



Syncmold Enterprise Corp.

2022Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Annual Report Website

Market Observation Post System : <http://mops.twse.com.tw>

Company Website : <http://www.syncmold.com.tw>

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Syncmold Enterprise Corp

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I. Letter to Shareholders

Dear Shareholders and Ladies and Gentlemen,

Thank you for attending the Company's 2022 General Shareholders' Meeting.

Due to the multiple challenges of rapid interest rate hikes, high inflation, and the energy crisis caused by the Russo-Ukrainian War during 2022, the global economic performance declined significantly, and the global display panel market experienced turbulent fluctuations. Various brand clients' inventories continued to remain at a high level, causing them to take destocking measures, and the market demand has plummeted. Facing the headwind in this industry, the Company, on the one hand, enhanced the control over raw material procurement and personnel costs; on the other, we were committed to product diversification and industrial transformation and proactively developing new products. With the foreign exchange income, our revenue and profit for 2022 both increased compared with the prior year.

Looking ahead to 2023, market demand is still impacted by negative factors of high inflation and inventory adjustments. According to the latest survey by TrendForce, global LCD monitor shipments in 2022 were 134.8 million units, an annual decrease of 7%; the estimated shipments in 2023 are about 127.1 million units, an annual decrease of 5.8%. Facing the decrease in the liquid crystal display (LCD) shipments, we will enhance cost control, speed up the operation of factories in Southeast Asia to diversify our production sites, reinforce the security and resilience of our supply chain, and continue to integrate group-wide resources to increase product development efficiency and expand the scope of product applications, thereby improving our business momentum and strengthening the financial structure to ensure sustainable and steady growth.

2022 Operating Results:

1.1.1. Accomplishments in Implementation of Operation Plan

The Company rendered a consolidated operating revenue of 2022 worth NTD 9,809,443 thousand, a decrease of 3.78% from NTD 10,194,799 thousand in 2021. The sales gross profit of 2022 was 16.55%, an increase of 0.84% from 15.71% in 2021. The Company's 2022 earnings per share were NTD 3.

1.1.2. Implementation on Budget Plan :

Unit : NT\$ in thousands

Item	2022actual	2022 forecast	Achieving rate (%)
Operating income	9,809,443	11,169,205	87.83
Operating costs	8,186,253	9,066,694	90.29
Net operating margin	1,623,190	2,102,511	77.20
Operating expenses	1,279,388	1,237,083	103.42
Non-operating incomes and expenses	263,687	54,506	483.78
Profit before income tax	607,489	919,934	66.04

1.1.3 .Financial and Profitability Analysis :

(1) Financial Analysis

Item	2021	2022	Amount change	Percentage change
Interest incomes	26,245	35,184	8,939	25.41
Interest expenses	40,963	51,773	10,810	20.88

(2) Profitability

Item	2021	2022
Return on Assets (%)	2.26	3.53
Return on equity (%)	3.94	6.37
Operating Profit to Paid-in Capital (%)	31.86	27.79
Net Income before Tax to Paid-in Capital (%)	31.09	49.10
Net Profit Margin (%)	2.36	3.85
Earnings per share (NT\$)	2.03	3.00

1.1.4. Research & Development :

The Company continued to increase its expenditure on research and development and constantly expanded its development of new technologies in 2022, with more than 140 invention and utility model patents acquired. Most of them had to do with the sockets of LCD monitors, which clearly shows the leading position of the Company in monitor bearings and sockets. The Company's research and development are focused primarily on LCD monitor sockets, e-sports monitor sockets, AIO sockets, and TV sockets.

In addition to continuing with the research and development of monitors, AIO, and TV sockets, the Company is committed to the R&D of other products and introduction of new technologies. We tap into the synergy from the acquisition of Gatetech Technology Inc. and Leohab Enterprise Co., Ltd. to improve our manufacturing and assembly capabilities for magnesium alloy die-casting, small precision bearings, and stamped mechanical components, which may be applied to wearable devices, automotive markets, bearings of various electronic products, and fitness equipment.

1.2 Outline of the 2023 business plan

1.2.1. Business policy:

- (1) Establish a group-level strategic procurement center to effectively control the cost structure.
- (2) Set up new overseas R&D centers to improve product development efficiency, thereby increasing revenue growth momentum.
- (3) Strengthen the risk management mechanism and coping strategies.
- (4) Continue to integrate the Group's resources to improve operational efficiency.

1.2.2. Expected sales quantity :

The Company didn't prepare 2023 financial forecasts for the public, so there was no expected sale volume and its reference.

1.2.3.Important production and marketing policy :

The Company will adjust its production structure to focus on cost reduction and efficiency improvement. Additionally, we will continue to research and develop new

technologies to enter emerging high-growth markets and achieve optimal operational performance.

1.2.4. Future corporate development strategy :

Looking ahead, our company not only aims to maintain its presence in the existing display stand market but also actively integrates the technological advantages of mainland China in small precision bearings and precision metal components. We are committed to developing differentiated small precision bearings for various markets, thus expanding into more high-value niche markets.

1.2.5. Influences on outside competition, regulatory and macro economy :

In terms of overall business environment, our company faced challenges in the fiscal year 111 due to factors such as rising raw material prices and a decrease in global demand for LCD displays, resulting in limited profit margins. Furthermore, we have encountered strong competition from external peers. However, our company has invested significant efforts in the hub and display stand sectors for many years, accumulating valuable patents and establishing long-term and stable partnerships with international giants. These factors have positioned us favorably in securing orders from major international manufacturers.

Chairman
CEO

II. Introduction of the Company

2.1 Date of Incorporation

July 7th, 1979

Contact Information of Head Office, Branch Office, and Factory

1. Head Office Address : 9F., No. 168, Jian kang Rd., Zhonghe Dist., New Taipei City
Tel : (02) 6621-5888。
2. Branch Office : n/a
3. Factory Address : No. 6, Ln. 403, Min'an Rd., Xinzhuang Dist., New Taipei City
Tel : (02) 2202-9108

2.2 Company History

Year	Item
July 1979	Synsmold Co., Ltd. was established with a capital of NT\$ 500,000 and engaged in plastic mold manufacture.
August 1980	Capital increased by Cash of NT\$ 1.5 million , Paid-in capital after the capital increase was NT\$ 2 million.
June 1987	Expansion led to the acquisition of a new plant in Xinzhuang city, Taiwan.
November 1988	Synsmold increased capital with cash to NT\$ 10,000,000 paid-up capital after capital increase as 12,000,000 and adopted the name: Synsmold Enterprise Corp.
August 1997	Capital increased by Cash of NT\$ 13 million , Paid-in capital after the capital increase was NT\$ 25million.
December 2004	Capital increased by Cash of NT\$ 125 million. Paid-in capital after the capital increase was NT\$ 150 million. Grated ISO 9001:2000 Certification.
February 2005	Grated ISO 14001 Certification.
May 2005	Reinvested Fuzhou Fulfil Tech Co., Ltd for the manufacture and sales of monitor hinge products.
June 2005	Capital increased by retained earnings of NT\$ 30 million and capital increased by Cash with NT\$ 70 million. Paid-in capital after the capital increase was NT\$ 250 million.
November 2005	Financial Supervisory Commission approved the request for a public offering.
December 2005	Synsmold stocks formally traded over the counter.
December 2005	Reinvested Wuhan Fulfil Electronic Hardware Co., Ltd 100% ownership from third place company for the manufacture and sales of molds and hinge products.
December 2005	Reinvested Fujian Khuan Hua Precise Mold Co., Ltd (51.4% ownership) for the manufacture and sales of molds.
April 2006	Reinvested Fuqing Foqun Co., Ltd 100% ownership for the manufacture and sales of cast products.
April 2006	Wuhan Fulfil Electronic Hardware Co., Ltd, the subsidiary of Synsmold, adopted the name: Wuhan Foqun Electronic Hardware Co., Ltd.
May 2006	Fujian Khuan Hua Precise Mold Co., Ltd became wholly owned subsidiary of

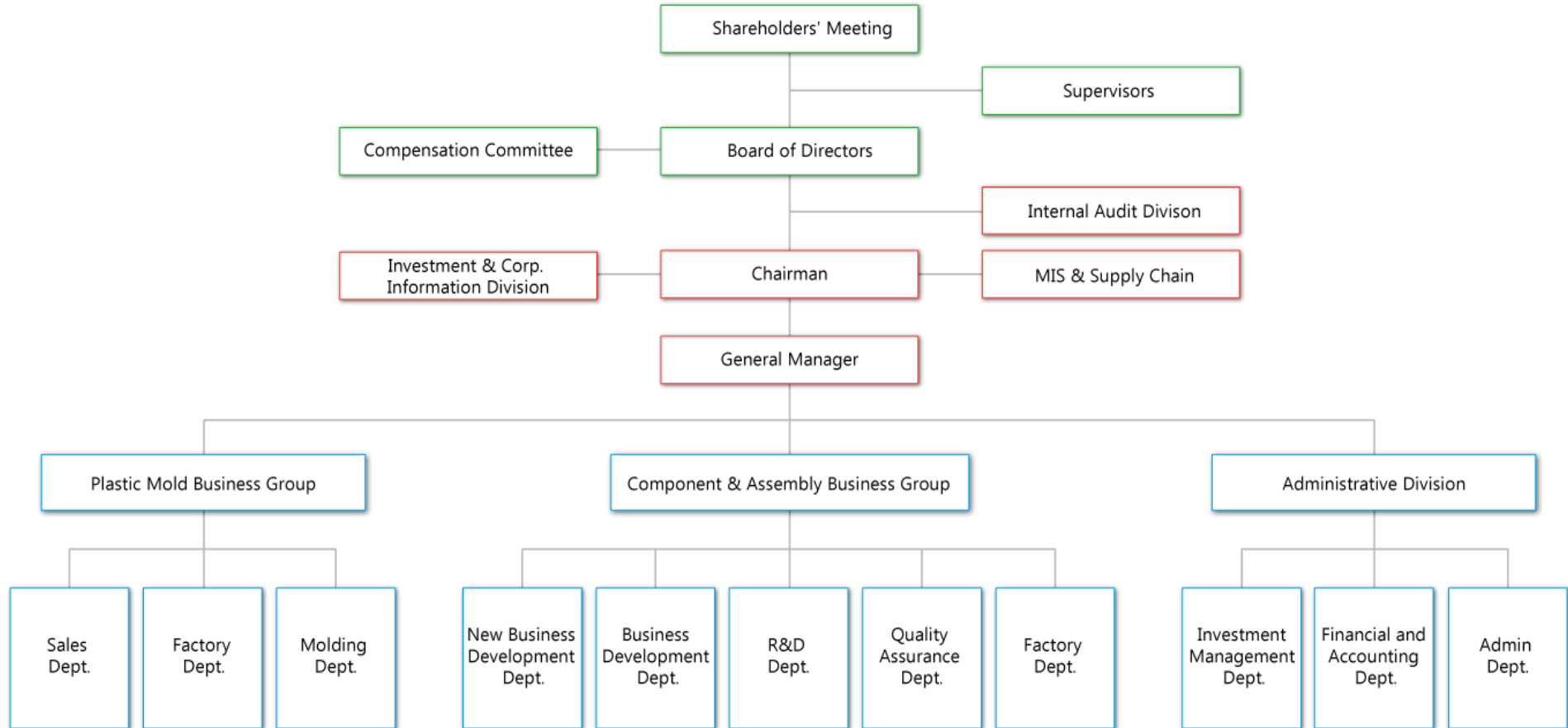
	Syncmold. After the 48.6% reinvestment.
May 2006	Reinvested Highgrade Tech Co, Ltd (51.4% ownership) for the design and sales of TV wall mount and projector ceiling mount products.
2006 June	Reinvested Tianjin Foqun Electronic Hardware Tech. Co., Ltd 100% ownership for the manufacture and sales of molds and hinge products.
2006 October	Capital increased by retained earnings of NT\$ 58.1 million. Paid-in capital after the capital increase was NT\$ 308.1 million.
November 2006	IPO on OTC was approved.
January 2007	Syncmold officially listed on OTC. Capital increased by cash of 41.9 million. Paid-in capital after the capital increase was NT\$ 350 million.
May 2007	Obtained 100% of the shares of Full Big Limited through subsidiary situated in another country, engages in investments in subsidiaries in China and international trade.
September 2007	Capital increased by retained earnings of NT\$ 65 million. Paid-in capital after the capital increase was NT\$ 415 million.
December 2007	Obtained 100% of the shares of Forever Business Development Limited, engages in investments in subsidiaries in China and international trade.
April 2008	Boards approved the merge with Shenzhen Fulfil Tech. Co., Ltd.
June 2008	Reinvested Shenzhen Fulfil Tech. Co., Ltd for the manufacture and sales of hinge products.
September 2008	Capital increased by retained earnings of NT\$ 30.75million and employee stock option certificates to common share of 4.815 million. Paid-in capital after the increase was NT\$ 455.65 million.
December 2008	Merged with Fulfil Tech. Co., Ltd with new issuance of NT\$ 901.12 million. The capital was NT\$ 1,351.685 million.
August 2009	Employee stock option certificates to common share of NT\$ 2.07 million. Paid-in capital after the increase was NT\$ 1,353.755 million.
December 2009	Syncmold officially listed on TSE.
April 2010	Employee stock option certificates to common share of NT\$ 4.7 million. Paid-in capital after the increase was NT\$ 1,358.455 million.
September 2010	Employee stock option certificates to common share of NTD 1.953 million. Paid-in capital after the increase was NT\$ 1,360.4075 million.
July 2011	Corporate bond to common share of 5.976 million , Paid-in capital after the increase was NT\$ 1,366.38355 million.
October 2012	Bond option certificates to common share of NTD 11.774million. Paid-in capital after the increase was NT\$ 1,378.15765 million.
November 2012	Invested 100% equity of Chongqing Fulfil Tech Co., Ltd. through a third location subsidiary, engaging in the sales and manufacture of base and hinge products.
February 2013	Corporate bond to common share of NT\$ 44.354 million. Paid-in capital after the increase was NT\$ 1,422.5117 million.
April 2013	Corporate bond to common share of NT\$ 46.220 million. Paid-in capital after the increase was NT\$ 1,468.73206 million.

August 2013	Corporate bond to common share of NT\$ 17.188 million. Paid-in capital after the increase was NT\$ 1,485.92078 million.
December 2013	Corporate bond to common share of NT\$ 12.642million. Paid-in capital after the increase was NT\$ 1,498.56339 million.
June 2016	Syncmold Enterprise Co., Ltd. was founded, engaging in the sales of electronic components.
May 2017	Corporate bond to common share of NT\$ 35.25 million. Paid-in capital after the increase was NT\$ 1,533.81309 million.
June 2017	Corporate bond to common share of NT\$ 51.428 million. Paid-in capital after the increase was NT\$ 1,585.24088 million.
September 2017	Corporate bond to common share of NT\$ 30.130 million. Paid-in capital after the increase was NT\$ 1,615.37043 million.
December 2017	Corporate bond to common share of NT\$ 20.362 million. Paid-in capital after the increase was NT\$ 1,635.73231 million.
April 2018	Corporate bond to common share of NT\$ 13.923 million. Paid-in capital after the increase was NT\$ 1,648.65561 million.
September 2018	Capital reduction by cash of NT\$ 412.414 million. Paid-in capital after the reduction was NT\$ 1,237.24171 million.
November 2019	Invested in the equity of Gatetech Technology Inc. 73.82%, this company engages in manufacturing and selling aluminum-magnesium alloy die casting products.
December 2019	Investing in establishing the subsidiary in Vietnam of 100% equity, this company engages in manufacturing and selling LCD monitor stand, hinge products.
February, 2020	Invested in and set up the subsidiary in Malaysia holding 100% shares, whose scope of operation includes trading of electronic parts, imports and exports, customer support, and service center.
February, 2020	Invested in and set up the subsidiary in Singapore holding 100% shares, whose scope of operation includes trading of electronic parts, imports and exports, and design of electronic parts and products.
May 2020	Invested in and set up the subsidiary in Thailand holding 100% shares, whose scope of operation includes processing and manufacturing, trading, and related imports and exports of electronic parts.
December 2020	Invested in LEOHAB ENTERPRISE CO., LTD. holding 70% shares, whose scope of operation includes plastic injection molding and metal stamping and forming.

III. Corporate Governance Report

3.1 Organization

3.1.1 Organization Chart



3.1.2 Major Corporate Functions

Department	Functions
General Manager	<ol style="list-style-type: none"> 1.Responsible for all shareholders according to the resolution of the board of directors. 2. Ensure the company's operations and future development direction. 3.Approval of major decisions of the company and the signing of important contracts. 4.Determination of the company's overall business objectives and implementation plans.
Internal Auditing	<ol style="list-style-type: none"> 1.Inspection and evaluation of the soundness, rationality, and effectiveness of the company's internal control system. 2.Investigation and evaluation of the efficiency of each department in the company in implementing the company's plans or policies and its assigned functions.
Information and Supply Chain Management	<ol style="list-style-type: none"> 1.Planning and integration of group ERP system management. 2.Coordination of the Group's computer hardware and software and planning of network security and system integration. 3.Group supply chain management, process improvement, and cost control.
Investment and Corporate Information	<ol style="list-style-type: none"> 1.Responsible for external communications with institutions and the press on behalf of the Group. 2. Planning for external investment assessment, execution of plan and management of follow-up.
Business	<ol style="list-style-type: none"> 1.Determination of sales budget and execution. 2.Product quotation, order receipt, and collection of payment. 3.Maintenance of existing customer service, development of new customers and new orders.
Factory Affairs	<ol style="list-style-type: none"> 1.Responsible for production scheduling, manufacturing process, and quality confirmation. 2.Maintenance of manufacturing equipment maintenance. 3.Maintenance measures for personal safety and quality of the work environment, and maintain 5S cleanness. 4.Warehouse layout and shelf planning, entry and exit of material and inventory management, maintenance of warehouse security, etc.
Research and Development	<ol style="list-style-type: none"> 1.Research and development of patents and technologies for hinge products. 2.Development of hinges and bases for various monitors, TVs, and 3C products. 3.Trial of various 3C product base samples and verification of customer recognition.
General Administration	<ol style="list-style-type: none"> 1.Responsible for the production and analysis of group accounting, taxation, customs, and financial statements. 2.Responsible for the management of the Group's funds and budget, analysis of cost and evaluation of business performance. 3.Recruitment, attendance management, employee education and training, performance appraisal planning and execution. 4.Procurement for general affairs and asset management. 5.Shareholder's affair and related matters.
Audit Committee	<ol style="list-style-type: none"> 1. Preparation or revision of the internal control system as required by Article 14-1 of the Securities and Exchange Act. 2. Evaluation of the effectiveness of the internal control system. 3. Revision or amendment of the procedures for acquiring or disposing of assets, trading derivatives, lending funds to others, providing endorsements or guarantees to others, among other major financial operations as required by Article 36-1 of the Securities and Exchange Act. 4. Matters involving the interests of the Board directors. 5. Trading of major assets or derivatives. 6. Major lending of assets, endorsements, or guarantees. 7. Raising, issuance, or private placement of equity securities. 8. Delegation, dismissal of CPAs or their compensation. 9. Appointment or dismissal of the head of finance, accounting, or internal audit. 10. Annual Financial Statement and Semi-Annual Financial Statement. 11. Other important matters as specified by the Company or the competent authority.
Remuneration Committee	<ol style="list-style-type: none"> 1. The remuneration committee has more than 1/2 (inclusive) seats held by independent directors. 2. The relevant remunerations of directors, supervisors and managers will be reviewed by the Compensation Committee and implemented after approval by the board of directors. 3. Formulate and regularly review the long-term performance goals and salary policies and systems of directors, supervisors and managers. 4. The Remuneration Committee convenes a regular meeting at least once every six months. For the meeting of the committee and the attendance rate of each member, please refer to the company's annual reports.

3.2 Information about directors, supervisors, president, vice president, assistant managers, and supervisors of the branches and offices

3.2.1 Directors and Supervisors

3.2.1.1 Information on Directors and Supervisors

April 18, 2023

Title	Nationality or Place of Registration	Name	Gender / Age	First Elected Date	Elected Date	Term	Shares held when elected		Current shareholding		Shares currently held by their spouses and minor children		Shares Held in the name of others		Main working (education) experience	Concurrent positions in the Company and other companies	Other heads, directors, or supervisors as spouse or kin within the second degree		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	Republic of China	Chiu-Lang, Chen	Male 61-70	1979.07.07	2020.06.18	3 year	5,508,211	4.45%	8,708,211	7.04%	93,022	0.08%	2,300,000	1.86%	Yang-Tze High School	Chairman and president of Syncmold Chairman of: -Enterprise(SAMOA) Corp -Forever Business Development Ltd. -Grand Advance Inc. -Fulking Development Ltd. -Canford International Ltd. -Full Glary Holding Ltd. -Full Celebration Ltd. -Syncmold Enterprise (USA) Corp., GatetechTechnology Inc., GATECH HOLDING LTD., GATECH INTERNATIONAL LTD. Director of Leohab Enterprise Co., LTD.	Director	Chien-Yuan, Chen.	Son
Director	Republic of China	Fortune Investment Co., Ltd.	NA	2020.06.18	2020.06.18	3 year	5,200,139	4.20%	5,200,139	4.20%	—	—	—	—	—	—	—	—	—

	Republic of China	Chien-Yuan, Chen.	Male 41-50	2020.06.18	2020.06.18	3 year	2,551,717	2.06%	2,529,717	2.04%	—	—	—	—	Bachelor of Commerce, CQU, A.U.S Master of Human Resource Management, GU, A.U.S	Chairman of Fortune Investment Co., Ltd.	Chairman	Chiu-Lang, Chen	Father
Director	Republic of China	Shu-Yen, Chuang	Female 61-70	2017.06.13	2020.06.18	3 year	1,918,684	1.55%	1,918,684	1.55%	—	—	—	—	Kuo-Kou High School	Chairman of Tai Hsin Investment Co., Ltd., and Chia Hsuan Investment L Co., Ltd.	—	—	—
Independent Director	Republic of China	Yung-Lu, Tsai	Male 61-70	2005.05.24	2020.06.18	3 year	—	—	—	—	—	—	—	—	MBA., University of Missouri, U.S. B.B.A., Transportation and Logistics Management, Chiao Tung University	Apex Biotechnology Co.	—	—	—
Independent Director	Republic of China	Shih-Kuang, Tsai	Male 51-60	2020.06.18	2020.06.18	3 year	—	—	—	—	—	—	—	—	Accounting Institute, National Taiwan University	CPA of T.K. Tsai & Co., CPAs Independent director of Yung Shin Global Holding Co., Ltd. Independent director of Yung Shin Pharmaceutical Industrial Co., Ltd. Supervisor of Zhi-Hang Technology Co., Ltd. Independent director of AIC Inc. Independent director of OPTO TECH CO.	—	—	—
Independent Director	Republic of China	Da-Ho, Yen	Male 71-80	2020.06.18	2020.06.18	3 year	—	—	—	—	—	—	—	—	Law, National Taiwan University	Independent director of Taipei Star Bank Independent director of AAEON	—	—	—

															Master of Laws, SMU, U.S.	Technology Inc. \ Representative director of Tatung Inc. \ Independent director of Taiwan FamilyMart Co., Ltd.			
Independent Director	Republic of China	Hui-Chin, Chiu	Male 61-70	2020.06.18	2020.06.18	3 year	—	—	—	—	—	—	—	—	Master of Industrial Engineering and Management, National Taipei University of Technology EMBA, National Taiwan University	Executive Director/CSO, Ju Teng International Holdings Ltd.	—	—	—

(1-1)Major shareholders of institutional shareholders

April 18, 2023

Name of institutional shareholder	Major shareholders of institutional shareholders
Fu Yan Investment Corporation	Chen, Chien-Yuan (49.9%) Chen, Chien-Hung (49.9%)

3.2.1.2 Disclosure of Professionalism of Directors and Supervisors and Independence of Independent Directors

Criteria Name	Professionalism and experience	Fulfillment of independence	Number of companies where the person serves as an independent director
Chairman Chen, Chiu-Lang	With at least five years of work experience required to cope with business affairs and the Company's operations and with nearly 30 years of commitment to related fields in the parts and components sector, professional leadership, decision-making capability, and abundant industrial knowledge.	N/A	—
Directors Chen, Chien-Yuan	With at least 5 years of work experience required to cope with corporate finance and business affairs and with international market views and the ability to decide and determine operational competition.	N/A	—
Directors Chuang, Shu-Yen	With at least 5 years of work experience to cope with the Company's operations, current Chairman of Tai Hsin Investment Co., Ltd., Chairman of Picowin Investments Limited, and Director of Gatetech Technology Inc., and has abundant industrial knowledge and professional operational and management skills.	N/A	—
Independent Director Tsai, Yung-Lu	With at least 5 years of work experience required to cope with the Company's operations and international market views, operational, management, and crisis management capabilities, and no conditions under Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. The person, the spouse, or a relative within the second degree of kinship, is not the director, supervisor, or employee of the Company or any of its affiliates. 2. The person, the spouse, or a relative within the second degree of kinship is holding shares of the Company in person or someone else's name. 3. Not a director, a supervisor, or an employee of a company in a specific relationship with the Company, 4. No rewards were received for commercial, legal, financial, and accounting service provided to the Company or any of its affiliates within the most recent 2 years. 	1

<p>Independent Director Tsai, Shih-Kuang</p>	<p>With at least 5 years of work experience required to cope with the Company's operations and the specialized profession as shown on the CPA Certificate, the current President of T.K.TSAI & CO., CPAS, with professional financial tax knowledge and abundant experience in corporate governance, and conditions under Article 30 of the Company Act.</p>	<p>1. The person, the spouse, or a relative within the second degree of kinship, is not the director, supervisor, or employee of the Company or any of its affiliates. 2. The person, the spouse, or a relative within the second degree of kinship is holding shares of the Company in person or someone else's name. 3. Not a director, a supervisor, or an employee of a company in a specific relationship with the Company, 4. No rewards were received for commercial, legal, financial, and accounting service provided to the Company or any of its affiliates within the most recent 2 years.</p>	<p>3</p>
<p>Independent Director Yen, Ta-Ho</p>	<p>With at least 5 years of work experience required to cope with the Company's operations and the specialized profession as shown on the Prosecutor Certificate, former Prosecutor General, has professional legal knowledge and decision-making capability, and no conditions under Article 30 of the Company Act.</p>	<p>1. The person, the spouse, or a relative within the second degree of kinship, is not the director, supervisor, or employee of the Company or any of its affiliates. 2. The person, the spouse, or a relative within the second degree of kinship is holding shares of the Company in person or someone else's name. 3. Not a director, a supervisor, or an employee of a company in a specific relationship with the Company, 4. No rewards were received for commercial, legal, financial, and accounting service provided to the Company or any of its affiliates within the most recent 2 years.</p>	<p>3</p>
<p>Independent Director Chiu, Hui-Chin</p>	<p>With at least 5 years of work experience required to cope with the Company's operations and prior Chief Executive Officer of Lite-On Technology, risk management, diversified industrial knowledge and decision-making capability, and no conditions under Article 30 of the Company Act.</p>	<p>1. The person, the spouse, or a relative within the second degree of kinship, is not the director, supervisor, or employee of the Company or any of its affiliates. 2. The person, the spouse, or a relative within the second degree of kinship is holding shares of the Company in person or someone else's name. 3. Not a director, a supervisor, or an employee of a company in a specific relationship with the Company, 4. No rewards were received for commercial, legal, financial, and accounting service provided to the Company or any of its affiliates within the most recent 2 years.</p>	<p>—</p>

Diversification and Independence of Board of Directors

a. Diversification of Board of Directors

According to Article 20 of the Company’s “Corporate Governance Best Practice Principles”, the diversification policy on the composition of the Board of Directors shall include, without limitation, professional knowledge and skill, industrial experience, gender, age, nationality, and culture, etc. Members of the Board of Directors shall possess the knowledge, skills, and attainments needed to perform their duties. The capabilities expected of the Board of Directors as a whole for the sake of achieving the ideal goals of corporate governance are as follows:

- | | | | | |
|---|---------------------------------|-------------------------------|-------------------------------|---------------------------|
| 1. Operational judgment | 3. Operational management | 5. Industrial knowledge | 7. Leadership | 9. Risk management. |
| 2. Accounting and financial analysis capabilities | 4. Crisis management capability | 6. International market views | 8. Decision-making capability | 10. Corporate governance. |

Substantial goals of the Board of Directors diversification policy and their fulfillment:

In order to reinforce corporate governance and boost the diversified complementary skills of the directors, while selecting directors, the Company considers not only their own professional background but also diversification. The Company’s Board of Directors consists of 7 directors. At present, fulfillment of the diversification policy includes the inclusion of 4 independent directors, accounting for 57% and 14% of female directors in terms of gender representation. The age range of the Board of Directors is between 40 to 70 years old.

