

Syncmold Enterprise Corporation and Subsidiaries

**Consolidated Financial Statements for the
Years Ended December 31, 2023 and 2022 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies that are required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2023 are all the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with the International Financial Reporting Standards No. 10, “Consolidated Financial Statements”. In addition, relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Syncmold Enterprise Corporation and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

SYNCMOLD ENTERPRISE CORPORATION

March 8, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Syncmold Enterprise Corporation

Opinion

We have audited the accompanying consolidated financial statements of Syncmold Enterprise Corporation (the "Corporation") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the report of other auditors (refer to the other matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the report of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2023 is described as follows:

Occurrence of Sales Revenue

The sales revenue of the Group is mainly generated from the sales of monitor hinge products. Most of the sales were highly concentrated on major customers, which accounted for 57.59% of total sales revenue in 2023. Due to the high frequency and significant amounts of transactions with major customers, the occurrence of sales revenue was deemed as a key audit matter for the year ended December 31, 2023. Refer to Note 4 to the consolidated financial statements for the related revenue recognition policies.

In response to this key audit matter, our main audit procedures performed in the assessment of the recognition of sales revenue of the Group were as follows:

1. We obtained an understanding of and assessed the operating effectiveness of the design and implementation of the relevant internal controls.
2. We performed detailed verification tests on the selected samples of sales revenue, checked transaction vouchers, sales returns and discounts of major customers and confirmed the occurrence of sales revenue.

Other Matter

We did not audit the financial statements of associates accounted for using the equity method, these were instead audited by other auditors. Our opinion, insofar as it relates to the amounts included for associates accounted for using the equity method, is based solely on the reports of other auditors. As of December 31, 2023 and 2022, the amounts of investments accounted for using the equity method were NT\$175,055 thousand and NT\$168,088 thousand, respectively, which accounted for 1.45% and 1.47% of the Group's consolidated total assets, respectively. For the years ended December 31, 2023 and 2022, the share of comprehensive income of associates accounted for using the equity method amounted to NT\$34,327 thousand and NT\$28,160 thousand, respectively, which accounted for 6.39% and 5.03% of the Group's consolidated total comprehensive income, respectively.

We have also audited the parent company only financial statements of Syncmold Enterprise Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion with other matter paragraph.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 8, 2024

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 audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the auditors' 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 auditors' report and consolidated financial statements shall prevail.

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 3,233,289	27	\$ 3,510,365	31
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,164,114	9	704,121	6
Financial assets at amortized cost - current (Notes 4, 8 and 29)	806,238	7	238,110	2
Notes receivable	200,860	2	181,328	2
Trade receivables, net (Notes 4 and 9)	2,381,274	20	1,969,799	17
Inventories (Notes 4 and 10)	734,463	6	907,985	8
Other current assets (Notes 4 and 23)	<u>236,990</u>	<u>2</u>	<u>369,328</u>	<u>3</u>
Total current assets	<u>8,757,228</u>	<u>73</u>	<u>7,881,036</u>	<u>69</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	103,644	1	63,490	1
Financial assets at amortized cost - non-current (Notes 4, 8 and 29)	3,278	-	3,272	-
Investments accounted for using the equity method (Notes 4 and 12)	175,055	1	168,088	1
Property, plant and equipment (Notes 4, 13, 28 and 29)	2,097,860	17	2,181,140	19
Right-of-use assets (Notes 4, 14 and 28)	423,744	4	583,556	5
Intangible assets (Notes 4, 15 and 28)	44,146	-	59,246	1
Goodwill (Notes 4 and 16)	324,597	3	324,597	3
Deferred tax assets (Notes 4 and 23)	63,462	1	107,155	1
Prepayments for equipment	12,213	-	25,317	-
Refundable deposits	31,253	-	43,812	-
Net defined benefit assets (Notes 4 and 20)	7,400	-	6,416	-
Other non-current assets (Note 28)	<u>1,497</u>	<u>-</u>	<u>223</u>	<u>-</u>
Total non-current assets	<u>3,288,149</u>	<u>27</u>	<u>3,566,312</u>	<u>31</u>
TOTAL	<u>\$ 12,045,377</u>	<u>100</u>	<u>\$ 11,447,348</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 17 and 29)	\$ 1,695,585	14	\$ 1,477,363	13
Notes payable and trade payables	1,812,374	15	1,466,764	13
Other payables (Notes 19 and 28)	474,353	4	553,842	5
Current tax liabilities (Notes 4 and 23)	113,759	1	81,428	1
Lease liabilities - current (Notes 4, 14 and 28)	130,202	1	158,482	1
Current portion of long-term borrowing (Notes 4, 17 and 29)	16,499	-	16,476	-
Current portion of bonds payable (Notes 4 and 18)	200,931	2	-	-
Other current liabilities	<u>8,650</u>	<u>-</u>	<u>33,212</u>	<u>-</u>
Total current liabilities	<u>4,452,353</u>	<u>37</u>	<u>3,787,567</u>	<u>33</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 18 and 27)	-	-	1,178,724	10
Long-term borrowing (Notes 4, 17 and 29)	188,365	2	177,771	2
Deferred tax liabilities (Notes 4 and 23)	235,583	2	158,517	2
Lease liabilities - non-current (Notes 4, 14 and 28)	109,324	1	238,775	2
Net defined benefit liabilities (Notes 4 and 20)	5,400	-	6,998	-
Guarantee deposits received	565	-	933	-
Other non-current liabilities (Note 20)	<u>18,332</u>	<u>-</u>	<u>16,734</u>	<u>-</u>
Total non-current liabilities	<u>557,569</u>	<u>5</u>	<u>1,778,452</u>	<u>16</u>
Total liabilities	<u>5,009,922</u>	<u>42</u>	<u>5,566,019</u>	<u>49</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION				
Ordinary shares	<u>1,237,258</u>	<u>10</u>	<u>1,237,242</u>	<u>11</u>
Capital collected in advance	<u>170,511</u>	<u>2</u>	<u>-</u>	<u>-</u>
Capital surplus	<u>3,180,597</u>	<u>26</u>	<u>2,361,070</u>	<u>21</u>
Retained earnings				
Legal reserve	1,064,029	9	1,026,386	9
Special reserve	518,796	4	687,191	6
Unappropriated earnings	<u>1,160,008</u>	<u>10</u>	<u>753,104</u>	<u>6</u>
Total retained earnings	<u>2,742,833</u>	<u>23</u>	<u>2,466,681</u>	<u>21</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	(626,422)	(5)	(514,593)	(5)
Unrealized gain (loss) of financial assets at fair value through other comprehensive income	<u>6,595</u>	<u>-</u>	<u>(4,203)</u>	<u>-</u>
Total other equity	<u>(619,827)</u>	<u>(5)</u>	<u>(518,796)</u>	<u>(5)</u>
Total equity attributable to owners of the Corporation	6,711,372	56	5,546,197	48
NON-CONTROLLING INTERESTS	<u>324,083</u>	<u>2</u>	<u>335,132</u>	<u>3</u>
Total equity	<u>7,035,455</u>	<u>58</u>	<u>5,881,329</u>	<u>51</u>
TOTAL	<u>\$ 12,045,377</u>	<u>100</u>	<u>\$ 11,447,348</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 8, 2024)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Note 4)	\$ 8,769,537	100	\$ 9,809,443	100
OPERATING COSTS (Notes 4, 10, 22 and 28)	<u>6,831,797</u>	<u>78</u>	<u>8,186,253</u>	<u>83</u>
GROSS PROFIT	<u>1,937,740</u>	<u>22</u>	<u>1,623,190</u>	<u>17</u>
OPERATING EXPENSES (Notes 9, 22 and 28)				
Selling and marketing expenses	282,032	3	298,169	3
General and administrative expenses	687,462	8	797,012	8
Research and development expenses	184,732	2	182,447	2
Expected credit loss	<u>3,142</u>	<u>-</u>	<u>1,760</u>	<u>-</u>
Total operating expenses	<u>1,157,368</u>	<u>13</u>	<u>1,279,388</u>	<u>13</u>
PROFIT FROM OPERATIONS	<u>780,372</u>	<u>9</u>	<u>343,802</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4, 14 and 22)	51,547	-	38,822	-
Other gains and losses (Note 22)	(8,952)	-	(50,958)	-
Interest income	91,523	1	35,184	-
Net foreign exchange gain (Note 30)	57,568	1	270,397	2
Net gain (loss) on financial assets at fair value through profit (Notes 4 and 7)	76,367	1	(551)	-
Share of profit of associates (Notes 4 and 12)	18,301	-	42,401	-
Interest expenses (Note 28)	(56,267)	(1)	(51,773)	-
Impairment loss on investments accounted for using the equity method (Notes 4 and 12)	<u>-</u>	<u>-</u>	<u>(19,835)</u>	<u>-</u>
Total non-operating income and expenses	<u>230,087</u>	<u>2</u>	<u>263,687</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	1,010,459	11	607,489	6
INCOME TAX EXPENSE (Notes 4 and 23)	<u>372,892</u>	<u>4</u>	<u>230,040</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>637,567</u>	<u>7</u>	<u>377,449</u>	<u>4</u>

(Continued)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (467)	-	\$ 6,213	-
Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	16,067	-	(15,162)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(174)	-	(773)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>(115,735)</u>	<u>(1)</u>	<u>192,039</u>	<u>2</u>
Other comprehensive (loss) income for the year	<u>(100,309)</u>	<u>(1)</u>	<u>182,317</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 537,258</u>	<u>6</u>	<u>\$ 559,766</u>	<u>6</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 642,365	7	\$ 371,277	4
Non-controlling interests	<u>(4,798)</u>	<u>-</u>	<u>6,172</u>	<u>-</u>
	<u>\$ 637,567</u>	<u>7</u>	<u>\$ 377,449</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 546,293	6	\$ 544,822	6
Non-controlling interests	<u>(9,035)</u>	<u>-</u>	<u>14,944</u>	<u>-</u>
	<u>\$ 537,258</u>	<u>6</u>	<u>\$ 559,766</u>	<u>6</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 5.12</u>		<u>\$ 3.00</u>	
Diluted	<u>\$ 5.03</u>		<u>\$ 2.67</u>	

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

(With Deloitte & Touche auditors' report dated March 8, 2024)

