrying amount at March 31, 2022	<u>\$ 770,679</u>	<u>\$ 434,191</u>	<u>\$ 601,464</u>	<u>\$ 12,843</u>	<u>\$ 25,454</u>	<u>\$ 91,555</u>	<u>\$ 326,274</u>	<u>\$ 2,262,460</u>

(Concluded)

The above items of property, plant and equipment 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 28 for detailed information on property, plant and equipment pledged as collateral.

#### 14. LEASE ARRANGEMENTS

##### a. Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amount</u>			
Lands	\$ 179,184	\$ 181,133	\$ 181,087
Buildings	359,951	400,982	586,468
Transportation equipment	<u>1,220</u>	<u>1,441</u>	<u>1,802</u>
	<u>\$ 540,355</u>	<u>\$ 583,556</u>	<u>\$ 769,357</u>
		<b>For the Three Months Ended March 31</b>	
		<u>2023</u>	<u>2022</u>
Additions to right-of-use assets		<u>\$ 2,689</u>	<u>\$ 57,080</u>
Depreciation charge for right-of-use assets			
Lands		\$ 1,223	\$ 1,204
Buildings		43,729	55,861
Transportation equipment		<u>222</u>	<u>287</u>
		<u>\$ 45,174</u>	<u>\$ 57,352</u>
Income from the subleasing of right-of-use assets (presented in other income)		<u>\$ (1,613)</u>	<u>\$ (144)</u>

Except for the additions, recognized depreciation and subleasing the Group did not have any significant impairment of right-of-use assets during the three months ended March 31, 2023 and 2022.

b. Lease liabilities

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
<u>Carrying amount</u>			
Current	<u>\$ 155,124</u>	<u>\$ 158,482</u>	<u>\$ 204,043</u>
Non-current	<u>\$ 187,733</u>	<u>\$ 238,775</u>	<u>\$ 369,655</u>

Range of discount rate for lease liabilities was as follows:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Buildings	0.81%-4.90%	0.81%-4.90%	0.94%-4.90%
Transportation equipment	0.94%-1.69%	0.94%-4.55%	0.94%-4.55%
Equipment	-	4.75%	-

c. Subleases

The Group subleases its right-of-use assets for buildings under operating leases with lease terms of 1 - 2 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 follows:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Year 1	\$ 6,493	\$ 6,368	\$ 409
Year 2	<u>2,705</u>	<u>4,245</u>	<u>-</u>
	<u>\$ 9,198</u>	<u>\$ 10,613</u>	<u>\$ 409</u>

d. Other lease information

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Expenses relating to short-term leases	<u>\$ 3,040</u>	<u>\$ 5,459</u>
Total cash outflow for leases	<u>\$ (63,330)</u>	<u>\$ (67,381)</u>

The Group leases certain building which qualify as short-term leases. 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

	March 31, 2023	December 31, 2022	March 31, 2022
Trademarks	\$ 31	\$ 33	\$ 46
Computer software	54,948	58,503	56,064
Patents	<u>677</u>	<u>710</u>	<u>775</u>
	<u>\$ 55,656</u>	<u>\$ 59,246</u>	<u>\$ 56,885</u>

Except for the recognized amortization, the Group did not have any significant additions, disposals or impairment of intangible assets during the three months ended March 31, 2023 and 2022.

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

	March 31, 2023	December 31, 2022	March 31, 2022
<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

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Secured borrowings (Note 28)</u>			
Mortgage loans	\$ 352,692	\$ 387,682	\$ 400,432
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>1,124,406</u>	<u>1,089,681</u>	<u>505,000</u>
	<u>\$ 1,477,098</u>	<u>1,477,363</u>	<u>\$ 905,432</u>

The weighted average effective interest rates on bank loans were 1.66%-5.3%, 1.49%-5% and 0.61%-3.75%, per annum as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

b. Long-term borrowings

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
<u>Secured borrowings</u> (Note 28)			
Mortgage loans	\$ 190,138	\$ 194,247	\$ 206,598
Less: Current portions	<u>(16,468)</u>	<u>(16,476)</u>	<u>(16,555)</u>
	<u>\$ 173,670</u>	<u>\$ 177,771</u>	<u>\$ 190,043</u>

The effective interest rate on long-term borrowings were 1.57%-1.67%, 1.45%-1.55% and 0.9%-1%, on March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

**18. BONDS PAYABLE**

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Domestic third unsecured convertible bonds	<u>\$ 1,181,714</u>	<u>\$ 1,178,724</u>	<u>\$ 1,169,344</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 March 31, 2023.

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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 components are 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 instruments were assessed at fair value of NT\$0 thousand, NT\$0 thousand and NT\$360 thousand (included in financial assets - non-current which were measured at FVTPL); non-derivative product liabilities have been measured on March 31, 2023, December 31, 2022 and March 31, 2022 at NT\$1,181,714 thousand, NT\$1,178,724 thousand and NT\$1,169,344 thousand (included in bonds payable) respectively based on amortized cost and its effective interest rate 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%	16,307
Loss on valuation of financial instrument	<u>360</u>
Liability component on December 31, 2022	1,178,724
Interest charged at an effective interest rate of 1.0663%	3,089
Convertible bonds converted into ordinary shares	<u>(99)</u>
Liability component on March 31, 2023	<u>\$ 1,181,714</u>

As of March 31, 2022, the Corporation's unsecured convertible bonds with a face value of \$100 thousand had been converted into 1600 ordinary shares. As the registration of the shares was not completed, the share options were recognized as capital collected in advance.

