

**Syncmold Enterprise Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Six Months Ended June 30, 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 June 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months ended June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the six 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 June 30, 2023 and 2022, the combined total assets of these non-significant subsidiaries were NT\$2,903,317 thousand and NT\$4,089,168 thousand, respectively, representing 25.55% and 33.11%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$1,222,265 thousand and NT\$1,546,300 thousand, respectively, representing 21.21% and 23.12%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2023 and 2022, the amounts of combined comprehensive income (loss) of these subsidiaries were NT\$(171,015) thousand and NT\$(216,962) thousand, respectively, representing (417.66%) and (294.23%), respectively, of the consolidated total comprehensive income; for the six months ended June 30, 2023 and 2022, the amounts of combined comprehensive income (loss) of these subsidiaries were NT\$(177,499) thousand and NT\$(224,697) thousand, respectively, representing (197.74%) and (65.69%), respectively, of the consolidated total comprehensive income. In addition, as disclosed in Note 12 to the consolidated

financial statements, as of June 30, 2023 and 2022, the amounts of investments accounted for using the equity method were NT\$158,227 thousand and NT\$148,367 thousand, respectively; for the three months ended June 30, 2023 and 2022, the shares of profit of associates amounted to NT\$7,287 thousand and NT\$2,033 thousand, respectively; for the six months ended June 30, 2023 and 2022, the shares of profit of associates amounted to NT\$17,499 thousand and NT\$7,544 thousand, respectively, which were calculated based on the financial statements that have not been reviewed. The disclosure of information related to the aforementioned non-significant subsidiaries and associates in Note 30 was based on these subsidiaries' and associates' unreviewed financial statements for the same reporting periods as those of the Group.

### **Qualified Conclusion**

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph and the financial statements for which investments were accounted for using the equity method been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2023 and 2022, its consolidated financial performance for the three months ended June 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 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

August 7, 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	June 30, 2023		December 31, 2022		June 30, 2022	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 3,164,614	28	\$ 3,510,365	31	\$ 2,796,371	23
Financial assets at fair value through profit or loss - current (Note 7)	1,126,286	10	704,121	6	323,422	3
Financial assets at amortized cost - current (Notes 8 and 28)	318,909	3	238,110	2	288,433	2
Notes receivable	178,035	2	181,328	2	287,506	2
Trade receivables, net (Note 9)	2,216,671	19	1,969,799	17	3,389,474	27
Inventories (Note 10)	737,643	6	907,985	8	1,067,549	9
Other current assets	298,234	3	369,328	3	470,876	4
Total current assets	<u>8,040,392</u>	<u>71</u>	<u>7,881,036</u>	<u>69</u>	<u>8,623,631</u>	<u>70</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current (Note 7)	65,509	1	63,490	1	57,138	1
Financial assets at amortized cost - non-current (Notes 8 and 28)	3,260	-	3,272	-	2,262	-
Investments accounted for using the equity method (Note 12)	158,227	1	168,088	1	148,367	1
Property, plant and equipment (Notes 13, 27 and 28)	2,085,226	18	2,181,140	19	2,220,430	18
Right-of-use assets (Notes 14 and 27)	455,426	4	583,556	5	710,834	6
Intangible assets (Notes 15 and 27)	51,121	1	59,246	1	56,843	-
Goodwill (Note 16)	324,597	3	324,597	3	324,597	3
Deferred tax assets (Notes 4 and 23)	96,719	1	107,155	1	110,719	1
Prepayments for equipment	41,447	-	25,317	-	51,064	-
Refundable deposits	31,556	-	43,812	-	41,554	-
Defined benefit assets (Notes 4 and 20)	6,416	-	6,416	-	2,898	-
Other non-current assets	2,160	-	223	-	719	-
Total non-current assets	<u>3,321,664</u>	<u>29</u>	<u>3,566,312</u>	<u>31</u>	<u>3,727,425</u>	<u>30</u>
<b>TOTAL</b>	<u>\$ 11,362,056</u>	<u>100</u>	<u>\$ 11,447,348</u>	<u>100</u>	<u>\$ 12,351,056</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 17 and 28)	\$ 1,361,569	12	\$ 1,477,363	13	\$ 1,010,000	8
Financial liabilities at fair value through profit or loss - current (Note 7)	-	-	-	-	5,658	-
Notes and trade payables	1,571,914	14	1,466,764	13	2,215,664	18
Other payables (Notes 19 and 27)	894,967	8	553,842	5	1,217,224	10
Current tax liabilities (Notes 4 and 23)	77,364	1	81,428	1	97,387	1
Lease liabilities - current (Notes 14 and 27)	137,262	1	158,482	1	191,558	2
Current portion of long-term borrowings (Notes 17 and 28)	16,461	-	16,476	-	26,509	-
Other current liabilities	11,094	-	33,212	-	15,113	-
Total current liabilities	<u>4,070,631</u>	<u>36</u>	<u>3,787,567</u>	<u>33</u>	<u>4,779,113</u>	<u>39</u>
<b>NON-CURRENT LIABILITIES</b>						
Bonds payable (Note 18)	1,184,838	10	1,178,724	10	1,172,435	9
Long-term borrowings (Notes 17 and 28)	169,573	2	177,771	2	185,965	1
Deferred tax liabilities (Notes 4 and 23)	182,275	2	158,517	2	193,429	2
Lease liabilities - non-current (Notes 14 and 27)	131,676	1	238,775	2	330,085	3
Net defined benefit liabilities (Notes 4 and 20)	6,409	-	6,998	-	10,106	-
Guarantee deposits received	883	-	933	-	1,226	-
Other non-current liabilities	17,029	-	16,734	-	15,078	-
Total non-current liabilities	<u>1,692,683</u>	<u>15</u>	<u>1,778,452</u>	<u>16</u>	<u>1,908,324</u>	<u>15</u>
Total liabilities	<u>5,763,314</u>	<u>51</u>	<u>5,566,019</u>	<u>49</u>	<u>6,687,437</u>	<u>54</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION</b>						
Ordinary shares	1,237,258	11	1,237,242	11	1,237,242	10
Capital surplus	2,361,889	21	2,361,070	21	2,361,070	19
Retained earnings						
Legal reserve	1,064,029	9	1,026,386	9	1,026,386	8
Special reserve	518,796	5	687,191	6	687,191	6
Unappropriated earnings	721,394	6	753,104	6	558,514	4
Total retained earnings	<u>2,304,219</u>	<u>20</u>	<u>2,466,681</u>	<u>21</u>	<u>2,272,091</u>	<u>18</u>
Other equity						
Exchange differences on translation of the financial statements of foreign operations	(621,764)	(6)	(514,593)	(5)	(531,040)	(4)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	2,726	-	(4,203)	-	(1,111)	-
Total other equity	<u>(619,038)</u>	<u>(6)</u>	<u>(518,796)</u>	<u>(5)</u>	<u>(532,151)</u>	<u>(4)</u>
Total equity attributable to owners of the Corporation	5,284,328	46	5,546,197	48	5,338,252	43
<b>NON-CONTROLLING INTERESTS</b>	<u>314,414</u>	<u>3</u>	<u>335,132</u>	<u>3</u>	<u>325,367</u>	<u>3</u>
Total equity	<u>5,598,742</u>	<u>49</u>	<u>5,881,329</u>	<u>51</u>	<u>5,663,619</u>	<u>46</u>
<b>TOTAL</b>	<u>\$ 11,362,056</u>	<u>100</u>	<u>\$ 11,447,348</u>	<u>100</u>	<u>\$ 12,351,056</u>	<u>100</u>

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

(With Deloitte & Touche auditors' review report dated August 7, 2023)

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE	\$ 2,162,391	100	\$ 2,803,440	100	\$ 3,992,655	100	\$ 5,568,500	100
OPERATING COSTS (Notes 10 and 22)	<u>1,739,365</u>	<u>80</u>	<u>2,309,989</u>	<u>83</u>	<u>3,258,890</u>	<u>82</u>	<u>4,708,154</u>	<u>84</u>
GROSS PROFIT	<u>423,026</u>	<u>20</u>	<u>493,451</u>	<u>17</u>	<u>733,765</u>	<u>18</u>	<u>860,346</u>	<u>16</u>
OPERATING EXPENSES (Notes 9, 22 and 27)								
Selling and marketing expenses	83,619	4	89,983	3	144,122	4	173,319	3
General and administrative expenses	169,270	8	202,533	7	333,300	8	387,622	7
Research and development expenses	45,598	2	48,594	2	90,430	2	95,560	2
Expected credit loss	<u>93</u>	<u>-</u>	<u>967</u>	<u>-</u>	<u>618</u>	<u>-</u>	<u>975</u>	<u>-</u>
Total operating expenses	<u>298,580</u>	<u>14</u>	<u>342,077</u>	<u>12</u>	<u>568,470</u>	<u>14</u>	<u>657,476</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>124,446</u>	<u>6</u>	<u>151,374</u>	<u>5</u>	<u>165,295</u>	<u>4</u>	<u>202,870</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES								
Other income (Note 14)	11,355	1	18,046	1	16,247	-	23,393	-
Other gains and losses	4,463	-	(31,249)	(1)	(2,323)	-	(33,699)	(1)
Interest income	24,464	1	5,187	-	43,570	1	9,140	-
Net foreign exchange gain (Note 29)	91,758	4	149,327	5	57,065	2	157,244	3
Net gain (loss) on financial assets at fair value through profit or loss (Note 7)	18,267	1	(14,497)	-	44,870	1	(13,332)	-
Share of profit of associates (Note 12)	7,012	-	11,929	-	9,920	-	20,026	-
Interest expense (Note 27)	(12,054)	-	(12,436)	-	(26,948)	-	(24,442)	-
Impairment loss on investments accounted for using the equity method (Note 12)	<u>-</u>	<u>-</u>	<u>(19,835)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(19,835)</u>	<u>-</u>
Total non-operating income and expenses	<u>145,265</u>	<u>7</u>	<u>106,472</u>	<u>4</u>	<u>142,401</u>	<u>4</u>	<u>118,495</u>	<u>2</u>
PROFIT BEFORE INCOME TAX FROM OPERATIONS	269,711	13	257,846	9	307,696	8	321,365	6
INCOME TAX EXPENSE (Notes 4 and 23)	<u>99,559</u>	<u>5</u>	<u>105,183</u>	<u>4</u>	<u>110,943</u>	<u>3</u>	<u>140,355</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>170,152</u>	<u>8</u>	<u>152,663</u>	<u>5</u>	<u>196,753</u>	<u>5</u>	<u>181,010</u>	<u>3</u>