Diversification and professional skills of the Board of Directors are as follows:

Diversity item														
Name of directors	Gender	Age (years old)	Time served as an independent director	served as an employee of the Company	Law	Finance/Accounting	Operation Management	crisis management	Industry knowledge	international market analysis	Leadership	decision making	Risk Management	Corporate governance
Chen, Chiu-Lang	Male	61-70		√		√	√	√	√	√	√	√	√	√
Chuang, Shu-Yen	Female	61-70					√	√	√		√	√		
Chen, Chien-Yuan	Male	41-50				√	√	√	√	√	√	√		
Tsai, Yung-Lu	Male	61-70	Above 9 yaers				√	√	√	√	√	√	√	√
Tsai, Shih-Kuang	Male	51-60	0-3 years			√	√	√	√	√	√	√	√	√
Yen, Ta-Ho	Male	71-80	0-3 years		√		√	√	√	√	√	√	√	√
Hui-Chin, Chiu	Male	61-70	0-3 years				√	√	√	√	√	√	√	√

b. Independence of Board of Directors

The Company's Board of Directors consists of 7 directors, including 4 independent directors, accounting for 57% and no more than two directors are each other's spouse or relative within the second degree of kinship. There are no circumstances specified in Article 26-3 Paragraphs 3 and 4 of the Securities and Exchange Act. All of the Company's independent directors fulfill the requirements for independent directors set by the Financial Supervisory Commission.

3.2.2 President、 V.P.、 A.V.P.、 Management Team

April 18, 2023

Title	Nationality or Place of Registration	Name	Gender	Elected Date	Current shareholding		Shares currently held by their spouses and minor children		Shares Held in the name of others		Main working (education) experience	Concurrent positions in the Company and other companies	Spouse or relatives within two degrees who are managers			Management obtains employee stock option certificate
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman and President	Republic of China	Chiu-Lang, Chen	Male	2020.6.29	8,708,211	7.04%	93,022	0.08%	2,300,000	1.86%	Yang-Tze High School	Chairman and president of Syncmold Chairman of: -Enterprise(SAMOA) Corp -Full Big Limited -Forever Business Development Ltd. -Grand Advance Inc. -Fullking Development Ltd. -Canford International Ltd. -Full Glary Holding Ltd. -Full Celebration Ltd. -Syncmold Enterprise (USA) Corp., Gatetech Technology Inc., GATECH HOLDING LTD., GATECH INTERNATIONAL LTD. Director of Leohab Enterprise Co., LTD.	—	—	—	—
President Component Assembly BG	Republic of China	Tim, Weng	Male	2008.12.16	2,747,581	2.22%	—	—	—	—	Mechanical Engineering, Lee-Ming Institute of Technology Sales Manager, Kernan Technology Co., Ltd. Sales Manager, Cherng Jyieh Corp.	Director of Gatetech Tehnology Inc. Chairman of Leohab Enterprise Co., LTD.	—	—	—	—
V.P.	Republic of China	Connie, Hsu	Female	2006.6.1	2,888	0.00%	—	—	—	—	Accounting, National Taiwan University E.M.B.A., National Taiwan University	—	—	—	—	

											V.P., Fubon Securities Co.Ltd. CPA					
V.P.	Republic of China	Gray, Yan	Male	2008.12.16	9,000	0.01%	—	—	—	—	Master, Mechanical Engineering, National Cheng-Kung University (NCKU) Researcher, BenQ Corporation Manager, SHL Technology Co., Ltd.	—	—	—	—	
V.P.	Republic of China	Alex, Cheng	Male	2015.7.1	15,926	0.01%	—	—	—	—	Lunghwa University of Science and Technology (LHU) Factory Chief, Heng Rise Co., Ltd.	President, Fu Zhon Fulfil Tech Co., Ltd.	—	—	—	
V.P.	Republic of China	Daphne, Chang	Female	2013.4.22	3,000	0.00%	—	—	—	—	M.B.A., National Taiwan University Manager, Winbond Electronics Corp. Research Assistant Manager, China Development Financial Holding Corp. Supervisor, Cathay Life Insurance Co., Ltd.	Core Bio Technologies Co., Ltd.	—	—	—	
V.P. (Note 1)	Republic of China	Peter, Huang	Male	2020.11.1	—	—	—	—	—	—	Department of Mechanical Engineering, NTUT Manager, LITE-ON Technology Co., Ltd. Director, Wistron Co., Ltd.	—	—	—	—	

A.V.P.	Republic of China	Y.Y., Hsieh	Male	2011.5.16	—	—	—	—	—	—	Mechanical Engineering, Chung Yuan Christian University Manager, Attotek Technology Co., Ltd.	—	—	—	—
A.V.P.	Republic of China	Phillip, Cheng	Male	2015.7.1	—	—	—	—	—	—	Accounting, TungHai University Senior Manager, Fubon Securities Co.Ltd.	—	—	—	—
A.V.P.	Republic of China	Randy, Lin	Male	2015.2.24	1,500	0.00%	—	—	—	—	LiRen Private High School Manager, United Fu Shen ChenTechnology Corp.	—	—	—	—
A.V.P.	Republic of China	Monty, Chen	Male	2019.1.1	—	—	2,250	0.00%	—	—	Mechanical Engineering, China University of Science and Technology	—	—	—	—
A.V.P.	Republic of China	Toni, Kao	Male	2019.1.1	—	—	—	—	—	—	Sports and Leisure, National Dong Hwa University (NDHU) Sales manager, Universal Weight Electronic Co., Ltd.	—	—	—	—

Title	Nationality or Place of Registration	Name	Gender	Elected Date	Current shareholding		Shares currently held by their spouses and minor children		Shares held in the name of others		Shares held in the name of others	Concurrent positions in the Company and other companies	Spouse or relatives within two degrees who are managers			Management obtains employee stock option certificate
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
A.V.P.	Republic of China	Scott, Lu	Male	2020.1.1	—	—	—	—	—	—	Department of Industrial Management, National Taiwan University of Science and Technology Manager of Good Way Technology Co. Ltd.	—	—	—	—	—
A.V.P.	Republic of China	Alvin, Chen	Male	2021.1.1	2,000	0.00%	—	—	—	—	Geological Sciences, PhD, National Taiwan University Examiner, Intellectual Property Office	—	—	—	—	—
A.V.P.	Republic of China	Dennis, Liu	Male	2023.1.1	—	—	—	—	—	—	Hwa Hsia University of Technology Mechanical Engineering TCEC CORPORATION Engineering	—	—	—	—	—
Chief Audit Executive	Republic of China	Carrie, Wang	Female	2017.12.29	—	—	—	—	—	—	Accounting and Information, Chang Jung Christian University (CJCU) Auditor, UHY L&C Company, CPAs Internal Auditor, Yem Chio Co.Ltd. CPA (Accountant of higher examination) CIA (Certified Internal Auditor)	—	—	—	—	—

3.2.3. Remuneration paid to Directors and management team

3.2.3.1 Remunerations of Directors for 2022

unit : NT\$ in thousands

Title	Name	Remunerations of Directors (Note 1)								Ratio of Total Remuneration (A+B+C+D) to net income %		Relevant Remuneration Received by Directors who are Also Employees (Note 1)								Ratio of Total Compensation (A+B+C+D+E+F+G) to net income %		Compensation Paid to Directors from an Invested Company Other than the Company's subsidiary	
		Basic Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D)				Salary, bonuses and allowance (E)		Severance Pay (F)		Employee Compensation (G)							
		A	B	A	B	A	B	A	B	A	B	A	B	A		B		A	B				
															Cash	Stock	Cash	Stock					
Chairman	Chiu-Lang, Chen																						
Director	Fortune Investment.	-	-	-	-	1,800	1,800	150	180	0.53%	0.53%	3,200	3,200	-	-	-	-	-	-	1.39%	1.40%	N/A	
Director	Shu-Yen, Chuang																						
Independent Director	Yung-Lu, Tsai																						
Independent Director	Shih- Kuang, Tsai	-	-	-	-	8,000	8,000	400	400	2.26%	2.26%	-	-	-	-	-	-	-	-	2.26%	2.26%	N/A	
Independent Director	Da-Ho, Yen																						
Independent Director	Hui-Chin, Chiu																						

1. Described Independent Director remuneration policies, system, standard and structure, and its linkage of remuneration amount in accordance with responsibilities, risk, engaged time and other factors:
According to Articles of Corporation, distribution of employee remuneration and profit before remuneration of Director or Supervisor shall be deducted at Pre-Tax Income of the fiscal year, and the Company shall retain the amount of accumulated losses, if there is still a balance, shall allocate the remuneration of Director or Supervisor which is not higher than 2%. The Company established "Remuneration Management Measures for Director, Supervisor, Functional Committee Member and Managers", the structure of Director remuneration includes remuneration, remuneration of earnings distribution and executive business fee, in addition to execution cost, remuneration amount shall refer to Director's attendance condition of Board of Directors, engaged time in daily affairs and operation management of the Company, providing proposal direction times for operation management and contribution value, and compare with comprehensive consideration of domestic, overseas industrial standards and other factors, the Company shall provide the proposals approved by Remuneration Committee, and report to Board of Directors for approval and execution.

2. In addition to above table, director remuneration for their services in the most recent year: NT\$ 90,000.

Range of Remuneration

Range of Director Remuneration	Names of Directors			
	First four categories of remuneration (A+B+C+D)		First seven categories of remuneration (A+B+C+D+E+F+G)	
	Syncmold	Consolidated subsidiaries (H)	Syncmold	Consolidated subsidiaries (I)
Under NT\$1,000,000	Chiu-Lang, Chen Shu-Yen, Chuang Fortune Investment Co.,Ltd	Chiu-Lang, Chen Shu-Yen, Chuang Fortune Investment Co.,Ltd	Shu-Yen, Chuang Fortune Investment Co.,Ltd	Shu-Yen, Chuang Fortune Investment Co.,Ltd
NT\$1,000,001 – NT\$2,000,000	0	0	0	0
NT\$2,000,001 – NT\$3,500,000	Yung-Lu, Tsai Hui-Chin, Chiu Da-Ho, Yen Shih- Kuang, Tsai	Yung-Lu, Tsai Hui-Chin, Chiu Da-Ho, Yen Shih- Kuang, Tsai	Yung-Lu, Tsai Hui-Chin, Chiu Da-Ho, Yen Shih- Kuang, Tsai	Yung-Lu, Tsai Hui-Chin, Chiu Da-Ho, Yen Shih- Kuang, Tsai
NT\$3,500,001 – NT\$5,000,000	0	0	Chiu-Lang, Chen	Chiu-Lang, Chen
NT\$5,000,001 – NT\$10,000,000	0	0	0	0
NT\$10,000,001 – NT\$15,000,000	0	0	0	0
NT\$15,000,001 – NT\$30,000,000	0	0	0	0
NT\$30,000,001 – NT\$50,000,000	0	0	0	0
NT\$50,000,001 – NT\$100,000,000	0	0	0	0
Over NT\$100,000,000	0	0	0	0
Total	7	7	7	7

3.2.3.3 Remunerations of President and V.P. for 2022

Unit : NT\$ in thousands

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowance etc. (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's subsidiary
		A	B	A	B	A	B	A		B		A	B	
								Cash	Stock	Cash	Stock			
Chairman and President	Chen, Chiu-Lang	7,874	7,874	-	-	-	16,400	8,000	-	8,000	-	4.28%	8.69%	N/A
President Component Assembly BG	Tim, Weng													
V.P.	Connie, Hsu													
V.P.	Gray, Yan													
V.P.	Alex, Cheng													
V.P.	Daphne, Chang													
V.P.	Peter, Huang													

Note 1: Column A represents the Company; Column B represents all companies in the consolidated financial statement.

Range of remuneration

Range of V.P. Remuneration	Name of President and V.P.	
	Syncmold	Consolidated subsidiaries (E)
Under NT\$1,000,000	0	0
NT\$1,000,001 – NT\$2,000,000	Connie, Hsu Gray, Yan Daphne, Chang Peter, Huang	0
NT\$2,000,001 – NT\$3,500,000	Tim, Weng Alex, Cheng	
NT\$3,500,001 – NT\$5,000,000	Chiu-Lang, Chen	Chiu-Lang, Chen, Connie, Hsu Gray, Yan Daphne, Chang Peter, Huang
NT\$5,000,001 – NT\$10,000,000	0	Tim, Weng Alex, Cheng
NT\$10,000,001 – NT\$15,000,000	0	0
NT\$15,000,001 – NT\$30,000,000	0	0
NT\$30,000,001 – NT\$50,000,000	0	0
Under NT\$1,000,000	0	0
NT\$1,000,001 – NT\$2,000,000	0	0
Total	7	7

3.2.3.4 Remunerations of Managers and Range of Remuneration for 2022

Unit : NT% in thousands

	Title	Name	Stock	Cash	Total	Total remuneration to net income after tax (%)
Managers	President	Chiu-Lang, Chen	-	16,000	16,000	4.31%
	President Component Assembly BG	Tim, Weng				
	V.P.	Connie, Hsu				
	V.P.	Gray, Yan				
	V.P.	Alex, Cheng				
	V.P.	Daphne, Chang				
	V.P.	Peter, Huang				
	A.V.P.	Y.Y., Hsieh				
	A.V.P.	Daphne, Chang				
	A.V.P.	Cindy, Chang				
	A.V.P.	Randy, Lin				
	A.V.P.	Phillip, Cheng				
	A.V.P.	Scott, Lu				
	A.V.P.	Alvin, Chen				
	Corporate governance supervisor	Scott, Bou				
	Manager	Carrie, Wang				

Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice

Presidents :

Title	Ratio of 2021 total remuneration to net income for Directors, Supervisors, President and Vice Presidents (%)		Ratio of 2022 total remuneration to net income for Directors, Supervisors, President and Vice Presidents (%)	
	Syncmold	Consolidated subsidiaries	Syncmold	Consolidated subsidiaries
Directors	4.56%	4.79%	3.65%	3.60%
President & V.P.	5.99%	14.54%	4.28%	8.69%

The issuance of salaries, bonuses and employee bonuses to the directors and managers, shall be handled in accordance with the relevant regulations of the Articles of Incorporation and the organization and regulations of the Remuneration Committee.

In accordance with the provisions of the company's articles of incorporation, the directors' remuneration shall be based on the profit before income tax of the current year after deducting the employee's remuneration and the benefits of the director's compensation and retaining the accumulated loss amount. If there is still a balance, the employee's remuneration shall not be less than 3%, while the director's compensation shall not be more than 2% in reference of the company's operating results, its contribution to the company's performance to provide reasonable compensation. The president and VP's policy of remuneration shall be handled in accordance with the relevant regulations of the company's remuneration committee depending on the position and responsibility of the company and its contribution to the company's operational objectives, taking into account the characteristics of the industry and the nature of the company's business. Relevant performance appraisal and reasonableness of remuneration are reviewed by the Remuneration Committee and the Board of Directors. The remuneration system is reviewed at any time depending on the actual operating conditions and relevant laws and regulations, so as to balance the company's sustainable operation with risk control.

The company has established a remuneration committee in December 2011, and the relevant remuneration of directors and managers will be reviewed by the Remuneration Committee and executed after the Board of Directors approves it.

3.3 Corporate Governance

3.3.1 Information on implementation of Board of Directors :

Five meetings (A) were held by the Board of Directors in the most recent year

(2022) with their attendance shown as follow :

Title	Name	Attendance in person (B)	By proxy	Attendance rate in person (%)【 B / A 】	Remarks
Chairman	Chen, Chiu-Lang	5	0	100	
Directors	Chuang, Shu-Yen	5	0	100	
Directors	Chen, Chien-Yuan	5	0	100	
Independent Director	Tsai, Yung-Lu	5	0	100	
Independent Director	Yen, Da-Ho	5	0	100	
Independent Director	Tsai, Shih-Kuang	5	0	100	
Independent Director	Chiu, Hui-Chin	5	0	100	

Other noteworthy matters :

1. State the Board Meeting's date, session, proposal contents, all Independent directors' opinions and the company's actions in response to the opinions if any of the following occurred :
 - (1) Matters specified in Article 14.3 of Taiwan's Securities and Exchange Act: are not applicable since the Company has established the Audit Committee.
 - (2) Opinions or records of independent director on other matters : None.
2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Date	Name of director	Contents of the proposal	Cause of recusal and voting
8/2/2022	Chen, Chiu-Lang	The case of General Manager Chen Chiulang serving concurrently in other profit-making businesses with a non-compete exemption.	For this proposal, except for Chairman Chen, Chiu-Lang, who excused himself due to conflict of interest and hence did not take part in the discussion and voting, all the other attending directors approved it. Independent directors were consulted and they also approved the proposal. It was approved unanimously.

3. Goal and assessment on strengthen the function of the board in most recent year :
 - (1) In order to establish a good corporate governance system and implement corporate culture and corporate social responsibility for integrity management, the company has established "Code of Corporate Governance" with reference to the relevant regulations by the Taiwan Stock Exchange Co., Ltd. and the Securities and Futures Trading Centre of the Republic of China. The Code of Corporate Integrity and the "Sustainable Development Best Practice Principles", which was approved by the Board of Directors on December 30, 2013, and a dedicated unit promotes the development and supervision

<p>of integrity management policies and prevention programs. The unit submits a report on the implementation of the “Sustainable Development Best Practice Principles” and the implementation report of the “Ethical Corporate Management Best Practice Principles” to the Board of Directors. The corporate governance team is responsible to report to the board of directors on the December 29, 2022 with the implementation of the 2021 “Sustainable Development Best Practice Principles” and the “Ethical Corporate Management Best Practice Principles”.</p> <p>(2) To align with the development trend of corporate governance, we established an "Audit Committee" on June 18, 2020, with the aim of continuously enhancing our corporate governance standards.</p> <p>(3) The Company passed the “Regulations on the self evaluation or peer evaluation” on May 9, 2019 and completed the 2022 annual evaluation of the Board, Board members, and functional Committee based on the participation, profession, and continuous study of the directors and operation of the Remuneration Committee on Mar 15, 2023. According to the Board’s 2022 performance evaluation result, the overall operation of the Board is good.</p>

3.3.2 “Guidelines for Evaluating the Performance of the Board of Directors”. The evaluation procedure is described as follows:

Cycle	Period	Scope	Method	Content
Annual	2022.01.01 ~2022.12.31	Performance evaluation of the board	Self-evaluation	1. Participation in the operation of the Company; 2. Improvement of the quality of the Board of Directors decision making; 3. Composition and structure of the Board of Directors; 4. Election and continuing education of the directors; and 5. Internal control.
Annual	2022.01.01 ~2022.12.31	Performance evaluation of individual directors	Self-evaluation	1. Alignment of the goals and missions of the Company; 2. Awareness of the duties of a director; 3. Participation in the operation of the Company; 4. Management of internal relationship and communication; 5. The directors' professionalism and continuing education; and 6. Internal control.
Annual	2022.01.01 ~2022.12.31	Performance evaluation of the Audit Committee	Self-evaluation	1. Participation in the operation of the Company; 2. Awareness of the duties of the Audit Committee; 3. Improvement of quality of decisions made by the Audit Committee; 4. Makeup of the Audit Committee and the election of its members; and 5. Internal control.
Annual	2022.01.01 ~2022.12.31	Performance evaluation of the Compensation Committee	Self-evaluation	1. Participation in the operation of the Company; 2. Awareness of the duties of the Compensation Committee; 3. Improvement of quality of decisions made by the Compensation Committee; 4. Makeup of the Compensation Committee and the election of its members

3.3.2 Operational status of the Audit Committee and participation of supervisors in the operations of the Board of Directors:

The Committee met 5 times in total in 2022 (A). Its operational status is described as follows:

Title	Name	Attendance in Person (B)	Attendance Rate (%) (B / A)	Remarks
Convener	Tsai, Yung-Lu	5	100	
Member	Yen, Da-Ho	5	100	
Member	Tsai, Shi-Kuang	5	100	
Member	Chiu, Hui-Qin	5	100	

The Company's Audit Committee consists of all independent directors and it meets at least once per quarter.

Matters within the scope of review by the Audit Committee primarily include:

1. Auditing of financial statements and accounting policy and procedure.
2. Internal control system and related policies and procedures.
3. Matters involving the interests of the Board directors.
4. Trading of major assets or derivatives.
5. Major lending of assets, endorsements, or guarantees.
6. Raising, issuance, or private placement of equity securities.
7. Delegation, dismissal of CPAs or their compensation.
8. Appointment or dismissal of the head of finance, accounting, or internal audit.
9. Annual Financial Statement and Semi-Annual Financial Statement.
10. Audit Committee performance evaluation self-assessment questionnaire.

Summary of highlights of tasks completed this year:

●Review of financial reports

The Board of Directors prepared the 2022 Business Report, financial statements, and proposal on the distribution of earnings. Financial statements, in particular, have been completely audited by Deloitte Taiwan, with the Audit Report issued. The above-mentioned Business Report, financial statements, and earnings distribution proposal have been reviewed by the Audit Committee and no inconsistency has been found.

●Evaluation of Validity of the Internal Control System

The Audit Committee evaluates the validity of the policy and procedure of the Company's internal control system (that covers financial, operational, risk management, and compliance control measures) and reviews periodic reports from the Audit Department, the CPAs, and the management. The Audit Committee believes that the Company's internal control system is valid; the Company has adopted the necessary mechanism to supervise and correct non-compliant acts.

●Delegation of CPAs

The Audit Committee is empowered to supervise the CPAs and the accounting firm's independence to ensure the impartiality of financial statements. The Audit Committee approved in the meeting on December 29, 2022 that CPAs Chih-Yuan Chen and Yao-Ling Huang of Deloitte Taiwan had fulfilled the independence evaluation criteria and can serve as the Company's CPAs.