## 19. OTHER PAYABLES

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Payables for salaries or bonuses	\$ 206,079	\$ 204,625	\$ 191,693
Others (Note 27)	<u>288,946</u>	<u>349,217</u>	<u>225,745</u>
	<u>\$ 495,025</u>	<u>\$ 553,842</u>	<u>\$ 417,438</u>

## 20. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2023 and 2022, the pension expenses of defined benefit plans were \$111 thousand and \$109 thousand, respectively, and these were calculated based on the actuarially determined pension cost rate on December 31, 2022 and 2021, respectively.

## 21. EQUITY

### a. Share capital

#### Ordinary shares

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Number of shares authorized (in thousands)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Amount 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>
Amount of shares issued	<u>\$ 1,237,242</u>	<u>\$ 1,237,242</u>	<u>\$ 1,237,242</u>
Capital collected in advance	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ -</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.

As of March 31, 2022, the Corporation's unsecured convertible bonds with a face value of \$100 thousand had been converted into 1,600 ordinary shares. As the registration of the shares was not completed, the share options were recognized as capital collected in advance.

### b. Capital surplus

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)</u>			
Issuance of ordinary shares	\$ 776,616	\$ 776,519	\$ 1,184,809
The difference between the consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	414,247	413,526	413,526
Consolidation excess	852,372	852,372	852,372
Unclaimed dividends	122	107	107
<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>175,382</u>	<u>175,396</u>	<u>175,396</u>
	<u>\$ 2,361,889</u>	<u>\$ 2,361,070</u>	<u>\$ 2,769,360</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 Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation'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 propose such allocation ratio at shareholder's meeting. 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 2022 and 2021 which were approved in board of directors' meeting on March 15, 2023 and the shareholders' meeting on June 10, 2022, respectively, were as follows:

	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2023</b>	<b>2022</b>
Legal reserve	<u>\$ 37,643</u>	<u>\$ 25,211</u>
Special reserve	<u>\$ (168,395)</u>	<u>\$ 51,576</u>
Cash dividends	<u>\$ 371,172</u>	<u>\$ 247,448</u>
Dividends per share	\$ 3.00	\$ 2.00

The shareholders' meeting proposed to allocate capital on June 10, 2022 surplus of \$408,290 thousand through \$3.30 per share in cash.

The appropriation of earnings and capital surplus for 2022 is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 16, 2023

d. Special reserve

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1 and March 31	<u>\$ 687,191</u>	<u>\$ 635,615</u>

On the initial application of the IFRSs, the net increase arising from retained earnings was not enough for the special reserve appropriation; thus, the Corporation appropriated a special reserve 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 Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 335,132	\$ 320,188
Share of loss for the period	(10,880)	(2,574)
Other comprehensive income (loss) during the period		
Exchange differences on translating the financial statements of foreign entities	1,557	11,354
Changes in ownership interests in subsidiaries (Note 25)	<u>(2,014)</u>	<u>-</u>
Balance at March 31	<u>\$ 323,795</u>	<u>\$ 328,968</u>

## 22. NET PROFIT

a. Depreciation, amortization and employee benefits expense:

	<b>For the Three Months Ended March 31</b>					
	<b>2023</b>			<b>2022</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	\$ 16,546	\$ 5,022	\$ 21,568	\$ 18,173	\$ 5,692	\$ 23,865
Defined benefit plan	60	51	111	59	50	109
Other employee benefits	<u>288,116</u>	<u>127,755</u>	<u>415,871</u>	<u>454,598</u>	<u>143,903</u>	<u>598,501</u>
	<u>\$ 304,722</u>	<u>\$ 132,828</u>	<u>\$ 437,550</u>	<u>\$ 472,830</u>	<u>\$ 149,645</u>	<u>\$ 622,475</u>
Depreciation	<u>\$ 74,790</u>	<u>\$ 33,440</u>	<u>\$ 108,230</u>	<u>\$ 79,142</u>	<u>\$ 34,437</u>	<u>\$ 113,579</u>
Amortization	<u>\$ 765</u>	<u>\$ 5,320</u>	<u>\$ 6,085</u>	<u>\$ 633</u>	<u>\$ 5,191</u>	<u>\$ 5,824</u>

b. Compensation of employees and remuneration of directors

According to the Corporation's Articles of Incorporation, the Corporation accrues 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. The compensation of employees and the remuneration of directors for the three months ended March 31, 2023 and 2022, respectively, are as follows:

Accrual rate

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Compensation of employees	8.86%	8.01%
Remuneration of directors	1.95%	1.76%

Amount

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Compensation of employees	<u>\$ 5,137</u>	<u>\$ 3,616</u>
Remuneration of directors	<u>\$ 1,128</u>	<u>\$ 794</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 and supervisors for 2022 and 2021 that were resolved by the board of directors on March 15, 2023 and March 15, 2022, respectively, are as shown below:

Amount

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
	<b>Cash</b>	<b>Cash</b>
Compensation of employees	\$ 43,000	\$ 31,000
Remuneration of directors and supervisors	9,800	7,000

There is no difference between the actual amounts of the compensation of employees and remuneration of directors and supervisors for 2022 and 2021 and recognized in the profit and loss for the year ended December 31, 2022 and 2021.

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 March 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
In respect of the current period	\$ 32,370	\$ 34,307
Deferred tax		
In respect of the current period	<u>(20,986)</u>	<u>865</u>
Income tax expense recognized in profit or loss	<u>\$ 11,384</u>	<u>\$ 35,172</u>

### b. Income tax assessments

The income tax returns of the Corporation through 2021 have been assessed by the tax authorities.