(Continued)

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
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	\$ 275	-	\$ (9,896)	-	\$ 7,579	-	\$ (12,482)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	<u>(134,169)</u>	<u>(6)</u>	<u>(69,027)</u>	<u>(3)</u>	<u>(114,568)</u>	<u>(3)</u>	<u>173,528</u>	<u>3</u>
Other comprehensive loss (income) for the period, net of income tax	<u>(133,894)</u>	<u>(6)</u>	<u>(78,923)</u>	<u>(3)</u>	<u>(106,989)</u>	<u>(3)</u>	<u>161,046</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 36,258</u>	<u>2</u>	<u>\$ 73,740</u>	<u>3</u>	<u>\$ 89,764</u>	<u>2</u>	<u>\$ 342,056</u>	<u>6</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 170,579	8	\$ 150,917	5	\$ 208,060	5	\$ 181,838	3
Non-controlling interests	<u>(427)</u>	<u>-</u>	<u>1,746</u>	<u>-</u>	<u>(11,307)</u>	<u>-</u>	<u>(828)</u>	<u>-</u>
	<u>\$ 170,152</u>	<u>8</u>	<u>\$ 152,663</u>	<u>5</u>	<u>\$ 196,753</u>	<u>5</u>	<u>\$ 181,010</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 45,639	2	\$ 77,341	3	\$ 108,468	3	\$ 336,877	6
Non-controlling interests	<u>(9,381)</u>	<u>-</u>	<u>(3,601)</u>	<u>-</u>	<u>(18,704)</u>	<u>(1)</u>	<u>5,179</u>	<u>-</u>
	<u>\$ 36,258</u>	<u>2</u>	<u>\$ 73,740</u>	<u>3</u>	<u>\$ 89,764</u>	<u>2</u>	<u>\$ 342,056</u>	<u>6</u>
EARNINGS PER SHARE (Note 24)								
Basic	<u>\$ 1.38</u>		<u>\$ 1.22</u>		<u>\$ 1.68</u>		<u>\$ 1.47</u>	
Diluted	<u>\$ 1.21</u>		<u>\$ 1.09</u>		<u>\$ 1.49</u>		<u>\$ 1.32</u>	

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

(With Deloitte & Touche auditors' review report dated August 7, 2023)

(Concluded)

**SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation (Notes 18 and 21)											
	Ordinary Shares	Capital Surplus	Retained Earnings				Exchange Differences on Translating the Financial Statements of Foreign Operations	Other Equity		Total Other Equity	Non-controlling Interests (Notes 21 and 25)	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total			
BALANCE AT JANUARY 1, 2022	\$ 1,237,242	\$ 2,769,331	\$ 1,001,175	\$ 635,615	\$ 700,911	\$ 2,337,701	\$ (698,561)	\$ 11,371	\$ (687,190)	\$ 5,657,084	\$ 320,188	\$ 5,977,272
Appropriation of 2021 earnings												
Legal reserve	-	-	25,211	-	(25,211)	-	-	-	-	-	-	-
Special reserve	-	-	-	51,576	(51,576)	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(247,448)	(247,448)	-	-	-	(247,448)	-	(247,448)
	-	-	25,211	51,576	(324,235)	(247,448)	-	-	-	(247,448)	-	(247,448)
Cash dividends distributed by capital surplus	-	(408,290)	-	-	-	-	-	-	-	(408,290)	-	(408,290)
Unclaimed dividends	-	29	-	-	-	-	-	-	-	29	-	29
Net profit (loss) for the six months ended June 30, 2022	-	-	-	-	181,838	181,838	-	-	-	181,838	(828)	181,010
Other comprehensive income (loss) for the six months ended June 30, 2022, net of income tax	-	-	-	-	-	-	167,521	(12,482)	155,039	155,039	6,007	161,046
Total comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	181,838	181,838	167,521	(12,482)	155,039	336,877	5,179	342,056
BALANCE AT JUNE 30, 2022	\$ 1,237,242	\$ 2,361,070	\$ 1,026,386	\$ 687,191	\$ 558,514	\$ 2,272,091	\$ (531,040)	\$ (1,111)	\$ (532,151)	\$ 5,338,252	\$ 325,367	\$ 5,663,619
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
Appropriation of 2022 earnings												
Legal reserve	-	-	37,643	-	(37,643)	-	-	-	-	-	-	-
Special reserve	-	-	-	(168,395)	168,395	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(371,172)	(371,172)	-	-	-	(371,172)	-	(371,172)
	-	-	37,643	(168,395)	(240,420)	(371,172)	-	-	-	(371,172)	-	(371,172)
Unclaimed dividends	-	15	-	-	-	-	-	-	-	15	-	15
Net profit (loss) for the six months ended June 30, 2023	-	-	-	-	208,060	208,060	-	-	-	208,060	(11,307)	196,753
Other comprehensive income (loss) for the six months ended June 30, 2023, net of income tax	-	-	-	-	-	-	(107,171)	7,579	(99,592)	(99,592)	(7,397)	(106,989)
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	208,060	208,060	(107,171)	7,579	(99,592)	108,468	(18,704)	89,764
Actual acquisition of interests in subsidiaries	-	721	-	-	-	-	-	-	-	721	(2,014)	(1,293)
Convertible corporate bonds	16	83	-	-	-	-	-	-	-	99	-	99
Disposal of investment in equity instrument designated as at fair value through other comprehensive income by associates	-	-	-	-	650	650	-	(650)	(650)	-	-	-
BALANCE AT JUNE 30, 2023	\$ 1,237,258	\$ 2,361,889	\$ 1,064,029	\$ 518,796	\$ 721,394	\$ 2,304,219	\$ (621,764)	\$ 2,726	\$ (619,038)	\$ 5,284,328	\$ 314,414	\$ 5,598,742

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

(With Deloitte & Touche auditors' review report dated August 7, 2023)

# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 307,696	\$ 321,365
Adjustments for:		
Depreciation expense	211,642	230,259
Amortization expense	11,528	12,169
Expected credit loss	618	975
Net (gain) loss on financial assets at fair value through profit or loss	(44,870)	13,332
Interest expense	26,948	24,442
Interest income	(43,570)	(9,140)
Dividend income	(2,169)	(7,037)
Share of profit of associates	(9,920)	(20,026)
Loss on disposal of property, plant and equipment	7,674	6,717
Loss on disposal of intangible assets	13	29
(Reversal) of write - down of inventories	(5,578)	21,468
Net unrealized gain on foreign currency exchange	(34,442)	(29,445)
Impairment loss on investments accounted for using the equity method	-	19,835
Gain on lease modification	(9,255)	-
Changes in operating assets and liabilities		
Notes receivable	471	76,733
Trade receivables	(220,883)	196,088
Inventories	162,754	222,082
Other current assets	68,046	3,322
Other non-current assets	(1,953)	1,198
Notes payable and trade payables	78,001	(102,400)
Other payables	(15,178)	137,731
Other current liabilities	(31,007)	8,807
Net defined benefit assets and liabilities	(589)	(1,570)
Other non-current liabilities	539	493
Cash generated from operations	456,516	1,127,427
Interest paid	(20,121)	(18,265)
Income tax paid	(82,496)	(170,427)
Net cash generated from operating activities	<u>353,899</u>	<u>938,735</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(238,416)	(136,622)
Proceeds from redemption of financial assets at amortized cost	149,843	197,799
Purchase of financial assets at fair value through profit or loss	(1,253,571)	(500,995)
Proceeds from sale of financial assets at fair value through profit or loss	854,374	328,592
Payments for property, plant and equipment	(31,449)	(125,720)
Proceeds from disposal of property, plant and equipment	3,853	12,301

(Continued)



# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2023	2022
Decrease in refundable deposits	\$ 11,569	\$ 664
Payments for intangible assets	(4,102)	(15,609)
Increase in prepayments for equipment	(38,568)	(7,185)
Interest received	42,958	9,140
Dividends received	<u>29,529</u>	<u>18,437</u>
Net cash used in investing activities	<u>(473,980)</u>	<u>(219,198)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Decrease) increase in short-term borrowings	(116,678)	113,833
Proceeds from long-term borrowings	-	10,000
Repayments of long-term borrowings	(8,214)	(8,256)
Refunds of guarantee deposits received	(50)	(222)
Repayment of the principal portion of lease liabilities	(77,000)	(104,412)
Acquisition of additional interests in subsidiaries	<u>(1,293)</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>(203,235)</u>	<u>10,943</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>		
	<u>(22,435)</u>	<u>6,354</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(345,751)	736,834
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>3,510,365</u>	<u>2,059,537</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 3,164,614</u>	<u>\$ 2,796,371</u>

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

(With Deloitte & Touche auditors' review report dated August 7, 2023)

(Concluded)

# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

---

### 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 they were officially listed and started trading its shares on December 17, 2009.

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

### 2. APPROVAL OF FINANCIAL STATEMENTS

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

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note 1)</b>
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

(Continued)

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024
Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”	Note 3

(Concluded)

Note 1: Unless stated otherwise, the above IFRSs will be 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.

Note 3: The requirement that the Group apply the exception and the requirement to disclose that fact are applied immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations 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 POLICY 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 (assets) which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and 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 7 and 8 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) Income tax expense

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

For the summary of critical accounting judgements and key sources of estimation uncertainty, refer to the consolidated financial statements for the year ended December 31, 2022.