Other noteworthy matters :

1. When the operation of the Audit Committee is found with one of the following conditions, the date, session No., details of proposals, decisions made by the Audit Committee, and how the Company addressed opinions from the Audit Committee in the Board of Directors' meeting shall be stated:

(1) Matters listed in Article 14-5 of the Securities and Exchange Act :

Date	Term	Contents of the proposal	Decision of the Audit Committee	How the Company addressed opinions from the Audit

				Committee
03/15/2022	First	<ol style="list-style-type: none"> 1. 2021 statements and reports 2. Distribution of 2021 earnings 3. Distribution of remuneration to directors and supervisors and that to employees for 2021 4. Cash Distribution of Capital Surplus. 5. 2021 Internal Control System Declaration 6. Discussion of lending of funds 7. Provide a subsidiary, Leohab Enterprise Co., Ltd., with an endorsement guarantee. 8. Provide a subsidiary, Gatetech Enterprise Co., Ltd., with an endorsement guarantee. 9. Revision of the “Articles of Incorporation” 10. Revision of the “Acquisition or Disposal of Assets Procedure” 11. Revision of the “Shareholders' Meeting Rules” 12. Ratification of derivatives 	It was approved by the Audit Committee unanimously	It was approved by all attending Board directors
05/05/2022	Second	<ol style="list-style-type: none"> 1. Financial statements for Q1 of 2021 2. Third domestic unsecured-convertible corporate bonds in the nation 3. Revision to the plan to invest in the subsidiary Syncmold Enterprise Vietnam Co., Ltd. and capital increase 4. Discussion of lending of funds 	It was approved by the Audit Committee unanimously	It was approved by all attending Board directors
08/02/2022	Third	<ol style="list-style-type: none"> 1. Financial statements for Q2 of 2021 2. Discussion of lending of funds 3. Revision of 2021 Business Budget Proposal 4. Ratification of derivatives 5. Revision of the written internal control system 	It was approved by the Audit Committee unanimously	It was approved by all attending Board directors
11/07/2022	Fourth	<ol style="list-style-type: none"> 1. Discussion of lending of funds 2. Ratification of Derivatives 	It was approved by the Audit Committee unanimously	It was approved by all attending Board directors
12/29/2022	Fifth	<ol style="list-style-type: none"> 1. 2022 Business Budget 2. 2022 Internal Audit Plan 3. Independence assessment and delegation of CPAs 4. Revision of the “Audit Committee Organic Rules” 5. Revision of the “Corporate Social Responsibility Best Practice Principles” 6. Revision of the “Corporate Governance Best Practice Principles” 7. Ratification of the revisions made to the written internal control system 8. Ratification of endorsement/guarantee 9. Ratification of derivatives 	It was approved by the Audit Committee unanimously	It was approved by all attending Board directors

(2) Besides those mentioned in the foregoing, other resolutions with approval by two-thirds and more of all directors despite the failure to be approved by the Audit Committee: None.

II. For the recusal upon conflicts of interest among independent directors, the name of the independent director, details of the proposal, reason for the recusal, and participation in the voting process or not shall be described: None.

III. Communication among the independent directors, the head of internal audit, and the CPAs (important matters communicated, method, and results of the communication over the financial standing and business operation of the Company, etc.):

The communication among the independent directors, the head of internal audit, and the CPAs of 2022 is already disclosed on the website of the Company. For related information, refer to the website below. ([Http://www.syncmold.com.tw/syncmold2018/images_syncmold/directorate/2022 communications between independent directors and internal audit.pdf](http://www.syncmold.com.tw/syncmold2018/images_syncmold/directorate/2022%20communications%20between%20independent%20directors%20and%20internal%20audit.pdf))

3.3.3 The difference between the corporate governance implementation and the Corporate Governance Best Practice Principles for TWSE/GTSM-Listed Companies and reasons:

Evaluation Item	Implementation Status			Deviating from the “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Description	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has based on the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” to set up and disclose the Company’s corporate governance best-practice principles for guidelines on the MOPS.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
2. Equity structure and shareholder rights	V		(1) The Company has a spokesperson, stock affairs supervisor, and associated person assigned to effectively handle shareholder’s suggestions or disputes. Legal issues, if any, will be handled with the assistance of the legal affair personnel.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(1) Has the Company set internal operating procedures to deal with shareholder proposals, doubts, disputes and litigation matters, and does it implement these in accordance with its procedures	V		(2) Regularly disclose the pledge, increase or decrease of shareholding, or the occurrence of other events that may cause significant changes in the shares of the shareholders with over 10% shareholding; also, maintain a good relationship with the major shareholder at any time for control.	
(2) Does the Company have a list of those who ultimately control the major shareholders of the Company?	V		(3) The management responsibilities of the Company and the affiliated enterprises are clearly defined; also, business transactions are conducted in compliance with the Company’s internal control system and the relevant requirements. For strengthening the control mechanism, the procedures for monitoring subsidiaries are regulated with proper risk control.	
(3) How does the Company establish its risk management mechanism and firewalls involving related enterprises?	V			

Evaluation Item	Implementation Status			Deviating from the “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Description	
(4) Has the Company set internal standards to prohibit the use of undisclosed insider information to trade securities on the market?	V		(4) Syncmold worked out the “Management measures for handling internal significant information and preventing insider trading” to prohibit the use of undisclosed insider information to trade securities on the market and propagandize regularly to insiders and employees.	
<p>3、Composition and Responsibilities of the Board of Directors</p> <p>(1) Has the Board of Directors developed diversified policies for its composition and set substantial management goals and enforced them?</p>	V		(1) The Company has a diversification policy on the composition of the Board of Directors, related policies, goals, and their implementation included in the “Corporate Governance Best Practice Principles. Refer to “Diversification and Independence of Board of Directors” on Page 12 of this Annual Report.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

<p>(2) Does the Company, in addition to setting the Remuneration Committee and Audit Committee lawfully, have another functional committee set up voluntarily?</p>		V	<p>(2) The Company has set up Compensation and Remuneration Committee and the Audit Committee now.</p>	<p>(2) Assessment of the necessity for additional functional committees with reference to the business operation status and scale in the future.</p>

Evaluation Item	Implementation Status			Deviating from the “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Description	
(3) Does the Company have the performance evaluation rules and methods for the Board of Directors regulated and have the performance evaluation performed regularly every year and report the result to the Board for reference on directors’ individual remuneration and reappointed nomination?	V	V	<p>(3) To implement corporate governance, to improve the functions of the board of directors and to enhance the operation efficiency of the board of directors, the board of directors’ meeting of the Company has approved the “Regulations for Board of Directors Performance Evaluation” on May 9, 2019, and has specified that the internal board of directors performance evaluation, self-evaluation of individual board member, peer evaluation and each functional committee shall be conducted at least once annually. The Company shall take into consideration its condition and needs when establishing the criteria for evaluating the performance of the board of directors, which should cover, at a minimum, the following five aspects:</p> <ol style="list-style-type: none"> 1. Participation in the operation of the company. 2. Improvement of the quality of the board of directors' decision making. 3. Composition and structure of the board of directors. 4. Election and continuing education of the directors. 5. Internal control. <p>The criteria for evaluating the performance of the board members (on themselves or peers), should cover, at a minimum, the following six aspects:</p> <ol style="list-style-type: none"> 1. Alignment of the goals and missions of the company. 	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

		<ol style="list-style-type: none"> 2. Awareness of the duties of a director; 3. Participation in the operation of the company. 4. Management of the internal relationship and communication. 5. The director's professionalism and continuing education. 6. Internal control. <p>The criteria for evaluating the performance of functional committees should cover, at a minimum, the following five aspects:</p> <ol style="list-style-type: none"> 1. Participation in the operation of the company. 2. Awareness of the duties of the functional committee. 3. Improvement of quality of decisions made by the functional committee. 4. Composition of the functional committee and election of its members. 5. Internal control. <p>The Company has completed relevant evaluation on the board of director's operation for the period from January 1, 2022 to December 31, 2022, including the self-evaluation questionnaire survey of 7 directors (including 4 independent directors) and the internal self-evaluation questionnaire survey of the board of directors.</p> <p>The statistical method for the performance evaluation is divided into two types: the board member self-evaluation and questionnaire and the internal self-evaluation questionnaire for board of directors. In the questionnaire, a higher score in an item means that the achievement rate for the item is higher. For an achievement rate above 90%, it is evaluated to be "Outstanding"; when the achievement rate is above 80%, it is evaluated to be "Successful"; for the rest of</p>	
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		<p>the rates, they are evaluated to be “Improvement Needed.” After the completion of the aforementioned evaluation score statistics, the 2022 board of director’s performance evaluation achievement rate of the Company was 90% and the evaluation result was “Outstanding.” In addition, the evaluation result was reported in the board of directors’ meeting dated December 29, 2022.</p> <p>The Company has passed the “directors, supervisors, functional committees, and managers’ remuneration management regulation” on Dec 27, 2019. According to the regulation, the Board has the right to determine the directors and supervisors’ remuneration based on two dimensions in the assessment of evaluation on the Board’s performance, “participation of the Company’s operation”, and “contribution value”.</p>	
<p>(4) Does the Company have the independence of the public accountant evaluated regularly?</p>		<p>(4) The Company evaluates the independence of public accountant according to the regulations of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and “The Norm of Professional Ethics for Certified Public Accountant No. 10”. Major evaluation items are as follow:</p> <ol style="list-style-type: none"> 1. Company shares, bond, or other instruments held by a shareholder in one’s own name and by a spouse, underage child, or in others’ name. 2. No capital loan in one’s own name and a spouse or in others’ name. 3. No business relation with the Company’s directors, supervisors, and managers that interfere with the independence on one’s own name and a spouse. 	<p>In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p>

		<p>4. Not served as the Company's directors, supervisors, managers, or a position that has significant effect on audit cases in one's own name within two years, and promise not served in the positions mentioned previously.</p> <p>5. None of one's family member served as the Company's directors, supervisors, managers, or a position that has significant effect on audit during the auditing period.</p> <p>6. Not a direct relative, affinity, second-degree relative of the Company's directors, supervisors, managers during the auditing period.</p> <p>Independent auditors (CPA), Chih-Yuan Chen and Yao-Ling Huang, of Deloitte Taiwan met all the evaluation and were appointed by the board of directors on December 29, 2022.</p>	
<p>4. Does the company set up a corporate governance unit or appoint personnel responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, handling work related to meetings of the board of directors and the shareholders' meetings, filing company registration and changes to company registration, and producing minutes of board meetings and shareholders' meetings)?</p>	<p>V</p>	<p>The Company approved through its Board of Directors meeting on August 6, 2021 assigned Special Assistant Scott, Bao of the Chairman's Office to serve as the corporate governance officer in order to protect shareholders' equity and to enhance the function of the Board of Directors. Special Assistant, Scott, Bao is already equipped with management work experience in financial and stock affairs for more than ten years, and his main responsibilities are to provide information and documents necessary for the directors and supervisors to perform duties, to assist the directors and supervisors in legal compliance and to handle matters related to the board of directors' meetings and shareholders' meetings according to the laws.</p> <p>2022 duty execution status is as follows:</p> <p>1. Assist independent directors and general directors to</p>	<p>In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p>

		<p>perform job duties, provide necessary documents and arrange the training for the directors.</p> <p>2. Provide assistance to legal compliance of the board of directors' meeting and the shareholders' meeting procedure and resolution.</p> <p>3. Prepare the board of directors' meeting agenda for informing the directors seven days prior to the convention of the meeting, convene meeting and provide meeting documents and data. In case where a proposal requires any director's recusal of conflict of interest, provide a notice in advance, and complete the meeting minutes for the board of directors' meeting within twenty days after the meeting.</p> <p>4. Handle the shareholders' meeting date preliminary registration, prepare meeting notice, meeting handbook and meeting minutes within the statutory deadlines and handle the registration alternation matters for the amendment of the articles of incorporation or the election of directors.</p>	
5、 Does the company establish a communication channel and build a designated section on its website for stakeholders (including but no limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V	<p>The company maintains good relationships with investors, employees, customers, suppliers and other stakeholders, and has a stakeholder area on the company's website to deliver immediate and appropriate responses to issues raised by stakeholders and important corporate social responsibility issues in response to their concerns. (http : //www.syncmold.com.tw/syncmold-2018/item_interested_person_2018.html)</p>	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

6、 Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company commissioned a professional stock affairs service agent, CTBC Bank Stock Agent, to handle the Company’s stock service matters, and with the “Guidelines for Handling of Stock Affairs” stipulated to regulate the relevant operations.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
7、 Information disclosure (1) Does the Company have a website setup and the financial business and corporate governance information disclosed?	V		(1) The Company’s website (www.syncmold.com.tw) has the shareholder’s section setup to disclose financial information and corporate governance; also, to establish a communication channel for communicating to investors.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(2) Does the Company have adopted other information disclosure methods (such as, establishing an English website, designating responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company’s website, etc.)?	V		(2) In addition to setting up a website in both Chinese and English, the company has a spokesperson responsible for external communication. And a designated person is responsible for collecting company information to provide spokespersons and relevant business departments with answers to interested parties and authorities. Via MOPS, earnings call, the company's website and newspapers and magazines, etc., the company exposes financial information to the investing public.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(3) Does the Company file and disclose the annual financial reports within two months after the end of its accounting year, and disclose and file the financial reports of the first, second, and third quarters and monthly operation status in advance before the deadline?		V	(3) The Company did not file and disclose the 2022 financial reports within two months after the end of its accounting year.	It will be adjusted in accordance with the authority’s regulations in the future.

<p>8、 Are there any other important information(including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the continuing education of directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company's directors and supervisors) that are helpful in understanding the corporate governance operation of the Company?</p>	<p>V</p>	<p>(1) Employee rights and employee care: The company has set up special processing channel for various stakeholders. For example, the management department specializes in handling employee rights, and employee welfare committee is set up to care for the needs of employees. Holiday bonuses, travel, birthday allowance and labor festivals subsidies are provided each year. The system operates smoothly.。</p> <p>(2) Investor Relations: Establish a communication channel for the spokesperson and agency spokesperson system to respond to shareholders' questions.</p> <p>(3) Supplier Relationship: The company has always maintained a good relationship with its suppliers.</p>	<p>In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p>
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Evaluation Item	Implementation Status			Deviating from the “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Description	
			<p>(4) Rights of interested parties: The company respects and safeguards the legitimate rights and interests of stakeholders, and maintains good communication channels with customers, employees, suppliers, etc. The business dealings with related companies under the principle of fairness and reasonableness. Written specifications are set for the financial operations and the transfer of interests and unconventional transactions are prohibited. In accordance with the provisions of the competent authority, the company handles relevant information announcements in a timely manner to provide various company information.</p> <p>(5) Directors and Supervisor's training situation: The directors and Supervisors of the Company have professional capabilities in business, financial accounting and business management. Also, the Corporate Governance Act and related information are regularly updated and provided to the Directors and Supervisors for reference, and the Company will take the initiative to inform the Director and Supervisor if they have</p>	

		<p>obtained relevant corporate governance courses. The training situation has been exposed to the MOPS for reference by shareholders and investors.</p> <p>(6) Implementation of risk management policies and risk measurement standards: The company has established various internal regulations and internal control systems in accordance with the law to conduct various risk management and evaluation. Internal auditing unit regularly and irregularly checks the implementation level of the internal control system.</p> <p>(7) Implementation of customer policy: The Company maintains a good relationship with its customers and provides customer service in accordance with various internal management methods, and “customer satisfaction” is an important part of the quality policy.</p> <p>(8) The acquisition of liability insurance for directors :The Company has acquired liability insurance for directors and supervisors.</p>	
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9、Please explain the improved status and the priority matters and measures on the unimproved items based on the latest Corporate Governance Evaluation Result by the Taiwan Stock Exchange Corporate Governance Center:

The Company performed the self-assessment of corporate governance through the Corporate Governance Evaluation System established by the corporate governance center of the Taiwan Stock Exchange. The result of the seventh intake of the corporate governance review of 2022 was 21%-35%.

According to the findings of the 2022 corporate governance review, matters where improvement has been made by the Company include:

Prioritized items for the Company in the future include:

1. Is the Company's general shareholders' meeting held before the end of May?
2. Set an extra-statutory Functional Committee.
3. It is specified in the Board of Directors Performance Evaluation Guidelines that an external assessment shall be performed at least once every three years.
4. The Company releases the Annual Financial Statement within two months after the end of a fiscal year.
5. The ESG Report or other reports disclosing non-financial information of the Company are certified by a third party.

3.3.4 Remuneration Committee

3.3.4.1 Remuneration Committee members

Identity	Terms	Professionalism and experience	Fulfillment of independence	Serving as a Remunerati On Committee member of another public company	Remarks
	Name				
Independent Director	Da-Ho ,Yen	Refer to Page 12 of the Annual Report	Refer to Page 12 of the Annual Report	3	
Independent Director	Yung-Lu ,Tsai			1	
Independent Director	Shih-Kuang, Tsai			3	

3.4.1 The responsibility of Remuneration Committee :

- A. Establish and regularly review the policies, systems, standards and structures of directors and managers for performance evaluation and compensation.
- B. Regularly evaluate and determine the salary remuneration of directors and managers.
- C. When the salary remuneration committee performs the functions, it shall be based on the following principles, but the supervisor remuneration proposal shall be submitted to the board of directors for discussion, and the supervisor salary remuneration shall be prescribed by the company's articles of incorporation or the resolution of the shareholders' meeting authorizing the board of directors to:
 - a. Managerial performance evaluation and compensation and remuneration shall take reference of the general criteria for the payment in the industry and take into consideration the legitimate correlation with personal performance, operational performance of the Company, and risks in the future.
 - b. Directors and managers should not be led to engage in aggressive risk appetite for the pursuit of salary remuneration.
 - c. The ratio of dividends paid to the short-term performance of directors and timing of changes in salary compensation to senior managers should be determined by considering the industry characteristics and the nature of the company's business.
- D. The salary remuneration referred to in the preceding paragraph includes cash remuneration, stock options, dividend share, retirement benefits or resignation benefits, various allowances and other measures with substantial rewards shall be in accordance with the guidelines for the record of the annual report of the public company. The directors and managers are paid the same. When the board of directors advising remuneration committee, it should consider the amount of salary remuneration, the payment method and the company's future risks.
- E. The remuneration of the directors and managers of the subsidiaries shall be submitted to the board of directors of the company for discussion. After being advised by the remuneration committee, they are subject to the approval of the board of directors

3.4.2 Operation of remuneration committee

- A. There are three members in Remuneration Committee of the Company.
- B. Current term of office: June 18, 2020 through June 17, 2023; the most recent year The Board held 4 meetings (A) with the attendance record and qualification of Committee members as follows :

Title	Name	Actual attendance (B)	Actual attendance rate (%) (B/A)	Remarks
Convener	Da-Ho, Yen	3	100	
Member	Yung-Lu, Tsai	3	100	
Member	Shih-Kuang, Tsai	3	100	

Other noteworthy matters :

1. If the board of directors does not adopt or amend the recommendations from the remuneration committee, it shall state the date and time of the board meeting, the content of the proposal, the results of the resolutions and the company's treatment of the opinions of the compensation committee. (If the salary paid by the board of directors is better than the salary compensation committee's recommendations, the rates and reasons should be stated) : None.
2. In the event that any member of the Remuneration Committee has expressed dissent or reservation over the Committee's decisions, and that the dissent or reservation has been recorded or delivered in writing, the decision shall indicate the date of the Committee's meeting, term, contents of the proposal, opinions of all the members, and how the opinions of a member is handled: None.
3. The results of the recent annual Compensation Committee discussion and resolution are as follows:

C. Dates, motions and resolutions of remuneration committee in 2021

Date	Proposal	Compensation Committee resolution	The opinions of the Compensation Committee
March 15, 2022	1. Review of the distribution of the remuneration to directors and supervisors and that to employees for 2021 of the Company as advised by the management.	All the attending members passed the resolution	All the attending directors passed the resolution
May 5, 2022	1. Review of the distribution of the remuneration to directors and supervisors for 2021 of the Company. 2. Review of the distribution of remuneration to managers and employees for 2021 of the Company. 3. Review of the 2022 Manager Incentive Bonus Plan for our company.	All the attending members passed the resolution	All the attending directors passed the resolution
November 7, 2022	1. Review of the distribution of remuneration to managers and employees for 2021 of the Company. 2. Review of the Second Manager Incentive Bonus Plan for the 2022 fiscal year in our company. 3. Review of the distribution of three-festival gift money to managers for 2022 of the Company.	All the attending members passed the resolution	All the attending directors passed the resolution

3.3.5 Implementation of the promotion of sustainable development and Sustainable Development Best Practice Principles

Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons		
	Yes	No	Summary			
1. Has the Company set up major principles on the risk assessment on environment, society, and corporate governance issues related to the company operations, and set up related policy or strategy of risk management?	V		The Company has set up risk assessment on major issues based on the major principles of Sustainable Development and set up related policy or strategy of risk management as follow:		In compliance with the Sustainable Development Best Practice Principles	
			Major Principles	Risk Assessment Item		Related Policy or Strategy of Risk Management
			Environment	Environmental protection		The Company has done its responsible in environment and actively promote the activity and measures on environmental education and environmental production and energy saving, such as bring one’s own cups and utensils, double-printed on paper or reuse single-printed paper to reduce the energy consumption and energy saving. Specific and quantify data and goal are set up for performance management.
			Society	Labor Relations		Employees are the most important partners and assets of a corporate. The Company is dedicated to building a good labor relation and provides a stable working environment, multiple education training system, and diverse employee benefits, so that every employee can enjoy one’s job and take care of their family while developing their career.
			Corporate Governance	Regulation Compliance		The Company ensures all personnel and operation have followed the relative regulations through governance organization and implement internal control system.
2. Does the Company have a specific (or part-time) unit set up to promote corporate social responsibility, have the management authorized by the Board of Directors to handle matters and report the processing results to the Board of Directors?	V		The Company has set up a Corporate Governance Team on the Board meeting on May 9, 2019 and assigned Scott, Bou the special assistant of the Chairman’s room, as the governance manager. The team is also responsible for corporate social		In compliance with the Sustainable Development Best Practice Principles	

Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			responsibility and takes charge of proposing and executing project on the policy, system, or management direction of the corporate social responsibility. An annual performance target and specific execution project and a regular meeting will be set up to review the executing performance on the compliance status of the corporate social responsibility and project execution. It will report the execution status to the Board annually, and the 2021 execution status was reported on Dec 28, 2021.	
3. Development of sustainable environment				
(1) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	V		(1) The Company has set up its environmental safety and health management system and acquired ISO 14001 (environmental management), ISO 50001 (energy management), and IECQ QC 080000 (hazardous substance management) certifications, among others.	In compliance with the Sustainable Development Best Practice Principles
(2) Is the Company committed to enhance the utilization efficiency of resources and use renewable materials that are with low impact on the environment?	V		(2) The company promotes the recycling of paper and promotes the recycling and reuse of waste resources and carries out paperless operations. The company's production process does not have a procedure for harmful substances, and the wastes of the production are receipted and recycled by professional manufacturers.	In compliance with the Sustainable Development Best Practice Principles

<p>(3) Does the Company evaluate the existing and future potential risk and opportunity of climate change to the corporate, and adopt relative corresponding measures?</p>	<p>V</p>	<p>(3) Substantial Risk of Corporate Caused by Climate Change: Climate change will cause extreme weather, including increased frequency of typhoons (hurricanes), increase of annual average temperature, concentrated and short-time of rains and uneven rainfalls, such that the power consumption for air conditioning and office lighting demand of the Company is increased, leading to increase of power consumption cost.</p> <p>Opportunity to Corporate Due to Climate Change: In response to the low carbon economic demands of the governments, customers and international investment institutions, the Company seeks to contribute efforts to the greenhouse climate change and considers the sources of various aspects along with the implementation of green research, green factory, enhanced energy saving, water saving, reduction of production energy and environmental information disclosure etc., in light of continuously seeking the reduction of impacts of the Group on the environment.</p>	<p>In compliance with the Sustainable Development Best Practice Principles</p>
<p>(4) Has the Company count the greenhouse gas emissions, water usage, and total weight of waste over the last two years, and formulate policy on energy saving, greenhouse gas reducing, water saving, or waste management?</p>		<p>(4) The self-inspection of the Company revealed that the Scope 2 GHG emissions of 2019 and 2020 were approximately below 192,476 kg and 171,830 kg of CO₂e. All were indirect GHG emissions from the electricity needed mainly for air-conditioning and office lighting. Therefore, related policies were prepared to save electricity</p>	<p>In compliance with the Sustainable Development Best Practice Principles</p>

			and achieve GHG emission goals accordingly. In addition, the total amount of water consumed throughout 2020 came to 224 tons and the total amount of waste generated came to 2,841 kg.	
4. Social issues				
(1) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?	V	(1)	The Company respects and follows the internationally known human rights such as “Universal Declaration of Human Rights” and “Guiding Principles on Business and human rights” by the United Nations and precludes any behavior that infringes or violates human rights. All management regulations are in compliance with and comply with relevant government regulations and are committed to complying with international social responsibility regulations to ensure employee rights and interests.	In compliance with the Sustainable Development Best Practice Principles
(2) Does the Company set up and implement reasonable employee benefits (including remuneration, vacation, and other benefits), and reflect the operation performance or result on the employee remuneration?	V	(2)	The Company has set up Committee of Employees' Welfare on 2004 to establish all benefit measures. The implementation is disclosed on the Company's website and page 95 of the annual report. Remuneration Committee was also set up to evaluate operation cost, profitability, consumer price index, fairness of the internal and external salary, and performance management, and use them and social responsibility as reference to allocate and adjust remuneration of all employees.	In compliance with the Sustainable Development Best Practice Principles

<p>(3) Does the Company provide employee with a safe and healthy working environment, and provide safety and health education to employees regularly?</p>	<p>V</p>	<p>(3) Our company complies with government occupational safety and health regulations (ISO 45001) and regularly conducts employee safety and health education. The implementation is as follows:</p> <ol style="list-style-type: none"> 1. Contracted on-site physicians and dedicated nursing staff provide on-site health services. 2. Regularly organize seminars on health and safety. 3. Establish safety and health policies and promote their implementation accordingly. 	<p>In compliance with the Sustainable Development Best Practice Principles</p>
<p>(4) Does the Company have an effective career capacity development training program established for the employees?</p>	<p>V</p>	<p>(4) The company prepares annual employee education, training programs and special lectures every year, covering functional training, logical and innovative thinking and physical and mental development, to enhance the professional competence of employees, innovative thinking and balance physical and mental development.</p>	<p>In compliance with the Sustainable Development Best Practice Principles</p>
<p>(5) Does the Company have the relevant consumer protection policies and complaint procedures established in the sense of R&D, procurement, production, operations, and service processes?</p>	<p>V</p>	<p>(5) The company and its subsidiaries have established customer complaint procedures with a satisfaction-oriented quality system and set up stakeholder areas on the company's website to provide employees, customers, suppliers, government agencies, shareholders, investors an effective complaint channel for various stakeholders (http://www.syncmold.com.tw/syncmold-2018/item_interested_person_2018.html).</p>	<p>In compliance with the Sustainable Development Best Practice Principles</p>

<p>(6) Does the Company have a supplier management policy, and request its supplier to follow the related regulation on environmental protection, occupational safety, or labor human rights and its implementation?</p>	<p>V</p>	<p>(6) The Company has the “Supplier Management Process” in place. New suppliers being screened are asked to sign the “Environmental Restricted Substance Warranty” and the “Supplier Integrity and Credit Contract” and spontaneously provide the “Hazardous Substance Test Report (SGS) and the “Product Composition Table” , among others, and specified that suppliers shall spontaneously enclose ISO 14001 (environmental management), ISO 50001 (energy management), ISO 45001(occupational health and safety management),ISO 9001(quality management) and IECQ QC 080000 (hazardous substance management) certificates, among others. The quality unit arranges annual reviews according to the roster of qualified suppliers each year and audits qualified suppliers to ensure steady quality of received materials. For suppliers determined to be disqualified during subsequent reviews and not seeking corrections despite discussions about deficiencies and assistance provided, their qualified status may be canceled if necessary.</p>	<p>In compliance with the Sustainable Development Best Practice Principles</p>
<p>5. Does the Company follow the international regulation when preparing the ESG report or other report that disclose company information other than financial data? Does the report obtain a third party verification or assurance?</p>	<p>V</p>	<p>The Company’s CRS report of 2021 was prepared in accordance with the “core” item in the Standards of Global Reporting Initiative (GRI) and the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports” Meanwhile, it is disclosed on the Company’s and the Market Observation Post System in September 2021 .</p>	<p>In compliance with the Sustainable Development Best Practice Principles</p>
<p>6. If the Company has the “Sustainable Development Best-Practice Principles” stipulated in accordance with the “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies,” please state its deviation : The relevant regulations on Sustainable Development are set in the company's personnel, environmental protection, safety and health standards, in line with the requirements of the law.</p>			

7. Other noteworthy information regarding to ESG :

1.Environmental, health and safety :

(1) The company has established an environmental, health and safety management system and obtained ISO14001, ISO9001 and other certifications.