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

Except for the year 2020, the income tax returns of Leohab Enterprise Co., Ltd. through 2021 have been assessed by the tax authorities.

All the subsidiaries in China and Thailand 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

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Earnings used in the computation of basic earnings per share	\$ 37,481	\$ 30,921
Effect of potentially dilutive ordinary shares		
Interest on convertible bonds	<u>3,089</u>	<u>3,056</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 40,570</u>	<u>\$ 33,977</u>

## Shares

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

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	123,725	123,724
Effect of potentially dilutive ordinary shares		
Convertible bonds	19,479	17,964
Compensation of employees	<u>648</u>	<u>414</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>143,852</u>	<u>142,102</u>

The Group offered to settle the compensation or bonuses paid to employees in cash or shares, the Group assumes that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were 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. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On March 27, 2023, the Corporation subscribed for additional new shares of Gatetech Technology Inc. at 0.23% from its existing ownership percentage for a cash consideration of \$1,293 thousand, and increased the Corporation's percentage of ownership from 73.82% to 74.05%.

The above transactions were accounted for as equity transactions, since the Corporation did not cease to have control over these subsidiaries.

	<b>For the Three Months Ended March 31, 2023</b>
Consideration paid	\$ (1,293)
The proportionate share of carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>2,014</u>
Difference recognized from equity transactions	<u>\$ 721</u>
<u>Adjustment of difference recognized from equity transactions</u>	
Capital surplus-difference between actual acquisition of subsidiary's equity prices and carrying amount	<u>\$ 721</u>

## 26. FINANCIAL INSTRUMENTS

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

March 31, 2023

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 1,181,714	\$ 1,303,931	\$ -	\$ -	\$ 1,303,931

December 31, 2022

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 1,178,724	\$ 1,229,880	\$ -	\$ -	\$ 1,229,880

March 31, 2022

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 1,169,344	\$ 1,425,120	\$ -	\$ -	\$ 1,425,120

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

#### 1) Fair value hierarchy

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 97,026	\$ -	\$ -	\$ 97,026
Structured deposits	355,859	-	-	355,859
Emerging market shares	11,037	-	10,344	21,381
Overseas unlisted shares	-	-	29,248	29,248
Private funds	-	-	15,180	15,180
	<u>\$ 463,922</u>	<u>\$ -</u>	<u>\$ 54,772</u>	<u>\$ 518,694</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 86,154	\$ -	\$ -	\$ 86,154
Structured deposits	617,967	-	-	617,967
Emerging market shares	9,334	-	11,148	20,482
Overseas unlisted shares	-	-	28,725	28,725
Private funds	-	-	14,283	14,283
	<u>\$ 713,455</u>	<u>\$ -</u>	<u>\$ 54,156</u>	<u>\$ 767,611</u>

March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Foreign exchange forward contracts	\$ -	\$ 1,030	\$ -	\$ 1,030
Listed shares	81,898	-	-	81,898
Bonds payable	-	360	-	360
Structured deposits	67,853	-	-	67,853
Emerging market shares	9,783	-	6,872	16,655
Overseas unlisted shares	-	-	36,692	36,692
Private funds	-	-	9,293	9,293
	<u>\$ 159,534</u>	<u>\$ 1,390</u>	<u>\$ 52,857</u>	<u>\$ 213,781</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

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 54,156	\$ 54,643
Recognized in profit or loss (included in net gain loss on fair value changes of financial instruments at FVTPL)	<u>616</u>	<u>(1,786)</u>
Balance at March 31	<u>\$ 54,772</u>	<u>\$ 52,857</u>

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

Financial Instrument	Valuation Technique and Inputs
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 and private funds are measured using the asset approach.

c. Categories of financial instruments

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
<u>Financial assets</u>			
Mandatorily classified as at FVTPL	\$ 518,694	\$ 767,611	\$ 213,781
Financial assets at amortized cost (Note 1)	6,230,645	5,996,361	6,662,969
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	4,470,744	4,667,248	4,979,096

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, 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 payables, 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, short-term 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) and interest rates (see (b) below). There is no change in the method of the measurement of market risk.

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 foreign currency sales and purchases, which exposes 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 (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 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 Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
<u>USD impact</u>		
USD:NTD	<u>\$ (2,010)</u>	<u>\$ (1,201)</u>
USD:RMB	<u>\$ (15,087)</u>	<u>\$ (22,741)</u>
USD:VND	<u>\$ (200)</u>	<u>\$ (825)</u>
<u>RMB impact</u>		
RMB:NTD	<u>\$ (1,843)</u>	<u>\$ (1,064)</u>
RMB:USD	<u>\$ (446)</u>	<u>\$ (458)</u>

This was mainly attributable to the exposure on outstanding receivables and payables 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:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Fair value interest rate risk			
Financial assets	\$ 1,840,086	\$ 2,003,604	\$ 432,264
Financial liabilities	3,191,807	3,247,591	2,855,072
Cash flow interest rate risk			
Financial assets	2,619,297	2,362,027	2,120,548

### Sensitivity analysis

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

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2023 and 2022 would have increased/decreased by \$6,548 thousand and \$5,301 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate deposits.

#### 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 and private funds. 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 three months ended March 31, 2023 and 2022 would have increased/decreased by \$1,628 thousand and \$1,445 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 short-term bank loan facilities set out in below.