## 6. CASH AND CASH EQUIVALENTS

	June 30, 2023	December 31, 2022	June 30, 2022
Cash on hand	\$ 2,234	\$ 2,225	\$ 2,113
Checking accounts and demand deposits	2,161,173	2,363,885	2,351,133
Cash equivalents (with original maturities within 3 months)			
Time deposits	<u>1,001,207</u>	<u>1,144,255</u>	<u>443,125</u>
	<u>\$ 3,164,614</u>	<u>\$ 3,510,365</u>	<u>\$ 2,796,371</u>

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

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Financial assets at fair value through profit or loss (FVTPL) – current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic listed shares	\$ 68,963	86,154	\$ 78,576
Mutual fund	150,948	-	-
Hybrid financial assets			
Structured deposits (b)	<u>906,375</u>	<u>617,967</u>	<u>244,846</u>
	<u>\$ 1,126,286</u>	<u>\$ 704,121</u>	<u>\$ 323,422</u>
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic emerging market shares	\$ 25,859	\$ 20,482	\$ 14,934
Overseas unlisted shares	22,912	28,725	33,751
Private funds	<u>16,738</u>	<u>14,283</u>	<u>8,453</u>
	<u>\$ 65,509</u>	<u>\$ 63,490</u>	<u>\$ 57,138</u>
<u>Financial liabilities at fair value through profit or loss (FVTPL) – current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts (a)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,658</u>

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

June 30, 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 1- to 6-month structured time deposit contracts with bank for the six months ended June 30, 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

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 318,907	\$ 238,110	\$ 288,433
Time deposits pledged as collateral with original maturities of more than 3 months	<u>2</u>	<u>-</u>	<u>-</u>
	<u>\$ 318,909</u>	<u>\$ 238,110</u>	<u>\$ 288,433</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 1 year	<u>\$ 3,260</u>	<u>\$ 3,272</u>	<u>\$ 2,262</u>

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

## 9. TRADE RECEIVABLES, NET

	June 30, 2023	December 31, 2022	June 30, 2022
At amortized cost			
Gross carrying amount	\$ 2,224,051	\$ 1,976,706	\$ 3,395,627
Less: Allowance for impairment loss	<u>(7,380)</u>	<u>(6,907)</u>	<u>(6,153)</u>
	<u>\$ 2,216,671</u>	<u>\$ 1,969,799</u>	<u>\$ 3,389,474</u>

The average credit period of sales of goods is 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.

June 30, 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	-	1.55%	2.13%	31.89%	92.06%	
Gross carrying amount	\$ 2,167,505	\$ 36,157	\$ 10,082	\$ 4,791	\$ 5,516	\$ 2,224,051
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(559)</u>	<u>(215)</u>	<u>(1,528)</u>	<u>(5,078)</u>	<u>(7,380)</u>
Amortized cost	<u>\$ 2,167,505</u>	<u>\$ 35,598</u>	<u>\$ 9,867</u>	<u>\$ 3,263</u>	<u>\$ 438</u>	<u>\$ 2,216,671</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%	
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>

June 30, 2022

	<b>Not Past Due</b>	<b>Less than 30 Days</b>	<b>31 to 90 Days</b>	<b>91 to 180 Days</b>	<b>Over 180 Days</b>	<b>Total</b>
Expected credit loss rate	-	0.71%	3.14%	20.44%	99.18%	
Gross carrying amount	\$ 3,263,972	\$ 93,236	\$ 30,318	\$ 4,442	\$ 3,659	\$ 3,395,627
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(663)</u>	<u>(953)</u>	<u>(908)</u>	<u>(3,629)</u>	<u>(6,153)</u>
Amortized cost	<u>\$ 3,263,972</u>	<u>\$ 92,573</u>	<u>\$ 29,365</u>	<u>\$ 3,534</u>	<u>\$ 30</u>	<u>\$ 3,389,474</u>

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

	<b>For the Six Months Ended June 30</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 6,907	\$ 5,071
Add: Net remeasurement of loss allowance	618	975
Foreign exchange gains and losses	<u>(145)</u>	<u>107</u>
Balance at June 30	<u>\$ 7,380</u>	<u>\$ 6,153</u>

## 10. INVENTORIES

	June 30, 2023	December 31, 2022	June 30, 2022
Finished goods	\$ 355,097	\$ 374,665	\$ 413,945
Work in progress	149,112	210,740	279,955
Raw materials	<u>233,434</u>	<u>322,580</u>	<u>373,649</u>
	<u>\$ 737,643</u>	<u>\$ 907,985</u>	<u>\$ 1,067,549</u>

The cost of goods sold for the three months ended June 30, 2023 and for the six months ended June 30, 2023 included reversals of inventory of \$5,793 thousand and \$5,578 thousand, respectively. The cost of goods sold for the three months ended June 30, 2022 and for the six months ended June 30, 2022, included reversals of inventory of \$6,557 thousand and inventory write-downs of \$21,468 thousand, respectively. The reversals of inventory write-downs resulted from selling of slow-moving inventories.

## 11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			June 30, 2023	December 31, 2022	June 30, 2022	
Synemold Enterprise Corp.	Grand Advance Inc.	The trading, imports, exports and investments of electronic parts.	100.00	100.00	100.00	Note 1
	Synemold 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
	Synemold 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
	Synemold Enterprise Vietnam Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 5
	Synemold Enterprise (Malaysia) Sdn. Bhd.	The trading, imports and exports of electronic parts.	100.00	100.00	100.00	Note 2
	Synemold Enterprise (Singapore) Pte. Ltd.	The trading, imports and exports of electronic parts.	100.00	100.00	100.00	Note 2
	Synemold 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 business.	100.00	100.00	100.00	Note 2
	Fullking Development Limited	Import and export trade and investment business.	100.00	100.00	100.00	Note 2
	Full Glary Holding Limited	Import and export trade and investment business.	100.00	100.00	100.00	Note 2
Synemold Enterprise (Samoa) Corp.	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 and 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 and manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 2

(Continued)



Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			June 30, 2023	December 31, 2022	June 30, 2022	
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
Forever Business Development Limited	Commuwell Enterprise (Thailand) Co., Ltd. Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Plastic shot and hardware components manufacturing. 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	Notes 2 and 3 Note 2
Canford International Limited	Suzhou Fulfil Electronics Co., Ltd.	Electronic parts processing and manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 1
Fullking Development Limited	Zhongshan Fulfil Tech. Co., Ltd.	Electronic parts processing and manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 1
Full Glary Holding Limited	Kunshan Fulfil Tech Co., Ltd.	Manufacturing and assembling of laptop components such as precision bearing, hardware and related accessories.	100.00	100.00	100.00	Note 2
Full Celebration Limited	Chongqing Fulfil Tech Co., Ltd.	The processing, manufacturing, related imports and exports of all electronic, plastic and electronic parts.	100.00	100.00	100.00	Note 2
Gatech Holding Ltd.	Gatech International Ltd.	General investment business.	100.00	100.00	100.00	Note 2
Gatech International Ltd.	Gatech (Suzhou) Technology Co., Ltd.	Aluminum and magnesium alloy manufacturing and trading.	100.00	100.00	100.00	Note 2
Sweet International Group Ltd.	Lucky King Holdings Ltd.	General investment business.	100.00	100.00	100.00	Note 2
Lucky King Holdings Ltd.	Suzhou Leoho Electronics Co., Ltd.	Precision hardware components manufacturing.	100.00	100.00	100.00	Note 2

(Concluded)

Note 1: Its financial statements for the six months ended June 30, 2023 and 2022 have been reviewed.

Note 2: As the subsidiary is not a major subsidiary, its financial statements for the six months ended June 30, 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 the liquidation procedures for Full Big Limited was completed in October 2022. Since the subsidiary is not a major subsidiary, its financial statements for the three months ended June 30, 2023 have not been reviewed.

Note 5: Since the subsidiary is a major subsidiary, its financial statements for the six months ended June 30, 2023 have been reviewed. Its financial statements for the six months ended June 30, 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 June 30, 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

	June 30, 2023	December 31, 2022	June 30, 2022
Associates that are not individually material			
Unlisted company			
High Grade Tech Co., Ltd.	\$ 146,509	\$ 153,143	\$ 135,720
Corebio Technologies Co., Ltd. (Note)	-	-	-
Smart Automation Technology Inc.	<u>11,718</u>	<u>14,945</u>	<u>12,647</u>
	<u>\$ 158,227</u>	<u>\$ 168,088</u>	<u>\$ 148,367</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, 2022, and evaluated whether the carrying amount is less than the recoverable amount. After evaluation, the carrying amount 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 six months ended June 30, 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	-	4,801	14,583	485	778	10,802	-	31,449
Disposals	-	(3,444)	(34,492)	-	(4,055)	(7,270)	-	(49,261)
Transfer from prepayments for equipment	-	4,701	16,453	-	-	40	-	21,194
Reclassifications	-	-	(1,267)	-	(27)	(1,471)	-	(2,765)
Effect of foreign currency exchange differences	<u>(62)</u>	<u>(9,525)</u>	<u>(29,701)</u>	<u>(456)</u>	<u>(911)</u>	<u>(3,426)</u>	<u>-</u>	<u>(44,081)</u>
Balance at June 30, 2023	<u>\$ 770,764</u>	<u>\$ 1,263,964</u>	<u>\$ 1,524,334</u>	<u>\$ 56,624</u>	<u>\$ 58,961</u>	<u>\$ 253,460</u>	<u>\$ -</u>	<u>\$ 3,926,097</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	-	41,065	56,564	2,419	4,882	20,023	-	124,953
Disposals	-	(3,294)	(23,874)	-	(3,816)	(6,750)	-	(37,734)
Reclassifications	-	-	(498)	-	(17)	(532)	-	(1,047)
Effect of foreign currency exchange differences	<u>-</u>	<u>(10,378)</u>	<u>(19,607)</u>	<u>(522)</u>	<u>(650)</u>	<u>(2,565)</u>	<u>-</u>	<u>(33,722)</u>
Balance at June 30, 2023	<u>\$ -</u>	<u>\$ 595,968</u>	<u>\$ 1,024,669</u>	<u>\$ 31,387</u>	<u>\$ 39,591</u>	<u>\$ 149,256</u>	<u>\$ -</u>	<u>\$ 1,840,871</u>
Carrying amount at June 30, 2023	<u>\$ 770,764</u>	<u>\$ 667,986</u>	<u>\$ 499,665</u>	<u>\$ 23,237</u>	<u>\$ 19,370</u>	<u>\$ 104,204</u>	<u>\$ -</u>	<u>\$ 2,085,226</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	-	5,689	53,507	521	4,898	11,299	49,806	125,720
Disposals	-	(5,508)	(76,617)	(2,190)	(2,773)	(13,432)	-	(100,520)
Transfer from prepayments for equipment	-	495	48,421	-	-	253	-	49,169
Reclassifications	-	(1,149)	(496)	-	(406)	83	-	(1,968)
Effect of foreign currency exchange differences	<u>54</u>	<u>11,752</u>	<u>28,684</u>	<u>723</u>	<u>981</u>	<u>3,447</u>	<u>14,217</u>	<u>59,858</u>
Balance at June 30, 2022	<u>\$ 770,592</u>	<u>\$ 935,720</u>	<u>\$ 1,634,595</u>	<u>\$ 40,603</u>	<u>\$ 65,702</u>	<u>\$ 214,348</u>	<u>\$ 332,283</u>	<u>\$ 3,993,843</u>