In 2022, we continued to carry out internal education training on ISO9001 and ISO14001, enhance our colleagues' awareness of relevant laws and regulations, implement various systems formulated by the company, achieve product quality assurance, and achieve the goal of saving energy, protecting the environment, and protecting the global environment.

(2) The Company was certified by IECQ QC 080000 (Hazardous Substance Process Management) for the first time in 2020. Both the use and production process of hazardous substances with special restrictions are thoroughly checked and evaluated as a commitment to protect all workers along the production line and product users and to reduce the impacts that products have on the environment and accordingly ensure environmental sustainability.

(3) The company is committed to improving the efficiency of the use of various resources, promoting the recycling of paper and other waste resources, and the implementation of paperless operations. The company's production procedures do not produce hazardous substances. The production wastes such are recycled by professional manufacturers.◦

(4) The office glass window has been fully applied with heat-insulating film. The heat-insulating film reduces the indoor temperature, the electricity consumption of AC in summer, and achieve energy-saving effects. As of August 2017, all the office windows applied heat-insulating film reducing the indoor temperature and electricity consumption.

(5) In 2021, the office building was monitoring by energy-saving manufacturers using data and cloud services, it showed a 30% reduction of electricity consumption.

2. Following internationally recognized basic human rights, fulfill corporate social responsibility, and protect the basic human rights of all colleagues, customers and stakeholders. According to the company's characteristics and operational development strategy, the company will conduct risk assessments on human rights issues from time to time. Relevant risk issues are as follows: :

(1)Reasonable working hours :

In order to ensure that employees are not at risk of working long hours, the company specifies working hours and overtime hours and regularly care and manage employee attendance.

(2) Diversity and equal opportunities :

- (a) Ensure that employment policies are not treated differently, implement fairness in employment, compensation and benefits, training, assessment and promotion opportunities, and provide appropriate grievance mechanisms to avoid jeopardizing employee rights
- (b) The company complies with relevant labor regulations and protects the legitimate rights and interests of employees. The Company has established "Working Rules" in accordance with the " Labor Standards Act " and clearly stipulates the rights and obligations of both employers and employees. Establish a "Labor Safety and Health Work Code" under the "Labor Safety and Health Work Rules" to prevent occupational disasters and safeguard workers' safety and health. According to Article 7 of the "Taipei County Sexual Harassment Prevention and Autonomous Regulations", the "Sexual Harassment Prevention and Control Management Measures" is formulated to prevent sexual harassment in employment and to maintain gender equality and personal dignity. The company also handles various safety and health education and training in accordance with relevant regulations of the government's occupational safety and health education.
- (c) The company attaches great importance to employee career development and regularly examines the gaps between employees' ability and organizational needs to plan training plans for staff capacity enhancement or talent development. The company prepares annual employee education and training programs and special lectures, covering functional training, logical innovative thinking and physical and mental development, to enhance the professional competence of employees, innovative thinking and balance physical and mental development.

(3) Health and safe workplace :

- (a) Regular environmental safety checks to avoid potential health and safety risks from work.
- (b) The company is committed to providing a safe and healthy working environment for employees. In terms of security and access control management, each office has an access control system at the entrance and exit and cooperates with the security personnel to carry out the relevant control operations. In the fire safety of the building, fire safety inspections and fire drills are regularly conducted every year. In terms of water safety of the building, regular inspections were carried out to clean the reservoir and the quality of drinking water for sampling inspection and announcement. Another implementation of the smoke-free workplace decree to plan outdoor smoking areas, the working environment is in line with government occupational safety and health related regulations.
- (c) The company sets up employee welfare committees, organizes various activities and provides various welfare measures to encourage staff morale and strengthen labor-management cooperation. The company regularly handles employee health checks. In Nov. 2021, the employee conducts health checks. In addition to the basic inspection items that should be given according to law, the company increases the budget for health check items.
- (d) In 2017, the company established the "Measures for Employee Child Care Subsidy". In 2022, the number of qualified employees has reached 25 with the total of 33 children, totaling NT\$ 198,000 to reduce burden of employee.

(e) To establish a workplace environment of good occupation and healthy balance, in addition to monthly provision of fixed health newsletters by E-mail, the Company advertises the knowledge of various medical treatment and health care, and weekly invites the doctor and nurse to provide free consultation service of medical treatment for the personnel to expect that the personnel can take good care of their health besides hard work.

(4) Freedom of association :

Colleague has freedom of association, establishes associations and actively promotes societies.

(5) Labor negotiation :

The company has established a systematic staff communication mechanism to maintain communication with employees through regular interviews and a staff complaints pipeline to handle employee complaints or labor dispute mediation. The company also has an electronic bulletin board, so employees can instantly receive the company's important information.

(6) Privacy protection :

In order to fully protect the privacy rights of customers and all stakeholders, we will establish a sound information security management mechanism and follow strict management and control practices and protective measures.

3. Social welfare :

1. Made donations to Chungho Station of Hua-Shan Foundation for New Year'meals and delivery service; assisting with supplies gathering and volunteering service.
2. Made donations as scholarship to assist students with good grades but from a low-income family to finish school.
3. Made donations to Taiwan Read Foundation and set up a book stack in the Tong-shi Elementary School in Yunlin.
4. For other information, please refer to the Annual Corporate Social Responsibility Report on the Company's website : (http://www.syncmold.com.tw/syncmold-2018/item_csr_report_2018.html)

3.3.6 Implementation of corporate ethical management and measures taken:

Item	Implementation Status			Discretions with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
	Yes	No	Summary	
<p>1. Formation of ethical management policies and methods</p> <p>(1) Does the Company have the ethical management policy and method declared explicitly in the Articles of Incorporation and external documents; also, the commitment of the board of directors and the management to actively implement the operating policies?</p>	V		<p>(1) The Board has passed the “Integrity Operation Regulation” and “Ethical Behavior Principle” and appointed Scott, Bou the governance manager, in charge to plan and execute integrity operation policy and prevention. In order to ensure the implementation, the performance will be reported to the Board, and the 2022 execution performance was reported on Dec 29, 2022.</p>	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
<p>(2) Does the Company set up a disintegrated behavior risk assessment to analyze and evaluate any highly disintegrated behavior in its operation scope regularly while at least cover the prevent measures under Article 7 (2) in Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p>	V		<p>(2) The company has an "integrity operation procedure", which clearly stipulates that all employees shall not directly or indirectly provide or accept any unreasonable gifts, hospitality or other improper benefits and avoid employees sacrificing the company's rights and interests for personal gain. An effective accounting system and internal control system have been established and reviewed Quarterly to ensure that the design and implementation of the system continues to be effective.</p>	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

<p>(3) Does the Company have the prevention program for any fraud stipulated; also, have the respective operating procedures, guidelines for conduct, disciplinary actions, and complaints system declared explicitly; also have it implemented substantively?</p>	V		<p>(3) The Company has established an "integrity operation procedure", including procedures for how to prevent untrustworthy behavior and accept improper interests. Through the education and training, we will promote the integrity management policy and combine this policy with the employee performance appraisal and human resources policy to establish a clear and effective reward and punishment system.</p>	<p>In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies</p>
<p>2. Substantiation of ethical management</p>				
<p>(1) Does the company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?</p>	V		<p>(1) The company uses customer credit assessment and supplier evaluation to avoid untrustworthy business activities. The relevant integrity behavior clauses are combined with the parties to ensure that their business operations are fair and transparent, and will not require or accepting bribes.</p>	<p>In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies</p>
<p>(2) Does the Company have a specific unit setup under the board of directors to advocate the code of integrity and to report on its implementation to the Board on a regular basis?</p>	V		<p>(2) The corporate governance team is responsible for the revision, implementation, interpretation, consulting services, notification content, recording and construction, of the "integrity operation procedures". The division requires to supervise and execute the "integrity operation procedures" and report to the board of directors once a year.</p>	<p>In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies</p>
<p>(3) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?</p>	V		<p>(3) The company has established the regulation of the board of directors according to law. If the directors have interests in the resolutions listed by the board, the legal persons of their own or</p>	<p>In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies</p>

			their representatives, which are harmful to the interests of the company, are avoided during discussion and voting.	
(4) Does the Company have established effective accounting systems and internal control systems to make related audit plan to verify and prevent disintegrated behavior based on the assessment from internal audit department or by the commission CPAs?	V		(4) In order to implement the integrity management, the company has established an effective accounting system. The internal auditors regularly check the accounting system and the internal control system and make an audit report to the board of directors.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
(5) Does the Company have organized ethical management internal and external education and training programs on a regular basis?	V		(5) The company will regularly organize internal and external education training on integrity management. The higher management will convey the importance of integrity to its employees from time to time. In 2021, the company held internal and external education training on integrity management with a total of 112 people and 330 hours (including integrity management regulations, corporate governance practices, accounting systems and internal control).	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
3. The operation of the Company's Report System				
(1) Does the Company have a specific report and reward system stipulated, a convenient report channel established, and a responsible staff designated to handle the individual being reported?	V		(1) In order to establish the internal and external reporting pipelines and handling systems of the company, the company established regulation on "treatment for illegal and unethical or dishonesty" for the implementation of Code of Ethics and the Code of Business Conduct for the directors, supervisor and managers and ensure the legal rights of prosecutors.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

(2) Does the Company have the standard investigating procedures and related confidentiality mechanism established for the incidents being reported?	V		(2) The company's Company has set up reporting procedures on “reporting illegal, unethical, or disintegrated behavior case” reporting procedures have a confidentiality mechanism for information of the parties.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
(3) Does the Company have taken proper measures to protect the whistleblowers from suffering any consequence of reporting an incident?	V		(3) The company's Company has set up reporting procedures on “reporting illegal, unethical, or disintegrated behavior case” reporting procedures have a confidentiality mechanism that prohibits retaliation against informants.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
4. Strengthening information disclosure				
(1) Does the Company have the content of ethical management and its implementation disclosed on the website and MOPS?	V		The company publishes the work plan, operation and execution of integrity management on the website(http://www.syncmold.com.tw/syncmold-2018/item_integrity_management_2018.html), and announces the integrity of business practices, corporate culture and business policies in the MOPS.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
<p>5. If the Company has the “Ethical Management Best-Practice Principles” stipulated in accordance with the “Ethical Management Best-Practice Principles for TWSE/GTSM Listed Companies,” please state its deviating from the “Ethical Management Best-Practice Principles for TWSE/GTSM Listed Companies” in operation: :</p> <p>The company has “Code of corporate integrity” which in compliance with the “Corporate Ethical Management Best-Practice Principles for TWSE/GTSM Listed Companies.”</p>				
<p>6. Other important information helpful in understanding the ethical management operation: (Such as, the Company has its Ethical Management Best-Practice Principles reviewed and amended, etc.)</p> <p>The company is engaged in commercial activities based on the principles of fairness, honesty, trustworthiness and transparency. In order to implement the policy of honesty and integrity, and actively prevent unscrupulous behaviors, the company has established a “Code of Corporate Integrity” to specifically regulate the matters that employees should pay attention to when conducting business. The company abides by the Company Act, the Securities and Exchange Act, the commercial accounting law and other relevant regulations and the relevant regulations on public company, as the basis for the implementation of integrity management.</p> <p>The company has created a "comment box" on the company's internal website as a complaint mechanism pipeline and reporting procedure and has a</p>				

dedicated person to handle it. In addition, the comment box is set up on the company's website in the stakeholder area to provide an effective complaint channel for all stakeholders ([http : //www.syncmold.com.tw/syncmold-2018/item_interested_person_2018.html](http://www.syncmold.com.tw/syncmold-2018/item_interested_person_2018.html)).

3.3.7 Query on corporate governance related policies

The company has announced the following policies on the company's website: articles of incorporation, acquisition or disposal of asset, endorsement guarantee operations, fund loans, internal major information management, code of corporate governance, code of integrity practice, code of corporate social responsibility, code of ethic for directors, supervisor and management, treatment of illegal and unethical or dishonest conduct.

3.3.8 Other important information helpful in understanding the corporate governance operation

- (1) The Company has formulated “Internal Major Information Management Practice” and regularly reminds directors, supervisors, managers and all colleagues to avoid violations on insider trading.
- (2) The company announces the code of corporate governance, code of integrity practice, and the code of corporate social responsibility to its internal staff, such as directors, supervisors and managers.

3.3.9 Implementation status of the internal control system:

3.3.9.1 The Company's 2022 Internal Control Declaration:

Syncmold Enterprise Corp.

Internal Control System Declaration

Date: March 15, 2023

For the Company's internal control system of 2022, it is hereby declared as follows according to self-assessment findings:

- I. The Company knows that establishing, enforcing, and maintaining an internal control system is the responsibility of the Company's Board of Directors and managers and has such a system in place already. The purpose of the system is to reasonably ensure the achievement of various objectives, including operational efficiency and effectiveness (including profitability, business performance and the security of assets), the reliability, timeliness and transparency of information disclosed, and compliance with relevant guidelines as well as relevant laws and regulations.
- II. The internal control system has its inherited restrictions that cannot be overcome with improved design. An effective internal control system can also only reasonably ensure the fulfillment of the three goals stated above and its effectiveness may change as the environment or situation changes. There is a self-surveillance mechanism, however, built inside the internal control system of the Company that helps the Company take a corrective action against deficiencies confirmed.
- III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the items in "Governing Regulations for Public Company's Establishment of Internal Control System" (hereinafter called "Governing Regulations") that are related to the effectiveness of internal control systems. The items adopted in the Governing Regulations for determining the internal control system are the five constitutional elements of the internal control system divided according to the management and control process: 1. control environment, 2. risk assessment, 3. control process, 4. information and communication, and 5. supervision. Each element further encompasses several items. Please refer to "Governing Regulations" for details.
- IV. The Company has already adopted the aforesaid items for assessing the effectiveness of its internal control system in terms of system design and implementation.
- V. Pursuant to the results of the above-mentioned evaluations, the Company is of the view that the design and implementation of its internal control system as of December 31,

2022 (including its supervision and management of subsidiaries), including its awareness of the extent by which the operating effects and efficiency goals are fulfilled, reliability of reports, and compliance with relevant laws and regulations, are such that it is effective and capable of reasonably ensuring that the aforementioned goals can be achieved.

- VI. This declaration constitutes a major part of the Company's Annual Report and the Company's Prospectus that are made available to the public. If the aforesaid published contents are found to be false, or fraudulent in any way, the Company and its management shall be legally liable in accordance with Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. This declaration was approved at the meeting of the Company's Board of Directors on March 15, 2023 without dissenting opinions expressed by any of the 7 directors attending the meeting. All agreed on the contents of this Declaration. Please take note of it.

3.3.9.2 If the accountant is appointed to examine the internal control system, the independent auditor's report should be disclosed : None.

3.3.10 The fiscal year 2021, up to publication of annual report and internal personnel was punished in accordance with regulations, or the Company's punishment for internal personnel violated internal control system and regulations, its punishment results which probably caused important affection for shareholders' equity or securities shall be specified the content of punishment, main deficiencies and improvement: None

3.3.11 Important resolutions made by the Shareholders' Meeting and Board of Directors by the end of 2021 and the printing date of the annual report :

(1) Resolutions and Implementation of 2022 Shareholders' Meetings

Meeting Date	Summary	Resolutions	Implementation
July 10, 2022	1. Ratification of 2021 statements and reports	Voted and approved	
	2. Ratification of distribution of 2021 earnings It was decided that cash dividends worth NTD 247,448,342; that is, NTD 2 per share, would be distributed.	Voted and approved	July 8, 2022 was set to be the ex-dividend base date and cash dividends worth NTD 655,738,106 were completely distributed on August 5, 2022.
	3. The Company's capital surplus cash distribution resolution The resolution is to distribute cash from capital surplus in the amount of NTD 408,289,764 , at a rate of NTD 3.3 per share.	Voted and approved	

(2) Resolutions and Implementation of Board Meetings

Meeting Date	Summary	Resolutions
03/15/2022	(I)2020 statements and reports (II)Distribution of 2020 earnings (III)Distribution of remuneration to directors and supervisors and that to employees for 2020 (IV)2020 Internal Control System Declaration (V)Lifting of the non-competition pledge obligations upon the newly elected directors (VI)Independence assessment and delegation of CPAs (VII)Discussion of lending of funds (VIII)Ratification of derivatives (IX)Limits of borrowings from Taipei Fubon Commercial Bank and ratification of endorsements/guarantees to subsidiaries (X)Ratification of limits of borrowings from Bank SinoPac (XI)Intended 2021 General Shareholders' Meeting (XII)Related matters of accepting proposals from shareholders prior to the 2021 General Shareholders' Meeting	Approved by all attending directors without objection.
05/05/2022	(I)Review of the distribution of remuneration to directors and supervisors for 2020 (II) Review of the distribution of remuneration to managers and employees for 2020 (III) Third domestic unsecured-convertible corporate bonds in the nation	Approved by all attending directors without objection.

Meeting Date	Summary	Resolutions
	(IV) Revision to the plan to invest in the subsidiary Syncmold Enterprise Vietnam Co., Ltd. and capital increase (V) Line of credit from Yuanta Bank (VI) Line of credit from E.SUN Bank (VII) Ratification of addition of the line of credit from Chinatrust Commercial Bank and endorsement/guarantee (VIII) Ratification of derivatives (IX) Discussion of lending of funds (X) Authorization over the change of the venue for 2021 General Shareholders' Meeting	
07/08/2022	(I) Intended rescheduling of date and venue for 2021 General Shareholders' Meeting	Approved by all attending directors without objection.
08/02/2022	(I) Discussion of lending of funds (II) Line of credit from E.SUN Bank and endorsements/guarantees to subsidiaries (III) Revision of 2021 Business Budget Proposal (IV) Change of Corporate Governance Officer (V) Ratification of the line of credit from Taishin International Bank (VI) Ratification of the line of credit from Mega International Commercial Bank (VII) Ratification of the line of credit from Yuanta Bank (VIII) Ratification of derivatives (IX) Revision of the written internal control system	Approved by all attending directors without objection.
11/07/2022	(I) Discussion of lending of funds (II) Review of the second distribution of remuneration to managers and employees for 2020 (III) Review of the three-festival gift money to managers for 2021 (IV) Ratification of derivatives	Approved by all attending directors without objection.
12/29/2022	(I) 2022 Business Budget (II) 2022 Internal Audit Plan (III) Independence assessment and delegation of CPAs (IV) Revision of the "Audit Committee Organic Rules" (V) Revision of the "Corporate Social Responsibility Best Practice Principles" (VI) Revision of the "Corporate Governance Best Practice Principles" (VII) Ratification of the revisions made to the written internal control system (VIII) Ratification of the line of credit from Chinatrust Commercial Bank and endorsement/guarantee (IX) Ratification of endorsement/guarantee (X) Ratification of derivatives	Approved by all attending directors without objection.
3/15/2023	(I) 2021 Statements and reports (II) Distribution of 2021 earnings	Approved by all attending directors without objection.

Meeting Date	Summary	Resolutions
	(III) Distribution of remuneration to directors and that to employees for 2021 (IV) Payout of cash from capital surplus (V) 2021 Internal Control System Declaration (VI) Discussion of lending of funds (VII) Endorsements/Guarantees to the subsidiary LEOHAB ENTERPRISE CO., LTD. (VIII) Endorsements/Guarantees to the subsidiary GATETECH TECHNOLOGY INC. (IX) Amendments to the Articles of Incorporation (X) Amendments to the Procedures for Asset Acquisition and Disposal (XI) Amendments to the Rules of Procedure for Shareholders' Meetings (XII) Intended 2022 General Shareholders' Meeting (XIII) Related matters of accepting proposals from shareholders prior to the 2022 General Shareholders' Meeting (XIV) Ratification of derivatives (XV) Ratification of the line of credit from HSBC Bank (Taiwan) Limited (XVI) Limits of borrowings from Taipei Fubon Commercial Bank and ratification of endorsements/guarantees to subsidiaries (XVII) Ratification of limits of borrowings from Bank SinoPac	
05/08/2023	(I) Financial statements for Q1 of 2022 (II) Review of the distribution of remuneration to directors for 2021 (III) Review of the distribution of remuneration to managers and employees for 2021 (IV) Review of incentives to managers for 2022 (V) Discussion of lending of funds (VI) Line of credit from E.SUN Bank (VII) Line of credit from Yuanta Bank (VIII) Ratification of derivatives (IX) Amendments to the Rules of Procedure for Shareholders' Meetings (X) Revision of the Corporate Governance Best-Practice Principles (XI) GHG information check and verification plan	Approved by all attending directors without objection.

3.3.12 The contents of the board resolutions regarding which independent directors have voiced opposing or qualified opinions on the record or in writing in the most recent year or up to the publication of the annual report: None.

3.3.13 The resignation or dismissal of the Company's Chairman, President, Accounting Officer, Finance Officer, Internal Audit Director, Corporate Governance Supervisor and RD Supervisor in the most recent year or up to the publication of the annual report: None.

3.4 Audit Fees

Unit : NT\$ in thousands

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fees					Audit Period		Remark
			Direct Deduction Method	Issuancen of CB	Annual Report Review	Business Tax Audit and Reporting	Subtotal	Audit Period		
Deloitte & Touche	Chih-Yuan Chen	6,540	45	30	30	700	805	The year of 2022	The audit fee includes Synemold, its consolidated subsidiary and the check list of non-supervisor, full-time employee	
	Yao-Lin Huang									

3.4.1 If a new CPA Firm is commissioned to serve for an audit fee less than the year before, please disclose the audit fee amount before and after the CPA replacement arranged and the reason for doing so: None

3.4.2 If the audit fee of current year is more than 10% less than the year before, please disclose the audit fee amount and ratio reduced and the root cause of the fee reduction: None.

3.5 Information For Change Of CPA: None.

3.6 The Chairman, President, And Managers Responsible For Finance Or Accounting Who Had Held A Position In The CPA Office Or Its Affiliates : None.

3.7 Changes In The Shares Held And Pledged By Directors, Supervisors, Managers, And Major Shareholders Holding Over 10% Of Outstanding Shares In The Most Recent Year And Up To The Publication Of The Annual Report : None.