#### Financing facilities

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Unsecured bank overdraft facilities (reviewed annually):			
Amount used	\$ 1,124,406	\$ 1,089,681	\$ 505,000
Amount unused	<u>2,797,007</u>	<u>3,133,506</u>	<u>3,494,895</u>
	<u>\$ 3,921,413</u>	<u>\$ 4,223,187</u>	<u>\$ 3,999,895</u>
Secured bank overdraft facilities			
Amount used	\$ 542,830	\$ 581,929	\$ 607,030
Amount unused	<u>112,173</u>	<u>74,023</u>	<u>52,520</u>
	<u>\$ 655,003</u>	<u>\$ 655,952</u>	<u>\$ 659,550</u>

## 27. 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
High Grade Tech Co., Ltd.	Associate
Smart Automation Technology Inc.	Associate
Dongguan Smart Automation Technology Inc.	The subsidiary of associate

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

<b>Related Party Category</b>	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
The subsidiaries of associates	\$ <u>82</u>	\$ <u>-</u>

c. Lease agreements

<b>Related Party Category</b>		<b>For the Three Months Ended March 31</b>		
		<b>2023</b>	<b>2022</b>	
<u>Lease assets acquired</u>				
Related party in substance		\$ -	\$ 2,879	
The legal representative of the Corporation's director		<u>-</u>	<u>1,574</u>	
		<u>\$ -</u>	<u>\$ 4,453</u>	
<b>Line Item</b>	<b>Related Party Category</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Lease liabilities	Related party in substance	\$ 1,533	\$ 1,948	\$ 2,758
	The legal representative of the Corporation's director	<u>832</u>	<u>1,058</u>	<u>1,508</u>
		<u>\$ 2,365</u>	<u>\$ 3,006</u>	<u>\$ 4,266</u>

<b>Related Party Category</b>		<b>For the Three Months Ended March 31</b>		
		<b>2023</b>	<b>2022</b>	
<u>Interest expense</u>				
Related party in substance		\$ 4	\$ 1	
The legal representative of the Corporation's director		<u>2</u>	<u>1</u>	
		<u>\$ 6</u>	<u>\$ 2</u>	
<u>Lease expense</u>				
The legal representative of the Corporation's director		<u>\$ 218</u>	<u>\$ -</u>	

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.

d. Acquisition of other assets

<b>Line Item</b>		<b>Related Party Category</b>		<b>For the Three Months Ended March 31</b>	
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Intangible assets	Associates	\$ 1,264	\$ -		
	The subsidiaries of associates	<u>-</u>	<u>67</u>		
		<u>\$ 1,264</u>	<u>\$ 67</u>		

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category	March 31, 2023	December 31, 2022	March 31, 2022
Other payables	Associates	\$ -	\$ 78	\$ -

f. Remuneration of key management personnel

Related Party Category	For the Three Months Ended March 31	
	2023	2022
Short-term employee benefits	\$ 10,810	\$ 11,218
Post-employment benefits	<u>79</u>	<u>79</u>
	<u>\$ 10,889</u>	<u>\$ 11,297</u>

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

## 28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for borrowings and performance bond:

	March 31, 2023	December 31, 2022	March 31, 2022
Property, plant and equipment	\$ 819,569	\$ 819,017	\$ 822,410
Financial assets at amortized cost	<u>3,283</u>	<u>3,272</u>	<u>2,290</u>
	<u>\$ 822,852</u>	<u>\$ 822,289</u>	<u>\$ 824,204</u>

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

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

March 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 45,307	30.45 (USD:NTD)	\$ 1,379,598
USD	51,163	6.8717 (USD:RMB)	1,557,913
USD	3,809	23,873 (USD:VND)	115,984
RMB	51,997	4.431 (RMB:NTD)	230,399
RMB	10,068	0.1455 (RMB:USD)	44,611

(Continued)

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
Non-monetary items			
Financial assets at FVTPL - non-current			
USD	\$ 961	30.45 (USD:NTD)	\$ 29,248
<u>Financial liabilities</u>			
Monetary items			
USD	38,706	30.45 (USD:NTD)	1,178,598
USD	1,615	6.8717 (USD:RMB)	49,177
USD	3,151	23,873 (USD:VND)	95,948
RMB	10,395	4.431 (RMB:NTD)	46,060
			(Concluded)

December 31, 2022

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 48,301	30.71 (USD:NTD)	\$ 1,483,324
USD	64,171	6.9646 (USD:RMB)	1,970,691
USD	1,610	23,959 (USD:VND)	49,443
RMB	48,069	4.408 (RMB:NTD)	211,888
RMB	10,148	0.1435 (RMB:USD)	44,732
Non-monetary items			
Financial assets at FVTPL - non-current			
USD	935	30.71 (USD:NTD)	28,725
<u>Financial liabilities</u>			
Monetary items			
USD	41,754	30.71 (USD:NTD)	1,282,265
USD	1,697	6.9646 (USD:RMB)	52,115
USD	867	23,959 (USD:VND)	26,626
RMB	11,030	4.408 (RMB:NTD)	48,620

March 31, 2022

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 63,969	28.625 (USD:NTD)	\$ 1,831,113
USD	80,495	6.3482 (USD:RMB)	2,304,169
USD	3,594	23,120 (USD:VND)	102,878
RMB	27,530	4.5060 (RMB:NTD)	124,050
RMB	10,154	0.1574 (RMB:USD)	45,754
			(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
Non-monetary items			
Financial assets at FVTPL - non-current			
USD	\$ 1,282	28.625 (USD:NTD)	\$ 36,692
<u>Financial liabilities</u>			
Monetary items			
USD	59,775	28.625 (USD:NTD)	1,711,059
USD	1,049	6.3482 (USD:RMB)	30,028
USD	713	23,120 (USD:VND)	20,410
RMB	3,922	4.5060 (RMB:NTD)	17,673
			(Concluded)