(Continued)

	Freehold Land	Buildings	Equipment	Transportation Equipment	Office Equipment	Other Equipment	Property Under Construction	Total
Accumulated depreciation and impairment								
Balance at January 1, 2022	\$ -	\$ 483,380	\$ 1,045,195	\$ 28,462	\$ 36,460	\$ 118,878	\$ -	\$ 1,712,375
Disposals	-	(5,508)	(63,322)	(1,709)	(2,582)	(8,381)	-	(81,502)
Depreciation expense	-	36,723	55,813	1,944	4,544	17,398	-	116,422
Reclassifications	-	(119)	(300)	-	(365)	-	-	(784)
Effect of foreign currency exchange differences	-	7,518	16,570	544	568	1,702	-	26,902
Balance at June 30, 2022	\$ -	\$ 521,994	\$ 1,053,956	\$ 29,241	\$ 38,625	\$ 129,597	\$ -	\$ 1,773,413
Carrying amount at June 30, 2022	\$ 770,592	\$ 413,726	\$ 580,639	\$ 11,362	\$ 27,077	\$ 84,751	\$ 332,283	\$ 2,220,430

(Concluded)

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

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

See Note 28 for detailed information on property, plant and equipment pledged as collateral.

#### 14. LEASE ARRANGEMENTS

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

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Carrying amount</u>			
Lands	\$ 179,773	\$ 181,133	\$ 181,198
Buildings	274,650	400,982	523,013
Transportation equipment	1,003	1,441	1,507
Machinery equipment	-	-	5,116
	<u>\$ 455,426</u>	<u>\$ 583,556</u>	<u>\$ 710,834</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Additions to right-of-use assets	\$ -	\$ 6,779	\$ 2,689	\$ 63,859
Depreciation charge for right-of-use assets				
Lands	\$ 1,232	\$ 1,216	\$ 2,455	\$ 2,420
Buildings	40,066	54,869	83,795	110,730
Transportation equipment	217	292	439	579
Machinery equipment	-	108	-	108
	<u>\$ 41,515</u>	<u>\$ 56,485</u>	<u>\$ 86,689</u>	<u>\$ 113,837</u>
Income from the subleasing of right-of-use assets (presented in other income)	\$ -	\$ (151)	\$ (1,613)	\$ (295)

Except for the additions, recognized depreciation, and subleasing the Group did not have any significant impairment of right-of-use assets during the six months ended June 30, 2023 and 2022.

b. Lease liabilities

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Carrying amount</u>			
Current	\$ 137,262	\$ 158,482	\$ 191,558
Non-current	\$ 131,676	\$ 238,775	\$ 330,085

Range of discount rate for lease liabilities was as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Buildings	0.81%-4.90%	0.81%-4.90%	0.81%-4.90%
Transportation equipment	0.94%-1.69%	0.94%-4.55%	0.94%-4.55%
Machinery equipment	-	4.75%	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>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Year 1	\$ -	\$ 6,368	\$ 250
Year 2	<u>-</u>	<u>4,245</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 10,613</u>	<u>\$ 250</u>

d. Other lease information

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Expenses relating to short-term leases	<u>\$ 3,313</u>	<u>\$ 3,855</u>	<u>\$ 6,353</u>	<u>\$ 9,314</u>
Total cash outflow for leases			<u>\$ (89,134)</u>	<u>\$ (126,602)</u>

The Group's leases of certain building which and transportation equipment 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

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Trademarks	\$ 29	\$ 33	\$ 42
Computer software	50,434	58,503	56,048
Patents	<u>658</u>	<u>710</u>	<u>753</u>
	<u>\$ 51,121</u>	<u>\$ 59,246</u>	<u>\$ 56,843</u>

Except for the recognized amortization, the Group did not have any significant additions, disposals or impairment of intangible assets during the six months ended June 30, 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

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Cost</u>			
Balance at January 1	\$ 366,777	\$ 366,777	\$ 366,777
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	\$ 42,180	\$ 42,180	\$ 42,180
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

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Secured borrowings (Note 28)</u>			
Mortgage loans	\$ 293,545	\$ 387,682	\$ 400,000
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>1,068,024</u>	<u>1,089,681</u>	<u>610,000</u>
	<u>\$ 1,361,569</u>	<u>\$ 1,477,363</u>	<u>\$ 1,010,000</u>

The range of interest rate on bank loans was 1.76%-5.59%, 1.49%-5% and 0.856%-1.525% on June 30, 2023, December 31, 2022 and June 30, 2022, respectively.

### b. Long-term borrowings

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Secured borrowings (Note 27)</u>			
Mortgage loans	\$ 186,034	\$ 194,247	\$ 212,474
Less: Current portion	<u>(16,461)</u>	<u>(16,476)</u>	<u>(26,509)</u>
	<u>\$ 169,573</u>	<u>\$ 177,771</u>	<u>\$ 185,965</u>

The effective interest rate on long-term borrowings was 1.7%-1.8%, 1.45%-1.55% and 1.2%-1.26%, on June 30, 2023, December 31, 2022 and June 30, 2022, respectively.

## 18. BONDS PAYABLE

	June 30, 2023	December 31, 2022	June 30, 2022
Domestic third unsecured convertible bonds	<u>\$ 1,184,838</u>	<u>\$ 1,178,724</u>	<u>\$ 1,172,435</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.

Unless (A) the period for suspension of transfer registration of ordinary shares required by laws, (B) the period from 15 business days prior to the date for suspension of transfer registration of allocated dividends requested by the Group the date for suspension of transfer registration of cash dividends or the date for suspension of transfer registration of cash capital increase to the record date for allocation of rights, (C) from the record date for capital decrease to the day immediately prior to the trading date of shares swapped upon capital decrease, and (D) the bondholders may the securities firm to ask the Group's share affairs department to convert the convertible corporate bonds into the Group's ordinary shares pursuant to the Regulations at any time from the day following expiration of one month after the convertible corporate bonds are issued (December 10, 2021) to the expiration date (September 9, 2024).

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 June 30, 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\$0 thousand (included in financial assets - non-current which were measured at FVTPL); non-derivative product liabilities have been measured on June 30, 2023, December 31, 2022 and June 30, 2022 at NT\$1,184,838 thousand, NT\$1,178,724 thousand and NT\$1,172,435 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%	6,213
Convertible bonds converted into ordinary shares	<u>(99)</u>
 Liability component on June 30, 2023	 <u>\$ 1,184,838</u>

As of June 30, 2023, the Corporation's unsecured convertible bonds with a face value of \$100 thousand have been converted into 1,600 ordinary shares.

## 19. OTHER PAYABLES

	June 30, 2023	December 31, 2022	June 30, 2022
Other payables			
Payables for salaries or bonuses	\$ 262,727	\$ 204,625	\$ 251,029
Payables for dividends	371,172	-	655,738
Others	<u>261,068</u>	<u>349,217</u>	<u>310,457</u>
	<u>\$ 894,967</u>	<u>\$ 553,842</u>	<u>\$ 1,217,224</u>

## 20. RETIREMENT BENEFIT PLANS

For the three months ended June 30, 2023 and 2022, the pension expenses of defined benefit plans were \$108 thousand and \$107 thousand, respectively, and for the six months ended June 30, 2023 and 2022, the pension expenses of defined benefit plans were \$219 thousand and \$216 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

	June 30, 2023	December 31, 2022	June 30, 2022
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>123,726</u>	<u>123,724</u>	<u>123,724</u>
Amount of shares issued	<u>\$ 1,237,258</u>	<u>\$ 1,237,242</u>	<u>\$ 1,237,242</u>

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



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

b. Capital surplus

	June 30, 2023	December 31, 2022	June 30, 2022
<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	\$ 776,519
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>\$ 2,361,070</u>

Note 1: Such capital surplus, which includes the amount in excess of par value of issued shares (including the issuance of ordinary shares at the excess premium, the conversion premium of bonds, and the premium of shares 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 by the shareholders in their 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 ratios every year and propose such allocation ratio at the 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 share 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 by the shareholders in their meetings on June 16, 2023 and June 10, 2022, respectively, were as follows:

	<b>Appropriation of Earnings</b>	
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</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	<u>\$ 3.00</u>	<u>\$ 2.00</u>

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

d. Special reserve

	<b>For the Six Months Ended</b>	
	<b>June 30</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 687,191	\$ 635,615
Appropriated special reserve		
Debits to other equity items	<u>(168,395)</u>	<u>51,576</u>
Balance at June 30	<u>\$ 518,796</u>	<u>\$ 687,191</u>

On the initial application of the IFRSs, the net increase arising from the 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 Six Months Ended June 30</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 335,132	\$ 320,188
Share of loss for the period	(11,307)	(828)
Other comprehensive income (loss) during the period		
Exchange differences on translating the financial statements of foreign entities	(7,397)	6,007
Changes in ownership interests in subsidiaries (Note 25)	<u>(2,014)</u>	<u>-</u>
Balance at March 31	<u>\$ 314,414</u>	<u>\$ 325,367</u>