3.7.1 Changes in holdings of directors, supervisors, managers and shareholders with holding exceeding 10% :

Unit : Share

Title	Name	2022		As of April 18,2023	
		Increase (decrease) of shareholding	Increase (decrease) of shares pledged	Increase (decrease) of shareholding	Increase (decrease) of shares pledged
Chairman	Chiu-Lang, Chen	200,000	0	0	0
Director	Fortune Investment Co., Ltd.	0	0	0	0
Director	Tim, Weng	0	0	0	0
Director	Shu-Yen, Chuang	0	0	0	0
Independent Director	Yung-Lu, Tsai	0	0	0	0
Independent Director	Shih-Kuang, Tsai	0	0	0	0
Independent Director	Da-Ho, Yen	0	0	0	0
Independent Director	Hui-Chin, Chiu	0	0	0	0
Independent Director	Wen-Hung, Kao	0	0	0	0
V.P.	Connie, Hsu	0	0	0	0
V.P.	Gray, Yan	0	0	0	0
V.P.	Alex, Cheng	0	0	0	0
V.P.	Daphne, Chang	0	0	0	0
V.P.	Peter, Huang	0	0	0	0
A.V.P.	Y.Y., Hsieh	0	0	0	0
A.V.P.	Randy, Lin	0	0	0	0
A.V.P.	Phillip, Cheng	0	0	0	0
A.V.P.	Monty, Chen	0	0	0	0
A.V.P.	Toni, Kao	0	0	0	0
A.V.P.	Scott, Lu	0	0	0	0
A.V.P.	Alvin, Chen	0	0	0	0
Corporate governance supervisor	Scott, Bou	0	0	0	0
Manager	Carrie, Wang	0	0	0	0

3.7.2 Equity transfer information : None

3.7.3 Equity pledge information : None

3.8 Top-10 shareholders being the related party as defined in statement of finance accounting:

Information on relationships among the top ten shareholders

April 18, 2023

NAME	CURRENT SHAREHOLDING		SPOUSE'S/MINOR'S SHAREHOLDING		SHAREHOLDING BY NOMINEE ARRANGEMENT		NAME AND RELATIONSHIP BETWEEN THE COMPANY'S TOP TEN SHAREHOLDERS, OR SPOUSES OR RELATIVES WITHIN TWO DEGREES		REMARK
	Shares	(%)	Shares	(%)	Shares	(%)	Name	Relations	
Chiu-Lang, Chen	8,708,211	7.04%	93,022	0.08%	2,300,000	1.86%	Jianhong, Chen	first-degree relatives	
							Jianyuan, Chen	first-degree relatives	
Fortune Investment Co., Ltd. (Representative: Jian-yuan, Chen)	5,200,139	4.20%	-	-	-	-	Chiu-Lang, Chen	first-degree relatives	
			-	-	-	-	Jian-hong, Chen	second-degree relatives	
Jian-yuan, Chen	2,529,717	2.04%	-	-	-	-	Chiu-Lang, Chen	first-degree relatives	
			-	-	-	-	Jianhong, Chen	second-degree relatives	
Tim, Weng	2,747,581	2.22%	-	-	-	-	-	-	
Zong-Ying, Dong	2,595,000	2.10%	-	-	-	-	-	-	
Jian-hong, Chen	2,553,750	2.06%					Chiu-Lang, Chen	first-degree relatives	
							Jianyuan, Chen	second-degree relatives	
Guan-zhen Investment Co., Ltd. (Representative: Jian-hong, Chen)	2,970,647	2.40%	-	-	-	-	Chiu-Lang, Chen	first-degree relatives	
			-	-	-	-	Jianyuan, Chen	second-degree relatives	
Hongbo Investment Co., Ltd. (Representative: Chiu-Lang, Chen)	2,300,000	1.86%	-	-	-	-	Jian-hong, Chen	first-degree relatives	
			-	-	-	-	Jian-yuan, Chen	first-degree relatives	
Citibank (Taiwan) Commercial Bank entrusted with custody of the Norwegian Central Bank's investment fund.	1,680,500	1.36%	-	-	-	-	-	-	
Shu-Yen, Chuang	1,918,684	1.55%	-	-	-	-	-	-	

3.9 The Shares Of The Invested Company Held By The Company, The Company'S Directors, Supervisors, Managers, And Companies Controlled Directly Or Indirectly, And The Aggregated Overall Shareholding Ratio:

As of April 12, 2022

Affiliated Companies (Note)	Ownership by the Company		Ownership by Directors, Supervisors, Managers and Entities Directly or Indirectly Controlled by the Company		Total Ownership	
	Shares	%	Shares	%	Shares	%
Syncmold Enterprise (Samoa) Corp.	3,545,584	100%	-	-	3,545,584	100%
Grand Advance Inc.	-	100%	-	-	-	100%
Syncmold Enterprise (USA) Corp.	-	100%	-	-	-	100%
Syncmold Enterprise Vietnam Co., Ltd.	-	100%	-	-	-	100%
Syncmold Enterprise (MALAYSIA) Sdn., Bhd.	-	100%	-	-	-	100%
Syncmold Enterprise (SINGAPORE) Pte., Ltd.	-	100%	-	-	-	100%
Syncmold Enterprise (THAILAND) Co., Ltd.	-	100%	-	-	-	100%
High Grade Tech Co., Ltd.	2,280,000	35.63%	-	-	2,280,000	35.63%
CANFORD INTERNATIONAL LIMITED	-	100%	-	-	-	100%
Fullking Development Limited	-	100%	-	-	-	100%
FULL GLARY HOLDING LIMITED	-	100%	-	-	-	100%
Full Big Limited	-	100%	-	-	-	100%
Forever Business Development Limited	-	100%	-	-	-	100%
Full Celebration Limited	-	100%	-	-	-	100%
Fuzhou Fulfil Tech Co., Ltd.	-	100%	-	-	-	100%
Fujian Khuan Hua Precise Mold., Ltd.	-	100%	-	-	-	100%
Fuqing Foqun Electronic Hardware Tech Co., Ltd.	-	100%	-	-	-	100%
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	-	100%	-	-	-	100%
Suzhou Fulfil Electronics Co., Ltd.	-	100%	-	-	-	100%
Zhongshan Fulfil Tech Co., Ltd.	-	100%	-	-	-	100%
Kunshan Fulfil Tech Co., Ltd.	-	100%	-	-	-	100%
Chongqing Fulfil Tech Co., Ltd.	-	100%	-	-	-	100%
CoreBio Technologies Co., Ltd.	5,200,000	38.29%	-	-	5,200,000	38.29%
Gatetech Technology Co., Ltd.	42,432,000	73.82%	-	-	42,561,542	74.05%
Gatech Holding Ltd.	-	73.82%	-	-	-	74.05%

Gatech International Ltd.	-	73.82%	-	-	-	74.05%
Gatech (Suzhou) Inc.	-	73.82%	-	-	-	74.05%
Leohab Enterprise Co., Ltd.	16,619,800	70.00%	-	-	16,619,800	70.00%
Sweet International Group Ltd.	-	70.00%	-	-	-	70.00%
Lucky King Holdings Ltd.	-	70.00%	-	-	-	70.00%
Commuwell Enterprise (Thailand) Co.,Ltd.	-	70.00%	-	-	-	70.00%
Suzhou Leoho Electronics Co., Ltd.	-	70.00%	-	-	-	70.00%
Smart Automation Technology Inc.	1,568,000	49.00%	-	-	1,568,000	49.00%

IV. CAPITAL OVERVIEW

4.1 Capital And Shares

4.1.1 Source of capital

4.1.1.1 Type of capital

April 18, 2023 ; Unit : Share

Type	Authorized Capital			Note
	Outstanding Shares (note)	Non-issued Shares	Total	
Registered Common Shares	123,725,794	76,274,206	200,000,000	1. Listed company stock 2. Retained warrants for subscription of 3,000,000 share

4.1.1.2 Formation of capital

April 18, 2022 ; Unit : 1000 Share; NT\$ in thousands

Year / Month	Issued price (NT\$)	Authorized capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital (NT\$1,000)	Capital Increase d by Assets Other than Cash	Approval date and document No.
2004.12	10	15,000	150,000	15,000	150,000	Capital increase 125,000 by cash	—	December 13, 2004 Tai.Chai.Chen.I.Tzi No. 09333164610
2005.07	10	40,000	400,000	25,000	250,000	Capital increase 70,000 by cash Capital increase 30,000 by earning	—	July 7, 2005 Tai.Chai.Chen.I.Tzi No. 09432406570
2006.10	10	40,000	400,000	30,810	308,100	Capital increase 58,100 by earning	—	November 17, 2006 Tai.Chai.Chen.I.Tzi No. 09533140020
2007.03	10	40,000	400,000	35,000	350,000	Capital increase 41,900 by cash	—	March 2, 2007 Tai.Chai.Chen.I.Tzi No. 09631749920
2007.09	10	50,000	500,000	41,500	415,000	Capital increase 65,000 by earning	—	September 19, 2007 Tai.Chai.Chen.I.Tzi No. 09632780680
2008.09	10	160,000	1,600,000	45,057	450,565	Capital increase 35,565 by earnings and employee stock option	—	September 19, 2007 Tai.Chai.Chen.I.Tzi No. 09733104880
2008.12	10	160,000	1,600,000	135,169	1,351,685	Merged with Fulfil Tech. Co., Ltd with new issuance of NT\$ 901.12 million.	—	February 23, 2009 MOEA.So.Sun.Tzi No. 09801032360
2009.09	10	160,000	1,600,000	135,376	1,353,755	Capital increase 2,070 by employee stock option	—	September 14, 2009 MOEA.So.Sun.Tzi No. 09801210290
2010.04	10	160,000	1,600,000	135,845	1,358,455	Capital increase 4,700 by employee stock option	—	April 21, 2010 MOEA.So.Sun.Tzi No. 09901078050

2010.09	10	160,000	1,600,000	136,040	1,360,408	Capital increase 1,953 by employee stock option	—	September 16, 2010 MOEA.So.Sun.Tzi No. 09901208440
2011.07	10	160,000	1,600,000	136,638	1,366,384	Conversion of convertible bond of 598,000 shares	—	July 22, 2011 MOEA.So.Sun.Tzi No. 10001166200
2012.10	10	160,000	1,600,000	137,816	1,378,158	Conversion of convertible bond of 1,177,000 shares	—	October31, 2012 MOEA.So.Sun.Tzi No. 10101225400
2013.02	10	160,000	1,600,000	142,251	1,422,512	Conversion of convertible bond of 4,435,000 shares	—	February 1, 2013 MOEA.So.Sun.Tzi No. 10201022320
2013.04	10	160,000	1,600,000	146,873	1,468,732	Conversion of convertible bond of 4,622,000 shares	—	April24, 2013 MOEA.So.Sun.Tzi No. 10201075050
2013.08	10	160,000	1,600,000	148,592	1,485,901	Conversion of convertible bond of 1,719,000 shares	—	August 5, 2013 MOEA.So.Sun.Tzi No. 10201154290
2013.12	10	160,000	1,600,000	149,856	1,498,563	Conversion of convertible bond of 1,264,000 shares	—	December 6, 2013MOEA.So.Sun. Tzi No. 10201241380
2017.05	10	160,000	1,600,000	153,381	1,533,813	Conversion of convertible bond of 3,525,000 shares	—	May 8, 2017 MOEA.So.Sun.Tzi No. 10601054200
2017.06	10	160,000	1,600,000	158,524	1,585,241	Conversion of convertible bond of 5,143,000 shares	—	June 1,2017 ,MOEA.So.Sun.Tzi No. 10601066760
2017.09	10	200,000	2,000,000	161,537	1,615,370	Conversion of convertible bond of 3,013,000 shares	—	September 6, 2017 MOEA.So.Sun.Tzi No. 10601123350
2017.12	10	200,000	2,000,000	163,573	1,635,732	Conversion of convertible bond of 2,036,000 shares	—	December 8, 2017 MOEA.So.Sun.Tzi No. 10601161370
2018.04	10	200,000	2,000,000	164,966	1,649,656	Conversion of convertible bond of 1,392,000 shares	—	April 18, 2018 MOEA.So.Sun.Tzi No. 10701039580
2018.09	10	200,000	2,000,000	123,724	1,237,242	Capital reduction by cash	—	September 12, 2018 MOEA.So.Sun.Tzi No. 10701117370
2023.03	10	200,000	2,000,000	123,726	1,237,258	Conversion of convertible bond of 2,000 shares	—	—

4.1.2 Shareholder Structure

April 18, 2023 ; Unit : People ; Share ; %

Shareholder Structure Quantity	Governments	Financial Institutions	Other Institutions	Individuals	Foreign Institutions & Individuals	Total
Members	0	5	200	31,707	78	31,990
Total Share Held	0	2,705,000	12,617,688	97,823,238	10,579,868	123,725,794
Shareholdings (%)	0%	2.19%	10.20%	79.06%	8.55%	100.00%

4.1.3 Distribution of common shares :

April 18, 2023 ; Unit : Share ; %

Shares	No. of Shareholders	Total Share Held	Shareholdings (%)
1-999	17,986	1,302,307	1.05
1,000-5,000	11,036	23,295,147	18.83
5,001-10,000	1,646	12,616,181	10.20
10,001-15,000	503	6,396,284	5.17
15,001-20,000	264	4,810,740	3.89
20,001-30,000	208	5,207,391	4.21
30,001-40,000	105	3,695,866	2.99
40,001-50,000	56	2,582,074	2.09
50,001-100,000	99	7,337,390	5.93
100,001-200,000	47	6,933,182	5.60
200,001-400,000	14	4,368,901	3.53
400,001-600,000	8	3,681,172	2.98
600,001-800,000	2	1,382,250	1.12
800,001-1,000,000	2	1,794,000	1.45
1,000,001 shares or more.	14	38,322,909	30.96
Total	31,990	123,725,794	100.00

4.1.4 List of Major Shareholders

April 18, 2023 ; Unit : Share ; %

Name of Major Shareholders	Share Held	Shareholdings (%)
Chiu-Lang, Chen	8,708,211	7.04
Fortune Investment Co., Ltd.	5,200,139	4.20
Guan-zhen Investment Co., Ltd.	2,970,647	2.40
Tim, Weng	2,747,581	2.22
Zong-Ying, Dong	2,595,000	2.10
Jian-hong, Chen	2,553,750	2.06
Jian-yuan, Chen	2,529,717	2.04
Hong-bo Investment Co., Ltd.	2,300,000	1.86
Shu-Yen, Chuang	1,918,684	1.55
Standard Chartered Bank trusted with the GMO Emerging Markets Fund	1,618,250	1.31

4.1.5 Information on Market Price, Book Value, Earnings Per Share and Dividend

unit : NT\$; Thousands shares ; %

Item	Year		2021	2022	As of March 31, 2023
Market Price Per Share	Highest		102.5	72.80	62.80
	Lowest		63.00	57.00	58.60
	Average		78.71	65.57	60.30
Book Value Per Share	Before distribution		45.72	44.83	45.34
	After distribution		40.42	41.83	—
Earnings per share	Weighted average shares		123,724	123,724	123,724
	Earnings per share	Before distribution	2.03	3.00	0.30
		After distribution	—	—	—
Dividends per share	Cash dividend (note 1)		5.30	3.00	—
	Stock dividends	Before distribution	—	—	—
		After distribution	—	—	—
	Accumulated unappropriated dividends		—	—	—
Investment return analyses	P/E ratio		38.77	21.86	—
	Price-dividend ratio		14.85	21.86	—
	Cash dividend yield		6.73%	4.58%	—

Note 1 : 2022 earnings distribution has not yet been approved by shareholders' meeting

Note 2 : Formulas for the table :

- (1) P/E ratio = Average annual closing price / Earnings per share.
- (2) Price-dividend ratio = Average annual closing price / Cash dividend per share
- (3) Cash dividend yield = Cash dividend per share / Average annual closing price

4.1.6 Dividend Policy and Execution Status

(1) Dividend Policy

The company is in the growing phase. The dividend policy will consider future capital need, long-term financial planning and shareholder interests, etc. Each year, the board of directors proposes a distribution proposal to the shareholders meeting. Cash dividend will be 5% to 100% of the total dividend. The actual amount of cash dividend will be approved in shareholders meeting.

In accordance with the provisions of the company's articles of incorporation, the company should deduct the benefits before the employee's remuneration and the director's compensation from profit before income tax. After retaining the amount of accumulated losses, if there is still a balance, the employee's remuneration shall be no less than 3% and the director's remuneration shall not exceed 2%.

Employees' compensation, director's compensation distribution ratio and the employee's compensation in the form of stocks or cash shall be reported by the board of directors to shareholders meeting at a resolution of more than two-thirds

of the directors' attendance and a majority of the directors' consent.

Employee compensation, either paid in stocks or cash, includes employees of subordinate companies that meet certain conditions.

Annual earnings concluded by the Company, if any, shall be first set aside for paying taxes and making up historical accumulated losses, followed by 10% as the legal reserve, and a provision or reversal of special reserve as required by law or the competent authority. Subsequently, if there are still earnings, the balance will be combined with prior accumulated earnings yet to be distributed. The Board of Directors will prepare the distribution proposal and introduce it during the shareholders' meeting for a decision before they are distributed. Dividends distributed are about 0% to 90% of after-tax earnings. Cash dividends, in particular, account for around 5% to 100% of all dividends. The actual amount to be distributed shall be that approved through a shareholders' meeting.

For 2022, the Company intends to distribute shareholder bonuses totaling NTD 371,172,513; all are to be distributed as cash dividends, that is NTD 3 per share.

(2) Annual proposal for issuance of bonus shares : non-applicable.

4.1.7 Impact of annual proposal for issuance of bonus shares on company performance and earnings per share : non-applicable.

4.1.8 Employee Compensation and Remuneration to Directors and Supervisors :

(1) The percentage and range of employee compensation and remuneration to directors and supervisors on the articles of incorporation : Please referred to the above explanation of 6.(1).

(2) The estimated basis for compensation for employees, directors and supervisors for the current period, calculation basis on the number of shares for employee's compensation and accounting treatment if the actual distribution amount differs from the estimated number :

a. The estimated remuneration to employees and that to directors for 2022 were NTD 43,000 thousand and NTD 9,800 thousand, accounting for 11.58% and 2.64% of after-tax net profit.

b. The calculated basis of stocks for employee compensation : Non-applicable

c. If the actual distribution amount is different from the estimated number, it is regarded as an estimated change and is included in the current profit and loss.

(3) Status of compensation approval by Board of Directors

a.If the actual amount of cash or stock compensation for employee, directors and supervisors is different with the annual expense recorded, the company should disclose, explain and deal with the situation.

Unit : NT\$ in thousands

Item	2022 recorded amount	Estimated amount (note)	difference	reason	Status
Employee Compensation	43,000	43,000	-		If the actual distribution amount is different from the estimated number, it is regarded as 2023 annual expense.
Remuneration to Directors and Supervisors	9,800	9,800	-		

note : Approved by 2023 board of directors.

b. The percentage of amount of employee compensation by stock dividend to individual financial statements net income on the current year and to overall employee compensation : No employee stock dividends during the year

c. Considered the employee compensation, remuneration to directors and supervisors, the earnings per share is calculated as NT\$ 3 per share.

(4) The actual compensation for employee, directors and supervisors in the previous year. If the actual amount is different with the amount recorded, the company should disclose, explain and deal with the situation. :

unit : NT\$ in thousands

Item	2021 recorded amount	Actual amount	Difference	Reason	Status
Employee Compensation	31,000	31,000	-	Due to accounting practice.	The difference is regarded as 2022 annual expense.
Remuneration to Directors and Supervisors	7,000	7,000	-		

4.1.9 Situations of the Company's buy back stocks : None

4.2 Corporate Bond (including overseas corporate bond) :

4.2.1 The processing of Convertible bond

Types of corporate bonds	Third domestic unsecured Convertible Bond
Issuance (processing) date	2021/09/09
Face value	NT\$100,000
Issuing and Trading Location	Domestic issuance, listed on the OTC trading center
Issue price	Actual issue price is issued at 111.87% of the face value
Total	NT\$1,342,452,350

Interest rate	Coupon rate 0%	
Maturity	3 years	
Guarantee Agency	None	
Trustee Bank	Taipei Fubon Commercial Bank Co., Ltd.	
Underwriter	Fubon Securities Co. Ltd	
Certified Attorney	Handsome Attorneys at law	
Certified Public Accountant	Deloitte CPA Chih-Yuan Chen , Yao-Lin Huang	
Repayment method	Unless the creditor has converted the bond into the company's common stock in accordance with Article 10 of the Conversion and Issuance Regulations, or the bond has been redeemed in advance by the Company in accordance with Article 18 of the Conversion and Issuance Regulations or repurchased and cancelled by the securities firm's office, the company will repaid in cash at 100% Within 10 business days after the maturity date of the converted corporate bonds.	
Outstanding principal	NT\$1,199,900,000(2023/3/31)	
Terms of redemption or early redemption	Please refer to the issuance and conversion method	
Restriction clause	Please refer to the issuance and conversion method	
Name of credit rating agency, rating date, corporate bond rating results	None	
Other rights	Amount of common stock, Global Depositary Receipts or other securities that have been transferred (exchanged or subscribed) as of the date of publication of the annual report	None
	Issuance and conversion (exchange or subscription) methods	Please refer to the issuance and conversion method
Issuance and conversion, exchange or share subscription method, issuance conditions may dilute the equity and the impact on existing shareholders' rights and interests	The company issued the third domestic unsecured convertible corporate bonds of NT\$ 1,200,000 thousand. As of the end of March 2023, the outstanding balance was NT\$ 1,199,900 thousand and the latest conversion price was NT\$ 61.6. It is assumed that the corporate bond creditors will all convert at the conversion price of RMB 61.6 in the future. When it is an ordinary share, it will be convertible into 19,479 thousand ordinary shares of the company. Calculated by adding 123,725 thousand shares of the outstanding share capital and the number of convertible shares, the maximum dilution to the original shareholder's shareholding ratio is 13.60%.	
The name of the custodian institution for the subject of the exchange	N/A	

4.2.2 Convertible bond information

Type of Corporate Bond		The third domestic convertible bond	
Item		Year	
		2022	Jan.1 to Mar 31, 2023
Market price of the convertible bond	Highest	120.00	110.00
	Lowest	101.00	102.00
	Average	113.60	106.96
Conversion Price		66.8	61.6
Issuance date and conversion price of issuance		The conversion price issued on Sep. 9, 2021: NT\$66.8	
The method of fulfilling conversion obligations		Issuing new shares	

4.3 Preferred Stock : None

4.4 Issuance Of Global Depositary Receipts : None

4.5 Employee Stock Option :

4.5.1 Status of issuance of restricted employee warrant certificate

- (1) Employee stock warrant certificate which has not expired : NA
- (2) The name, acquisition and subscription of the managers and top ten employees who have obtained the employee stock option certificate and the number of the warrants as of the printing date of annual report : None
- (3) The issuance of private employee stock option in the last three years and the date of publication of the prospectus : None.

4.5.2 Status of Restricted Employee Stock

- (1) The impact of restricted employee stock options which are not fully vested on shareholders equity as of the annual report printed date : None
- (2) The name and the status of managers and top ten employees of restricted employee stock accumulated as of the printing date of annual report : None.

4.6 New Shares Issued For Merger Or Acquisitions :

4.6.1 In the most recent year and as printing date of the annual report, the company has completed the merger or acquisition with newly issued stock : None

4.6.2 In the most recent year and as printing date of the annual report, the board of directors has approved the merger or acquisition with newly issued stock : None

4.7 Financing Plans And Implementation :

The third domestic unsecured conversion of corporate bond funds plan

(1) Program content

- a. Approval date and document number of the competent authority:

On June 10, 2021, it was approved by the Financial Supervision which the Document No. 1100345849.

b. Total funds required for the project: NT\$1,263,375 thousand.

c. Funding source:

The upper limit of the third domestic unsecured convertible corporate bonds to be issued is 12,000, with a three-year issuance period, each with a denomination of NT\$100,000, a coupon annual interest rate of 0%, and a total issued denomination of NT\$ 1,200,000 thousand. This time, the public underwriting was conducted by way of bidding and auction. The actual issue price was 111.87% of the face value, and the actual issue amount was NT\$ 1,342,452,350.

d. Planned projects and estimated progress of fund utilization

unit : NT\$ and USD\$ in thousands

Project	Completion date	Total required funds	Fund utilization progress	
			2021Q3	2022Q1
Repay bank loan	2021Q3	NT\$ 835,350	NT\$ 835,350	—
Reinvestment in subsidiary	2022Q1	NT\$ 428,025(Note) (USD 15,000)	NT\$ 285,350(Note) (USD 10,000)	NT\$ 142,675(Note) (USD 5,000)
Total		NT\$ 1,263,375	NT\$ 1,120,700	NT\$ 142,675

Note: Calculated at the exchange rate of 1:28.535 NTD to USD.

e. Expected possible benefits

(a) Repayment of bank loan

In this financing plan, the company is expected to use NT\$ 835,350 thousand to repay the bank loan, which is expected to reduce the interest burden on the bank loan. Based on the current loan amount and interest rate that the company intends to repay, it is estimated that the interest will be saved NT\$ 2,464 thousand in 2021 and will save NT\$ 5,914 thousand annually in the future, which will moderately reduce the financial burden of the company, reduce the dependence on financial institutions, improve the financial structure, improve the financial structure and enhance the short-term solvency, which will help The overall operation and development of the company.

(b) Reinvestment

unit : NT\$ and USD\$ in thousands

Project	Sources of funds	Total required funds (Note)	Fund utilization progress			
			2019Q3	2020Q1	2021Q3	2022Q1
Reinvestment in subsidiary	Bank loan	NT\$ 285,350 (USD 10,000)	NT\$ 25,000 (USD 839)	NT\$ 260,350 (USD 9,161)	—	—
	Fundraising	NT\$ 428,025 (USD 15,000)	—	—	NT\$ 285,350 (USD 10,000)	NT\$ 142,675 (USD 5,000)
Total		NT\$ 713,375 (USD 25,000)	NT\$ 25,000 (USD 839)	NT\$ 260,350 (USD 9,161)	NT\$ 285,350 (USD 10,000)	NT\$ 142,675 (USD 5,000)

Note: Calculated at the exchange rate of 1:28.535 NTD to USD.

Since taking office, the former US President Trump signed a memorandum on March 22, 2018 with the appeal of "America First", announcing that "China's theft of US intellectual property rights and trade secrets" would impose levies on goods imported from mainland China. Tariffs and the US-China trade war. Affected by this, the manufacturing industry has been transferred from mainland China to Southeast Asia. Among them, Vietnam has the advantages of high quality labor force, complete supply chain, sound industrial area infrastructure, and participation in a number of foreign trade agreements. Therefore, the company mainly sells customer system assembly plants (SI) also transferred to Vietnam to build a factory layout.