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Corporation (Notes 4, 18, 21 and 25)												
							Exchange Differences on Translating of the Financial Statements of Foreign Operations	Other Equity		Non-controlling Interests (Notes 4, 21 and 25)	Total Equity		
								Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity				
	Capital		Retained Earnings					Total	Total				
Ordinary Shares	Capital Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings								
BALANCE AT JANUARY 1, 2022	\$ 1,237,242	\$ -	\$ 2,769,331	\$ 1,001,175	\$ 635,615	\$ 700,911	\$ 2,337,701	\$ (698,561)	\$ 11,371	\$ (687,190)	\$ 5,657,084	\$ 320,188	\$ 5,977,272
Appropriation of 2021 earnings													
Legal reserve	-	-	-	25,211	-	(25,211)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	51,576	(51,576)	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	(247,448)	(247,448)	-	-	-	(247,448)	-	(247,448)
	-	-	-	25,211	51,576	(324,235)	(247,448)	-	-	-	(247,448)	-	(247,448)
Cash dividends distributed by capital surplus	-	-	(408,290)	-	-	-	-	-	-	-	(408,290)	-	(408,290)
Unclaimed dividends	-	-	29	-	-	-	-	-	-	-	29	-	29
Net profit for the year ended December 31, 2022	-	-	-	-	-	371,277	371,277	-	-	-	371,277	6,172	377,449
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	4,739	4,739	183,968	(15,162)	168,806	173,545	8,772	182,317
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	376,016	376,016	183,968	(15,162)	168,806	544,822	14,944	559,766
Disposal of investment in equity instrument designated as at fair value through other comprehensive income by associates	-	-	-	-	-	412	412	-	(412)	(412)	-	-	-
BALANCE AT DECEMBER 31, 2022	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 year ended December 31, 2023	-	-	-	-	-	642,365	642,365	-	-	-	642,365	(4,798)	637,567
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(310)	(310)	(111,829)	16,067	(95,762)	(96,072)	(4,237)	(100,309)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	642,055	642,055	(111,829)	16,067	(95,762)	546,293	(9,035)	537,258
Actual acquisition of interests in subsidiaries	-	-	721	-	-	-	-	-	-	-	721	(2,014)	(1,293)
Convertible corporate bonds	16	170,511	818,791	-	-	-	-	-	-	-	989,318	-	989,318
Disposal of investment in equity instrument designated as at fair value through other comprehensive income by associates	-	-	-	-	-	5,269	5,269	-	(5,269)	(5,269)	-	-	-
BALANCE AT DECEMBER 31, 2023	\$ 1,237,258	\$ 170,511	\$ 3,180,597	\$ 1,064,029	\$ 518,796	\$ 1,160,008	\$ 2,742,833	\$ (626,422)	\$ 6,595	\$ (619,827)	\$ 6,711,372	\$ 324,083	\$ 7,035,455

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

(With Deloitte & Touche auditors' report dated March 8, 2024)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,010,459	\$ 607,489
Adjustments for:		
Depreciation expenses	414,034	476,700
Amortization expenses	22,528	24,725
Expected credit loss	3,142	1,760
Net (gain) loss on financial assets at fair value through profit or loss	(76,367)	551
Interest expenses	56,267	51,773
Interest income	(91,523)	(35,184)
Dividend income	(5,089)	(11,703)
Share of profit of associates	(18,301)	(42,401)
Loss on disposal of property, plant and equipment	13,451	20,181
Loss on disposal of intangible assets	13	29
Impairment loss on investments accounted for using the equity method	-	19,835
Write-downs of inventories	275	25,896
Net (gain) loss on unrealized foreign currency exchange	(21,381)	33,769
Gain on lease modification	(11,789)	(4,164)
Changes in operating assets and liabilities		
Notes receivable	(21,206)	181,012
Trade receivables	(473,296)	1,509,139
Inventories	162,816	379,335
Other current assets	133,478	74,390
Other non-current assets	(1,278)	(39)
Notes payable and trade payables	439,364	(768,039)
Other payables	(60,248)	127,575
Other current liabilities	(40,243)	32,529
Net defined benefit assets and liabilities	(1,031)	(1,983)
Other non-current liabilities	1,454	1,287
Cash generated from operations	1,435,529	2,704,462
Interest paid	(43,822)	(38,645)
Income tax paid	(220,358)	(317,054)
Net cash generated from operating activities	<u>1,171,349</u>	<u>2,348,763</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(914,141)	(414,425)
Proceeds from sale of financial assets at amortized cost	329,379	530,663
Purchase of financial assets at fair value through profit or loss	(2,675,603)	(1,482,944)
Proceeds from sale of financial assets at fair value through profit or loss	2,236,137	931,815
Payment for property, plant and equipment	(189,562)	(179,041)
Proceeds from disposal of property, plant and equipment	9,429	38,491
Decrease (increase) in refundable deposits	12,069	(1,645)
Payments for intangible assets	(7,926)	(29,925)

(Continued)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Increase in prepayments for equipment	\$ (11,569)	\$ (60,381)
Interest received	88,024	31,291
Dividends received	<u>32,449</u>	<u>23,103</u>
Net cash used in investing activities	<u>(1,091,314)</u>	<u>(612,998)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	220,553	581,343
Proceeds from long-term borrowings	27,420	10,000
Repayments of long-term borrowings	(16,435)	(26,483)
Guarantee deposits refunded	(368)	(511)
Repayment of the principal portion of lease liabilities	(153,669)	(207,951)
Dividends paid	(371,172)	(655,738)
Actual acquisition of interest in subsidiaries	<u>(1,293)</u>	<u>-</u>
Net cash used in financing activities	<u>(294,964)</u>	<u>(299,340)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(62,147)</u>	<u>14,403</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(277,076)	1,450,828
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>3,510,365</u>	<u>2,059,537</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 3,233,289</u>	<u>\$ 3,510,365</u>

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

(With Deloitte & Touche auditors' report dated March 8, 2024)

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 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 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 the Corporation’s board of directors on March 8, 2024.

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

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

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

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
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 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards 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 amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

- c. New IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

- b. Basis of preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
 - 3) Level 3 inputs are unobservable inputs for an asset or liability.
- c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and the entities controlled by the Group (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 Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

See Note 11 and Tables 7 and 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at fair value. Other types of non-controlling interests are measured at fair value.

f. Foreign currencies

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange difference on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting the consolidated financial statements, the functional currencies of the Group and the group entities in the Group (including subsidiaries in other countries) that are prepared using functional currencies which are different from the currency of the Corporation are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

g. Inventories

Inventories consist of raw materials, supplies, work in progress and finished goods and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

h. Investments in associates

An associate is an entity over which the Group has significant influence and that is not a subsidiary.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

When the Corporation subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the

associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associates that are not related to the Group.

i. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

k. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

l. Impairment of property, plant and equipment, right-of-use asset and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 27.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash, and cash equivalents notes receivable, trade receivables, other receivables, other receivables from related parties and refundable deposits are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that is not credit impaired on purchase or origination but has subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received is recognized in profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Group's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

3) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Corporation are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

n. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of electronic components and molding products. Sales of electronic components and molding products are recognized as revenue when the goods are delivered via the modes of transportation as stated in the agreements with customers, e.g. FOB shipping or FOB destination modes because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. Goods are sold at fixed prices as stated in the agreements with customers.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Revenue from the rendering of services

Service income is recognized when services are provided.

3) Licensing revenue

Royalty revenue is recognized when the technique remains functional without updates and technical supports. When the customer uses the intellectual property for mass production, the price is decided based on production, sales or other methods, and revenue is recognized according to royalty arrangements.

o. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments that depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

p. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized as a reduction of the related costs on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

r. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period it occurs and is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carry forwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	\$ 2,202	\$ 2,225
Checking accounts and demand deposits	2,137,332	2,363,885
Cash equivalents		
Time deposits with original maturities within 3 months	<u>1,093,755</u>	<u>1,144,255</u>
	<u>\$ 3,233,289</u>	<u>\$ 3,510,365</u>

The market rate intervals of cash in the bank at the end of the reporting period were as follows:

	December 31	
	2023	2022
Bank deposits	0.000%-5.74%	0.000%-5.28%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	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	\$ 75,093	\$ 86,154
Mutual funds	197,342	-
Hybrid financial assets		
Structured deposits (Note)	<u>891,679</u>	<u>617,967</u>
	<u>\$ 1,164,114</u>	<u>\$ 704,121</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic emerging market shares	\$ 42,667	\$ 20,482
Domestic unlisted shares	20,883	-
Overseas unlisted shares	24,189	28,725
Private funds	<u>15,905</u>	<u>14,283</u>
	<u>\$ 103,644</u>	<u>\$ 63,490</u>

Note: The Group successively entered into a one to 1-6 months structured deposit contracts with bank in 2023 and 2022. The structured 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

	December 31	
	2023	2022
<u>Current</u>		
Time deposits with original maturities of more than 3 months	\$ 804,882	\$ 238,110
Time deposits pledged as collateral with original maturities of more than 3 months	<u>1,356</u>	<u>-</u>
	<u>\$ 806,238</u>	<u>\$ 238,110</u>
<u>Non-current</u>		
Time deposits pledged as collateral with original maturities of more than 1 year	<u>\$ 3,278</u>	<u>\$ 3,272</u>

The interest rates for time deposits with original maturities of more than 3 months were 2.1%-5.9% and 0.15%-3.8% per annum as of December 31, 2023 and 2022, respectively.

The interest rate for time deposits pledged as collateral with original maturities of more than 3 months were 0.15%-5.7% and 0.2%-1.185% per annum as of December 31, 2023 and 2022, respectively.

See Note 29 for detailed information on financial assets at amortized cost pledged as collateral.

9. TRADE RECEIVABLES, NET

	December 31	
	2023	2022
At amortized cost		
Gross carrying amount	\$ 2,391,206	\$ 1,976,706
Less: Allowance for impairment loss	<u>(9,932)</u>	<u>(6,907)</u>
	<u>\$ 2,381,274</u>	<u>\$ 1,969,799</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, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

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

December 31, 2023

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	-	1.20%	5.69%	46.53%	99.71%	
Gross carrying amount	\$ 2,319,124	\$ 28,436	\$ 32,891	\$ 5,648	\$ 5,107	\$ 2,391,206
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(342)</u>	<u>(1,870)</u>	<u>(2,628)</u>	<u>(5,092)</u>	<u>(9,932)</u>
Amortized cost	<u>\$ 2,319,124</u>	<u>\$ 28,094</u>	<u>\$ 31,021</u>	<u>\$ 3,020</u>	<u>\$ 15</u>	<u>\$ 2,381,274</u>

December 31, 2022

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
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>

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 6,907	\$ 5,071
Add: Net remeasurement of loss allowance	3,142	1,760
Foreign exchange gains and losses	<u>(117)</u>	<u>76</u>
Balance at December 31	<u>\$ 9,932</u>	<u>\$ 6,907</u>

10. INVENTORIES

	December 31	
	2023	2022
Finished goods	\$ 360,494	\$ 374,665
Work in process	120,561	210,740
Raw materials	<u>253,408</u>	<u>322,580</u>
	<u>\$ 734,463</u>	<u>\$ 907,985</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 was \$6,831,703 thousand and \$8,186,018 thousand, respectively. The cost of goods sold included inventory write-downs of \$275 thousand and \$25,896 thousand.

11. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)	
			December 31	
			2023	2022
Syncmold Enterprise Corp.	Grand Advance Inc.	General investment business	100.00	100.00
	Syncmold Enterprise (Samoa) Corp.	General investment business	100.00	100.00
	Syncmold Enterprise (USA) Corp.	The trading, imports and exports of electronic parts	100.00	100.00
	Leohab Enterprise Co., Ltd.	Precision hardware components manufacturing	70.00	70.00

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)	
			December 31	
			2023	2022
	Gatetech Technology Inc.	Precision molding and magnesium alloy die caster manufacturing and transaction business	74.05 (Note)	73.82 (Note)
	Syncmold Enterprise Vietnam Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business	100.00	100.00
	Syncmold Enterprise (Malaysia) Sdn., Bhd.	The trading, imports and exports of electronic parts	100.00	100.00
	Syncmold Enterprise (Singapore) Pte., Ltd.	The trading, imports and exports of electronic parts	100.00	100.00
	Syncmold Enterprise (Thailand) Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business	100.00	100.00
Grand Advance Inc.	Canford International Limited	General investment business	100.00	100.00
	Fullking Development Limited	General investment business	100.00	100.00
	Full Glary Holding Limited	General investment business	100.00	100.00
Syncmold Enterprise (Samoa) Corp.	Forever Business Development Limited	General investment business	100.00	100.00
	Full Celebration Limited	General investment business	100.00	100.00
	Fuzhou Fulfil Tech Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business	100.00	100.00
	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
	Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business	100.00	100.00
Gatetech Technology Inc.	Gatech Holding Ltd.	General investment business	100.00	100.00
Leohab Enterprise Co., Ltd.	Sweet International Group Ltd.	General investment business	100.00	100.00
	Commuwell Enterprise (Thailand) Co., Ltd.	Plastic shot and hardware components manufacturing	100.00	100.00
Forever Business Development Limited	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Processing, manufacturing, trading and related import and export business of various metal molds, plastic molds and plastic injection molds	100.00	100.00
Canford International Limited	Suzhou Fulfil Electronics Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business	100.00	100.00
Fullking Development Limited	Zhongshan Fulfil Tech. Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business	100.00	100.00
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
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
Gatech Holding Ltd.	Gatech International Ltd.	General investment business	100.00	100.00
Gatech International Ltd.	Gatetech (Suzhou) Technology Co., Ltd.	Aluminum and magnesium alloy manufacturing and trading	100.00	100.00
Sweet International Group Ltd.	Lucky King Holdings Ltd.	General investment business	100.00	100.00
Lucky King Holdings Ltd.	Suzhou Leoho Electronics Co., Ltd.	Precision hardware components manufacturing	100.00	100.00

(Concluded)

Note: 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 December 31, 2023. Refer to Note 25 for detailed information on the acquisition of non-controlling interests during 2023.

Information on the subsidiaries included in the consolidated financial statements for the years ended December 31, 2023 and 2022 in the table above was based on the financial statements of the subsidiaries audited by the auditors for the same periods.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Associates that are not individually material		
Unlisted companies		
High Grade Tech Co., Ltd.	\$ 163,862	\$ 153,143
Corebio technologies Co., Ltd. (Note)	-	-
Smart Automation Technology Inc.	<u>11,193</u>	<u>14,945</u>
	<u>\$ 175,055</u>	<u>\$ 168,088</u>

Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2023	2022
The Group's share of:		
Net profit of the year	<u>\$ 18,301</u>	<u>\$ 42,401</u>
Other comprehensive (loss) income	<u>\$ 16,026</u>	<u>\$ (15,136)</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 was 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. Corebio Technologies Co., Ltd. was approved to end and dissolve its business by the shareholders in their meeting on March 29, 2023; the liquidation is still in process.

Except for Corebio Technologies Co., Ltd., other investments of associates that are not individually material were accounted for using equity method, and the Corporation's share of profit or loss and other comprehensive income from those investments were calculated based on audited financial statements.

Considering that the Corporation's interest in Corebio Technologies Co., Ltd. was lower than the market value, after conducting an impairment test and evaluating the result, the carrying amount of the investment in Corebio Technologies Co., Ltd. was higher than the recoverable amount, with impairment loss recognized for the years ended December 31, 2023 and 2022. However, the carrying amount of this investment was written down to zero as of December 31, 2023 and 2022. Consequently, the Corporation's management believes there will be no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the unaudited financial statements of this investment.

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	23,069	69,120	66,385	1,984	2,485	26,519	-	189,562
Disposals	-	(19,220)	(86,671)	(1,568)	(6,400)	(13,481)	-	(127,340)
Transferred from prepayments for equipment	-	4,075	19,543	-	-	449	-	24,067
Reclassifications	-	(199)	(950)	-	(82)	39	-	(1,192)
Effects of foreign currency exchange differences	(273)	(20,456)	(21,516)	(415)	(677)	(2,168)	-	(45,505)
Balance at December 31, 2023	<u>\$ 793,622</u>	<u>\$ 1,300,741</u>	<u>\$ 1,535,549</u>	<u>\$ 54,596</u>	<u>\$ 58,502</u>	<u>\$ 266,143</u>	<u>\$ -</u>	<u>\$ 4,009,153</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 expenses	-	81,190	112,784	4,901	9,399	42,561	-	250,835
Disposals	-	(19,070)	(66,814)	(1,451)	(6,128)	(10,997)	-	(104,460)
Reclassifications	-	(99)	(200)	-	(66)	32	-	(333)
Effects of foreign currency exchange differences	-	(7,688)	(12,663)	(474)	(517)	(1,828)	-	(23,170)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 622,908</u>	<u>\$ 1,045,191</u>	<u>\$ 32,466</u>	<u>\$ 41,880</u>	<u>\$ 168,848</u>	<u>\$ -</u>	<u>\$ 1,911,293</u>
Carrying amounts at December 31, 2023	<u>\$ 793,622</u>	<u>\$ 677,833</u>	<u>\$ 490,358</u>	<u>\$ 22,130</u>	<u>\$ 16,622</u>	<u>\$ 97,295</u>	<u>\$ -</u>	<u>\$ 2,097,860</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	-	10,382	49,970	777	8,681	31,625	77,606	179,041
Disposals	-	(6,934)	(215,063)	(4,992)	(4,443)	(36,981)	-	(268,413)
Transferred from prepayments for equipment	-	495	113,965	8,780	544	4,109	-	127,893
Reclassifications	-	330,649	(9,570)	7,316	(5,524)	38,212	(370,903)	(9,820)
Effects of foreign currency exchange differences	288	8,388	38,360	1,165	916	5,122	25,037	79,276
Balance at December 31, 2022	<u>\$ 770,826</u>	<u>\$ 1,267,421</u>	<u>\$ 1,558,758</u>	<u>\$ 54,595</u>	<u>\$ 63,176</u>	<u>\$ 254,785</u>	<u>\$ -</u>	<u>\$ 3,969,561</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2022	\$ -	\$ 483,380	\$ 1,045,195	\$ 28,462	\$ 36,460	\$ 118,878	\$ -	\$ 1,712,375
Depreciation expenses	-	84,183	111,190	3,944	9,617	41,068	-	250,002
Disposals	-	(6,762)	(168,269)	(4,281)	(4,088)	(26,341)	-	(209,741)
Reclassifications	-	(124)	(503)	791	(3,372)	3,005	-	(203)
Effects of foreign currency exchange differences	-	7,898	24,471	574	575	2,470	-	35,988
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 568,575</u>	<u>\$ 1,012,084</u>	<u>\$ 29,490</u>	<u>\$ 39,192</u>	<u>\$ 139,080</u>	<u>\$ -</u>	<u>\$ 1,788,421</u>
Carrying amounts at December 31, 2022	<u>\$ 770,826</u>	<u>\$ 698,847</u>	<u>\$ 546,673</u>	<u>\$ 25,105</u>	<u>\$ 23,984</u>	<u>\$ 115,705</u>	<u>\$ -</u>	<u>\$ 2,181,140</u>

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

Buildings	
Main buildings	5-60 years
Electromechanical power equipment	4-5 years
Equipment	1-20 years
Transportation equipment	4-10 years
Office equipment	1-10 years
Other equipment	1-20 years

See Note 29 for detailed information on property, plant and equipment pledged as collateral.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
<u>Carrying amounts</u>		
Lands	\$ 172,603	\$ 181,133
Buildings	249,342	400,982
Transportation equipment	<u>1,799</u>	<u>1,441</u>
	<u>\$ 423,744</u>	<u>\$ 583,556</u>
	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	<u>\$ 49,966</u>	<u>\$ 71,763</u>
Depreciation charge for right-of-use assets		
Lands	\$ 4,926	\$ 4,886
Buildings	157,383	220,111
Transportation equipment	890	1,051
Machinery equipment	<u>-</u>	<u>650</u>
	<u>\$ 163,199</u>	<u>\$ 226,698</u>
Income from the subleasing of right-of-use assets (presented in other income)	<u>\$ (1,613)</u>	<u>\$ (546)</u>

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

b. Lease liabilities

	December 31	
	2023	2022
<u>Carrying amounts</u>		
Current	<u>\$ 130,202</u>	<u>\$ 158,482</u>
Non-current	<u>\$ 109,324</u>	<u>\$ 238,775</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2023	2022
Buildings	0.81%-4.90%	0.81%-4.90%
Transportation equipment	0.94%-1.71%	0.94%-4.55%
Machinery equipment	-	4.75%

c. Subleases

Sublease of right-of-use assets

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

	December 31	
	2023	2022
Year 1	\$ -	\$ 6,368
Year 2	<u>-</u>	<u>4,245</u>
	<u>\$ -</u>	<u>\$ 10,613</u>

d. Other lease information

	December 31	
	2023	2022
Expenses relating to short-term leases	<u>\$ 14,067</u>	<u>\$ 12,453</u>
Total cash outflow for leases	<u>\$ (179,419)</u>	<u>\$ (243,607)</u>

The Group leases certain buildings which qualify as short-term leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. INTANGIBLE ASSETS

	Trademarks	Computer Software	Patents	Total
<u>Cost</u>				
Balance at January 1, 2023	\$ 155	\$ 103,872	\$ 1,764	\$ 105,791
Additions	-	7,926	-	7,926
Disposals	-	-	(54)	(54)
Written off	(110)	(10,243)	-	(10,353)
Reclassifications	-	1,105	-	1,105
Effects of foreign currency exchange differences	<u>-</u>	<u>(828)</u>	<u>-</u>	<u>(828)</u>
Balance at December 31, 2023	<u>\$ 45</u>	<u>\$ 101,832</u>	<u>\$ 1,710</u>	<u>\$ 103,587</u>

(Continued)

	Trademarks	Computer Software	Patents	Total
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2023	\$ 122	\$ 45,369	\$ 1,054	\$ 46,545
Amortization expenses	7	22,445	76	22,528
Disposals	-	-	(41)	(41)
Written off	(110)	(10,243)	-	(10,353)
Reclassifications	-	1,105	-	1,105
Effects of foreign currency exchange differences	<u>-</u>	<u>(343)</u>	<u>-</u>	<u>(343)</u>
Balance at December 31, 2023	<u>\$ 19</u>	<u>\$ 58,333</u>	<u>\$ 1,089</u>	<u>\$ 59,441</u>
Carrying amount at December 31, 2023	<u>\$ 26</u>	<u>\$ 43,499</u>	<u>\$ 621</u>	<u>\$ 44,146</u>
<u>Cost</u>				
Balance at January 1, 2022	\$ 155	\$ 85,210	\$ 1,981	\$ 87,346
Additions	-	29,925	-	29,925
Disposals	-	-	(43)	(43)
Written off	-	(12,820)	(174)	(12,994)
Reclassifications	-	1,030	-	1,030
Effects of foreign currency exchange differences	<u>-</u>	<u>527</u>	<u>-</u>	<u>527</u>
Balance at December 31, 2022	<u>\$ 155</u>	<u>\$ 103,872</u>	<u>\$ 1,764</u>	<u>\$ 105,791</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2022	\$ 106	\$ 33,106	\$ 1,154	\$ 34,366
Amortization expenses	16	24,621	88	24,725
Disposals	-	-	(14)	(14)
Written off	-	(12,820)	(174)	(12,994)
Reclassifications	-	121	-	121
Effects of foreign currency exchange differences	<u>-</u>	<u>341</u>	<u>-</u>	<u>341</u>
Balance at December 31, 2022	<u>\$ 122</u>	<u>\$ 45,369</u>	<u>\$ 1,054</u>	<u>\$ 46,545</u>
Carrying amount at December 31, 2022	<u>\$ 33</u>	<u>\$ 58,503</u>	<u>\$ 710</u>	<u>\$ 59,246</u>
				(Concluded)

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

The above items of intangible assets are amortized on a straight-line basis their estimated useful lives as follows:

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

16. GOODWILL

	<u>For the Year Ended December 31</u>	
	2023	2022
<u>Cost</u>		
Balance at January 1	<u>\$ 366,777</u>	<u>\$ 366,777</u>
Balance at December 31	<u>\$ 366,777</u>	<u>\$ 366,777</u>
<u>Accumulated impairment losses</u>		
Balance at January 1	<u>\$ 42,180</u>	<u>\$ 42,180</u>
Balance at December 31	<u>\$ 42,180</u>	<u>\$ 42,180</u>
Carrying amounts at December 31	<u>\$ 324,597</u>	<u>\$ 324,597</u>

The Group acquired FulFil Tech Co., Ltd. on December 16, 2008 and recognized goodwill of \$366,777 thousand relating to molding department and electronic components department. The goodwill is mainly arising from the expected benefit from sales growth of electronic components and molding products, and the potential of developing new electronic models.