**22. NET PROFIT**

a. Depreciation, amortization and employee benefits expense:

	<b>For the Three Months Ended June 30</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	\$ 17,405	\$ 4,620	\$ 22,025	\$ 18,899	\$ 5,308	\$ 24,207
Defined benefit plan	56	52	108	60	47	107
Other employee benefits	<u>355,222</u>	<u>145,885</u>	<u>501,107</u>	<u>435,357</u>	<u>153,607</u>	<u>588,964</u>
	<u>\$ 372,683</u>	<u>\$ 150,557</u>	<u>\$ 523,240</u>	<u>\$ 454,316</u>	<u>\$ 158,962</u>	<u>\$ 613,278</u>
Depreciation	<u>\$ 72,914</u>	<u>\$ 30,498</u>	<u>\$ 103,412</u>	<u>\$ 80,855</u>	<u>\$ 35,825</u>	<u>\$ 116,680</u>
Amortization	<u>\$ 722</u>	<u>\$ 4,721</u>	<u>\$ 5,443</u>	<u>\$ 701</u>	<u>\$ 5,644</u>	<u>\$ 6,345</u>
	<b>For the Six Months Ended June 30</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	\$ 33,951	\$ 9,642	\$ 43,593	\$ 37,072	\$ 11,000	\$ 48,072
Defined benefit plan	116	103	219	119	97	216
Other employee benefits	<u>643,338</u>	<u>273,640</u>	<u>916,978</u>	<u>889,955</u>	<u>297,510</u>	<u>1,187,465</u>
	<u>\$ 677,405</u>	<u>\$ 283,385</u>	<u>\$ 960,790</u>	<u>\$ 927,146</u>	<u>\$ 308,607</u>	<u>\$ 1,235,753</u>
Depreciation	<u>\$ 147,704</u>	<u>\$ 63,938</u>	<u>\$ 211,642</u>	<u>\$ 159,997</u>	<u>\$ 70,262</u>	<u>\$ 230,259</u>
Amortization	<u>\$ 1,487</u>	<u>\$ 10,041</u>	<u>\$ 11,528</u>	<u>\$ 1,334</u>	<u>\$ 10,835</u>	<u>\$ 12,169</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 June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022, respectively, are as follows:

Accrual rate

	<b>For the Six Months Ended June 30</b>	
	<b>2023</b>	<b>2022</b>
Compensation of employees	8.72%	8.88%
Remuneration of directors	1.91%	1.95%

Amount

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Compensation of employees	<u>\$ 19,431</u>	<u>\$ 17,974</u>	<u>\$ 24,568</u>	<u>\$ 21,590</u>
Remuneration of directors	<u>\$ 4,265</u>	<u>\$ 3,945</u>	<u>\$ 5,393</u>	<u>\$ 4,739</u>

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

The appropriations of compensation of employees and remuneration of directors for 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 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:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Current tax				
In respect of the current period	\$ 30,879	\$ 83,492	\$ 63,249	\$ 117,799
Income tax on unappropriated earnings	5,898	-	5,898	-
Adjustments for prior periods	<u>8,745</u>	<u>11,703</u>	<u>8,745</u>	<u>11,703</u>
	<u>45,522</u>	<u>95,195</u>	<u>77,892</u>	<u>129,502</u>
Deferred tax				
In respect of the current period	56,971	18,432	35,985	19,297
Adjustments for prior periods	<u>(2,934)</u>	<u>(8,444)</u>	<u>(2,934)</u>	<u>(8,444)</u>
	<u>54,037</u>	<u>9,988</u>	<u>33,051</u>	<u>10,853</u>
Income tax expense recognized in profit or loss	<u>\$ 99,559</u>	<u>\$ 105,183</u>	<u>\$ 110,943</u>	<u>\$ 140,355</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.

The income tax returns of Leohab Enterprise Co., Ltd. through 2021 have been assessed by the tax authorities.

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

## 24. EARNINGS PER SHARE

### Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Earning used in the computation of diluted earnings per share	\$ 170,579	\$ 150,917	\$ 208,060	\$ 181,838
Effect of potentially dilutive ordinary shares				
Invest on convertible bonds	<u>3,124</u>	<u>3,451</u>	<u>6,213</u>	<u>6,507</u>
	<u>\$ 173,703</u>	<u>\$ 154,368</u>	<u>\$ 214,273</u>	<u>\$ 188,345</u>

## Shares

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

	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	123,726	123,724	123,725	123,724
Effect of potentially dilutive ordinary shares				
Convertible bonds	19,479	17,964	19,479	17,964
Compensation of employees	<u>408</u>	<u>323</u>	<u>688</u>	<u>504</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>143,613</u>	<u>142,011</u>	<u>143,892</u>	<u>142,192</u>

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

## 25. FINANCIAL INSTRUMENTS

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.

	For the Three Months Ended June 30, 2023
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

June 30, 2023

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 1,184,838	\$ 1,290,252	\$ -	\$ -	\$ 1,290,252

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

June 30, 2022

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 1,172,435	\$ 1,331,280	\$ -	\$ -	\$ 1,331,280

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

#### 1) Fair value hierarchy

June 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 68,963	\$ -	\$ -	\$ 68,963
Mutual fund	150,948	-	-	150,948
Structured deposits	906,375	-	-	906,375
Emerging market shares	15,323	-	10,536	25,859
Overseas unlisted shares	-	-	22,912	22,912
Private funds	-	-	16,738	16,738
	<u>\$ 1,141,609</u>	<u>\$ -</u>	<u>\$ 50,186</u>	<u>\$ 1,191,795</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>

June 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 78,576	\$ -	\$ -	\$ 78,576
Structured deposits	244,846	-	-	244,846
Emerging market shares	8,326	-	6,608	14,934
Overseas unlisted shares	-	-	33,751	33,751
Private funds	-	-	8,453	8,453
	<u>\$ 331,748</u>	<u>\$ -</u>	<u>\$ 48,812</u>	<u>\$ 380,560</u>
Financial liabilities at FVTPL				
Foreign exchange forward contracts	\$ -	\$ 5,658	\$ -	\$ 5,658

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 Six Months Ended June 30	
	2023	2022
Balance at January 1	\$ 54,156	\$ 54,643
Recognized in profit or loss (included in net gain on fair value changes of financial assets at fair value through profit or loss)	2,846	(5,831)
Purchase	<u>(6,816)</u>	<u>-</u>
Balance at June 30	<u>\$ 50,186</u>	<u>\$ 48,812</u>



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

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

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

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

c. Categories of financial instruments

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
<u>Financial assets</u>			
Mandatorily classified as at FVTPL	\$ 1,191,795	\$ 767,611	\$ 380,560
Financial assets at amortized cost (Note 1)	5,970,554	5,966,361	6,880,597
<u>Financial liabilities</u>			
Mandatorily classified as at FVTPL	-	-	5,658
Financial liabilities at amortized cost (Note 2)	4,566,306	4,667,248	4,922,256

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

Note 2: The balances include financial liabilities at amortized cost, which comprise notes payable and trade payables, other payables less salary payable and dividends payable, short-term borrowings, long-term borrowings, current portion of long-term borrowings, 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), interest rates (see (b) below) and other prices (see (c) 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 (i.e., 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 their translation was adjusted at the end of the reporting period for a 1% change in foreign currency rates. A negative number below indicates a decrease in pre-tax profit associated with the New Taiwan dollar strengthening 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be positive.

	<b>For the Six Months Ended</b>	
	<b>June 30</b>	
	<b>2023</b>	<b>2022</b>
<u>USD impact</u>		
USD:NTD	\$ (1,497)	\$ (1,307)
USD:RMB	\$ (5,714)	\$ (23,606)
USD:VND	\$ (262)	\$ (283)
<u>RMB impact</u>		
RMB:NTD	\$ (1,101)	\$ (1,580)
RMB:USD	\$ (434)	\$ (448)

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:

	June 30, 2023	December 31, 2022	June 30, 2022
Fair value interest rate risk			
Financial assets	\$ 2,229,751	\$ 2,003,604	\$ 978,666
Financial liabilities	3,001,379	3,247,591	2,916,552
Cash flow interest rate risk			
Financial assets	2,158,439	2,362,027	2,348,050

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 assets and 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 point higher/lower and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2023 and 2022 would have increased/decreased by \$10,792 thousand and \$11,740 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate deposits.

The Group's sensitivity to interest rates has not changed significantly from the prior period.

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 six months ended June 30, 2023 and 2022 would have increased/decreased by \$2,854 thousand and \$1,357 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>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Unsecured bank overdraft facilities, reviewed annually and payable on demand			
Amount used	\$ 1,068,024	\$ 1,089,681	\$ 610,000
Amount unused	<u>2,462,979</u>	<u>3,133,506</u>	<u>3,218,669</u>
	<u>\$ 3,531,003</u>	<u>\$ 4,223,187</u>	<u>\$ 3,828,669</u>
Secured bank overdraft facilities			
Amount used	\$ 479,579	\$ 581,929	\$ 612,474
Amount unused	<u>182,351</u>	<u>74,023</u>	<u>45,039</u>
	<u>\$ 661,930</u>	<u>\$ 655,952</u>	<u>\$ 657,513</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

<u>Related Party Category</u>	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	2023	2022	2023	2022
<u>Property, plant and equipment</u>				
The subsidiary of associate	\$ -	\$ 1,718	\$ 82	\$ 1,785

c. Leases agreements

<u>Related Party Category</u>	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	2023	2022	2023	2022
<u>Lease assets acquired</u>				
Related party in substance	\$ -	\$ -	\$ -	\$ 2,879
The legal representative of the Corporation's director	-	-	-	1,574
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,453</u>

<u>Line Item</u>	<u>Related Party Category</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Lease liabilities	Related party in substance	\$ 1,116	\$ 1,948	\$ 2,401
	The legal representative of the Corporation's director	<u>606</u>	<u>1,058</u>	<u>1,313</u>
		<u>\$ 1,722</u>	<u>\$ 3,006</u>	<u>\$ 3,714</u>