The Group is mainly exposed to the USD and the RMB. The following information was aggregated by the functional currencies of the group 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 March 31</b>				
<b>2023</b>			<b>2022</b>	
<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gains (Losses)</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gains (Losses)</b>
NTD	1 (NTD:NTD)	\$ (1,976)	1 (NTD:NTD)	\$ 15,557
USD	30.395 (USD:NTD)	594	27.994 (USD:NTD)	171
RMB	4.441 (RMB:NTD)	(33,043)	4.406 (RMB:NTD)	(8,365)
VND	0.00127 (VND:NTD)	(248)	0.00122 (VND:NTD)	444
Other		(20)		110
		<u>\$ (34,693)</u>		<u>\$ 7,917</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 on significant 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. Specifically, the Group's reportable segments were electronic equipment and molding.

No operating segments have ceased operation during the period.

a. Segment revenue and results

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

	Segment Revenue		Segment Income	
	For the Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2023	2022	2023	2022
Equipment - electronic parts	\$ 1,815,672	\$ 2,678,627	\$ 204,392	\$ 236,337
- plastic molding	14,592	86,433	487	248
Revenue from continuing operations	<u>\$ 1,830,264</u>	<u>\$ 2,765,060</u>	204,879	236,585
Other income			4,892	5,347
Other gains and losses			(6,786)	(2,450)
Interest income			19,106	3,953
Net foreign exchange (loss) gain			(34,693)	7,917
Net gain on financial assets at fair value through profit or loss			26,603	1,165
Share of profit of associates			2,908	8,097
Interest expenses			(14,894)	(12,006)
General and administrative expenses			(164,030)	(185,089)
Income before tax			<u>\$ 37,985</u>	<u>\$ 63,519</u>

The above segment revenue and results were generated from the transactions with external customers. There were no inter-segment transactions for the three months ended March 31, 2023 and 2022.

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, other income, other gains and losses, interest income, net foreign exchange (loss) gain, net gain on financial assets at FVTPL, share of profit 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.

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Notes 1 and 2)	Ending Balance (Notes 1 and 2)	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	\$ -	-	-	\$ 1,121,972 (20% of the net worth of the Corporation)	\$ 2,243,944 (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	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,243,944 (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	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,243,944 (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	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,243,944 (40% of the net worth of the Corporation)
		Leohab Enterprise Co., Ltd.	Other receivables from related parties	Yes	100,000	100,000	-	-	Short-term financing	-	Operating capital	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,243,944 (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	60,900	60,900	-	-	Short-term financing	-	Operating capital	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,803,931 (50% of the net worth of the Corporation)
		Fullking Development Limited	Other receivables from related parties	Yes	70,035	70,035	24,360	0.00	Short-term financing	-	Operating capital	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,803,931 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	137,025	137,025	45,675	2.00	Short-term financing	-	Operating capital	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,803,931 (50% of the net worth of the Corporation)
		Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	60,900	60,900	-	-	Short-term financing	-	Operating capital	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,803,931 (50% of the net worth of the Corporation)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	316,680	316,680	225,330	0.00	Short-term financing	-	Operating capital	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,803,931 (50% of the net worth of the Corporation)
2	Grand Advance Inc.	Syncmold Enterprise Corporation	Other receivables from related parties	Yes	167,475	106,575	106,575	0.00	Short-term financing	-	Operating capital	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,803,931 (50% of the net worth of the Corporation)
		Fullking Development Limited	Other receivables from related parties	Yes	45,675	45,675	45,675	0.00	Short-term financing	-	Operating capital	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,803,931 (50% of the net worth of the Corporation)
		Syncmold Enterprise (Samoa) Corp.	Other receivables from related parties	Yes	60,900	60,900	-	-	Short-term financing	-	Operating capital	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,803,931 (50% of the net worth of the Corporation)
		Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	60,900	60,900	-	-	Short-term financing	-	Operating capital	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,803,931 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	60,900	60,900	-	-	Short-term financing	-	Operating capital	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,803,931 (50% of the net worth of the Corporation)
		Syncmold Enterprise (USA) Corp.	Other receivables from related parties	Yes	27,405	27,405	12,180	0.00	Short-term financing	-	Operating capital	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,803,931 (50% of the net worth of the Corporation)
3	Fuzhou Fulfil Tech Co., Ltd	Fujian Khuan Hua Precise Mold Co., Ltd.	Other receivables from related parties	Yes	44,312	44,312	-	-	Short-term financing	-	Operating capital	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,803,931 (50% of the net worth of the Corporation)
		Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Other receivables from related parties	Yes	57,606	57,606	-	-	Short-term financing	-	Operating capital	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,803,931 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	44,312	44,312	-	-	Short-term financing	-	Operating capital	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,803,931 (50% of the net worth of the Corporation)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Notes 1 and 2)	Ending Balance (Notes 1 and 2)	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	Suzhou Fulfil Electronics Co., Ltd.	Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	\$ 39,881	\$ 39,881	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$ 1,121,972 (20% of the net worth of the Corporation)	\$ 2,803,931 (50% of the net worth of the Corporation)
5	Zhongshan Fulfil Tech. Co., Ltd.	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	35,450	35,450	-	-	Short-term financing	-	Operating capital	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,803,931 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	35,450	35,450	-	-	Short-term financing	-	Operating capital	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,803,931 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	44,312	44,312	-	-	Short-term financing	-	Operating capital	-	-	-	1,121,972 (20% of the net worth of the Corporation)	2,803,931 (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 March 2023.