The recoverable amount of plastic molding department was determined based on a value in use calculation that used the cash flow projections in the financial budgets approved by management covering a 5-year period; the discount rate was 12.12% and 11.97% in 2023 and 2022, respectively. Other key assumptions included budgeted revenue and budgeted gross margin. Such assumptions were based on the past performance of the cash-generating unit and management's expectations of future market development.

17. BORROWINGS

a. Short-term borrowings

	<u>December 31</u>	
	2023	2022
<u>Secured borrowings (Note 29)</u>		
Mortgage loans	\$ 287,000	\$ 387,682
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u>1,408,585</u>	<u>1,089,681</u>
	<u>\$ 1,695,585</u>	<u>\$ 1,477,363</u>

The weighted average effective interest rates on bank loans were ranging from 1.71%-5.96% and 1.49%-5.00% per annum as of December 31, 2023 and 2022, respectively.

b. Long-term borrowings

	December 31	
	2023	2022
<u>Secured borrowings (Note 29)</u>		
Mortgage loans	\$ 204,864	\$ 194,247
Less: Current portions	<u>(16,499)</u>	<u>(16,476)</u>
	<u>\$ 188,365</u>	<u>\$ 177,771</u>

The effective interest rate on long-term borrowings were 1.70%-4.49% and 1.45%-1.55% on December 31, 2023 and 2022, respectively.

18. BONDS PAYABLE

	December 31	
	2023	2022
Domestic third unsecured convertible bonds	\$ 200,931	\$ 1,178,724
Less: Current portion	<u>(200,931)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 1,178,724</u>

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

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

The conversion price of bonds is set based on the arithmetic mean of the business day's closing share price multiplied by the 102% premium rate before the effective date of August 20, 2021. In accordance with the above method, the conversion price at the time of issuance of the convertible corporate bond is NT\$58.5 per share on December 31, 2023.

If the bonds are not converted between December 10, 2021 and July 31, 2024, and the closing price of ordinary shares has exceeded 30% of the current conversion price for 30 consecutive business days, the Corporation may send a copy of the "Bond Redemption Notice" with an expiration of one month by registered mail, and the expiration date of the period is determined as the base date for the 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 the 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 the 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 component was presented in equity under the heading of capital surplus-options. The liability components are recognized as liabilities of embedded derivative financial instruments and non-derivative products. Such embedded derivative financial instruments have been assessed at a fair value of NT\$0; non-derivative product liabilities have been measured on December 31, 2023 and 2022 at NT\$200,931 thousand and NT\$1,178,724 thousand

(included in current portion of bonds payable and bonds payable), respectively, based on amortized costs, and their originally recognized effective interest rate is 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 assets 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 instruments	<u>360</u>
Liability component on December 31, 2022	1,178,724
Interest charged at an effective interest rate of 1.0663%	11,525
Convertible bonds converted into ordinary shares	<u>(989,318)</u>
Liability component on December 31, 2023	<u>\$ 200,931</u>

As of December 31, 2023, the Corporation's third unsecured convertible bond with a face value of \$997,600 thousand had been converted into 17,052.7 thousand ordinary shares. As the registration of the 17,051.1 thousand shares was not completed, the \$170,511 thousand share options were recognized as capital collected in advance.

19. OTHER PAYABLES

	December 31	
	2023	2022
Payables for salaries or bonuses	\$ 284,369	\$ 204,625
Others (Note 28)	<u>189,984</u>	<u>349,217</u>
	<u>\$ 474,353</u>	<u>\$ 553,842</u>

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Group of the Group adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The subsidiaries operate a defined contribution retirement benefit plan for all qualifying employees of its subsidiaries in China. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. Where employees leave the plan prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

b. Defined benefit plans

The defined benefit plans adopted by the Group of the Group in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Group contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in

one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the “Bureau”); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group’s defined benefit plans were as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation	\$ 41,620	\$ 43,098
Fair value of plan assets	<u>(43,620)</u>	<u>(42,516)</u>
Net defined benefit liabilities (assets)	<u>\$ (2,000)</u>	<u>\$ 582</u>

The net defined benefit liabilities (assets) were \$5,400 thousand and \$(7,400) thousand recognized in the consolidated balance sheets for the year ended December 31, 2023.

The net defined benefit liabilities (assets) were \$6,998 thousand and \$(6,416) thousand recognized in the consolidated balance sheets for the year ended December 31, 2022.

Movements in net defined benefit assets were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance at January 1, 2022	<u>\$ 47,787</u>	<u>\$ (39,009)</u>	<u>\$ 8,778</u>
Net interest expense (income)	<u>243</u>	<u>(197)</u>	<u>46</u>
Recognized in profit or loss	<u>243</u>	<u>(197)</u>	<u>46</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,164)	(3,164)
Actuarial (gain) loss			
Changes in financial assumptions	(2,216)	-	(2,216)
Experience adjustments	<u>(833)</u>	<u>-</u>	<u>(833)</u>
Recognized in other comprehensive income	<u>(3,049)</u>	<u>(3,164)</u>	<u>(6,213)</u>
Contributions from the employer	<u>-</u>	<u>(2,029)</u>	<u>(2,029)</u>
Benefits paid	<u>(1,883)</u>	<u>1,883</u>	<u>-</u>
Balance at December 31, 2022	<u>43,098</u>	<u>(42,516)</u>	<u>582</u>
Service cost			
Prior service cost	(2,018)	-	(2,018)
Net interest expense (income)	<u>511</u>	<u>(516)</u>	<u>(5)</u>
Recognized in profit or loss	<u>(1,507)</u>	<u>(516)</u>	<u>(2,023)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(285)	(285)
Actuarial (gain) loss			
Experience adjustments	<u>752</u>	<u>-</u>	<u>752</u>
Recognized in other comprehensive income	<u>752</u>	<u>(285)</u>	<u>467</u>
Contributions from the employer	<u>-</u>	<u>(1,026)</u>	<u>(1,026)</u>
Benefits paid	<u>(723)</u>	<u>723</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 41,620</u>	<u>\$ (43,620)</u>	<u>\$ (2,000)</u>

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2023	2022
Discount rate	1.25%	1.25%
Expected rate(s) of salary increase	1.000%-2.000%	1.000%-2.000%
Mortality rate	According to the sixth experience life table of the insurance industry in Taiwan	According to the sixth experience life table of the insurance industry in Taiwan
Turnover rate	0%-7.5%	0%-7.5%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	2022
Discount rate		
25% increase	\$ (648)	\$ (714)
25% decrease	\$ 668	\$ 738
Expected rate of salary increase		
25% increase	\$ 669	\$ 734
25% decrease	\$ (651)	\$ (713)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	2022
Expected contributions to the plans for the next year	\$ 1,011	\$ 1,910
Average duration of the defined benefit obligation	7-10.5 years	7.5-15.9 years

- c. Commuwell Enterprise (Thailand) Co., Ltd. calculates the pension of Thai employees on the basis of seniority, in accordance with section 118/1 of the Labor Protection Act (No. 6).

21. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2023	2022
Number of shares authorized (in thousands)	200,000	200,000
Shares authorized	\$ 2,000,000	\$ 2,000,000
Number of shares issued and fully paid (in thousands)	123,726	123,724
Shares issued	\$ 1,237,258	\$ 1,237,242
Capital collected in advance	\$ 170,511	\$ -

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

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

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)		
Issuance of ordinary shares	\$ 1,741,123	\$ 776,519
The difference between the consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	414,247	413,526
Consolidation excess	852,372	852,372
Unclaimed dividends	122	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
<u>May not be used for any purpose</u>		
Convertible bonds option	29,583	175,396
	<u>\$ 3,180,597</u>	<u>\$ 2,361,070</u>

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

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

c. Retained earnings and dividends policy

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

As the Corporation is currently in the growth stage, the Corporation considers its industry development and long-term interests of shareholders as well as its programs to maintain operating efficiency and meet its financial goals when determining the distribution of bonuses in shares or cash. The board of directors shall propose allocation ratio every year and propose such allocation ratio at 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:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2022	2021
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 (NT\$)	<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.

The appropriation of earnings for 2023, proposed by the Corporation's board of directors on March 8, 2024, were as follows:

	For the Year Ended December 31, 2023
Legal reserve	\$ 64,732
Special reserve	<u>\$ 101,031</u>
Cash dividends	<u>\$ 578,000</u>
Dividends per share (NT\$)	<u>\$ 4.11</u>

The appropriation of earnings and capital surplus for 2023 is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 21, 2024.

d. Special reserve

	For the Year Ended December 31 2023	2022
Balance at January 1	\$ 687,191	\$ 635,615
Appropriated to special reserve		
(Reversals of) debits to other equity items	<u>(168,395)</u>	<u>51,576</u>
Balance at December 31	<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

	For the Year Ended December 31, 2023	2022
Balance at January 1	\$ 335,132	\$ 320,188
Share in (loss) profit for the year	(4,798)	6,172
Other comprehensive income (loss) during the year		
Exchange differences on translating the financial statements of foreign entities	(3,906)	8,071
Remeasurement of defined benefit plans	(327)	723
Income tax relating to items that will not be reclassified subsequently to profit or loss	(4)	(22)
Changes in ownership interests in subsidiaries (Note 25)	<u>(2,014)</u>	<u>-</u>
Balance at December 31	<u>\$ 324,083</u>	<u>\$ 335,132</u>

22. NET PROFIT

Net profit comprises:

a. Other income

	For the Year Ended December 31,	
	2023	2022
Dividends	\$ 5,089	\$ 11,703
Rental income	1,799	2,482
Subsidy income	16,849	9,634
Others	<u>27,810</u>	<u>15,003</u>
	<u>\$ 51,547</u>	<u>\$ 38,822</u>

b. Other gains and losses

	For the Year Ended December 31,	
	2023	2022
Loss on disposal of property, plant and equipment	\$ (13,451)	\$ (20,181)
Loss from disaster (Note)	-	(24,886)
Gain on lease modification	11,789	4,164
Others	<u>(7,290)</u>	<u>(10,055)</u>
	<u>\$ (8,952)</u>	<u>\$ (50,958)</u>

Note: A fire broke out in the premises of Suzhou Fulfil Electronics Co., Ltd. on January 20, 2021, which caused damage to some of the plant, machinery, equipment and inventories. The Corporation has property insurance and public liability insurance for the aforementioned plant, machinery, equipment and inventories. The Corporation negotiated claims settlement with the insurance company in June 2022. The related losses after deducting insurance claims amounted to \$42,719 thousand. The estimated cost of damage in the amount of \$24,886 thousand and \$17,833 thousand were recognized in other gains and losses for the years ended December 31, 2022 and 2021.