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
<u>Interest expense</u>				
Related party in substance	\$ 4	\$ 5	\$ 8	\$ 6
The legal representative of the Corporation's director	<u>2</u>	<u>3</u>	<u>4</u>	<u>4</u>
	<u>\$ 6</u>	<u>\$ 8</u>	<u>\$ 12</u>	<u>\$ 10</u>

Lease expense

The legal representative of the Corporation's director	<u>\$ 235</u>	<u>\$ -</u>	<u>\$ 453</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

Line Item	Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2023	2022	2023	2022
Intangible assets	Associates	<u>\$ -</u>	<u>\$ 2,456</u>	<u>\$ 1,264</u>	<u>\$ 2,456</u>

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

Line Item	Related Party Category	June 30, 2023	December 31,	June 30, 2022
			2022	
Other payables	Associates	<u>\$ -</u>	<u>\$ 78</u>	<u>\$ -</u>

f. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 10,810	\$ 11,219	\$ 21,620	\$ 22,437
Post-employment benefits	<u>78</u>	<u>78</u>	<u>157</u>	<u>157</u>
	<u>\$ 10,888</u>	<u>\$ 11,297</u>	<u>\$ 21,777</u>	<u>\$ 22,594</u>

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

## 28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	June 30, 2023	December 31, 2022	June 30, 2022
Property, plant and equipment	\$ 817,434	\$ 819,017	\$ 820,393
Financial assets at amortized cost	<u>3,262</u>	<u>3,272</u>	<u>2,262</u>
	<u>\$ 820,696</u>	<u>\$ 822,289</u>	<u>\$ 822,655</u>

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

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

June 30, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 49,338	31.14 (USD:NTD)	\$ 1,536,385
USD	52,305	7.2258 (USD:RMB)	1,628,778
USD	5,110	23,708 (USD:VND)	159,125
RMB	32,741	4.282 (RMB:NTD)	140,197
RMB	10,128	0.1375 (RMB:USD)	43,368
Non-monetary items			
Financial assets at FVTPL - non-current			
USD	736	31.14 (USD:NTD)	22,912
<u>Financial liabilities</u>			
Monetary items			
USD	44,530	31.14 (USD:NTD)	1,386,664
USD	1,842	7.2258 (USD:RMB)	57,360
USD	4,269	23,708 (USD:VND)	132,937
RMB	7,023	4.282 (RMB:NTD)	30,072

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	4.4080 (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

Financial liabilities

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	4.4080 (RMB:NTD)	48,620

June 30, 2022

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 69,697	29.72 (USD:NTD)	\$ 2,071,395
USD	81,020	6.7114 (USD:RMB)	2,407,914
USD	1,576	23,515 (USD:VND)	46,839
RMB	44,548	4.439 (RMB:NTD)	197,749
RMB	10,094	0.1494 (RMB:USD)	44,807
Non-monetary items			
Financial assets at FVTPL - non-current			
USD	1,136	29.72 (USD:NTD)	33,751

Financial liabilities

Monetary items			
USD	65,298	29.72 (USD:NTD)	1,940,657
USD	1,591	6.7114 (USD:RMB)	47,285
USD	624	23,515 (USD:VND)	18,545
RMB	8,954	4.439 (RMB:NTD)	39,747



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 June 30</b>				
<b>2023</b>			<b>2022</b>	
<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Losses</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gains</b>
NTD	1 (NTD:NTD)	\$ 12,821	1 (NTD:NTD)	\$ 15,458
USD	30.55 (USD:NTD)	(2,232)	29.72 (USD:NTD)	(2,548)
RMB	4.408 (RMB:NTD)	80,677	4.439 (RMB:NTD)	134,704
VND	0.0013 (VND:NTD)	517	0.0012 (VND:NTD)	1,400
Other		<u>(25)</u>		<u>313</u>
		<u>\$ 91,758</u>		<u>\$ 149,327</u>

  

<b>For the Six Months Ended June 30</b>				
<b>2023</b>			<b>2022</b>	
<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Losses</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gains</b>
NTD	1 (NTD:NTD)	\$ 10,845	1 (NTD:NTD)	\$ 31,015
USD	30.55 (USD:NTD)	(1,638)	29.72 (USD:NTD)	(2,377)
RMB	4.408 (RMB:NTD)	47,634	4.439 (RMB:NTD)	126,339
VND	0.0013 (VND:NTD)	269	0.0012 (VND:NTD)	1,844
Other		<u>(45)</u>		<u>423</u>
		<u>\$ 57,065</u>		<u>\$ 157,244</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 (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)

- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
  - 9) Trading in derivative instruments (Note 7)
  - 10) Intercompany relationships and significant intercompany transactions (Table 9)
- b. Information on significant investees (Table 7)
- 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 8)
  - 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, 6 and 9)
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
    - c) The amount of property transactions and the amount of the resultant gains or losses
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
    - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to 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 10)

### **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	
	2023	2022	2023	2022
Equipment - electronic parts	\$ 3,975,949	\$ 5,481,999	\$ 497,126	\$ 582,426
- plastic molding	16,706	86,501	1,469	8,066
Revenue from continuing operations	<u>\$ 3,992,655</u>	<u>\$ 5,568,500</u>	498,595	590,492
Other income			16,247	23,393
Other gains and losses			(2,323)	(33,699)
Interest income			43,570	9,140
Net foreign exchange gain (loss)			57,065	157,244
Net gain (loss) on financial assets at fair value through profit or loss			44,870	(13,332)
Share of profit (loss) of associates			9,920	20,026
Interest expense			(26,948)	(24,442)
Impairment loss on investments accounted for using the equity method			-	(19,835)
General and administrative expenses			<u>(333,300)</u>	<u>(387,622)</u>
Income before tax			<u>\$ 307,696</u>	<u>\$ 321,365</u>

The above segment revenue and results were generated from the transactions with external customers. There were no inter-segment transactions for the six months ended June 30, 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 gain, net gain on financial assets at FVTPL, share of profit of associates, interest expense, impairment losses on investments using the equity method 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 SIX MONTHS ENDED JUNE 30, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	
													Item	Value			
0	Syncmold Enterprise Corporation	Syncmold Enterprise (Samoa) Corp.	Other receivables from related parties	Yes	\$ 100,000	\$ 100,000	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$1,056,866 (20% of the net worth of the Corporation)	\$2,113,731 (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	-	-	-	1,056,866 (20% of the net worth of the Corporation)	2,113,731 (40% of the net worth of the Corporation)	
		Syncmold Enterprise Vietnam Co., Ltd.	Other receivables from related parties	Yes	100,000	-	-	-	-	Short-term financing	-	Operating capital	-	-	-	1,056,866 (20% of the net worth of the Corporation)	2,113,731 (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	-	-	-	1,056,866 (20% of the net worth of the Corporation)	2,113,731 (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	-	-	-	1,056,866 (20% of the net worth of the Corporation)	2,113,731 (40% of the net worth of the Corporation)
		Commuwell Enterprise (Thailand) Co., Ltd.	Other receivables from related parties	Yes	50,000	50,000	-	-	-	Short-term financing	-	Operating capital	-	-	-	1,056,866 (20% of the net worth of the Corporation)	2,113,731 (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	62,280	62,280	-	-	Short-term financing	-	Operating capital	-	-	-	1,056,866 (20% of the net worth of the Corporation)	2,642,164 (50% of the net worth of the Corporation)	
		Fullking Development Limited	Other receivables from related parties	Yes	71,622	71,622	71,622	0.00	Short-term financing	-	Operating capital	-	-	-	1,056,866 (20% of the net worth of the Corporation)	2,642,164 (50% of the net worth of the Corporation)	
		Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	62,280	62,280	-	-	Short-term financing	-	Operating capital	-	-	-	1,056,866 (20% of the net worth of the Corporation)	2,642,164 (50% of the net worth of the Corporation)	
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	323,856	277,146	183,726	0.00	Short-term financing	-	Operating capital	-	-	-	1,056,866 (20% of the net worth of the Corporation)	2,642,164 (50% of the net worth of the Corporation)	
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	140,130	140,130	46,710	2.00	Short-term financing	-	Operating capital	-	-	-	1,056,866 (20% of the net worth of the Corporation)	2,642,164 (50% of the net worth of the Corporation)	
2	Grand Advance Inc.	Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	62,800	62,800	-	-	Short-term financing	-	Operating capital	-	-	-	1,056,866 (20% of the net worth of the Corporation)	2,642,164 (50% of the net worth of the Corporation)	
		Syncmold Enterprise (Samoa) Corp.	Other receivables from related parties	Yes	62,800	62,800	-	-	Short-term financing	-	Operating capital	-	-	-	1,056,866 (20% of the net worth of the Corporation)	2,642,164 (50% of the net worth of the Corporation)	
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	62,800	62,800	-	-	Short-term financing	-	Operating capital	-	-	-	1,056,866 (20% of the net worth of the Corporation)	2,642,164 (50% of the net worth of the Corporation)	
		Syncmold Enterprise (USA) Corp.	Other receivables from related parties	Yes	28,026	28,026	12,456	0.00	Short-term financing	-	Operating capital	-	-	-	1,056,866 (20% of the net worth of the Corporation)	2,642,164 (50% of the net worth of the Corporation)	
		Fullking Development Limited	Other receivables from related parties	Yes	46,710	-	-	-	-	Short-term financing	-	Operating capital	-	-	-	1,056,866 (20% of the net worth of the Corporation)	2,642,164 (50% of the net worth of the Corporation)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	171,270	108,990	108,990	0.00	Short-term financing	-	Operating capital	-	-	-	1,056,866 (20% of the net worth of the Corporation)	2,642,164 (50% of the net worth of the Corporation)	