In order to meet the needs of customers and build a variety of overseas production bases, the company has built a production base in Southeast Asia by taking advantage of Vietnam's abundant labor force, land resources and geographical location. Invested US\$10,000,000 (equivalent to approximately NT\$285,350,000) in Syncmold (Vietnam) to purchase land, build factories, and rent factories for local assembly and production in response to the strong demand of local suppliers in Vietnam. . Later, in order to meet the capital needs for the continuous construction of the plant and the subsequent engineering and mechanical and electrical construction, plant decoration, equipment capital expenditure and operating turnover, etc., it is planned to increase capital by US\$10,000,000 and US\$5,000,000 in 2021Q3 and 2022Q1 respectively. So the total investment plan of Syncmold (Vietnam) is 25,000,000 US dollars. It is expected that Syncmold (Vietnam) will be the center to build the main production base in Southeast Asia and become the second production base outside China. In addition to the US trade disputes, Vietnam can also win more cross-border orders through the extensive tariff trade agreements between Vietnam and Southeast Asia and other countries around the world. The Company estimates that the investment income of Syncmold (Vietnam) can be recognized as NT\$ 748,338,000 in 2021~2026 years, and the estimated recovery period is about 6.89 years.

V、 OPERATION HIGHLIGHTS

5.1 Business Activities

5.1.1 Business Scoop

(1) Major business operation of the Company

CB01010 Machinery and Equipment Manufacturing
 CQ01010 Die Manufacturing
 F113010 Wholesale of Machinery
 F213080 Retail Sale of Other Machinery and Equipment
 CC01110 Computers and Computing Peripheral Equipments Manufacturing
 CC01080 Electronic Parts and Components Manufacturing
 CC01060 Wired Communication Equipment and Apparatus Manufacturing
 F119010 Wholesale of Electronic Materials
 F401010 International Trade
 F108031 Wholesale of Drugs, Medical Goods
 CF01011 Medical Materials and Equipment Manufacturing
 CC01070 Telecommunication Equipment and Apparatus Manufacturing
 CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
 ZZZ99999 In addition to the licensing business, the company can operate business in areas not prohibited or restricted by business laws

(2) Major products and business ratio of the Company

unit : NT\$ in thousands ; %

Major Product	2021 Net Sales	Percentage of total Net Purchases (%)	2022 Net Sales	Percentage of total Net Purchases (%)
Stand Products	9,894,007	97.05	9,579,801	97.66
Molds	300,792	2.95	229,642	2.34
Total Net Sales	10,194,799	100.00	9,809,443	100.00

(3) The Company's currently offered products and services

The company's main services are the design, manufacturing, and plastic injection of molding mold, modeling / mechanism design, model making, mold manufacturing, plastic injection of LCD monitor hinge base, LCD TV hinge base, AIO computer hinge base and AL and MG alloy die caster and precision stamping products. In terms of hinge products, we provide one-stop shop with full services from the ID review, mechanism design, material selection, sample design / production, exterior design, trial production, mass production. For the plastic mold products, we provides complete services such as design of product appearance and mechanism design, as well as vertical integrated services from molding, sample preparation and injection of plastic products.

Products / Services	Description
Design and manufacture of LCD monitor base, LCD TV base, AIO computer base	LCD monitor hinge base, LCD TV hinge base, AIO computer hinge base, multi-axis (steering) or other special function base and hinge products designed to meet customer needs. We can accommodate with our clients to mass produce, improve yield and incorporate automation in the manufacturing process in various locations.
Mold molding /	We provide clients with consistent development process from

mechanism design	product design, mechanism design and mold making to plastic injection of finished product for mass-production. We also advise our clients on product design improvement and how to reduce mold cost and production cost.
Mold making	To reduce mold development risks, we offer small quantities production for new development products which can be used for marketing purpose.
Mold manufacturing	Based on the 2D and 3D image files provided by clients, we manufacture precision molds with automation equipment such as CNC and electric discharge machining through professional design software design programs.
Aluminum and Magnesium die casting manufacturing	professional manufacturer for Aluminum and Magnesium alloy die caster. The main products are Automotive parts, Bicycle components, Optical components, Air Valve components, DIY tools.
Manufacturing of metal stamping parts	Precision stamping products primarily include 360-degree rotational bearings, keypad frames, cooling products, power supply enclosures, etc.

(4) Plan for developing new products or services

Current product items of the Company include mold making of LCD monitor stand, LCD TV stand, AIO computer stand, LCD monitor cover and other products, and mass production service of injection products. In the aspect of stand products, the Company engaged in developing compound process parts for simplifying product assembling; meanwhile, the Company successfully introduced automatization production equipment in 2019, raised production efficiency and product quality, developed components of automatization equipment through construction experience of automatization production equipment, and utilized the method of renting automatization equipment to increase business development opportunities. Furthermore, The Company proactively researches and manufactures small precision bearings and will apply them to folding mobile phones and notebook computers, among other 3C products, as 360-degree bearings. In business expansion, the Company has cut into the supply chains of monitor bearings of fitness equipment and 5G outdoor router mechanisms.

5.1.2 Industry Outlook

(1) Industry status and development

The company main products are LCD monitor stands, hubs and plastic injection molds, plastic injection molding products. The LCD display stand product revenue accounts for about 90% of the company's combined revenue. The applications include LCD monitor stand, LCD TV stand and AIO computer stand. There is a trend for product with high structural strength, thin volume and metal appearance or special treatment appearance. Plastic injection molds and plastic molding products accounted for about 10% of the company's combined revenue. The applications include LCD monitor shells, LCD TV shells, etc., which mainly supply the demand of the Group's internal stand products and the needs of customers' plastic shells. The company has established production sites in Huadong Region, Fujian, Guangdong, Chongqing in mainland China and Southeast Asia to serve customers nearby. The following remarks are on the status and development of the industry of stand products, plastic injection molds and plastic molding products respectively:

A. Stand Products

The stand products produced by the company are essential components

for LCD monitors, LCD TVs, AIO computers, etc. The rotating function for the display is convenient for use and saves space. It is mainly used in Dell, HP, Asus, Acer, AOC., SONY, NEC and other international brand, home appliance brand manufacturers' LCD products. The LCD display industry status is as followed :

With the advance of technology, the traditional cathode-ray tube (CRT) has been completely replaced by flat-panel displays. In flat-panel displays, the most advantageous is price advantage of LCD displays which has also been accepted by the market. With the expansion of TFT-LCD panel capacity and the improvement of technology and yield, the panel price has dropped sharply, which has led to the mainstream application of display. At present, professional display OEMs leaders are TPV, Foxconn, Qisda, Wistron, L&T, Samsung, which account for more than 70% of the world's total shipments. With the competitive advantage of OEMs in this mature industry, the remaining manufacturers will not be able to shake the leading position of the manufacturers in the display industry.

B. Plastic Molding

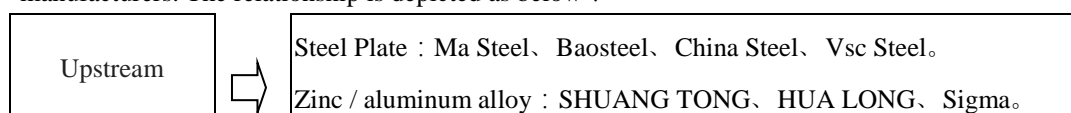
Mold is an indispensable tool for the mass production of products in the industry from metal, plastic, rubber, glass and other materials. To form a certain shape of the finished product through high temperature, high pressure or high impact process, everything rely on the mold to complete. According to the Ministry of Economic Affairs sorting system, metal molds are divided into five items: die-casting molds, forging dies, stamping dies, plastic molding dies and other molds. The company is a manufacturer of plastic molding dies.

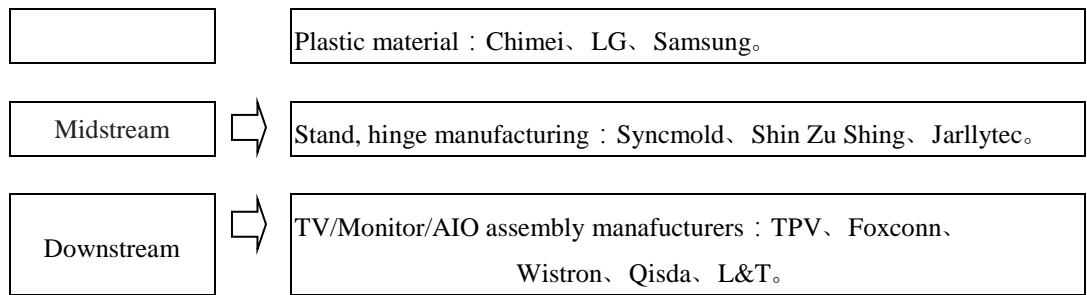
Taiwan's mold industry started later than Europe, the United States and Japan. The application of molds was mainly for electronic communication products. In 1998, the output value reached NT\$ 60.4 billion, the highest output value recorded. After that, due to the impact of the Asian financial turmoil, the orders for molds in Southeast Asia decreased. Also, the production costs of domestic land and manpower increased gradually, which led to the transfer of downstream industries to China or Southeast Asian countries, and the output value began to decline year by year. In recent years, the global economy has gradually stabilized under the government's loose monetary policy. The company's plastic molding molds and plastic injection products are mainly for the supply of the Group's needs and client's demand of shall for their information products.

(2) The supply chain in upstream, midstream and downstream

A. Stand Products

The stand and hinge products produced by the company are mainly used to support LCD monitors, LCD TVs and AIO computers. Meanwhile, the company provides the main components of steering rotation and lifting. The upstream provides the raw material for manufacturing the stand and the hinge, including steel plate material, plastic material, iron (stainless steel) pipe, spring wire and die casting aluminum alloy, zinc alloy, etc. While, the downstream is to assemble all the key components, such as manufactures of monitors for video display and other related functions, or computers and televisions system assembly manufacturers. The relationship is depicted as below :

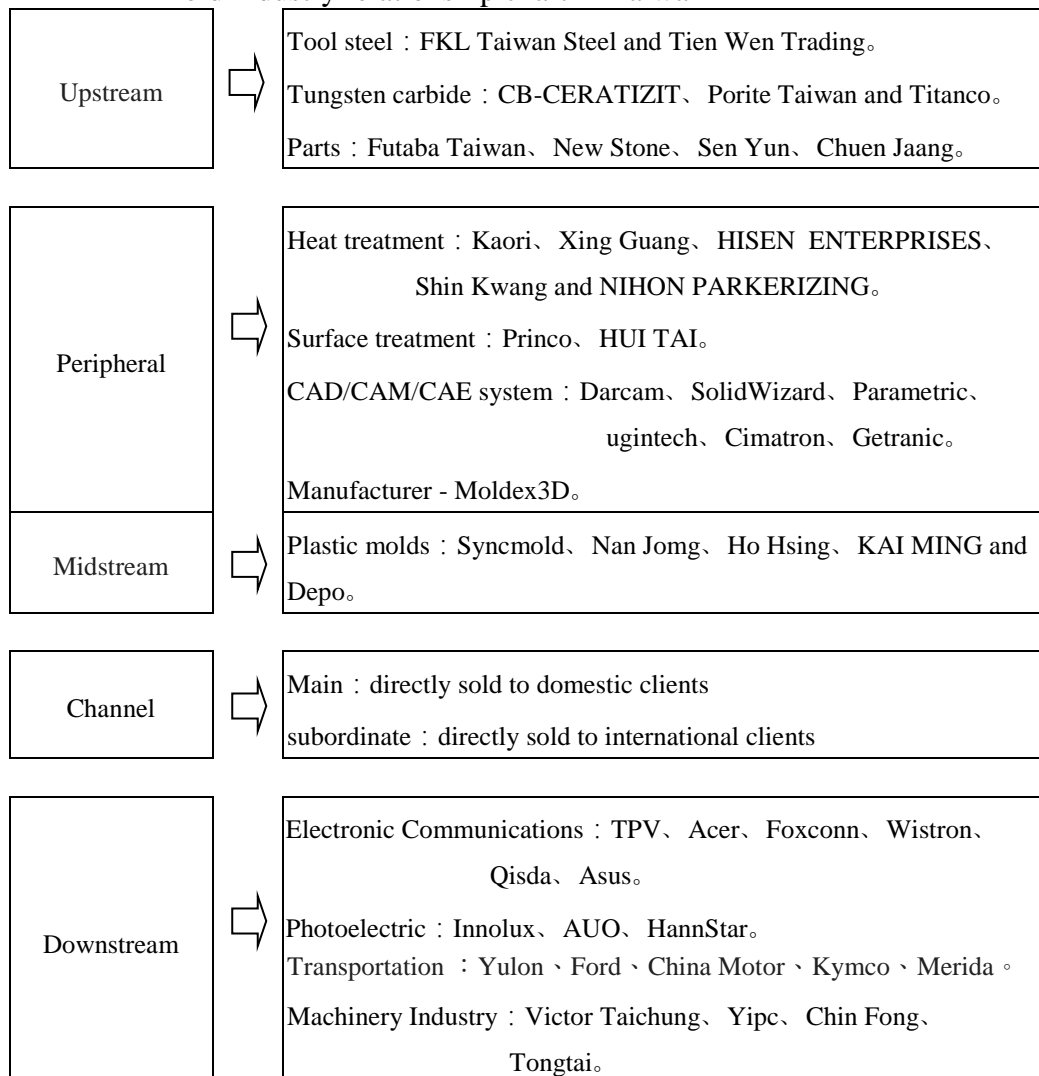




B.Molds

The molds designed by the company are mainly for the information products, home appliances and other related components. It is located at midstream at the mold industry supply chain. The relationship is depicted as below :

Mold industry relationship chart in Taiwan



source : Metal Industries Research & Development Centre IT IS publication and synthesized by the company

(3) Developing trends in the products

A. Stand products

To sum up above description, in addition to product itself efficiency, the market demand of LCD monitor, LCD TV and AIO computer, dimension, weight, appearance and specific application functions and others were important factors of affecting the market. Hence how to be more efficient and better quality, meanwhile provide aesthetic shape design, variation research and development of stand and hinge products, all are the essential subjects and consecutive development direction encountered by the Company.

Our company's general LCD monitor stands and pivots account for approximately 60% to 70% of our business revenue. According to TrendForce data, overall business demand has significantly slowed down after the pandemic, and the consumer market is also experiencing a reduction in demand for consumer electronic products due to inflation and rising interest rates. Considering the end of the demand surge caused by the pandemic and the uncertainties in the global political and economic situation, it is estimated that the shipment volume of LCD monitors in 2023 will be approximately 127 million units, representing a year-on-year decrease of around 5.8% but recovering to pre-pandemic levels. However, as the Chinese market gradually lifts its restrictions, consumer demand is expected to recover. Additionally, after several seasons of inventory reduction, there is a slight recovery in inventory replenishment momentum. Therefore, the outlook for the market in 2023 remains optimistic. In terms of gaming-specific LCD displays, the shipment volume is facing a decline for the first time since 2016, reaching only 19.8 million units, a year-on-year decrease of 13%. However, some brands will replace their 75Hz gaming products with 100Hz models, and with the Hangzhou Asian Games scheduled for the third quarter of 2023, featuring e-sports competitions as one of the events, the demand for gaming products is expected to increase. TrendForce estimates that the gaming monitor market will recover and reach a shipment volume of approximately 20.8 million units in 2023, representing a year-on-year growth of 5%.

LCD TV stand products account for approximately 10% of our company's business revenue. According to TrendForce data, in the second half of 2022, brands reduced their panel purchases significantly to digest inventory, resulting in a year-on-year decrease of 3.9% with a total shipment volume of 202 million units for the year. It is expected that the major global consumer markets will continue to face high inflation pressure in the coming year, making TV shipment volume growth challenging.

AIO computer stand products account for approximately 9% of our company's business revenue. In 2022, due to excess brand inventory and production disruptions caused by the COVID-19 pandemic in China, the shipment volume was 12 million units, a year-on-year decrease of 15.7%. In the first half of 2023, brands will make efforts to clear their inventory, with the expectation that shipment volume will recover in the second half of 2023.

B. Mold Products

However, Taiwan has difficulties in retaining land, increasing labor costs, and technical difficulties such as competition between the mainland and Southeast Asian countries. Since low-priced and simple plastic molds have lost competitive advantages in China, it is inevitable to develop high-precision, high-value-added molds. In the future, the mold industry will face the technical challenges for light, thin, precision and composite molding, molding integration

and environmental protection and energy saving. Mold design/manufacturing technology will play a very important role. Under this trend, the development of human resources and technology is vital, which not only promotes another wave of industry transformation, but also makes the future development of the mold industry clear and visible.

(4) Competition on Products

A. Stand Products

TPV, Foxconn, Wistron, Qisda, Pegatron, Quanta, L&T Display and other system assemblers and international brands such as Dell, Hewlett-Packard, Asus, Acer, AOC, Sony, NEC and Funai are all major clients of the company. The above-mentioned system assemblers are the world's leading LCD monitors and LCD TV manufacturers. The company is a leader in high-end LCD monitor stand, LCD TV stand and hinge industries. We have accumulated years of research and development capabilities and manufacturing integration capabilities. Except for Korean brands, major display system assemblers are our clients. The company is superior to its peers in terms of R&D capability, service quality and delivery capability. Therefore, the company is able to maintain its leading position in the industry.

B. Molds

According to the research report of the Metal Industry Research and Development Center, Taiwanese mold industry operation status is dominated by small and medium-sized enterprises, 80% of the total industry have capital below NT\$ 10 million. The scale of the company's molds is relatively high among the peers. With good customer relationship with long-term cooperation and with the demand for stand products, and the service and technical experience from design to mold manufacturing to trial production, our molding products are still competitive in the display industry.

5.1.3 Status on Skill and Development

(1) Business-related Technology

A. Stand Products

Due to the wide range of applications of the stand components, the company's products are an indispensable part no matter the variation of display. In terms of product technology, the company has superior patented and development experience in the high-end stand products with rotating functions which is more competitive than peers, such as four-link lifting structure, vertical lifting, forward tilting, and clockwise (counterclockwise) steering, meanwhile conforming the variation and market trend of dimension and appearance for LCD monitor industry in recent years. The research and development of the Company turned to the stand with features of light, thin and high supporting strength, and the Company considered buyer's demand of aesthetic shape and space saving to make products have more advantages of market competitiveness.

B. Molds

Mold is one of the traditional industries. The key to competition lies in quality, cost, delivery and production efficiency. The company has accumulated many years of experience in mold development and manufacturing, design talents and market pulsation combined with customer needs and have long-term cooperation experience with customers. The design of the mechanism has a decisive influence on the quality of the mold. With the professional design talents with many years of expertise, the company conducts analysis of the mold flow before the mold is opened. This helps to reduce the number and time of mold modification and complete the mold manufacturing in advance. This is

company's competitive niche.

(2) Status on R&D

The Company primarily produces LCD monitor sockets, LCD TV sockets, and AIO computer sockets as well as plastic injection molding dies for the enclosures of various types of information products. The company continues to integrate group resources to enhance product development efficiency and strives for continuous innovation and research to expand product applications, in order to meet future challenges.

A.R&D Expenses for the most recent year and as of March 31, 2023

2022		March 31, 2023	
Amount	% of Sales	Amount	% of Sales
182,447	1.86%	44,832	2.45%

In the 2022, our company's research and development expenses decreased compared to the previous year. These expenses were primarily allocated to the research and development of LCD monitor stands, LCD TV stands, AIO computer stands, precision pivot products, and automotive products.

For the 2023 fiscal year, our company plans to allocate approximately 1.4% to 1.8% of the revenue for research and development expenses. However, we will adjust this plan according to actual operational circumstances. The following is a summary of our major research and development projects for the upcoming year:

Project	Description	RD Progress
Monitor 、 AIO and TV stands	As our company's main products are high-end monitor stands, our research and development focus remains primarily on LCD monitor stands, gaming monitor stands, AIO computer stands, and TV stands.	Continued development of new products
Automated production equipment	To increase the coverage of automated production in our production line, our company continues to develop automated production equipment.	Continued development of new products
Die casting technology, precision bearings	Through strategic acquisitions, we aim to enhance magnesium alloy die casting technology and explore its potential applications in wearable devices, automotive markets, notebook computer bearings, and fitness equipment products.	Continued development of new products

B. Results of R&D

The company's results of R&D in 2022 are as followed :

Mainly LCD monitor and LCD TV support frame, expandable bracket structure, display lifting device and constant force spring module, hinge and display support device, liftable support device, linkage support device, adjustable loading mechanism, rotatable support frame, strain relief kit, liftable support device, thin carrier plate, support frame, cable management, sucked supporting device, quick releasing hinge model and pivoting device, etc.

5.1.4 Long-Term and Short-term Business Development Plan

(1) Short-term development plan

A. Production policy and R&D

(A) Invest in appearance treatment equipment to increase value added of the products.

- (B) Develop thin, small, strong structure and special appearance stand to meet the needs for gaming market.
 - (C) Expand automatic product market, create new energy of revenues
 - (D) Increase the number of parts produce in house to enhance the competitiveness.
 - (E) Establish safety stock system, decrease the risk of raw materials supply, and more efficient stock cost.
 - B. Operation and management strategy
 - (A) Integration of group resources, increase the scope of product application, gradually raise operation scale of the group
 - (B) Implement a lean management system, to maximize the group's logistic, talents and information.
 - C. Financial strategy
 - (A) Provide immediate and accurate management information as a reference for decision making
 - (B) Properly use financial instruments to reduce exchange rate risks and minimize the impact of exchange rate fluctuation.
 - D. Marketing strategy
 - (A) Provide clients with in house design to incorporate our design concepts into new products.
 - (B) Cultivate sales talent for international business with the aim to win new orders.
- (2) Long-term development plan
- A. Production policy and R&D
 - (A) Develop micro-hinge components. 360-Degree rotating pivots and advanced die casting in response to future trends.
 - (B) Develop small, thin and lightweight stand products and promote to clients.
 - (C) Produce self-made components in a composite process to reduce the number of parts and improve quality and efficiency.
 - B. Operation and management strategy
 - (A) Cultivate potential management trainee and build group's talent pool.
 - (B) Using information management system to identify misconducts, improve and to track the progress.
 - C. Financial strategy
 - (A) Under the principle of stable financial leverage and financial risk to use funds acquire moderate returns.
 - (B) Using cost analysis and manage information effectively to support the company's decision making.
 - (C) Integrate horizontal and vertical resources, expand the group's scale through strategical investment or merger and acquisition.
 - (E) Utilize global layout, actively add overseas production bases, diversify supply risk.
 - D. Marketing strategy
 - (A) Based on our research and development advantages, we will improve customer dependency and to maintain long-term relationships
 - (B) Develop high-end or special applications to increase revenue and profitability.

5.2 Overview of Market, Production and Sales Market Analysis

5.2.1 Market analysis

(1) Sales and markets of main products and services

The company's sales are mostly international order. The status of sales for most recent two years :

unit : NT\$ in thousands ; %

Region	Year	2021		2022	
		Amount	%	Amount	%
International Sales		9,720,593	95.35	9,342,563	95.24
Domestic Sales		474,206	4.65	466,880	4.76
Net operating revenue		10,194,799	100.00	9,809,443	100.00

(2) Market Share

A. Stand product

The stand products of the company include LCD monitor stand, LCD TV Stand and AIO computer stand. Based on the professional statistical institution, it is estimated that the market share of each product of the company is as follows. The company's clients are the world's major LCD display system assembly companies such as TPV, L&T Display, Foxconn, Wistron, Qisda, Pegatron and other LCD TV brand manufacturers such as Sony, Funai, etc. The market demand for this product still has a stable quantity, and it is developing toward a light, thin, large size trend. With the competitive advantage of the company, it is expected to have room for market share of high-end stand and hinge products with steering functions to be increased.

According to statistics from professional institutions, the global shipment volume of LCD monitors in 2022 was approximately 134,800 thousand units, with our company's market share at around 15.88%. The global shipment volume of gaming LCD monitors in 2022 was approximately 19,800 thousand units, with our company's market share at around 6.39%. The global shipment volume of LCD TVs in 2022 was approximately 201,800 thousand units, with our company's market share at around 1.40%. The global shipment volume of AIO computers in 2022 was approximately 12,000 thousand units, with our company's market share at around 19.49%. It is expected that the global shipment volume of LCD monitors will be around 120 to 140 million units in the coming years. Currently, it is anticipated that there will be intense competition in the LCD monitor market in 2023, and panel prices are likely to decline gradually each year. However, the acceleration of panel price stabilization will be a key support factor in the second half of 2023. Although the overall shipment volume of LCD monitors is decreasing, there is an expectation of market demand recovery in 2023 as inflation eases and brands clear their inventories.

B. Molds

At present, most of the domestic manufacturers of plastic injection molds have a small scale of operation. Since establishment, the company view us as professional mold factory has been committed to the development of mold technology and production efficiency. We spared no effort to cultivate many long-term cooperative customers by developing new technology and new applications. Our product quality and technology have been affirmed by our clients

According to the research and development department of Taiwan Die & Mold Industry Association, the total output value of domestic molds in 2020 is about NT\$ 40.1 billion and the output value of plastic molds is about NT\$ 10.29 billion. The revenue of plastic molds of our company in 2020 is about NT\$ 540 million. It is estimated that the company's share of the output value of

plastic molds is low and still has room for growth.