c. Depreciation, amortization and employee benefits expense:

	For the Year Ended December 31					
	2023			2022		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Defined contribution plan	\$ 69,495	\$ 21,987	\$ 91,482	\$ 72,562	\$ 21,085	\$ 93,647
Defined benefit plans	227	(2,250)	(2,023)	243	(197)	46
Other employee benefits	<u>1,341,001</u>	<u>569,988</u>	<u>1,910,989</u>	<u>1,600,313</u>	<u>592,105</u>	<u>2,192,418</u>
	<u>\$ 1,410,723</u>	<u>\$ 589,725</u>	<u>\$ 2,000,448</u>	<u>\$ 1,673,118</u>	<u>\$ 612,993</u>	<u>\$ 2,286,111</u>
Depreciation	<u>\$ 291,487</u>	<u>\$ 122,547</u>	<u>\$ 414,034</u>	<u>\$ 316,335</u>	<u>\$ 160,365</u>	<u>\$ 476,700</u>
Amortization	<u>\$ 3,009</u>	<u>\$ 19,519</u>	<u>\$ 22,528</u>	<u>\$ 3,019</u>	<u>\$ 21,706</u>	<u>\$ 24,725</u>

d. Compensation of employees and remuneration of directors

According to the Corporation's Articles of Incorporation, the Corporation shall use the current year's pre-tax profit before the distribution of the remuneration to employees and directors to make up for the accumulated loss, and if there is any remaining balance, the Company shall appropriate not less than 3% as employees' remuneration and not more than 2% as directors' remuneration. The compensation of employees and the remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Corporation's board of directors on March 8, 2024 and March 15, 2023, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2023	2022
Compensation of employees	8.805%	8.740%
Remuneration of directors	1.996%	1.990%

Amount

	For the Year Ended December 31	
	2023	2022
	Cash	Cash
Compensation of employees	\$ 75,000	\$ 43,000
Remuneration of directors	17,000	9,800

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 Corporation held board of directors' meetings on March 15, 2023 and March 15, 2022 and the meeting resulted in the actual amounts of the compensation of employees and remuneration of directors.

	For the Year Ended December 31			
	2022		2021	
	Compensation of Employees	Remuneration of Directors	Compensation of Employees	Remuneration of Directors
Amounts approved in the board of directors' meeting	<u>\$ 43,000</u>	<u>\$ 9,800</u>	<u>\$ 31,000</u>	<u>\$ 7,000</u>
Amounts recognized in the annual consolidated financial statements	<u>\$ 43,000</u>	<u>\$ 9,800</u>	<u>\$ 31,000</u>	<u>\$ 7,000</u>

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 years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors 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 Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	\$ 242,589	\$ 234,299
Income tax on unappropriated earnings	8,208	-
Adjustments for prior years	<u>1,927</u>	<u>17,199</u>
	<u>252,724</u>	<u>251,498</u>
Deferred tax		
In respect of the current year	101,775	(14,313)
Adjustments to deferred tax attributable to changes in tax rates and laws	<u>18,393</u>	<u>(7,145)</u>
	<u>120,168</u>	<u>(21,458)</u>
Income tax expense recognized in profit or loss	<u>\$ 372,892</u>	<u>\$ 230,040</u>

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before tax	<u>\$ 1,010,459</u>	<u>\$ 607,489</u>
Income tax expense calculated at the statutory rate	\$ 359,679	\$ 205,019
Permanent differences	(30,320)	3,981
Unrecognized deductible temporary differences	(249)	4,582
Unrecognized loss carryforwards	15,254	6,404
Income tax on unappropriated earnings	8,208	-
Adjustments for prior years' tax	<u>20,320</u>	<u>10,054</u>
Income tax expense recognized in profit or loss	<u>\$ 372,892</u>	<u>\$ 230,040</u>

b. Current tax assets and liabilities

	December 31	
	2023	2022
Current tax assets		
Tax refund receivable	<u>\$ 11</u>	<u>\$ -</u>
Current tax liabilities		
Income tax payable	<u>\$ 113,759</u>	<u>\$ 81,428</u>

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Adjustments to Deferred Tax Attributable to Changes in Tax Rates and Laws	Exchange Differences	Closing Balance
Temporary differences						
Allowance loss for exceeding limits	\$ 2,564	\$ 470	\$ -	\$ 293	\$ (19)	\$ 3,308
Allowance for inventory valuation and obsolescence losses	32,856	(1,410)	-	(6,202)	(278)	24,966
Unrealized exchange losses	-	171	-	-	(3)	168
Others	4,173	(1,760)	(14)	3,500	16	5,915
Loss carryforwards	<u>67,562</u>	<u>(22,309)</u>	<u>-</u>	<u>(15,984)</u>	<u>(164)</u>	<u>29,105</u>
	<u>\$ 107,155</u>	<u>\$ (24,838)</u>	<u>\$ (14)</u>	<u>\$ (18,393)</u>	<u>\$ (448)</u>	<u>\$ 63,462</u>
Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Adjustments to Deferred Tax Attributable to Changes in Tax Rates and Laws	Exchange Differences	Closing Balance
Temporary differences						
Gain on investments accounted for using the equity method	\$ 124,060	\$ 71,973	\$ -	\$ (4,456)	\$ -	\$ 191,577
Unrealized exchange gains	6,939	6,549	-	2,226	-	15,714
Land value income tax	22,171	-	-	-	-	22,171
Others	<u>5,347</u>	<u>(1,585)</u>	<u>160</u>	<u>2,230</u>	<u>(31)</u>	<u>6,121</u>
	<u>\$ 158,517</u>	<u>\$ 76,937</u>	<u>\$ 160</u>	<u>\$ -</u>	<u>\$ (31)</u>	<u>\$ 235,583</u>

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Adjustments to Deferred Tax Attributable to Changes in Tax Rates and Laws	Exchange Differences	Closing Balance
Temporary differences						
Allowance loss for exceeding limits	\$ 311	\$ 2,239	\$ -	\$ 1	\$ 13	\$ 2,564
Allowance for inventory valuation and obsolescence losses	23,999	6,529	-	1,990	338	32,856
Others	4,036	(612)	(73)	531	291	4,173
Loss carryforwards	<u>78,032</u>	<u>(14,258)</u>	<u>-</u>	<u>3,236</u>	<u>552</u>	<u>67,562</u>
	<u>\$ 106,378</u>	<u>\$ (6,102)</u>	<u>\$ (73)</u>	<u>\$ 5,758</u>	<u>\$ 1,194</u>	<u>\$ 107,155</u>
Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Adjustments to Deferred Tax Attributable to Changes in Tax Rates and Laws	Exchange Differences	Closing Balance
Temporary differences						
Gain on investments accounted for using the equity method	\$ 148,864	\$ (24,804)	\$ -	\$ -	\$ -	\$ 124,060
Unrealized exchange gains	694	6,437	-	(192)	-	6,939
Land value income tax	22,171	-	-	-	-	22,171
Others	<u>7,654</u>	<u>(2,048)</u>	<u>700</u>	<u>(1,195)</u>	<u>236</u>	<u>5,347</u>
	<u>\$ 179,383</u>	<u>\$ (20,415)</u>	<u>\$ 700</u>	<u>\$ (1,387)</u>	<u>\$ 236</u>	<u>\$ 158,517</u>

- d. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2023	2022
Deductible temporary differences	\$ 141,487	\$ 164,401
Loss carryforwards	<u>57,656</u>	<u>115,771</u>
	<u>\$ 199,143</u>	<u>\$ 280,172</u>

The unrecognized deductible temporary differences are goodwill amortization, excess loss allowance, impairment loss on financial assets measured at cost, and loss on investments accounted for using the equity method.

- e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2023 comprised:

Unused Amount	Expiry Year
\$ 44,201	2024
21,082	2025
26,279	2026
37,166	2027
11,798	2029
31,154	2031
<u>7,046</u>	2033
<u>\$ 178,726</u>	

- f. 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 2021 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

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net Profit for the Year

	<u>For the Year Ended December 31</u>	
	2023	2022
Earnings used in the computation of diluted earnings per share	\$ 642,365	\$ 371,277
Effect of potentially dilutive ordinary shares		
Interest on convertible bonds	<u>11,525</u>	<u>12,796</u>
	<u>\$ 653,890</u>	<u>\$ 384,073</u>

Shares

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

	<u>For the Year Ended December 31</u>	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	125,443	123,724
Effect of potentially dilutive ordinary shares		
Convertible bonds	3,460	19,481
Compensation of employees	<u>1,079</u>	<u>819</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>129,982</u>	<u>144,024</u>

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

25. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

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

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

**For the Year
Ended
December 31,
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. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stockholders through the optimization of the debt and equity balance.

The strategy for managing the capital structure of the Group is based on the scale of the business, the future growth of the industry and the blueprints of the products' development. The Group calculates trading fund and cash based on its production capacity in order to have a long-term and completed plan. The Group takes into account product competition to estimate the products' contribution, operating profit margin and cash flow. It also considers the business cycle and the product's' life cycle and risks when deciding the appropriate capital structure.

Key management personnel of the Group review the capital structure on a regular basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Generally, the Group uses a cautious risk management strategy.

27. FINANCIAL INSTRUMENTS

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

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments in the consolidated financial statements that are not measured at fair value approximate their fair values.

December 31, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 200,931	\$ 308,822	\$ -	\$ -	\$ 308,822

December 31, 2022

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

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 75,093	\$ -	\$ -	\$ 75,093
Mutual funds	197,342	-	-	197,342
Structured deposits	891,679	-	-	891,679
Emerging market shares	30,070	-	12,597	42,667
Domestic unlisted shares	-	-	20,883	20,883
Overseas unlisted shares	-	-	24,189	24,189
Private funds	-	-	15,905	15,905
	<u>\$ 1,194,184</u>	<u>\$ -</u>	<u>\$ 73,574</u>	<u>\$ 1,267,758</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>

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

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

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

Reconciliation of Level 3 fair value measurements of financial instruments in 2023 and 2022.

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 54,156	\$ 54,643
Recognized in profit or loss (included in net loss on fair value changes of financial instruments at FVTPL)	(3,766)	(3,689)
Purchases	30,000	7,238
Refund of capital reduction	<u>(6,816)</u>	<u>(4,036)</u>
Balance at December 31	<u>\$ 73,574</u>	<u>\$ 54,156</u>

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

Financial Instrument	Valuation Technique and Inputs
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

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

c. Categories of financial instruments

	December 31	
	2023	2022
<u>Financial assets</u>		
Mandatorily classified as at FVTPL	\$ 1,267,758	\$ 767,611
Financial assets at amortized cost (Note 1)	6,701,169	5,996,361

Financial liabilities

Financial liabilities at amortized cost (Note 2)	4,104,303	4,667,248
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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 salaries payable, short-term borrowings, long-term borrowings, current portion of long-term borrowings, bonds payable, current portion of bonds payable and guarantee deposits received.

d. Financial risk management objectives and policies

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

1) Market risk

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

There 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 sales and purchases denominated in foreign currency, 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 upon consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 30.

Sensitivity analysis

The Group is mainly exposed to the USD and RMB.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts designated as cash flow hedges, and 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.