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
3	Fuzhou Fulfil Tech Co., Ltd.	Fujian Khuan Hua Precise Mold Co., Ltd.	Other receivables from related parties	Yes	\$ 43,096	\$ 21,548	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$1,056,866 (20% of the net worth of the Corporation)	2,642,164 (50% of the net worth of the Corporation)
		Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Other receivables from related parties	Yes	56,024	30,167	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,056,866 (20% of the net worth of the Corporation)	2,642,164 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	43,096	-	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,056,866 (20% of the net worth of the Corporation)	2,642,164 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	25,857	25,857	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,056,866 (20% of the net worth of the Corporation)	2,642,164 (50% of the net worth of the Corporation)
4	Suzhou Fulfil Electronics Co., Ltd.	Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	38,786	34,476	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,056,866 (20% of the net worth of the Corporation)	\$2,642,164 (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	34,476	34,476	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,056,866 (20% of the net worth of the Corporation)	2,642,164 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	43,096	-	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,056,866 (20% of the net worth of the Corporation)	2,642,164 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	34,476	-	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,056,866 (20% of the net worth of the Corporation)	2,642,164 (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 June 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 SIX MONTHS ENDED JUNE 30, 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	\$1,056,866 (20% of the net worth of the Corporation)	\$ 200,000	\$ 200,000	\$ 100,000	\$ -	3.78	\$2,642,164 (50% of the net worth of the Corporation)	Y	N	N
		Leohab Enterprise Co., Ltd.	Subsidiary	\$1,056,866 (20% of the net worth of the Corporation)	300,000	300,000	221,000	-	5.68	2,642,164 (50% of the net worth of the Corporation)	Y	N	N
		Syncmold Enterprise Vietnam Co., Ltd.	Subsidiary	\$1,585,298 (30% of the net worth of the Corporation)	622,800 (US\$ 20,000 thousand)	622,800 (US\$ 20,000 thousand)	62,280	-	11.79	2,642,164 (50% of the net worth of the Corporation)	Y	N	N
		Commuwell Enterprise (Thailand) Co., Ltd.	Subsidiary	\$1,585,298 (30% of the net worth of the Corporation)	52,896	52,896	17,632	-	1.00	2,642,164 (50% of the net worth of the Corporation)	Y	N	N

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

JUNE 30, 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	June 30, 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	\$ 15,323	1.67	\$ 15,323	(Notes 2 and 7)
	Tiga Gaming Inc.	-	Financial assets at FVTPL - non-current	1,332,132	10,536	5.06	10,536	(Notes 3 and 7)
	Foxfortune Technology Ventures Limited	-	Financial assets at FVTPL - non-current	780,000	13,963	5.80	13,963	(Notes 4 and 7)
	Hercules BioVenture, L.P.	-	Financial assets at FVTPL - non-current	210,526	8,949	2.63	8,949	(Notes 4 and 7)
	Winmate Inc.	-	Financial assets at FVTPL - current	613,000	68,963	0.84	68,963	(Notes 2 and 7)
	<u>Private funds</u>							
China Development of Healthcare Venture of Limited Partnership	-	Financial assets at FVTPL - non-current	20,360,270	16,738	0.96	16,738	(Notes 4 and 7)	
	<u>Structured commodity</u>							
Zhongshan Fulfil Tech. Co., Ltd.	Linked interest rate structured deposit products No. 26	-	Financial assets at FVTPL - current	-	64,770	-	64,770	(Notes 5 and 7)
	Linked interest rate structured deposit products No. 27	-	Financial assets at FVTPL - current	-	64,684	-	64,684	(Notes 5 and 7)
	Linked exchange rate range-accumulating corporate structured deposit product 222th. type C. 2023	-	Financial assets at FVTPL - current	-	43,107	-	43,107	(Notes 5 and 7)
	Linked interest rate structured deposit products No. 28	-	Financial assets at FVTPL - current	-	64,665	-	64,665	(Notes 5 and 7)
	Linked interest rate structured deposit products No. 29	-	Financial assets at FVTPL - current	-	43,097	-	43,097	(Notes 5 and 7)
Kunshan Fulfil Tech Co., Ltd.	Monthly profit 23050083	-	Financial assets at FVTPL - current	-	43,170	-	43,170	(Notes 5 and 7)
Gatetech (Suzhou) Technology Co., Ltd.	Monthly profit 23020046	-	Financial assets at FVTPL - current	-	43,066	-	43,066	(Notes 5 and 7)
	Monthly profit 23030348	-	Financial assets at FVTPL - current	-	64,436	-	64,436	(Notes 5 and 7)
	Monthly profit 23030347	-	Financial assets at FVTPL - current	-	42,955	-	42,955	(Notes 5 and 7)
Suzhou Fulfil Electronics Co., Ltd.	Monthly profit 23030319	-	Financial assets at FVTPL - current	-	77,849	-	77,849	(Notes 5 and 7)
	Monthly profit 23030318	-	Financial assets at FVTPL - current	-	77,843	-	77,843	(Notes 5 and 7)
	Monthly profit 23030317	-	Financial assets at FVTPL - current	-	77,840	-	77,840	(Notes 5 and 7)
	Monthly profit 23030316	-	Financial assets at FVTPL - current	-	77,830	-	77,830	(Notes 5 and 7)
	Monthly profit 23030315	-	Financial assets at FVTPL - current	-	77,827	-	77,827	(Notes 5 and 7)
	Monthly profit 23030314	-	Financial assets at FVTPL - current	-	43,236	-	43,236	(Notes 5 and 7)

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Zhongshan Fulfil Tech. Co., Ltd.	<u>Mutual fund</u> CBC Finance Coreoptimization of 14 Days Holding Fixed-income Open Financial Products for Legal Person	-	Financial assets at FVTPL - current	19,217,834	\$ 86,274	-	\$ 86,274	(Notes 6 and 7)
	ICBC Finance Coreoptimization of 14 Days Holding Fixed-income Open Financial Products for Legal Person	-	Financial assets at FVTPL - current	14,406,454	64,674	-	64,674	(Notes 6 and 7)

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 based on the strike price as of June 30, 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 based on the value stated in its contract as of June 30, 2023.

Note 6: The mutual fund certificate is calculated based on the value stated in as of June 30, 2023

Note 7: There were no guarantees, pledged collateral or other restrictions.

Note 8: Refer to Tables 7 and 8 for information on investments in subsidiaries and associates.

(Concluded)



## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NTS300 MILLION OR 20% OF THE PAID-IN CAPITAL

JUNE 30, 2023

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance		
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount	
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Structured commodity-linked rate	Financial assets at FVTPL - current	E.SUN Bank (China), Ltd.	-	-	RMB 14,971	-	RMB -	-	RMB 15,078	RMB 15,000	RMB 78	-	RMB -	Note
Zhongshan Fulfil Tech. Co., Ltd.	Structured commodity-linked rate	Financial assets at FVTPL - current	E.SUN Bank (China), Ltd.	-	-	RMB 10,012	-	RMB 65,000	-	RMB 20,142	RMB 20,000	RMB 142	-	RMB 55,044	Note
Kunshan Fulfil Tech Co., Ltd.	Structured commodity-monthly profit	Financial assets at FVTPL - current	Fubon Bank (China)	-	-	RMB 10,018	-	RMB 10,000	-	RMB 10,144	RMB 10,000	RMB 144	-	RMB 10,017	Note
Gatetech (Suzhou) Technology Co., Ltd.	Structured commodity-monthly profit	Financial assets at FVTPL - current	Fubon Bank (China)	-	-	RMB 20,066	-	RMB 35,000	-	RMB 20,289	RMB 20,000	RMB 289	-	RMB 35,137	Note
Suzhou Fulfil Electronics Co., Ltd.	Structured commodity-monthly profit	Financial assets at FVTPL - current	Fubon Bank (China)	-	-	RMB 85,028	-	RMB 115,000	-	RMB 100,653	RMB 100,000	RMB 653	-	RMB 100,341	Note

Note: The amount at the end of the period included financial asset evaluation adjustments.

## 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 SIX MONTHS ENDED JUNE 30, 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	\$ (639,065)	(68)	Note 1	-	-	\$ 490,910	66	
Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(215,579)	(30)	Note 1	-	-	161,972	25	
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(425,298)	(41)	Note 1	-	-	310,942	36	
Chongqing Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(104,963)	(44)	Note 1	-	-	42,798	26	
Kunshan Fulfil Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary	Sales	(171,422)	(98)	Note 1	-	-	79,204	97	
Syncmold Enterprise Corporation	Zhongshan Fulfil Tech. Co., Ltd.	Subsidiary	Purchase	639,065	46	Note 1	-	-	(490,910)	(48)	
Syncmold Enterprise Corporation	Fuzhou Fulfil Tech Co., Ltd.	Subsidiary	Purchase	215,579	15	Note 1	-	-	(161,972)	(16)	
Syncmold Enterprise Corporation	Suzhou Fulfil Electronics Co., Ltd.	Subsidiary	Purchase	425,298	30	Note 1	-	-	(301,942)	(30)	
Syncmold Enterprise Corporation	Chongqing Fulfil Tech Co., Ltd.	Subsidiary	Purchase	104,963	8	Note 1	-	-	(42,798)	(4)	
Suzhou Fulfil Electronics Co., Ltd.	Kunshan Fulfil Tech Co., Ltd.	Indirect subsidiary	Purchase	171,422	4	Note 1	-	-	(79,204)	(19)	

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

JUNE 30, 2023

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

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Grand Advance Inc.	Syncmold Enterprise Corporation	Parent company	\$ 108,990 (Note 1)	-	\$ -	-	\$ 108,990	\$ -
Syncmold Enterprise (Samoa) Corp.	Syncmold Enterprise Corporation	Parent company	183,726 (Note 1)	-	-	-	137,016	-
Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	161,972	-	-	-	42,142	-
Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation	Parent company	490,910	-	-	-	107,340	-
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	310,942	-	-	-	66,889	-