(3) Future Market Demand and Growth

A. Stand products

The stand and hinge products produced by the company are mainly used in LCD monitors, LCD TVs and AIO computers. The future development of LCD monitors, LCD TVs and AIO computers is as follows:

According to statistics from professional institutions, the estimated global shipment volume of LCD monitors in 2023 is 127,000 thousand units. The estimated global shipment volume of LCD TVs in 2023 was originally 199,000 thousand units. The estimated global shipment volume of AIO computers in 2023 is 12,000 thousand units. Based on the above statistics, it can be observed that the projected global shipment volumes for LCD monitors, LCD TVs, and AIO computers in the upcoming year are approximately 142 million units, 215 million units, and 13.2 million units, respectively, indicating a contraction in market demand.

Estimated Global LCD Monitor Shipment (in million unit)



Estimated Global LCD TV Shipment (in thousands)



Estimated Global AIO Computer Shipment (in million)



source : Wits View

B. Molds

According to the research data by the Taiwan Die & Mold Industry Association, the supply and demand side of Taiwanese mold industry has shown a trend of recovery since 2002. The output value from 2003 to 2008 was between NT\$ 50 billion and gradually recovered after the financial crisis. Taiwan's 2020 mold industry output value decreased by 4.75% compared with 2019, showing that the mold industry has obvious characteristics of the economic cyclical. To achieve fast delivery, the company sets up its mold production sites in areas close to its clients in order to meet the needs of clients and of the Group's needs of mold and plastic injection products. It is expected that the mold industry will still have stable demand as continuous improvement of electronics, home appliances and 3C products.

unit : NT\$ in hundred million

Item	Output Value	Export Value	Import Value	Domestic Demand	Demand Growth	Export Ration	Ratio of Dependence on Import	Self-Sufficiency Rate
(Year)	A	B	C	D=A-B+C	E	F=B/A	G=C/D	H=1-G
2004	567.7	200.6	58.8	425.9	23.81%	35.34%	13.81%	86.19%
2005	550.0	202.1	40.8	388.7	-8.73%	36.75%	10.50%	89.50%
2006	550.4	191.5	44.3	403.2	3.73%	34.79%	10.99%	89.01%
2007	566.6	185.9	60.9	441.6	9.52%	32.81%	13.79%	86.21%
2008	495.6	191.2	55.7	360.1	-18.46%	38.58%	15.47%	84.53%
2009	386.2	125.7	24.0	184.5	-48.7%	32.55%	13.0%	87%
2010	458.4	143.8	29.9	344.5	86.7%	31.37%	8.68%	91.32%
2011	469.3	149.1	28.1	348.3	1.10%	31.78%	8.1%	91.9%
2012	468.2	155.6	32.4	345.0	-0.95%	33.23%	9.39%	90.61%
2013	456.4	146.7	26.4	336.1	-2.6%	32.14%	7.85%	92.15%
2014	470.3	168.5	29.2	331.0	-1.5%	35.83%	8.82%	91.18%
2015	487.1	156.1	28.2	359.2	8.5%	32.05%	7.85%	92.15%
2016	449.1	150.0	25.9	325.0	-9.5%	33.4%	7.97%	92.03%
2017	437.9	149.9	25.7	313.7	-3.4%	34.2%	8.19%	91.81%
2018	455.0	145.4	30.8	340.4	8.5%	32.0%	9.04%	90.96%

Item	Output Value	Export Value	Import Value	Domestic Demand	Demand Growth	Export Ration	Ratio of Dependence on Import	Self-Sufficiency Rate
2019	421.0	129.8	26.8	318.0	-6.6%	30.8%	8.42%	91.58%
2020	401.0	95.9	25.8	330.9	-4.75%	23.92%	7.80%	92.20%
2021	525.0	124.4	29.2	429.8	29.88%	23.69%	6.79%	93.21%
2022	442.3	115.0	31.6	358.9	-16.50%	26%	8.80%	91.20%

source : Taiwan Die & Mold Industry Association and synthesized by the company

The company's plastic injection molds are mainly used for the shells of LCD monitors and LCD TV. According to a professional statistical agency, in the next few years, the global LCD monitors and LCD TV shipments will be around 140 million units and 220 million units respectively. Moreover, the LCD monitors and the TV shells are still mainly made of plastic. Since the development of new products requires the cooperation from the molds, the demand for plastic injection molds can maintain stable growth.

(4) Competitive Niche

A. Solid Technical Experience and Development Integration

The company has been deeply involved in the development of LCD monitor stands and hinge products for many years, accumulating a significant number of patents and technical expertise. We specialize in developing products with high structural strength and multi-axis rotation capabilities, which has positioned our company favorably in securing orders from major international manufacturers.

B. Provide Services Near the Clients

The company has established long-term and stable partnerships with international brands and system integrators. We have cultivated a deep level of cooperation and understanding with them. In recent years, we have been actively expanding our production bases globally, allowing us to accommodate the customer's needs by adjusting production line configurations at any time. This enables us to provide comprehensive services to customers worldwide.

C. Timely Delivery in Line with Client Policy

In terms of the stand products, closely cooperating with the system assembly manufacturer, the company can complete the shipment within five days after the client's orders, which meets the customer's zero inventory policy and timely on-line assembly needs.

(5) Advantages, Disadvantages and Countermeasures of Developing Prospects

A. Advantages

(A) R&D with resources, patents, inventions and leading technology

In terms of stand products, the company has the industry's largest patent base for display stands and hinges. International brands and system assemblers collaborate to develop new design structures, also, the company design potential products for clients to reduce client design costs. In terms of mold products, the company focuses on the development of material-saving. In addition to meeting customer needs, it can also supply demand within the group to reduce production costs.

(B) Expand the scope of products to create growth energy of revenues

The Company integrated the group's resources, increased the scope of product sale to expand the Company's scale and diversify operation risk through the policies of strategical investment, merger and acquisition. This was exactly the strategy followed by the Company in 2019 and in 2020,

respectively, with its investments in GATETECH TECHNOLOGY INC. and LEOHAB ENTERPRISE CO., LTD.

(C) Stable orders from international brands

Owning the patented technology of the stands, the company can provide prompt service for the development, testing and mass production of the entire products. This saves the research and development costs for the customer. At present, most of the major customers are international brand manufacturers or system assembly manufacturers which have long-term cooperation with the company. This advantage is an important factor for the company to grow steadily.

(D) Raise automatization ratio, research and development

The Company voluntarily researched and developed automatization equipment, introduced production lines to strengthen production efficiency and product quality of the Company, and pushed the research results of automatization equipment in the scope of other intelligential manufacturing, expanded new business scopes.

B. Disadvantages and Countermeasures

(A) Higher costs due to fluctuations in raw material prices

The LCD display stand, hinge and molds are mainly made from special steel, galvanized steel, plastic pellet, spring, aluminum alloy, zinc alloy, iron (stainless steel) tube, etc. In recent years, the price of raw materials has increased significantly, resulting in increased material costs for the company.

Countermeasures :

The company absorbs the cost at the initial price increase of the raw material or reduces the material cost by purchasing in large quantities. When the raw materials rise to a long-term trend and exceed the company's affordable range, the company negotiates a reasonable increase to reflect the cost of the raw materials. For parts or appearances that require a large amount of demand or high added value, the company is committed to providing customers with a more complete service.

(B) Higher labor cost and insufficient manpower

Since the implementation of the Labor Contract Law in mainland China, the basic salary of labor has been raised year by year, resulting in a significant increase in labor costs. Due to the shortage of labor, there have been frequent shortages of manpower and affected the production.

Countermeasures :

The company take labor cost in to consideration into quote. The company also committed to simplify product design and production process, expand automatic production equipment to reduce the dependence on labor and reduce the impact of rising labor costs.

(C) Price competition by peers and intense market competition

Due to the intense competition in the market, it will adversely affect the business expansion and profitability.

Countermeasures :

The scale of operation and efficiency of the peers are not as good as the company. The company has a large purchasing advantages and self-made parts to reduce costs. The company will continue to target high-value-added services and lock in high-end product markets to reduce the impact of peer-to-peer price competition.

5.2.2 Function and Production Process of Products

(1) Important function of the products

A. Stand products

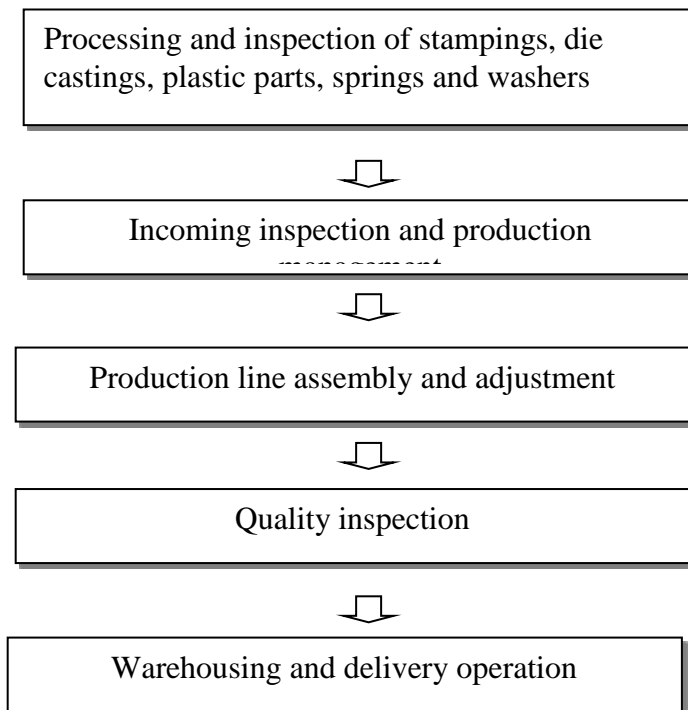
The company's stand and hinge products are mainly used in LCD monitor, LCD TV and AIO computer as an important component to support the display and assist its rotation (steering). In addition to the basic structural strength to support and connect the LCD display, it is also design for multi-steering functions such as front tilting, left and right rotation, up and down lifting, and clockwise (counterclockwise) rotation according to different requirements of high-value-added products.

B. Molds

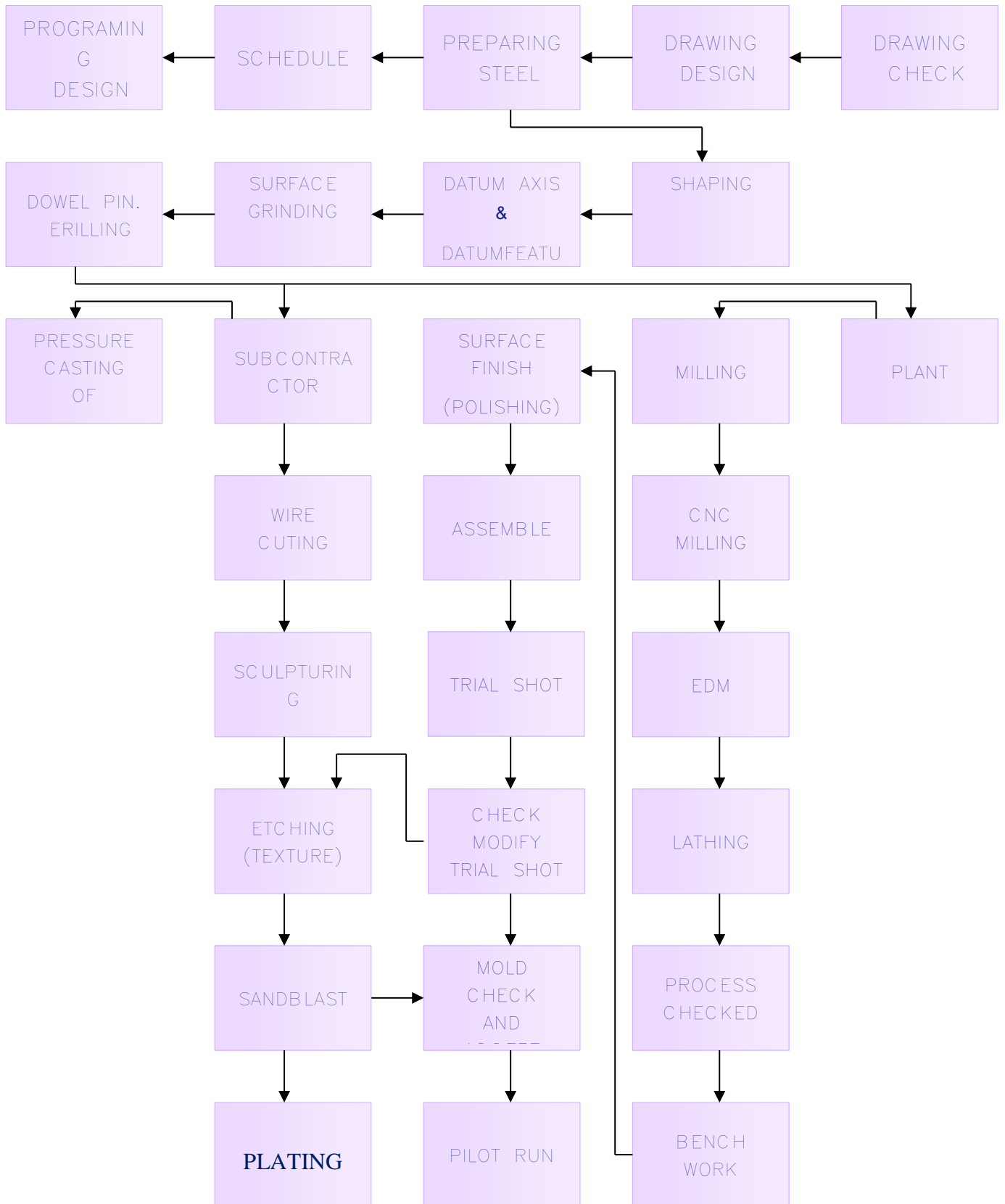
The company produces plastic injection molds for the outer shell or components of LCD monitors, LCD TVs and other products.

(2) Production Process

A. Stand products



B. Molds



(3) Supply of Main Raw Materials

(A) Stand products

The main raw materials of the company's stand and hinge products are steel plates, aluminum alloys, zinc alloys, plastic pellets, washers, springs, shafts, screws, etc. Those are bulk commodities with prices available in the open market. There is no special or monopoly situation. Therefore, the company does not have a long-term supply contract with the supplier. Each of the main raw materials maintains at least two suppliers, which can effectively control the quality and price level of raw materials, also, other related risks such as excessive concentration of purchases can be effectively reduced.

(B) Molds

The main raw materials of the company's plastic injection molds are special steels and other components. Due to their wide variety of specifications, hardness, material properties and requirements from clients, the company has not signed a long-term supply contract with the supplier. The main raw materials are maintained at least two suppliers and the supply of goods can be fully obtained. Therefore, there is still no over-concentration of supply, and the price and quality can be reasonably stable.

(4) List of Major Supplier and Clients

(A) The name, purchase amount, and ratio of the suppliers accounted for over 10% of the total purchase in one of the last two years, and the reason for the changes in purchase : The suppliers of the company are extremely diversified and there are suppliers with more than 10% of total purchase.

(B) The name, sale amount, and ratio of the customers accounted for over 10% of the total sale in one of the last two years, and the reason for the changes in sales :

unit : NT\$ in thousands ; %

Year	2021				2022				2023 Q1				
	Rank	Name	Amount	Ratio to Annual Net Sales (%)	Relationship with the issuer	Name	Amount	Ratio to Annual Net Sales (%)	Relationship with the issuer	Name	Amount	Ratio to Annual Net Sales (%)	Relationship with the issuer
	1	Company A	2,504,787	24.57	None	Company A	2,371,096	24.17	None	Company B	526,989	28.79	None
	2	Company B	1,457,227	14.47	None	Company B	841,378	8.58	None	Company A	127,271	6.95	None
	3	Company C	977,722	9.59	None	Company C	838,281	8.55	None	Company C	113,724	6.21	None
		Other	5,237,063	51.37	-	Other	5,758,666	58.70	-	Other	1,062,280	58.05	-
		Net Sales	10,194,799	100.00		Net Sales	9,809,443	100.00		Net Sales	1,830,264	100.00	

There are no major changes in the major clients ranking.

(5) Production, Volume, and Value of the last two years

Unit : thousand units / NT\$ in thousands

Output	Year	2021			2022		
		Production capacity	Production Quantity (1000 PCS)	Production Value	Production capacity	Production Quantity (1000 PCS)	Production Value
Main Products							
Stand Products (1000 PCS)		—	60,570	7,891,096	—	52,469	6,962,854

Note : Some of the stand components and mold products produced by the company are self-use and can be sold externally, so the production capacity cannot be accurately counted.

(6) Sales Volume and Value of the last two years

unit : 1000unit / NT\$ in thousands

Shipment & Sales	Year	2021				2022			
		Domestic Sales		Export Sales		Domestic Sales		Export Sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Main Products									
Stand Products (1000 PCS)		180	37,681	58,974	8,332,384	195	118,371	52,186	7,847,307

5.3 Information About Of Employee

Unit : People ; %

Item	Year	2021	2022	As of March 31,2023
		No. of Employee	Direct Staff	8
	Indirect Staff	156	139	137
	R&D Staff	88	70	70
	Total	252	241	241
Average age		40.72	41.16	41.34
Average seniority		6.34	6.63	6.74
Academy Ratio (%)	Master and above	9.92%	8.30%	8.30%
	College	76.98%	69.29%	69.29%
	Senior High School and Below	12.70%	22.41%	22.41%

5.4 Expenditures On Environment Protection

The amount of penalty/fine (including compensation) imposed due to environmental pollution in the most recent year and up to the publication of the annual report, countermeasures and potential expenditures: None

5.5 Employee/Employer Relation

5.5.1 The company's various employee welfare measures, training, retirement system and its implementation status, as well as the agreement between labor and management and the maintenance measures of various employee rights :

(1) Welfare measures for employees

The company has always adhered to the business philosophy of steady and sustainable development and pay great attention to employee welfare. Established the Staff Welfare Committee in 2004 and provided monthly benefits. The Welfare Committee arranged activities to promote various welfare measures for employees. The welfare offerings by the Welfare Committee are as follows: :

(a) The company provides and pays for group insurance for all employees providing employee accidents and medical insurance.

(b) Emergency relief funds for employees faced accidents

(c) Employee wedding, birthday gift and funeral condolence payments etc.

(d) Hold various outdoor activities (travel, dinner party)

(e) Regular health check and medical consultation

(f) Holiday bonus or gifts

(g) Formulated the "Measures for Employee Child Care Subsidy" to provide employee childcare subsidies every year to reduce the burden for employees in 2017.

(h) Face masks and protective overalls, among other disease prevention resources, were provided to each employee free of charge to prevent against COVID-19.

(2) Career Development and Training for Employees

In order to improve the quality and work skills of employees, enhance work efficiency and quality, the company has implemented pre-employment guidance education for new employees. Internal education training is irregularly scheduled for all employees. Also, employees are selected to implement external education and training according to their specialties. By doing so, we hope to cultivate outstanding professional talents, improve operational performance and effectively developing human resources.

(3) Retirement System:

The Company has established an employee retirement measure in accordance with the Labor Standards Law. According to the provisions, the pension payment is calculated based on the employee's service years and the average salary of the six months prior to retirement. The company provides monthly retirement reserve according to regulations and is administered by the Labor Retirement Reserve Supervision Committee and deposited in the Central Trust Office in the name of the committee. Since the implementation of the "Labor Pensions Measure" on July 1, 2005, a 6% pension has been paid for employees who choose to apply the measure.

(4) Agreement between labor and management and various employee rights

The company has always adhered to the harmony of labor-management. All operations are in accordance with the norms of the Labor Standards Law. Regular labor-management meetings are held. The internal communication channels are smooth. So far, there have been no major labor disputes.

5.5.2 Loss suffered from labor disputes in the latest year and up to the printing date of this Annual Report: :

(1) Loss suffered by the company in recent years due to labor disputes :

The company has not caused losses due to labor disputes since establishment.

(2) Estimated amount and countermeasures that may occur in the future

Under the current system and regular labor-management meetings in accordance with the law to enhance the exchange of views between employers and employees, the possibility of losses due to labor disputes in the future is extremely low.

5.6 Information Security Management:

To ensure the security of our company's hardware, software equipment, and

internet infrastructure, the CEO has appointed personnel from the Information Technology department as the Information Security Manager and Information Security Officers. They are responsible for overseeing and coordinating internal information security matters within the company. Additionally, to mitigate the impact of internal human factors on information security, security personnel should regularly conduct information security education and training programs to enhance awareness and understanding of information security among the staff.

5.7 Important Contracts and Agreements: None.

VI、Financial Information

6.1 Five-Year Financial Summary

6.1.1 Condensed Balance Sheet and comprehensive Income Statement

(1) Condensed Consolidated Balance Sheet - IFRS

unit : NT\$ in thousands

Item	Year	Financial Data within the last 5 years					Financial data up to March 31, 2023 (Note 2)
		2018	2019	2020	2021	2022	
Current asset		7,167,417	7,651,497	8,808,968	8,039,734	7,881,036	7,750,090
Investments using equity method		123,713	168,252	164,556	172,058	168,088	178,301
Property, plant, and equipment		543,858	1,225,581	1,686,017	2,149,209	2,181,140	2,137,694
Intangible assets		22,308	26,637	34,250	52,980	59,246	55,656
Other assets		537,206	953,543	1,077,120	1,376,584	1,157,838	1,120,038
Total assets		8,394,502	10,025,510	11,770,911	11,792,293	11,447,348	11,241,779
Current liability	Before distribution	2,598,926	3,786,437	4,929,446	3,878,934	3,787,567	3,588,369
	After distribution	3,403,133	4,343,196	5,548,067	4,534,672	(Note 1)	(Note 1)
Noncurrent liabilities		239,978	519,442	599,630	1,936,087	1,778,452	1,719,754
Total liabilities	Before distribution	2,838,904	4,305,879	5,529,076	5,815,021	5,566,019	5,308,123
	After distribution	3,643,111	4,862,638	6,147,697	6,470,759	(Note 1)	(Note 1)
Shareholder's equity attributable to parent company		5,555,598	5,490,374	5,898,697	5,657,084	5,546,197	5,609,861
Capital stock		1,237,242	1,237,242	1,237,242	1,237,242	1,237,242	1,237,242
Certificate of Entitlement to New Shares form Convertible Bond (Subscribed Stock)		—	—	—	—	—	16
Additional paid-in capital		2,591,280	2,591,280	2,592,857	2,769,331	2,361,070	2,361,889
Retained earnings	Before distribution	2,158,582	2,295,872	2,704,213	2,337,701	2,466,681	2,504,812
	After distribution	1,354,375	1,739,113	2,085,592	1,681,963	(Note 1)	(Note 1)
Other equity		(431,506)	(634,020)	(635,615)	(687,190)	(518,796)	(494,098)
Treasury stock		—	—	—	—	—	—
Non-controlling equity		—	229,257	343,138	320,188	335,132	323,795
Total equity	Before distribution	5,555,598	5,719,631	6,241,835	5,977,272	5,881,329	5,933,656
	After distribution	4,751,391	5,162,872	5,623,214	5,321,534	(Note 1)	(Note 1)

Note 1 : The proposal for the distribution of the 2022 earnings is yet to be resolved in the shareholders' meeting.

Note 2 : The 2023Q1 financial data were reviewed by the CPA.

(2) Condensed Balance Sheet (parent-company only) - IFRS

unit : NT\$ in thousands

Item	Year	Financial Data within the last 5 years				
		2018	2019	2020	2021	2022
Current assets		1,724,346	1,574,884	1,728,616	1,951,329	1,755,821
Investments using equity method		5,245,364	6,145,911	6,885,352	6,425,412	6,624,643
Property, plant, and equipment		112,477	118,158	152,098	231,944	216,650
Intangible assets		13,191	17,159	15,593	13,788	13,611
Other assets		429,953	412,084	440,867	406,445	409,594
Total assets		7,525,331	8,268,196	9,222,526	9,028,918	9,020,319
Current liabilities	Before distribution	1,729,426	2,486,460	3,056,845	2,048,577	2,148,888
	After distribution	2,533,633	3,043,219	3,675,466	2,704,315	(Note 1)
Noncurrent liabilities		240,307	291,362	266,984	1,323,257	1,325,234
Total liabilities	Before distribution	1,969,733	2,777,822	3,323,829	3,371,834	3,474,122
	After distribution	2,773,940	3,334,581	3,942,450	4,027,572	(Note 1)
Shareholder's equity attributable to parent company		5,555,598	5,490,374	5,898,697	5,657,084	5,546,197
Capital stock		1,237,242	1,237,242	1,237,242	1,237,242	1,237,242
Certificate of Entitlement to New Shares form Convertible Bond (Subscribed Stock)		—	—	—	—	—
Additional paid-in capital		2,591,280	2,591,280	2,592,857	2,769,331	2,361,070
Retained earnings	Before distribution	2,158,582	2,295,872	2,704,213	2,337,701	2,466,681
	After distribution	1,354,375	1,739,113	2,085,592	1,681,963	(Note 1)
Other equity		(431,506)	(634,020)	(635,615)	(687,190)	(518,796)
Treasury stock		—	—	—	—	—
Non-controlling equity		—	—	—	—	—
Total equity	Before distribution	5,555,598	5,490,374	5,898,697	5,657,084	5,546,197
	After distribution	4,751,391	4,933,615	5,280,076	5,001,346	(Note 1)

Note 1 : The proposal for the distribution of the 2022 earnings is yet to be resolved in the shareholders' meeting.