	<u>For the Year Ended December 31</u>	
	2023	2022
<u>USD impact</u>		
USD:NTD	\$ (2,766)	\$ (2,011)
USD:RMB	\$ (20,790)	\$ (19,186)
USD:VND	\$ (1,311)	\$ (228)

(Continued)

	For the Year Ended December 31	
	2023	2022

RMB impact

RMB:NTD	\$ (2,328)	\$ (1,633)
RMB:USD	\$ (446)	\$ (447)
		(Concluded)

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

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

b) Interest rate risk

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

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

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	\$ 2,794,950	\$ 2,003,604
Financial liabilities	2,340,906	3,247,591
Cash flow interest rate risk		
Financial assets	2,135,574	2,362,027

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 points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$21,356 thousand and \$23,620 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate deposits.

c) Other price risk

The Group was exposed to equity price risk through its investments in domestic listed shares, domestic emerging market shares, mutual funds, domestic 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 years ended December 31, 2023 and 2022 would have increased/decreased by \$3,761 thousand and \$1,496 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 below.

Financing facilities

	December 31	
	2023	2022
Unsecured bank overdraft facilities, reviewed annually:		
Amount used	\$ 1,408,585	\$ 1,089,681
Amount unused	<u>2,605,670</u>	<u>3,133,506</u>
	<u>\$ 4,014,255</u>	<u>\$ 4,223,187</u>
Secured bank overdraft facilities		
Amount used	\$ 491,864	\$ 581,929
Amount unused	<u>205,119</u>	<u>74,023</u>
	<u>\$ 696,983</u>	<u>\$ 655,952</u>

28. 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

Related Party Name	Related Party Category
Chen Chien Hung	Related party in substance (first-degree relative of the Corporation's director)
Chen Chien Yuan	The Corporation's director (Note)
Smart Automation Technology Inc.	Associate
Dongguan Smart Automation Technology Inc.	The subsidiary of associate

Note: Since August 2023, the natural person has become the Corporation's director after being the legal representative of the Corporation's director.

b. Purchases of goods

Related Party Category	For the Year Ended December 31	
	2023	2022
The subsidiaries of associates	\$ <u>355</u>	\$ <u>-</u>

c. Operating costs - manufacturing expenses

Related Party Category	For the Year Ended December 31	
	2023	2022
Associates	\$ <u>39</u>	\$ <u>99</u>

d. Acquisition of property, plant and equipment

Related Party Category	For the Year Ended December 31	
	2023	2022
Associates	\$ -	\$ 476
The subsidiaries of associates	<u>82</u>	<u>3,960</u>
	\$ <u>82</u>	\$ <u>4,436</u>

e. Lease agreements

Related Party Category	For the Year Ended December 31	
	2023	2022
<u>Lease assets acquired</u>		
Related party in substance	\$ -	\$ 3,216
The legal representative of the Corporation's director	<u>-</u>	<u>1,749</u>
	<u>\$ -</u>	<u>\$ 4,965</u>

Line Item	Related Party Category	December 31	
		2023	2022
Lease liabilities	Related party in substance	\$ 280	\$ 1,948
	The Corporation's director	152	-
	The legal representative of the Corporation's director	<u>-</u>	<u>1,058</u>
		<u>\$ 432</u>	<u>\$ 3,006</u>

Related Party Category	For the Year Ended December 31	
	2023	2022
<u>Interest expense</u>		
Related party in substance	\$ 11	\$ 19
The Corporation's director	2	-
The legal representative of the Corporation's director	<u>4</u>	<u>10</u>
	<u>\$ 17</u>	<u>\$ 29</u>

<u>Lease expense</u>		
The Corporation's director	\$ 403	\$ -
The legal representative of the Corporation's director	<u>535</u>	<u>474</u>
	<u>\$ 938</u>	<u>\$ 474</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.

f. Other assets

Line Item	Related Party Category	For the Year Ended December 31	
		2023	2022
Intangible assets	Associates	\$ 1,842	\$ 9,460
	The subsidiaries of associates	<u>323</u>	<u>126</u>
		<u>\$ 2,165</u>	<u>\$ 9,586</u>
Prepayment for intangible assets (recorded other non-current assets)	The subsidiaries of associates	<u>\$ 401</u>	<u>\$ -</u>

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

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

h. Remuneration of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 54,451	\$ 43,227
Post-employment benefits	<u>314</u>	<u>314</u>
	<u>\$ 54,765</u>	<u>\$ 43,541</u>

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

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	December 31	
	2023	2022
Property, plant and equipment	\$ 885,049	\$ 819,017
Financial assets at amortized cost	<u>4,634</u>	<u>3,272</u>
	<u>\$ 889,683</u>	<u>\$ 822,289</u>

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 58,190	30.705 (USD:NTD)	\$ 1,786,724
USD	70,090	7.0827 (USD:RMB)	2,152,113
USD	11,436	24,623 (USD:VND)	351,142
RMB	58,575	4.327 (RMB:NTD)	253,454
RMB	10,308	0.1409 (RMB:USD)	44,603
Non-monetary items			
Financial assets at FVTPL - non-current			
USD	788	30.705 (USD:NTD)	24,189

Financial liabilities

Monetary items			
USD	49,182	30.705 (USD:NTD)	1,510,133
USD	2,380	7.0827 (USD:RMB)	73,078
USD	7,165	24,623 (USD:VND)	220,001
RMB	4,773	4.327 (RMB:NTD)	20,653

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<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	4.408 (RMB:NTD)	48,620

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

	For the Year Ended December 31			
	2023		2022	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ 27,094	1 (NTD:NTD)	\$ 58,523
USD	31.155 (USD:NTD)	(782)	29.805 (USD:NTD)	(4,083)
RMB	4.396 (RMB:NTD)	28,240	4.422 (RMB:NTD)	213,486
VND	0.00129 (VND:NTD)	3,028	0.00126 (VND:NTD)	1,763
Others		(12)		708
		<u>\$ 57,568</u>		<u>\$ 270,397</u>

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 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 of 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, 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 financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year 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)

32. SEGMENT INFORMATION

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

No operating segments were closed during the year.

a. Segment revenue and results

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

	Segment Revenue		Segment Income	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2023	2022	2023	2022
Equipment - electronic parts	\$ 8,743,711	\$ 9,579,801	\$ 1,462,636	\$ 1,123,726
- plastic molding	<u>25,826</u>	<u>229,642</u>	<u>5,198</u>	<u>17,088</u>
Revenue from continuing operations	<u>\$ 8,769,537</u>	<u>\$ 9,809,443</u>	1,467,834	1,140,814
Non-operating income and expenses			230,087	263,687
General and administrative expenses			<u>(687,462)</u>	<u>(797,012)</u>
Income before tax			<u>\$ 1,010,459</u>	<u>\$ 607,489</u>

The above segment revenue and results were generated from the transactions with external customers. There were no inter-segment transactions in 2023 and 2022.

Segment profit represented the profit before tax earned by each segment without allocation of non-operating income and expenses, central administration costs 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.

c. Other segment information

	Depreciation and Amortization	
	For the Year Ended December 31	
	2023	2022
Electronic parts department	\$ 402,578	\$ 454,059
Plastic molding department	<u>33,984</u>	<u>47,366</u>
	<u>\$ 436,562</u>	<u>\$ 501,425</u>

d. Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	For the Year Ended December 31	
	2023	2022
Display hinges	\$ 8,743,711	\$ 9,579,801
Molding equipment	<u>25,826</u>	<u>229,642</u>
	<u>\$ 8,769,537</u>	<u>\$ 9,809,443</u>

e. Geographical information

The Group operates in three principal geographical areas - China, Vietnam and Taiwan.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	For the Year Ended December 31	
	2023	2022
China	\$ 4,020,589	\$ 4,899,884
Taiwan	3,680,613	4,438,353
Vietnam	590,164	95,543
Other	<u>478,171</u>	<u>375,663</u>
	<u>\$ 8,769,537</u>	<u>\$ 9,809,443</u>

f. Information about major customers

Revenue in 2023 and 2022 were \$8,769,537 thousand and \$9,809,443 thousand, respectively and each single customer contributing 10% or more to the Group's revenue was as follows:

	For the Year Ended December 31			
	2023		2022	
Client Code	Sales	% of Revenue	Sales	% of Revenue
A	\$ 2,194,566	25.02	\$ 2,371,096	24.17

TABLE 1

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Notes 1 and 2)	Ending Balance (Notes 1 and 2)	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	Syncmold Enterprise Corporation	Syncmold Enterprise (Samoa) Corp.	Other receivables from related parties	Yes	\$ 100,000	\$ 100,000	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$ 1,342,274 (20% of the net worth of the Corporation)	\$ 2,684,549 (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	-	-	-	1,342,274 (20% of the net worth of the Corporation)	2,684,549 (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	-	-	-	1,342,274 (20% of the net worth of the Corporation)	2,684,549 (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	-	-	-	1,342,274 (20% of the net worth of the Corporation)	2,684,549 (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	-	-	-	1,342,274 (20% of the net worth of the Corporation)	2,684,549 (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	-	-	-	1,342,274 (20% of the net worth of the Corporation)	2,684,549 (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	61,410	61,410	-	-	Short-term financing	-	Operating capital	-	-	-	426,983 (20% of the net worth of Syncmold Enterprise (Samoa) Corp.)	1,067,457 (50% of the net worth of Syncmold Enterprise (Samoa) Corp.)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	319,332	92,115	-	0.00	Short-term financing	-	Operating capital	-	-	-	426,983 (20% of the net worth of Syncmold Enterprise (Samoa) Corp.)	1,067,457 (50% of the net worth of Syncmold Enterprise (Samoa) Corp.)
		Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	61,410	61,410	-	-	Short-term financing	-	Operating capital	-	-	-	426,983 (20% of the net worth of Syncmold Enterprise (Samoa) Corp.)	1,067,457 (50% of the net worth of Syncmold Enterprise (Samoa) Corp.)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Notes 1 and 2)	Ending Balance (Notes 1 and 2)	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	\$ 138,173	\$ 138,173	\$ 46,058	2.00	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$ 426,983 (20% of the net worth of Syncmold Enterprise (Samoa) Corp.)	\$ 1,067,457 (50% of the net worth of Syncmold Enterprise (Samoa) Corp.)
		Fullking Development Limited	Other receivables from related parties	Yes	70,622	69,547	69,547	0.00	Short-term financing	-	Operating capital	-	-	-	426,983 (20% of the net worth of Syncmold Enterprise (Samoa) Corp.)	1,067,457 (50% of the net worth of Syncmold Enterprise (Samoa) Corp.)
2	Grand Advance Inc.	Syncmold Enterprise Corporation	Other receivables from related parties	Yes	168,878	107,468	107,468	0.00	Short-term financing	-	Operating capital	-	-	-	645,363 (20% of the net worth of Grand Advance Inc.)	1,613,407 (50% of the net worth of Grand Advance Inc.)
		Fullking Development Limited	Other receivables from related parties	Yes	46,058	-	-	0.00	Short-term financing	-	Operating capital	-	-	-	645,363 (20% of the net worth of Grand Advance Inc.)	1,613,407 (50% of the net worth of Grand Advance Inc.)
		Syncmold Enterprise (Samoa) Corp.	Other receivables from related parties	Yes	61,410	61,410	-	-	Short-term financing	-	Operating capital	-	-	-	645,363 (20% of the net worth of Grand Advance Inc.)	1,613,407 (50% of the net worth of Grand Advance Inc.)
		Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	61,410	61,410	-	-	Short-term financing	-	Operating capital	-	-	-	645,363 (20% of the net worth of Grand Advance Inc.)	1,613,407 (50% of the net worth of Grand Advance Inc.)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	61,410	61,410	-	-	Short-term financing	-	Operating capital	-	-	-	645,363 (20% of the net worth of Grand Advance Inc.)	1,613,407 (50% of the net worth of Grand Advance Inc.)
		Syncmold Enterprise (USA) Corp.	Other receivables from related parties	Yes	27,635	27,635	12,282	0.00	Short-term financing	-	Operating capital	-	-	-	645,363 (20% of the net worth of Grand Advance Inc.)	1,613,407 (50% of the net worth of Grand Advance Inc.)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Notes 1 and 2)	Ending Balance (Notes 1 and 2)	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
3	Fuzhou Fulfil Tech Co., Ltd	Fujian Khuan Hua Precise Mold Co., Ltd.	Other receivables from related parties	Yes	\$ 43,352	\$ 21,676	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$ 206,601 (20% of the net worth of Fuzhou Fulfil Tech Co., Ltd.)	\$ 516,504 (50% of the net worth of Fuzhou Fulfil Tech Co., Ltd.)
		Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Other receivables from related parties	Yes	56,358	30,346	-	-	Short-term financing	-	Operating capital	-	-	-	206,601 (20% of the net worth of Fuzhou Fulfil Tech Co., Ltd.)	516,504 (50% of the net worth of Fuzhou Fulfil Tech Co., Ltd.)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	43,352	-	-	-	Short-term financing	-	Operating capital	-	-	-	206,601 (20% of the net worth of Fuzhou Fulfil Tech Co., Ltd.)	516,504 (50% of the net worth of Fuzhou Fulfil Tech Co., Ltd.)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	26,011	26,011	-	-	Short-term financing	-	Operating capital	-	-	-	206,601 (20% of the net worth of Fuzhou Fulfil Tech Co., Ltd.)	516,504 (50% of the net worth of Fuzhou Fulfil Tech Co., Ltd.)
4	Suzhou Fulfil Electronics Co., Ltd.	Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	39,017	34,682	-	-	Short-term financing	-	Operating capital	-	-	-	316,525 (20% of the net worth of Suzhou Fulfil Electronics Co., Ltd.)	791,312 (50% of the net worth of Suzhou Fulfil Electronics Co., Ltd.)
5	Zhongshan Fulfil Tech. Co., Ltd.	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	34,682	34,682	-	-	Short-term financing	-	Operating capital	-	-	-	256,234 (20% of the net worth of Zhongshan Fulfil Tech. Co., Ltd.)	640,586 (50% of the net worth of Zhongshan Fulfil Tech. Co., Ltd.)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	34,682	-	-	-	Short-term financing	-	Operating capital	-	-	-	256,234 (20% of the net worth of Zhongshan Fulfil Tech. Co., Ltd.)	640,586 (50% of the net worth of Zhongshan Fulfil Tech. Co., Ltd.)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	43,352	-	-	-	Short-term financing	-	Operating capital	-	-	-	256,234 (20% of the net worth of Zhongshan Fulfil Tech. Co., Ltd.)	640,586 (50% of the net worth of Zhongshan Fulfil Tech. Co., Ltd.)