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 THREE MONTHS ENDED MARCH 31, 2023  
(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	\$ 1,121,972 (20% of the net worth of the Corporation)	\$ 200,000	\$ 200,000	\$ 50,000	\$ -	3.57	\$ 2,804,931 (50% of the net worth of the Corporation)	Y	N	N
		Leohab Enterprise Co., Ltd.	Subsidiary	1,121,972 (20% of the net worth of the Corporation)	300,000	300,000	225,000	-	5.35	2,804,931 (50% of the net worth of the Corporation)	Y	N	N
		Syncmold Enterprise Vietnam Co., Ltd.	Subsidiary	1,682,958 (30% of the net worth of the Corporation)	609,000 (US\$ 20,000 thousand)	609,000 (US\$ 20,000 thousand)	44,762	-	10.86	2,804,931 (50% of the net worth of the Corporation)	Y	N	N
		Commuwell Enterprise (Thailand) Co., Ltd.	Subsidiary	1,682,958 (30% of the net worth of the Corporation)	53,838	53,838	-	-	0.96	2,804,931 (50% of the net worth of the Corporation)	Y	N	N

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

MARCH 31, 2023

(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	March 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Syncmold Enterprise Corporation	<u>Shares</u>							
	Gigastone Corporation	-	Financial assets at FVTPL - non-current	847,011	\$ 11,037	1.67	\$ 11,037	(Notes 2 and 6)
	Tiga Gaming Inc.	-	Financial assets at FVTPL - non-current	1,332,132	10,344	5.06	10,344	(Notes 3 and 6)
	Foxfortune Technology Ventures Limited	-	Financial assets at FVTPL - non-current	1,000,000	20,119	5.80	20,119	(Notes 4 and 6)
	Hercules BioVenture, L.P.	-	Financial assets at FVTPL - non-current	210,526	9,129	2.63	9,129	(Notes 4 and 6)
	Winmate Inc.	-	Financial assets at FVTPL - current	942,000	97,026	1.29	97,026	(Notes 2 and 6)
	<u>Private funds</u>							
China Development of Healthcare Venture of Limited Partnership	-	Financial assets at FVTPL - non-current	20,360,270	15,180	0.96	15,180	(Notes 4 and 6)	
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	<u>Structured commodity</u>							
	Fuban Huayi Bank RMB structured deposit yue hui ying 23020048	-	Financial assets at FVTPL - current	-	66,605	-	66,605	(Notes 5 and 6)
Zhongshan Fulfil Tech. Co., Ltd.	Linked interest rate (ten-year treasury bond maturity yield) structured deposit products No. 18	-	Financial assets at FVTPL - current	-	44,354	-	44,354	(Notes 5 and 6)
Kunshan Fulfil Tech Co., Ltd.	Lyue xion ying profit 22110091	-	Financial assets at FVTPL - current	-	44,554	-	44,554	(Notes 5 and 6)
Gatetech (Suzhou) Technology Co., Ltd.	Lyue xion ying profit 22090283	-	Financial assets at FVTPL - current	-	44,621	-	44,621	(Notes 5 and 6)
	Lyue xion ying profit 22090282	-	Financial assets at FVTPL - current	-	44,620	-	44,620	(Notes 5 and 6)
	Lyue xion ying profit 23020046	-	Financial assets at FVTPL - current	-	44,399	-	44,399	(Notes 5 and 6)
Suzhou Fulfil Electronics Co., Ltd.	Lyue xion ying profit 22120273	-	Financial assets at FVTPL - current	-	66,706	-	66,706	(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 March 31, 2023.

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 March 31, 2023.

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

Note 7: Refer to Tables 6 and 7 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 THREE MONTHS ENDED MARCH 31, 2023**

**(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	
Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	\$ (285,875)	(67)	Note 1	\$ -	-	\$ 358,144	59	
Fuzhou Fulfil Tech Co., Ltd	Syncmold Enterprise Corporation	Parent company	Sales	(106,393)	(34)	Note 1	-	-	144,718	27	
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(198,492)	(47)	Note 1	-	-	259,545	42	
Syncmold Enterprise Corporation	Zhongshan Fulfil Tech. Co., Ltd.	Subsidiary	Purchase	285,875	44	Note 1	-	-	(358,144)	(44)	
	Fuzhou Fulfil Tech Co., Ltd	Subsidiary	Purchase	106,393	16	Note 1	-	-	(144,718)	(18)	
	Suzhou Fulfil Electronics Co., Ltd.	Subsidiary	Purchase	198,492	31	Note 1	-	-	(259,545)	(32)	

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

MARCH 31, 2023

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

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Grand Advance Inc.	Syncmold Enterprise Corporation	Parent company	\$ 106,575 (Note 1)	-	\$ -	-	\$ -	\$ -
Syncmold Enterprise (Samoa) Corp.	Syncmold Enterprise Corporation	Parent company	225,330 (Note 1)	-	-	-	45,675	-
Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	144,718	-	-	-	34,895	-
Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation	Parent company	358,144	-	-	-	57,439	-
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	259,545	-	-	-	48,460	-