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 SIX MONTHS ENDED JUNE 30, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
Syncmold Enterprise Corporation	Grand Advance Inc.	Samoa	General investment business	\$ 506,240	\$ 506,240	-	100.00	\$ 2,933,512	\$ 119,154	\$ 120,508	(Note 1)
	Syncmold Enterprise (Samoa) Corp.	Samoa	General investment business	110,598	110,598	3,546	100.00	2,148,602	7,252	8,888	(Note 1)
	Syncmold Enterprise (USA) Corp.	USA	Trading, import and export in electronic parts	32	32	-	100.00	(4,038)	(660)	(660)	(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	146,509	36,905	13,147	(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	11,718	(6,586)	(3,227)	(Note 2)
	Leohab Enterprise Co., Ltd.	Taiwan	Precision hardware components manufacturing	232,677	232,677	16,620	70.00	199,191	(14,441)	(10,818)	(Note 2)
	Gatetech Technology Inc.	Taiwan	Precise molding and magnesium alloy die caster manufacturing and transaction business	557,356	556,063	42,432	74.05	653,674	(24,014)	(18,720)	(Note 1)
	Syncmold Enterprise Vietnam Co., Ltd.	Vietnam	Trading, import and export and investment in electronic parts	579,944	579,944	-	100.00	492,296	(3,962)	(3,962)	(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	3,003	977	977	(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	5,792	191	191	(Note 2)
	Syncmold Enterprise (Thailand) Co., Ltd.	Thailand	Trading, import and export and investment in electronic parts	33,638	33,638	-	100.00	12,450	(1)	(1)	(Note 2)
	Grand Advance Inc.	Canford International Limited	Samoa	General investment business	119,342	119,342	-	100.00	1,395,035	47,627	47,627
Fullking Development Limited		Hong Kong	General investment business	160,175	160,175	-	100.00	1,105,683	103,878	103,903	(Note 2)
Full Glary Holding Limited		Hong Kong	General investment business	259,720	259,720	-	100.00	252,825	6,508	6,406	(Note 2)
Syncmold Enterprise (Samoa) Corp.	Forever Business Development Limited	Samoa	General investment business	125,957	125,957	-	100.00	351,934	1,218	1,920	(Note 2)
	Full Celebration Limited	Samoa	General investment business	147,710	147,710	-	100.00	101,975	(29,034)	(29,034)	(Note 2)
Gatetech Technology Inc.	Gatech Holdings Ltd.	Samoa	General investment business	647,041	647,041	20,130	100.00	581,195	(18,343)	(18,343)	(Note 2)
Gatech Holdings Ltd.	Gatech International Ltd.	Samoa	General investment business	657,284	657,284	20,268	100.00	581,195	(18,343)	(18,343)	(Note 2)
Leohab Enterprise Co., Ltd.	Sweet International Group Ltd.	British Virgin Islands	General investment business	147,834	147,834	5,868	100.00	295,158	1,644	1,644	(Note 2)
	Commuwell Enterprise (Thailand) Co., Ltd.	Thailand	Plastic shot and hardware components manufacturing	132,534	132,534	1,350	100.00	236,423	9,509	9,509	(Notes 2)
Sweet International Group Ltd.	Lucky King Holdings Ltd.	Mauritius	General investment business	147,834	147,834	5,868	100.00	295,156	1,644	1,644	(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 8 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 SIX MONTHS ENDED JUNE 30, 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 December 31, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2023	Accumulated Repatriation of Investment Income as of June 30, 2023
					Outward	Inward						
Fuzhou Fulfil Tech Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	\$ 41,765	Invested through Syncmold Enterprise (Samoa) Corp.	\$ 64,865 (US\$ 2,083 thousand)	\$ -	\$ -	\$ 64,865 (US\$ 2,083 thousand)	\$ 33,925	100.00	\$ 33,925 (Note 1)	\$ 962,330	\$ 2,462,053 (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	106,940	Invested through Syncmold Enterprise (Samoa) Corp.	42,226 (US\$ 1,356 thousand)	-	-	42,226 (US\$ 1,356 thousand)	3,898	100.00	3,898 (Note 2)	237,626	-
Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	56,992	Invested through Syncmold Enterprise (Samoa) Corp.	-	-	-	-	(205)	100.00	(205) (Note 2)	144,066	121,384 (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	120,842	Invested through Forever Business Development Limited	-	-	-	-	(1,029)	100.00	(1,029) (Note 2)	253,104	-
Suzhou Fulfil Electronics Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	17,835	Invested through Canford International Limited	-	-	-	-	47,626	100.00	47,626 (Note 1)	1,395,016	1,327,498 (US\$ 42,630 thousand)
Zhongshan Fulfil Tech. Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	147,074	Invested through Fullking Development Limited	-	-	-	-	103,873	100.00	103,873 (Note 1)	1,176,189	1,784,758 (US\$ 57,314 thousand)
Kunshan Fulfil Tech Co., Ltd.	Manufacturing and assembling of laptops uses precise bearing, hardware and related accessories	225,844	Invested through Full Glary Holding Limited	186,840 (US\$ 6,000 thousand)	-	-	186,840 (US\$ 6,000 thousand)	6,508	100.00	6,508 (Note 2)	252,825	-
Chongqing Fulfil Tech Co., Ltd.	The processing, manufacturing, related imports and exports of all electronic, plastic and hardware parts	134,262	Invested through Full Celebration Limited	-	-	-	-	(29,034)	100.00	(29,034) (Note 2)	101,963	564,381 (US\$ 18,124 thousand)
Gatetech (Suzhou) Technology Co., Ltd.	Aluminum and magnesium alloy die caster	691,599	Invested through Gatech International	756,702 (US\$ 24,300 thousand)	-	-	756,702 (US\$ 24,300 thousand)	(18,343)	74.05	(13,544) (Note 2)	581,195	-
Suzhou Leoho Electronics Co., Ltd.	Precision hardware components manufacturing	199,200	Invested through Lucky King Holdings Ltd.	139,445 (US\$ 4,478 thousand)	-	-	139,445 (US\$ 4,478 thousand)	1,644	70.00	(1,151) (Note 2)	295,156	-

(Continued)

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
\$1,422,320 (US\$45,675 thousand)	\$2,411,575 (US\$77,443 thousand)	\$3,359,245

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 SIX MONTHS ENDED JUNE 30, 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		
1	Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation Syncmold Enterprise Corporation	2 2	Sales	\$ 639,065	No significant difference with non-related parties	16
				Trade receivables from related parties	490,910	No significant difference with non-related parties	4
2	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Syncmold Enterprise Vietnam Co., Ltd.	3	Sales	19,079	No significant difference with non-related parties	-
		Syncmold Enterprise Vietnam Co., Ltd.	3	Trade receivables from related parties	21,782	No significant difference with non-related parties	-
		Zhongshan Fulfil Tech. Co., Ltd.	3	Sales	64,186	No significant difference with non-related parties	2
		Zhongshan Fulfil Tech. Co., Ltd.	3	Trade receivables from related parties	33,111	No significant difference with non-related parties	-
		Fuzhou Fulfil Tech Co., Ltd.	3	Sales	35,439	No significant difference with non-related parties	1
		Suzhou Fulfil Electronics Co., Ltd.	3	Sales	28,386	No significant difference with non-related parties	1
		Suzhou Fulfil Electronics Co., Ltd.	3	Trade receivables from related parties	22,150	No significant difference with non-related parties	-
3	Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	2	Sales	215,579	No significant difference with non-related parties	5
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	161,972	No significant difference with non-related parties	1
4	Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Zhongshan Fulfil Tech. Co., Ltd.	3	Sales	37,805	No significant difference with non-related parties	1
		Zhongshan Fulfil Tech. Co., Ltd.	3	Trade receivables from related parties	17,501	No significant difference with non-related parties	-
		Fuzhou Fulfil Tech Co., Ltd.	3	Sales	92,649	No significant difference with non-related parties	2
		Fuzhou Fulfil Tech Co., Ltd.	3	Trade receivables from related parties	18,806	No significant difference with non-related parties	-
		Suzhou Fulfil Electronics Co., Ltd.	3	Sales	43,902	No significant difference with non-related parties	1
		Suzhou Fulfil Electronics Co., Ltd.	3	Trade receivables from related parties	16,526	No significant difference with non-related parties	-
		Syncmold Enterprise Vietnam Co., Ltd.	3	Sales	24,516	No significant difference with non-related parties	1
		Syncmold Enterprise Vietnam Co., Ltd.	3	Trade receivables from related parties	24,076	No significant difference with non-related parties	-
5	Grand Advance Inc.	Syncmold Enterprise Corporation	2	Other receivables from related parties - financing	108,990	Based on the contract between both parties	1
		Syncmold Enterprise (USA) Corp	3	Other receivables from related parties - financing	12,456	Based on the contract between both parties	-
6	Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	2	Sales	425,298	No significant difference with non-related parties	11
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	310,942	No significant difference with non-related parties	3
7	Gatetech (Suzhou) Technology Co., Ltd.	Gatetech Technology Inc.	3	Sales	32,221	No significant difference with non-related parties	1
		Gatetech Technology Inc.	3	Trade receivables from related parties	33,903	No significant difference with non-related parties	-
8	Kunshan Fulfil Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	3	Sales	171,422	No significant difference with non-related parties	4
		Suzhou Fulfil Electronics Co., Ltd.	3	Trade receivables from related parties	79,204	No significant difference with non-related parties	1

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details		Payment Terms	% of Total Sales or Asset (Note 3)
				Financial Statement Account	Price		
9	Chongqing Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	2	Sales	\$ 104,963	No significant difference with non-related parties	3
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	42,798	No significant difference with non-related parties	-
10	Syncmold Enterprise (Samoa) Corp.	Syncmold Enterprise Corporation	2	Other receivables from related parties - financing	183,726	Based on the contract between both parties	2
		Fujian Khuan Hua Precise Mold Co., Ltd.	3	Other receivables from related parties - dividends	43,296	Based on the contract between both parties	-
		Fullking Development Limited	3	Other receivables from related parties - financing	71,622	Based on the contract between both parties	1
		Chongqing Fulfil Tech Co., Ltd.	3	Other receivables from related parties - financing	46,788	Based on the contract between both parties	-
11	Fujian Khuan Hua Precise Mold Co., Ltd.	Fuzhou Fulfil Tech Co., Ltd.	3	Sales	21,294	No significant difference with non-related parties	1
		Suzhou Fulfil Electronics Co., Ltd.	3	Sales	18,587	No significant difference with non-related parties	-
12	Suzhou Leoho Electronics Co., Ltd.	Leohab Enterprise Co., Ltd	3	Trade receivables from related parties	74,612	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)



**SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES****INFORMATION ON MAJOR SHAREHOLDERS****JUNE 30, 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, refer to Market Observation Post System.