Note 1: The 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 2023.

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

(Concluded)

TABLE 2

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Syncmold Enterprise Corporation	Gatetech Technology Inc.	Subsidiary	\$1,342,274 (20% of the net worth of the Corporation)	\$ 200,000	\$ 200,000	\$ 100,000	\$ -	2.98	\$3,355,686 (50% of the net worth of the Corporation)	Y	N	N
		Leohab Enterprise Co., Ltd.	Subsidiary	\$1,342,274 (20% of the net worth of the Corporation)	340,000	340,000	282,000	-	5.07	\$3,355,686 (50% of the net worth of the Corporation)	Y	N	N
		Syncmold Enterprise Vietnam Co., Ltd.	Subsidiary	\$2,013,412 (30% of the net worth of the Corporation)	614,100 (US\$ 20,000 thousand)	614,100 (US\$ 20,000 thousand)	64,446	-	9.15	\$3,355,686 (50% of the net worth of the Corporation)	Y	N	N
		Commuwell Enterprise (Thailand) Co., Ltd.	Subsidiary	\$2,013,412 (30% of the net worth of the Corporation)	117,221 (THB 130,000 thousand)	117,221 (THB 130,000 thousand)	27,051	-	1.75	\$3,355,686 (50% of the net worth of the Corporation)	Y	N	N

TABLE 3

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Syncmold Enterprise Corporation	<u>Stock</u>							
	Gigastone Corporation	-	Financial assets at FVTPL - non-current	754,011	\$ 30,070	1.49	\$ 30,070	(Notes 2 and 7)
	Tiga Gaming Inc.	-	Financial assets at FVTPL - non-current	1,332,132	12,597	5.06	12,597	(Notes 3 and 7)
	Foxfortune Technology Limited	-	Financial assets at FVTPL - non-current	780,000	18,498	5.80	18,498	(Notes 4 and 7)
	Hercules BioVenture, L.P.	-	Financial assets at FVTPL - non-current	210,526	5,691	2.63	5,691	(Notes 4 and 7)
	WK Technology Fund IX II Ltd.	-	Financial assets at FVTPL - non-current	3,000,000	20,883	2.67	20,883	(Notes 4 and 7)
	Winmate Inc.	-	Financial assets at FVTPL - current	613,000	75,093	0.78	75,093	(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	15,905	0.96	15,905	(Notes 4 and 7)
Suzhou Fulfil Electronics Co., Ltd.	<u>Structured deposit</u>							
	Monthly profit 23070041	-	Financial assets at FVTPL - current	-	78,588	-	78,588	(Notes 5 and 7)
	Monthly profit 23070042	-	Financial assets at FVTPL - current	-	78,592	-	78,592	(Notes 5 and 7)
	Monthly profit 23070043	-	Financial assets at FVTPL - current	-	82,968	-	82,968	(Notes 5 and 7)
	Monthly profit 23100166	-	Financial assets at FVTPL - current	-	78,268	-	78,268	(Notes 5 and 7)
	Monthly profit 23100167	-	Financial assets at FVTPL - current	-	73,917	-	73,917	(Notes 5 and 7)
	Monthly profit 23100168	-	Financial assets at FVTPL - current	-	43,475	-	43,475	(Notes 5 and 7)
Zhongshan Fulfil Tech. Co., Ltd.	Linked interest rate structured deposit products No. 202310002	-	Financial assets at FVTPL - current	-	43,450	-	43,450	(Notes 5 and 7)
	Linked interest rate structured deposit products No. 202311001	-	Financial assets at FVTPL - current	-	65,128	-	65,128	(Notes 5 and 7)
	Linked interest rate structured deposit products No. 202312001	-	Financial assets at FVTPL - current	-	43,365	-	43,365	(Notes 5 and 7)
	Linked interest rate structured deposit products No. 202312002	-	Financial assets at FVTPL - current	-	65,046	-	65,046	(Notes 5 and 7)
Kunshan Fulfil Tech Co., Ltd.	Monthly profit 23050055	-	Financial assets at FVTPL - current	-	43,428	-	43,428	(Notes 5 and 7)
	Monthly profit 23110160	-	Financial assets at FVTPL - current	-	43,426	-	43,426	(Notes 5 and 7)
Gatetech (Suzhou) Technology Co., Ltd.	Monthly profit 23080007	-	Financial assets at FVTPL - current	-	43,523	-	43,523	(Notes 5 and 7)
	Monthly profit 23100089	-	Financial assets at FVTPL - current	-	43,403	-	43,403	(Notes 5 and 7)
	Monthly profit 23100222	-	Financial assets at FVTPL - current	-	65,102	-	65,102	(Notes 5 and 7)
Zhongshan Fulfil Tech. Co., Ltd.	<u>Mutual funds</u>							
	ICBC Finance Coreoptimization of 14 Days Holding Fixed-income Open Financial Products for Legal Person	-	Financial assets at FVTPL - current	19,217,834	87,779	-	87,779	(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	65,803	-	65,803	(Notes 6 and 7)
	ICBC Wealth Management·Tiantian Xin Wenyue Interbank Certificate of Deposit and Deposit Fixed Income Open Financial Products for Legal Person	-	Financial assets at FVTPL - current	9,912,768	43,760	-	43,760	(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 at the strike price as of December 31, 2023.

(Continued)

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

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

Note 5: The structured commodity is calculated at value stated in its contract as of December 31, 2023.

Note 6: The mutual fund certificate is calculated at the value stated in its contract as of December 31, 2023.

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

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

(Concluded)

TABLE 4

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 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	Note
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Structed 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.	Structed commodity - linked rate	Financial assets at FVTPL - current	E.SUN Bank (China), Ltd.	-	-	RMB 10,012	-	RMB 170,000	-	RMB 130,960	RMB 130,000	RMB 960	-	RMB 50,053	Note
Kunshan Fulfil Tech Co., Ltd.	Structed commodity - monthly profit	Financial assets at FVTPL - current	Fubon Bank (China)	-	-	RMB 10,018	-	RMB 30,000	-	RMB 20,144	RMB 20,000	RMB 144	-	RMB 20,035	Note
Gatetech (Suzhou) Technology Co., Ltd.	Structed commodity - monthly profit	Financial assets at FVTPL - current	Fubon Bank (China)	-	-	RMB 20,066	-	RMB 70,000	-	RMB 55,798	RMB 55,000	RMB 798	-	RMB 35,135	Note
Suzhou Fulfil Electronics Co., Ltd.	Structed commodity - monthly profit	Financial assets at FVTPL - current	Fubon Bank (China)	-	-	RMB 85,028	-	RMB 260,000	-	RMB 246,519	RMB 245,000	RMB 1,519	-	RMB 100,528	Note

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

TABLE 5

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 YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	\$ (1,315,032)	(69)	Note 1	\$ -	-	\$ 556,108	68	
Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(408,601)	(26)	Note 1	-	-	164,316	23	
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(991,006)	(40)	Note 1	-	-	480,185	41	
Chongqing Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(232,407)	(49)	Note 1	-	-	81,164	44	
Kunshan Fulfil Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary	Sales	(388,118)	(94)	Note 1	-	-	71,018	78	
Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Fuzhou Fulfil Tech Co., Ltd.	Indirect subsidiary	Sales	(182,134)	(43)	Note 1	-	-	17,816	18	
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Zhongshan Fulfil Tech. Co., Ltd.	Indirect subsidiary	Sales	(133,653)	(40)	Note 1	-	-	22,570	27	
Syncmold Enterprise Corporation	Zhongshan Fulfil Tech. Co., Ltd.	Subsidiary	Purchases	1,315,032	44	Note 1	-	-	(556,108)	(42)	
	Fuzhou Fulfil Tech Co., Ltd.	Subsidiary	Purchases	408,601	14	Note 1	-	-	(164,316)	(13)	
	Suzhou Fulfil Electronics Co., Ltd.	Subsidiary	Purchases	991,006	33	Note 1	-	-	(480,185)	(37)	
	Chongqing Fulfil Tech Co., Ltd.	Subsidiary	Purchases	232,407	8	Note 1	-	-	(81,164)	(6)	
Suzhou Fulfil Electronics Co., Ltd.	Kunshan Fulfil Tech Co., Ltd.	Indirect subsidiary	Purchases	388,118	20	Note 1	-	-	(71,018)	(14)	
Fuzhou Fulfil Tech Co., Ltd.	Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Indirect subsidiary	Purchases	182,134	14	Note 1	-	-	(17,816)	(4)	
Zhongshan Fulfil Tech. Co., Ltd.	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Indirect subsidiary	Purchases	133,653	9	Note 1	-	-	(22,570)	(5)	

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.