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 THREE MONTHS ENDED MARCH 31, 2023**  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
Syncmold Enterprise Corporation	Grand Advance Inc.	Samoa	Trading, import and export and investment in electronic parts	\$ 506,240	\$ 506,240	-	100.00	\$ 2,874,821	\$ (13,892)	\$ (13,608)	(Note 1)
	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	2,151,502	(904)	349	(Note 1)
	Syncmold Enterprise (USA) Corp.	USA	Trading, import and export in electronic parts	32	32	-	100.00	(3,415)	(123)	(123)	(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	164,555	11,532	4,108	(Note 2)
	Corebio Technologies Co., Ltd.	Taiwan	Medical technology and precision instrument wholesale and retail	52,000	52,000	5,200	38.29	-	-	-	(Note 2)
	Smart Automation Technology Inc.	Taiwan	Software design services	15,680	15,680	1,568	49.00	13,746	(2,449)	(1,200)	(Note 2)
	Leohab Enterprise Co., Ltd.	Taiwan	Precision hardware components manufacturing	232,677	232,677	16,620	70.00	213,236	(7,240)	(5,423)	(Note 2)
	Gatetech Technology Inc.	Taiwan	Precise molding and magnesium alloy die caster manufacturing and transaction business	557,356	556,063	42,561	74.05	663,174	(31,985)	(24,117)	(Note 1)
	Syncmold Enterprise Vietnam Co., Ltd.	Vietnam	Trading, import and export in electronic parts	579,944	579,944	-	100.00	478,603	(6,430)	(6,430)	(Note 1)
	Syncmold Enterprise (Malaysia) Sdn., Bhd.	Malaysia	Trading, import and export in electronic parts, customer support and service center	7,192	7,192	-	100.00	2,714	577	577	(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	5,844	256	256	(Note 2)	
Syncmold Enterprise (Thailand) Co., Ltd.	Thailand	Trading, import and export in electronic parts	33,638	33,638	-	100.00	12,673	-	-	(Note 2)	
Grand Advance Inc.	Canford International Limited	Samoa	Import and export trade and investment business	119,342	119,342	-	100.00	1,364,071	(21,379)	(21,379)	(Note 2)
	Fullking Development Limited	Hong Kong	Import and export trade and investment business	160,175	160,175	-	100.00	1,061,545	25,786	25,702	(Note 2)
	Full Glary Holding Limited	Hong Kong	Import and export trade and investment business	259,720	259,720	-	100.00	249,923	(3,268)	(3,038)	(Note 2)
Syncmold Enterprise (Samoa) Corp.	Forever Business Development Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	125,957	125,957	-	100.00	353,979	(1,444)	(948)	(Note 2)
	Full Celebration Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	147,710	147,710	-	100.00	106,349	(27,646)	(27,646)	(Note 2)
Gatetech Technology Inc.	Gatech Holdings Ltd.	Samoa	General investment business	647,041	647,041	20,130	100.00	602,634	(17,072)	(17,072)	(Note 2)
Gatech Holdings Ltd.	Gatech International Ltd.	Samoa	General investment business	657,284	657,284	20,268	100.00	602,634	(17,072)	(17,072)	(Note 2)
Leohab Enterprise Co., Ltd.	Sweet International Group Ltd.	British Virgin Islands	General investment business	147,834	147,834	-	100.00	306,426	(1,661)	(1,661)	(Note 2)
	Commuwell Enterprise (Thailand) Co., Ltd.	Thailand	Plastic shot and hardware components manufacturing	190,728	190,728	-	100.00	229,736	5,039	5,039	(Note 2)
Sweet International Group Ltd.	Lucky King Holdings Ltd.	Mauritius	General investment business	147,834	147,834	-	100.00	300,112	(1,661)	(1,661)	(Note 2)

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

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

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

Note 4: 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.

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(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 January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2023	Accumulated Repatriation of Investment Income as of March 31, 2023
					Outward	Inward						
Fuzhou Fulfil Tech Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	\$ 42,944	Invested through Syncmold Enterprise (Samoa) Corp.	\$ 63,427 (US\$ 2,083 thousand)	\$ -	\$ -	\$ 63,427 (US\$ 2,083 thousand)	\$ (694)	100.00	\$ (694) (Note 1)	\$ 956,837	\$ 2,407,499 (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	109,959	Invested through Syncmold Enterprise (Samoa) Corp.	41,290 (US\$ 1,356 thousand)	-	-	41,290 (US\$ 1,356 thousand)	2,923	100.00	2,923 (Note 2)	243,416	-
Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	58,601	Invested through Syncmold Enterprise (Samoa) Corp.	-	-	-	-	(2,266)	100.00	(2,266) (Note 2)	146,054	118,694 (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	124,253	Invested through Forever Business Development Limited	-	-	-	-	(2,550)	100.00	(2,550) (Note 2)	258,677	-
Suzhou Fulfil Electronics Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	18,339	Invested through Canford International Limited	-	-	-	-	(21,379)	100.00	(21,379) (Note 1)	1,364,052	1,298,084 (US\$ 42,630 thousand)
Zhongshan Fulfil Tech. Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	151,226	Invested through Fullking Development Limited	-	-	-	-	25,786	100.00	25,786 (Note 1)	1,130,494	1,745,211 (US\$ 57,314 thousand)
Kunshan Fulfil Tech Co., Ltd.	Manufacturing and assembling of laptops uses precise bearing, hardware and related accessories	232,219	Invested through Full Glary Holding Limited	182,700 (US\$ 6,000 thousand)	-	-	182,700 (US\$ 6,000 thousand)	(3,268)	100.00	(3,268) (Note 2)	250,031	-
Chongqing Fulfil Tech Co., Ltd.	The processing, manufacturing, related imports and exports of all electronic, plastic and hardware parts	138,052	Invested through Full Celebration Limited	-	-	-	-	(27,646)	100.00	(27,646) (Note 2)	106,337	551,876 (US\$ 18,124 thousand)
Gatetech (Suzhou) Technology Co., Ltd.	Aluminum and magnesium alloy die caster	715,998	Invested through Gatech International Ltd.	739,935 (US\$ 24,300 thousand)	-	-	739,935 (US\$ 24,300 thousand)	(18,464)	74.05	(13,630) (Note 2)	602,634	-
Suzhou Leoho Electronics Co., Ltd.	Precision hardware components manufacturing	204,824	Invested through Lucky King Holdings Ltd.	136,355 (US\$ 4,478 thousand)	-	-	136,355 (US\$ 4,478 thousand)	(1,661)	70.00	(1,163) (Note 2)	300,112	-

(Continued)

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
\$1,390,804 (US\$45,675 thousand)	\$2,358,139 (US\$77,443 thousand)	\$3,506,194

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

Note 2: Calculated based on the non-reviewed financial statements of the investee company and the Group'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 THREE MONTHS ENDED MARCH 31, 2023

(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	Syncmold Enterprise (USA) Corp.	1	Sale	\$ 10,945	No significant difference with non-related parties	-
		Fuzhou Fulfil Tech Co., Ltd.	1	Other operating income- royalty income	12,627	Based on the contract between both parties	-
		Zhongshan Fulfil Tech. Co., Ltd.	1	Other operating income- royalty income	15,023	Based on the contract between both parties	-
		Suzhou Fulfil Electronics Co., Ltd.	1	Other operating income- royalty income	15,526	Based on the contract between both parties	-
1	Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation	2	Sale	285,875	No significant difference with non-related parties	3
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	358,144	No significant difference with non-related parties	3
2	Dongguan Kwan Huang Precision Mold Plastic Co., Ltd.	Syncmold Enterprise Vietnam Co., Ltd.	3	Trade receivables from related parties	16,002	No significant difference with non-related parties	-
		Zhongshan Fulfil Tech. Co., Ltd.	3	Sale	25,120	No significant difference with non-related parties	-
		Zhongshan Fulfil Tech. Co., Ltd.	3	Trade receivables from related parties	18,941	No significant difference with non-related parties	-
		Fuzhou Fulfil Tech Co., Ltd.	3	Sale	15,136	No significant difference with non-related parties	-
		Suzhou Fulfil Electronics Co., Ltd.	3	Sale	13,721	No significant difference with non-related parties	-
3	Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	2	Sale	106,393	No significant difference with non-related parties	1
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	144,718	No significant difference with non-related parties	1
4	Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Zhongshan Fulfil Tech. Co., Ltd.	3	Sale	13,880	No significant difference with non-related parties	-
		Fuzhou Fulfil Tech Co., Ltd.	3	Sale	43,753	No significant difference with non-related parties	-
		Fuzhou Fulfil Tech Co., Ltd.	3	Trade receivables from related parties	22,106	No significant difference with non-related parties	-
		Suzhou Fulfil Electronics Co., Ltd.	3	Sale	20,425	No significant difference with non-related parties	-
		Suzhou Fulfil Electronics Co., Ltd.	3	Trade receivables from related parties	10,561	No significant difference with non-related parties	-
5	Grand Advance Inc.	Syncmold Enterprise Corporation	2	Other receivables from related parties - financing	106,575	Based on the contract between both parties	1
		Syncmold Enterprise (USA) Corp.	3	Other receivables from related parties - financing	12,180	Based on the contract between both parties	-
		Fullking Development Limited	3	Other receivables from related parties - financing	45,675	Based on the contract between both parties	-
6	Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	2	Sale	198,492	No significant difference with non-related parties	2
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	259,545	No significant difference with non-related parties	2
7	Kunshan Fulfil Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	3	Sale	71,732	No significant difference with non-related parties	1
		Suzhou Fulfil Electronics Co., Ltd.	3	Trade receivables from related parties	57,251	No significant difference with non-related parties	1
8	Chongqing Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	2	Sale	47,529	No significant difference with non-related parties	-
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	31,462	No significant difference with non-related parties	-

(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	Syncmold Enterprise (Samoa) Corp.	Syncmold Enterprise Corporation	2	Other receivables from related parties - financing	\$ 225,330	Based on the contract between both parties	2
		Fujian Khuan Hua Precise Mold Co., Ltd.	3	Other receivables from related parties - dividend	44,518	Based on the contract between both parties	-
		Fullking Development Limited	3	Other receivables from related parties - financing	24,360	Based on the contract between both parties	-
		Chongqing Fulfil Tech Co., Ltd.	3	Other receivables from related parties - financing	46,436	Based on the contract between both parties	-
10	Fujian Khuan Hua Precise Mold Co., Ltd.	Fuzhou Fulfil Tech Co., Ltd.	3	Sale	10,880	No significant difference with non-related parties	-
		Suzhou Fulfil Electronics Co., Ltd.	3	Sale	11,258	No significant difference with non-related parties	-
11	Suzhou Leoho Electronics Co., Ltd.	Leohab Enterprise Co., Ltd.	3	Trade receivables from related parties	70,671	No significant difference with non-related parties	1

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)

**TABLE 9****SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES****INFORMATION ON MAJOR SHAREHOLDERS  
MARCH 31, 2023**

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 preference 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.