TABLE 6

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Grand Advance Inc.	Syncmold Enterprise Corporation	Parent company	\$ 107,468 (Note 1)	-	\$ -	-	\$ 107,468	\$ -
Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	164,316	-	-	-	77,213	-
Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation	Parent company	556,108	-	-	-	255,795	-
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	480,185	-	-	-	228,498	-

Note 1: Financing.

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

TABLE 7

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 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	\$ 3,224,952	\$ 404,082	\$ 403,574	(Note 1)
	Syncmold Enterprise (Samoa) Corp.	Samoa	General investment business	110,598	110,598	3,546	100.00	2,123,346	78,213	68,420	(Note 1)
	Syncmold Enterprise (USA) Corp.	USA	General investment business	32	32	-	100.00	(5,152)	(1,869)	(1,869)	(Note 1)
	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	163,862	61,787	22,012	(Note 1)
	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	11,193	(7,573)	(3,711)	(Note 1)
	Leohab Enterprise Co., Ltd.	Taiwan	Precision hardware components manufacturing	232,677	232,677	16,620	70.00	215,524	3,409	968	(Note 1)
	Gatetech Technology Inc.	Taiwan	Precise molding and magnesium alloy die caster manufacturing and transaction business	557,356	556,063	42,561	74.05	661,321	(16,989)	(14,530)	(Note 1)
	Syncmold Enterprise Vietnam Co., Ltd.	Vietnam	Trading, import and export and investment in electronic parts	579,944	579,944	-	100.00	551,497	81,193	81,193	(Note 1)
	Syncmold Enterprise (MALAYSIA) Sdn. Bhd.	Malaysia	Trading, import and export in electronic parts, customer support and service center	7,192	7,192	-	100.00	2,320	262	262	(Note 1)
	Syncmold Enterprise (SINGAPORE) Pte., Ltd.	Singapore	Trading, import and export in electronic parts, electronic components and parts design	1,100	1,100	-	100.00	5,890	205	205	(Note 1)
	Syncmold Enterprise (THAILAND) Co., Ltd.	Thailand	Trading, import and export and investment in electronic parts	33,638	33,638	-	100.00	12,743	8	8	(Note 1)
Grand Advance Inc.	Canford International Limited	Samoa	General investment business	119,342	119,342	-	100.00	1,582,635	231,432	231,424	(Note 1)
	Fullking Development Limited	Hong Kong	General investment business	160,175	160,175	-	100.00	1,211,656	204,258	204,283	(Note 1)
	Full Glary Holding Limited	Hong Kong	General investment business	259,720	259,720	-	100.00	274,789	31,074	27,495	(Note 1)
Syncmold Enterprise (Samoa) Corp.	Forever Business Development Limited	Samoa	General investment business	125,957	125,957	-	100.00	273,479	10,928	10,269	(Note 1)
	Full Celebration Limited	Samoa	General investment business	147,710	147,710	-	100.00	111,104	(20,238)	(20,238)	(Note 1)
Gatetech Technology Inc.	Gatech Holdings Ltd.	Samoa	General investment business	647,041	647,041	20,130	100.00	590,610	(14,935)	(14,935)	(Note 1)
Gatech Holdings Ltd.	Gatech International Ltd.	Samoa	General investment business	657,284	657,284	20,268	100.00	590,610	(14,935)	(14,935)	(Note 1)
Leohab Enterprise Co., Ltd.	Sweet International Group Ltd.	British Virgin Islands	General investment business	147,834	147,834	5,868	100.00	322,579	27,832	27,832	(Note 1)
	Commuwell Enterprise (Thailand) Co., Ltd.	Thailand	Plastic shot and hardware components manufacturing	141,564	132,534	1,450	100.00	251,287	10,137	10,137	(Note 1)
Sweet International Group Ltd.	Lucky King Holdings Ltd.	Mauritius	General investment business	147,834	147,834	5,868	100.00	322,577	27,832	27,832	(Note 1)

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

Note 2: Calculated based on the unaudited financial statements of the investee company and the investor company’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.

TABLE 8

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outward	Inward						
Fuzhou Fulfil Tech Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	\$ 42,013	Invested through Syncmold Enterprise (Samoa) Corp.	\$ 63,959 (US\$ 2,083 thousand)	\$ -	\$ -	\$ 63,959 (US\$ 2,083 thousand)	\$ 98,061	100.00	\$ 85,175	\$ 1,023,123	\$ 2,427,660 (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	107,577	Invested through Syncmold Enterprise (Samoa) Corp.	41,636 (US\$ 1,356 thousand)	-	-	41,636 (US\$ 1,356 thousand)	(16,527)	100.00	(16,598)	218,565	-
Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	57,332	Invested through Syncmold Enterprise (Samoa) Corp.	-	-	-	-	15,777	100.00	12,870	160,460	119,688 (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	121,561	Invested through Forever Business Development Limited	-	-	-	-	5,560	100.00	2,915	174,320	84,132 (US\$ 2,740 thousand)
Suzhou Fulfil Electronics Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	17,941	Invested through Canford International Limited	-	-	-	-	231,432	100.00	230,651	1,582,624	1,308,954 (US\$ 42,630 thousand)
Zhongshan Fulfil Tech. Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	147,949	Invested through Fullking Development Limited	-	-	-	-	204,247	100.00	205,007	1,281,172	1,759,826 (US\$ 57,314 thousand)
Kunshan Fulfil Tech Co., Ltd.	Manufacturing and assembling of laptops uses precise bearing, hardware and related accessories	227,188	Invested through Full Glary Holding Limited	184,230 (US\$ 6,000 thousand)	-	-	184,230 (US\$ 6,000 thousand)	31,074	100.00	27,540	278,266	-
Chongqing Fulfil Tech Co., Ltd.	The processing, manufacturing, related imports and exports of all electronic, plastic and hardware parts	135,061	Invested through Full Celebration Limited	-	-	-	-	(20,238)	100.00	(22,726)	111,092	556,497 (US\$ 18,124 thousand)
Gatech (Suzhou) Technology Co., Ltd.	Aluminum and magnesium alloy manufacturing and trading	699,193	Invested through Gatech International Ltd.	746,132 (US\$ 24,300 thousand)	-	-	746,132 (US\$ 24,300 thousand)	(14,935)	74.05	(11,021)	590,610	-
Suzhou Leoho Electronics Co., Ltd.	Precision hardware components manufacturing	200,386	Invested through Lucky King Holdings Ltd.	137,497 (US\$ 4,478 thousand)	-	-	137,497 (US\$ 4,478 thousand)	27,832	70.00	19,483	322,577	-

(Continued)

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
\$1,402,451 (US\$45,675 thousand)	\$2,377,887 (US\$77,443 thousand)	\$4,221,231

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

Note 2: 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)

TABLE 9

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details		Payment Terms	% of Total Sales or Asset (Note 3)
				Financial Statement Account	Price		
0	Syncmold Enterprise Corporation	Zhongshan Fulfil Tech. Co., Ltd. Suzhou Fulfil Electronics Co., Ltd.	1	Trade receivables from related parties	\$ 74,044	No significant difference with non-related parties	1
			1	Trade receivables from related parties	56,422	No significant difference with non-related parties	-
1	Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation	2	Sales	1,315,032	No significant difference with non-related parties	15
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	556,108	No significant difference with non-related parties	5
2	Dongguan Khuan Huang Precision Mold Plastic Co., Ltd.	Syncmold Enterprise Vietnam Co., LTD	3	Trade receivables from related parties	31,103	No significant difference with non-related parties	-
		Zhongshan Fulfil Tech. Co., Ltd.	3	Sales	133,653	No significant difference with non-related parties	2
		Zhongshan Fulfil Tech. Co., Ltd.	3	Trade receivables from related parties	22,570	No significant difference with non-related parties	-
		Fuzhou Fulfil Tech Co., Ltd.	3	Sales	77,305	No significant difference with non-related parties	1
		Fuzhou Fulfil Tech Co., Ltd.	3	Trade receivables from related parties	16,639	No significant difference with non-related parties	-
		Suzhou Fulfil Electronics Co., Ltd.	3	Trade receivables from related parties	10,724	No significant difference with non-related parties	-
3	Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	2	Sales	408,601	No significant difference with non-related parties	5
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	164,316	No significant difference with non-related parties	1
4	Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Zhongshan Fulfil Tech. Co., Ltd.	3	Trade receivables from related parties	10,377	No significant difference with non-related parties	-
		Fuzhou Fulfil Tech Co., Ltd.	3	Sales	182,134	No significant difference with non-related parties	2
		Fuzhou Fulfil Tech Co., Ltd.	3	Trade receivables from related parties	17,816	No significant difference with non-related parties	-
		Suzhou Fulfil Electronics Co., Ltd.	3	Sales	91,194	No significant difference with non-related parties	1
		Suzhou Fulfil Electronics Co., Ltd.	3	Trade receivables from related parties	17,288	No significant difference with non-related parties	-
		Syncmold Enterprise Vietnam Co., LTD	3	Trade receivables from related parties	53,122	No significant difference with non-related parties	-
5	Grand Advance Inc.	Syncmold Enterprise Corporation	2	Other receivables from related parties - financing	107,468	Based on the contract between both parties	1
		Syncmold Enterprise (USA) Corp.	3	Other receivables from related parties - financing	12,282	Based on the contract between both parties	-
6	Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	2	Sales	991,006	No significant difference with non-related parties	11
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	480,185	No significant difference with non-related parties	4
7	Gatetech (Suzhou) Technology Co., Ltd.	Gatetech Technology Inc.	3	Trade receivables from related parties	19,209	No significant difference with non-related parties	-
8	Kunshan Fulfil Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	3	Sales	388,118	No significant difference with non-related parties	4
		Suzhou Fulfil Electronics Co., Ltd.	3	Trade receivables from related parties	71,018	No significant difference with non-related parties	1
		Syncmold Enterprise Vietnam Co., LTD	3	Trade receivables from related parties	17,734	No significant difference with non-related parties	-

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details		Payment Terms	% of Total Sales or Asset (Note 3)
				Financial Statement Account	Price		
9	Chongqing Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	2	Sales	\$ 232,407	No significant difference with non-related parties	3
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	81,164	No significant difference with non-related parties	1
10	Syncmold Enterprise (Samoa) Corp.	Fujian Khuan Hua Precise Mold Co., Ltd.	3	Other receivables from related parties - dividends	43,554	Based on the contract between both parties	-
		Fullking Development Limited	3	Other receivables from related parties - financing	69,547	Based on the contract between both parties	1
		Chongqing Fulfil Tech Co., Ltd	3	Other receivables from related parties - financing	46,595	Based on the contract between both parties	-
11	Fujian Khuan Hua Precise Mold Co., Ltd.	Fuzhou Fulfil Tech Co., Ltd.	3	Sales	32,717	No significant difference with non-related parties	-
		Suzhou Fulfil Electronics Co., Ltd.	3	Sales	29,301	No significant difference with non-related parties	-
12	Suzhou Leoho Electronics Co., Ltd.	Leohab Enterprise Co., Ltd.	3	Trade receivables from related parties	97,830	No significant difference with non-related parties	1
13	Leohab Enterprise Co., Ltd.	Suzhou Leoho Electronics Co., Ltd.	3	Trade receivables from related parties	10,230	No significant difference with non-related parties	-

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

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

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

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

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

(Concluded)

TABLE 10**SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES****INFORMATION ON MAJOR SHAREHOLDERS****DECEMBER 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Chen Chiu-Lang	8,708,211	6.18

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 Corporation 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.