(3) Condensed Consolidated Income Statement - IFRS

unit : NT\$ in thousands

Item	Year	Financial Data within the last 5 years					Financial data up to March 31, 2023 (Note 1)
		2018	2019	2020	2021	2022	
Operating income		8,808,885	8,582,344	9,663,341	10,194,799	9,809,443	1,830,264
Gross profit		2,034,141	2,265,039	2,540,693	1,601,505	1,632,190	310,739
Operating profit		1,147,221	1,277,995	1,531,692	394,186	343,802	40,849
Non-Operating income and expense		218,327	166,995	(34,171)	(9,570)	263,687	(2,864)
Net income before tax		1,365,548	1,444,990	1,497,521	384,616	607,489	37,985
Net income of continuing operations		889,961	942,595	974,682	240,615	377,449	26,601
Discontinuing operation loss		—	—	—	—	—	—
Net income		889,961	942,595	974,682	240,615	377,449	26,601
Other comprehensive profit and loss (net)		(54,642)	(203,522)	48	(57,086)	182,317	26,905
Total current comprehensive profit		835,319	739,073	974,730	183,529	559,766	53,506
Net income attributable to parent company's shareholders		889,961	941,542	965,738	251,755	371,277	37,481
Net income attributable to non-controlling equity		—	1,053	8,944	(11,140)	6,172	(10,880)
Total comprehensive profit and loss attributable to parent company's shareholders		835,319	738,983	963,505	203,175	544,822	62,829
Total comprehensive profit and loss attributable to non-controlling equity		—	90	11,225	(19,646)	14,944	(9,323)
Earnings per share		5.88	7.61	7.81	2.03	3.00	0.30

Note 1 : The 2023Q1 financial data were reviewed by the CPA.

(4) Condensed Income Statement (parent-company only) - IFRS

unit : NT\$ in thousands

Item	Year	Financial Data within the last 5 years				
		2018	2019	2020	2021	2022
Operating income		3,338,567	3,706,674	3,931,114	4,019,707	4,114,858
Gross profit		475,750	550,327	517,748	677,285	590,247
Operating profit		82,774	117,630	100,739	252,852	169,998
Non-Operating income and expense		981,723	995,052	1,029,646	60,759	269,205
Net income before tax		1,064,497	1,112,682	1,130,385	313,611	439,203
Net income of continuing operations		889,961	941,542	965,738	251,755	371,277
Discontinuing operation loss		—	—	—	—	—
Net income		889,961	941,542	965,738	251,755	371,277
Other comprehensive profit and loss (net)		(54,642)	(202,559)	(2,233)	(48,580)	173,545
Total current comprehensive profit		835,319	738,983	963,505	203,175	544,822
Net income attributable to parent company's shareholders		889,961	941,542	965,738	251,755	371,277
Net income attributable to non-controlling equity		—	—	—	—	—
Total comprehensive profit and loss attributable to parent company's shareholders		835,319	738,983	963,505	203,175	544,822
Total comprehensive profit and loss attributable to non-controlling equity		—	—	—	—	—
Earnings per share		5.88	7.61	7.81	2.03	3.00

6.1.2 The name and opinion of the independent auditor within the last 5 year

Year	Name of CPA Firm	Name of CPAs	Auditor's opinions
2018	Deloitte & Touche	Tung-Feng Lee and Chih-Yuan Chen	unqualified opinion
2019	Deloitte & Touche	Tung-Feng Lee and Chih-Yuan Chen	unqualified opinion
2020	Deloitte & Touche	Tung-Feng Lee and Chih-Yuan Chen	unqualified opinion
2021	Deloitte & Touche	Chih-Yuan Chen and Yao-Lin Huang	unqualified opinion
2022	Deloitte & Touche	Chih-Yuan Chen and Yao-Lin Huang	unqualified opinion

6.2 Financial Ratio Analysis for Recent Five Years

6.2.1 Consolidated Financial Analysis within the last few years - IFRS

Analysis item		Year	Financial analysis within the last 5 years (Note 1)					Financial data up to March 31, 2023 (Note 2)
		2018	2019	2020	2021	2022		
Financial structure	Debt to assets ratio (%)	33.82	42.95	46.97	49.31	48.62	47.22	
	Long term funds to property, plant, and equipment ratio (%)	1,065.64	509.07	405.78	368.20	351.18	358.02	
Solvency	Current ratio (%)	275.78	202.08	178.70	207.31	208.08	215.98	
	Quick ratio (%)	246.47	177.59	152.48	165.29	177.28	189.78	
	Interest coverage ratio (times)	1,668.34	71.25	5,577.00	1,038.94	1,273.37	355.04	
Operating ability	Receivables turnover (times)	2.72	2.46	2.57	2.61	3.30	3.48	
	Accounts receivable collecting days	134.19	148.37	142.02	139.84	110.60	104.88	
	Inventory turnover (times)	11.25	8.47	7.39	7.01	6.73	6.12	
	Payables turnover (times)	3.74	3.38	3.44	3.91	4.45	4.59	
	Average sales day for inventory	32.44	43.09	49.39	52.07	54.23	59.64	
	Property, plant, and property turnover (times)	16.20	7.00	5.73	4.74	4.50	3.42	
	Total asset turnover (times)	1.05	0.86	0.82	0.86	0.86	0.65	
Profitability	Return on Assets (%)	10.49	10.38	9.11	2.26	3.53	1.31	
	Return on equity (%)	15.44	16.72	16.30	3.94	6.37	1.80	
	Ratio of net income before tax to paid-in capital (%)	110.37	116.79	121.04	31.09	49.10	12.28	
	Profit margin (%)	10.10	10.98	10.09	2.36	3.85	1.45	
	Earnings per share (NT\$) (Note 3)	5.88	7.61	7.81	2.03	3.00	0.30	
Cash flow (note 4)	Cash flow ratio (%)	16.95	29.75	11.42	3.57	62.01	3.45	
	Cash Flow Adequacy Ratio (%)	119.97	116.61	100.01	61.35	87.24	90.73	
	Cash Flow Re-investment Ratio (%)	-	4.96	0.08	-	20.38	-	
Leverage	Operating leverage	1.10	1.20	1.21	2.07	2.46	3.80	
	Financial leverage	1.00	1.02	1.02	1.12	1.18	1.57	

Reasons for variations in the financial ratios from consolidated financial statements within the last two years : (variations less than 20% can be exempted for analysis)

1. Increase in interest coverage ratio: This is mainly due to an increase of NT\$222,873 thousand in pre-tax net profit for the 2022 compared to the 2021.
2. Increase in asset return ratio, ratio of pre-tax net profit to paid-up capital, return on equity, profit margin, and earnings per share: This is primarily due to higher profits in the 2022 compared to the 2021.
3. Increase in cash flow ratio and cash flow adequacy ratio: This is mainly because the pre-tax net profit for the 2022 increased by NT\$222,873 thousand, leading to a decrease or increase in net cash inflows from operating activities in the 2022 compared to the 2021. As a result, the cash flow ratio and cash flow adequacy ratio have increased

6.2.2 Financial Analysis within the last few years – IFRS (parent-company only)

Analysis Item		Financial analysis within the last 5 years (Note 1)				
		2018	2019	2020	2021	2022
Financial Structure	Debt to assets ratio (%)	26.17	33.60	36.04	37.34	38.51
	Long term funds to property, plant, and equipment ratio (%)	5,152.97	4,893.22	4,053.76	3,009.49	3,170.76
Solvency	Current ratio (%)	99.71	63.34	56.55	95.25	81.71
	Quick ratio (%)	97.88	62.13	55.93	94.17	80.50
	Interest coverage ratio (times)	1,300.75	894.00	116.74	29.76	25.23
Operating ability	Receivables turnover (times)	3.21	3.42	3.73	3.47	4.85
	Accounts receivable collecting days	113.75	106.06	97.93	105.15	75.33
	Inventory turnover (times)	117.38	113.14	161.94	167.96	131.78
	Payables turnover (times)	2.77	2.97	2.80	2.59	3.30
	Average sales day for inventory	3.11	3.22	2.25	2.17	2.77
	Property, plant, and property turnover (times)	29.68	31.37	25.85	17.33	18.99
	Total asset turnover (times)	0.44	0.45	0.43	0.45	0.46
Profitability	Return on Assets (%)	11.67	11.94	11.14	2.86	4.28
	Return on equity (%)	15.44	17.05	16.96	4.36	6.63
	Ratio of net income before tax to paid-in capital (%)	86.04	89.93	91.36	25.35	35.50
	Profit margin (%)	26.66	25.40	24.57	6.26	9.02
	Earnings per share (NT\$) (Note 3)	5.88	7.61	7.81	2.03	3.00
Cash flow (Note 4)	Cash flow ratio (%)	-	5.62	5.87	-	25.84
	Cash Flow Adequacy Ratio (%)	2.17	13.44	14.31	2.60	16.96
	Cash Flow Re-investment Ratio (%)	-	-	-	-	-
Leverage	Operating leverage	1.21	1.20	1.33	1.17	1.23
	Financial leverage	1.01	1.01	1.11	1.05	1.12
<p>Reasons for variations in the financial ratios from consolidated financial statements within the last two years : (variations less than 20% can be exempted for analysis)</p> <ol style="list-style-type: none"> Increase in asset return ratio, ratio of pre-tax net profit to paid-up capital, return on equity, profit margin, and earnings per share: This is primarily due to higher profits in the 2022 compared to the 2021. Increase in cash flow ratio and cash flow adequacy ratio: This is mainly due to an increase of NT\$125,592 thousand in pre-tax net profit for the 2022, resulting in higher net cash inflows from operating activities in the 2022 compared to the 2021. 						

Note 1 : The financial analysis data of the past five years has been prepared in accordance with Taiwan's financial accounting standards. Therefore, please refer to the financial analysis - Taiwanese financial accounting standards information

Note 2 : The 2023Q1 financial data were reviewed by the CPA.

Note 3 : Retrospective adjustment for earnings per share.

Note 4 : Not calculated as either net operating cash flow, net operating cash flow within recent five years or (net operating cash flow – cash dividend) is negative.

Note 5 : Formulas

1.Capital Structure Analysis

(1) Debt Ratio = Total Liabilities / Total Assets。

(2) Long-term Fund to Property, Plant and Equipment Ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment

2.Liquidity Analysis

(1)Current Ratio = Current Assets / Current Liabilities

(2)Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities

(3) Interest coverage ratio = Earnings before Interest and Taxes / Interest Expenses

3.Operating Performance Analysis

(1)Account receivable (including account receivable and notes receivable from operation) turnover = Net sales / the Average of account receivable (including account receivable and notes receivable from operation) balance

(2)Days Sales Outstanding = 365 / Average Collection Turnover

(3)Average Inventory Turnover = Cost of Sales / Average Inventory

(4)Account payable (including account payable and notes payable from operation) turnover = Cost of goods sold / the average of account payable (including account payable and notes payable from operation) balance

(5) Average Inventory Turnover Days = 365 / Average Inventory Turnover

(6)Property, Plant and Equipment Turnover = Net Sales / Average Net Property, Plant and Equipment

(7)Total Assets Turnover = Net Sales / Average Total Assets 。

4. Profitability Analysis

(1)Return on Total Assets = (Net Income + Interest Expenses * (1 - Effective Tax Rate)) / Average Total Assets

(2) Return on Equity = (Net Income * (1 - Effective Tax Rate)) / Average Total Equity

(3)Net Margin = Net Income / Net Sales 。

(4)Earnings Per Share = (Net Income Attributable to Shareholders of the Parent - Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding

5. Cash Flow Analysis

(1) Cash Flow Ratio = Net Cash Provided by Operating Activities / Current Liabilities

(2) Cash Flow Adequacy Ratio = Five-year Sum of Cash from Operations / Five-year Sum of Capital Expenditures, Inventory Additions, and Cash Dividend

(3)Cash Flow Reinvestment Ratio = (Cash Provided by Operating Activities - Cash Dividends) / (Gross Property, Plant and Equipment + Long-term Investments + Other Noncurrent Assets + Working Capital)

6. Leverage Analysis

(1)Operating Leverage = (Net Sales - Variable Cost) / Income from Operations

(2) Financial Leverage = Income from Operations / (Income from Operations – Interest Expenses)

6.3 The Audit Committee's Review Report

Audit Committee's Review Report

The Board of Directors prepared and submitted the 2022 Business Report, Financial Statements, Consolidated Financial Statement, and Proposal on Distribution of Earnings. The Financial Statements, in particular, were completely audited by CPA Chen, Chih-Yuan and CPA Huang, Yao-Lin of Deloitte Taiwan and this Audit Report was issued.

The above-mentioned Business Report, Financial Statement, Consolidated Financial Statement, and Proposal on Distribution of Earnings have been reviewed by the Audit Committee and no discrepancy has been found. Therefore, according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, the report is prepared as above.

Your review and approval are cordially requested.

To

Syncmold Enterprise Corp. 2023 General Shareholders' Meeting

Convener of Audit Committee: Tsai, Yong-Lu

March. 15th, 2023

- 6.4 Financial Report (Consolidated): Please refer to page 122 to page 197.
- 6.5 Financial Report (Stand-Alone): Please refer to page 198 to page 281.
- 6.6 Impact Of The Financial Distress Occurred To The Company And Affiliates
Inrecent Years Until The Annual Report Being Published : None.

VII. Review of Financial Conditions, Operating Performance, and Risk Management

7.1 Review and Analysis of Financial Conditions

The main reasons and impact for significant changes in assets, liabilities and shareholders' equity in the last two years (the amount of change is more than 10%, and the amount is up to 1% of the total assets of the year), and if the impact is significant to the future, it should be explained

unit : NT\$ in thousands

Item	Year	2021	2022	Differences	
				amount	%
Cash and cash equivalents		2,059,537	3,510,365	1,450,828	70.44
Current Financial Assets at Fair Value through Profit or Loss		146,753	704,121	557,368	379.80
Financial assets at amortized cost - current		336,972	238,110	(98,862)	(29.34)
Notes receivable		357,113	181,328	(175,785)	(49.22)
Accounts receivables (Net)		3,416,893	1,969,799	(1,447,094)	(42.35)
Inventory (Net)		1,285,141	907,985	(377,156)	(29.35)
Current assets		437,325	369,328	(67,997)	(15.55)
Other Current assets		8,039,734	7,881,036	(158,698)	(1.97)
Investment under equity method		172,058	168,088	(3,970)	(2.31)
Property, plant, and equipment		2,149,209	2,181,140	31,931	1.49
Goodwill		324,597	324,597	-	-
Prepayments for equipment		90,606	25,317	(65,289)	(72.06)
Total assets		11,792,293	11,447,348	(344,945)	(2.93)
Current liabilities		3,878,934	3,787,567	(91,367)	(2.36)
Noncurrent liabilities		1,936,087	1,778,452	(157,635)	(8.14)
Total liabilities		5,815,021	5,566,019	(249,002)	(4.28)
Capital stock		1,237,242	1,237,242	-	-
Additional paid-in capital		2,769,331	2,361,070	(408,261)	(14.74)
Retained earnings		2,337,701	2,446,681	108,980	4.66
Other equity		(687,190)	(518,796)	168,394	9.98
Equity attributable to owners		5,657,084	5,546,197	(110,887)	(1.96)
NON-CONTROLLING INTERESTS		320,188	335,132	14,944	4.67
Total equity		5,977,272	5,881,329	(95,943)	(1.61)
Analysis and description will be given only if the increase/decrease in ratio reaches 10% and amount reaches one percent of total asset in the current year :					
1. Increase in cash and cash equivalents: This is mainly due to an increase of NT\$222,873 thousand in pre-tax net profit for the 2022 compared to the 2021.					
2. Increase in financial assets measured at fair value through profit or loss - current: This is primarily due to an increase of NT\$557,368 thousand in stocks and structured products in the 2022 compared to the 2021.					
3. Decrease in accounts receivable: This is mainly due to an increase in sales to overseas customers in the 2022, resulting in a shorter collection period and a relative decrease in the net amount of accounts receivable.					
4. Decrease in capital surplus: This is primarily due to a decrease of NT\$408 million in the capital surplus - issuance of shares at a premium in the 2022.					
5. Decrease in net inventory: This is mainly due to a decrease in market demand in the second half of the 2022, resulting in a decrease in inventory.					

7.2 Review and Analysis of Financial Performances

7.2.1 The main reasons for the significant changes in the operating revenue, operating net profit and pre-tax net profit and the expected sales volume and its basis in the last two years, the possible impact on the company's future financial business and the corresponding plan:

Comparison Analysis of Operating Results

unit : NT\$ in thousands

Item	Year	2021	2022	Amount change	Percentage change (%)
Operating income		10,194,799	9,809,443	(385,356)	(3.78)
Operating cost		8,593,294	8,186,253	(407,041)	(4.74)
Gross profit		1,601,505	1,623,190	21,685	1.35
Operating expense		1,207,319	1,279,388	72,069	5.97
Operating profit		394,186	343,802	(50,384)	(12.78)
Non-operating income and expense		(9,570)	263,687	273,257	2855.35
Net income before tax		384,616	607,489	222,873	57.95
Income tax expense		144,001	230,040	86,039	59.75
Net income		240,615	377,449	136,834	56.87
other comprehensive profit and loss		(57,086)	182,317	239,403	419.37
total comprehensive net income		183,529	559,766	376,237	205.00
Analysis and description will be given only if the increase/decrease in ratio reaches 20%:					
<ol style="list-style-type: none"> 1. Increase in non-operating income and expenses, pre-tax net profit, and after-tax net profit: This is primarily due to an increase of NT\$ 328,188 thousand in foreign exchange gains for the 2022. 2. Increase in other comprehensive income: This is mainly due to an increase of NT\$260,631 thousand in translation differences related to the financial statements of overseas operating entities for the 2022. 					

7.2.2 Forecasted sales in the coming year and its basis and main factors affecting expected sales volume to continuously grow or decline

The company has not prepared financial forecasts for the 2023. However, taking into consideration the inflation and the continued rise in raw material prices in the first half of the 2023, as well as the ongoing destocking by brand customers, the demand and sales of liquid crystal displays are expected to continue to be impacted in the first half of the 2023.

7.3 Review and Analysis of Cash Flow

Analysis of recent annual cash flow changes, improvement of liquidity and cash analysis in the coming year:

7.3.1 Analysis of changes in cash flow in recent year (2022) - consolidated financial statements

Cash balance – beginning	Annual net cash flow from operating activities	Annual net cash flow from other activities	Impacts by exchange rate	Cash balance	Contingency plans for insufficient cash	
					Investment Plan	Financial Plan
2,059,537	2,348,763	(912,338)	14,403	3,510,365	-	-

(1) Net cash in-flows of operating activities included mainly the net operating profit, depreciated non-cash activity expenditure, and cash in-flows from accounts receivable of the Company.

(2) Net cash out-flows of investing activities are mainly the results of cash out-flows associated with the acquisition of financial assets and right-of-use assets.

(3) Net cash out-flows of fund-raising activities are mainly the repay short-term borrowings and issuance of cash dividends.

7.3.2 Analysis of Cash Liquidity for the coming year (2023)

Cash balance in the beginning of the year	Net cash flow from operating activities throughout the year	Annual net cash flow	Cash balance at the end of the year	Remedial measures for insufficient cash	
				Investment Plan	Financial Plan
3,510,365	228,089	(221,960)	3,288,405	-	-

Improvement plan for insufficient liquidity: The company responds to the funding situation by borrowing or other financing methods.

7.4 Major Capital Expenditures In Recent Years And Impacts On Financial And Operational Situations

In September 2018, the board of directors approved the investment plan of Syncmold (Vietnam), and in order to meet the needs of the ensuing engineering construction, plant decoration, equipment capital expenditure and working capital, the board of directors approved the expansion in May 2011. The total investment plan amounted to USD 25 million. From September 2018 to December 2011, it invested in Xinjin (Vietnam) successively, and the actual accumulated investment amounted to about NT\$570,700,000 (US\$20 million) for construction. The production base in Southeast Asia and the construction of the second production base other than China have a positive impact on the financial business of the Company.

7.5 Investment Policies in Recent Years

7.5.1 The most recent annual investment policy

Using the company's research and development advantages on the basis of existing technologies and related industries, the investment policy focuses on areas that can increase revenues, enter new product domain or develop vertical integration.

7.5.2 The main reason for its profit or loss, the improvement plan

The Company recognized investment income from each of its subsidiaries overseas in 2022, which was worth NTD 215,258 thousand mainly because of the

increase in raw material prices and freight costs of subsidiaries in mainland China, which compressed product profits. In the future, it will stabilize existing customers and continue to develop new customers and sales plans for product transformation.

7.5.3 The investment plan for the next year

The company will continuously research and develop new technologies and products, striving to increase market share and improve pricing for its clients. Additionally, in response to the recent market demand slowdown and destocking by customers, the company plans to optimize its manufacturing facilities, adjust production structures, reduce costs, and enhance efficiency in order to maintain stable operational growth.

7.6 Sources of Risks and Evaluations

7.6.1 The impact of interest rates, exchange rate changes, and inflation associated with the company's profit and future corresponding measures

(1) The impact of changes in interest rates associated with the company's profit in the most recent fiscal year and till printing date of annual report and the future corresponding measures

A. Impact :

Unit : NT\$ in thousands ; %

Item / Year	2022	2023 Q1
Interest Expense(A)	51,773	14,894
Income before tax(B)	607,489	37,985
(A)/ (B)	8.52%	39.21%

The company's interest expenses mostly due to short-term bank loans.

B. Future corresponding measures :

Taking overall funds and operation condition into consideration, the company will conduct short-term loans with banks adopting floating interest rate if there is need.

(2) The impact of exchange rate changes on the company's profit and loss in the most recent year and the end of the annual report and future countermeasures

A. Impact :

Unit : NT\$ in thousands ; %

Item/year	2022	2023 Q1
Exchange gains and losses (A)	270,397	(34,693)
Operating income(B)	9,809,443	1,830,264
Income before tax(C)	607,489	37,985
(A)/ (B)	2.76%	(1.90%)
(A)/ (C)	44.51%	(91.33%)

The company's product sold domestically and internationally. As a result, we retained revenue with foreign currency for the purchasing payment to achieve currency hedging and reduce exchange rate risks.

The ratio of exchange gains or losses in operating revenue for 2022 for this Company is 44.51%, the ratio of exchange gains or losses in income before

tax is (15.03%);1Q22 exchange gain to operating revenue is 0.29% , to income before tax is 12.46% , For 2021, the exchange rate of the USD to RMB has depreciation significantly, thus we have a higher exchange losse. However, 1Q2022 faced a increased of USD to RMB the ratio of exchange gain to operating revenue.The Company will continue to monitor the long-term and short-term trends of the exchange rate and enhance risk management regarding exchange rates to lower the effect of exchange rate fluctuation on profit.

B. Future corresponding measures :

In order to effectively reduce the impact of exchange rate changes on revenue and profit, the company adopted the following measures: a. actively collect exchange rate information to fully grasp exchange rate changes; b. consider the impact of exchange rate changes in quotation; c. retain foreign currency position appropriately from sales revenue in supporting foreign currency purchase expenditure; d. moderately pre-sale forwards on foreign exchange rate as hedging purpose within foreign currency sales revenue e. negotiate with suppliers to use foreign currency as source of payment. The above-mentioned measures are expected to lower impact on exchange rate volatility.

(3) The impact of inflation on the company's profit and loss in the most recent year and the printing date of the annual report and the future countermeasures :

In 2021, global raw materials will rise due to the impact of the epidemic. In 2022, due to the Russian-Ukrainian war, global economic inflation will be exacerbated. In addition to absorbing part of the increase, the company will continue to strictly control costs and expenses, and strive to increase selling prices. Reduce the risk of inflation.

7.6.2 The main reasons for the high-risk, high-leverage investment, funds loan to others, endorsement guarantee and derivative commodity trading, profit or loss and future response measures :

The Company's fund loan to others and endorsement guarantees are handled in accordance with the Company's "Funding to Others Practice" and "Endorsement Guarantee Practice" which only for subsidiaries of 50% or more shareholding. The endorsement is performed in accordance with the contract signed by the credit bank and the guarantor's responsibility.

Transaction of derivative products are based on Securities and Futures Bureau "public company acquisition or disposition of assets handling guidelines" and Company's internal regulations with the aim to avoid market risks. Depending on the company's operating conditions and changes in market trends, the holdings and related hedging strategies are regularly evaluated and maneuvered.

7.6.3Future R&D plan and estimated R&D expenses in the future :

In 2022, the Company invested NTD 182,447 thousand as its research and development expenditure, which accounts for around 1.86% of the revenue. Besides R&D and improvement of LCD monitors and LCD TV screen sockets, quite some efforts are devoted also to the improvement of the automation production technology and patents of multiple products were obtained in 2022, demonstrating benefits of the R&D unit. It is expected that around NTD 175,443 thousand will be invested in as R&D expenditure in 2023 to help continue with the development of new products and technologies and to enhance the competitive advantages of the Company.

7.6.4 The impact of important domestic and international policies and regulatory changes associated with the company's business and the corresponding measures :

The company pays close attention to the changes of important laws and policies both at home and abroad and promptly proposes countermeasures. We did not affect by important policies and laws changes which had a significant impact on our business.

7.6.5 The impact of technological changes associated with the company's business and the corresponding measures :

The company always pays attention to the evolution of relevant technology in the industry, evaluates, researches and develops to meet the market trend. There have been no major technological changes in the most recent year, which have had a significant impact on the operations of the company.

7.6.6 The impact of corporate image change associated with corporate crisis management and corresponding measures :

The company has a dedicated spokesperson who is responsible for maintaining the relationship with the public and investors and establishing the company's image. Therefore, the company has not had any significant impact on the company due to changes in corporate image.

7.6.7 Expected benefits, potential risks and corresponding measure for M&A :

There have been no merger and acquisition activities by the Company in the recent fiscal year and up until the printing date of the annual report.

7.6.8 Expected benefits, potential risks and corresponding measure for plant expansion :

In order to expand its production base in Southeast Asia, the Company approved the capital increase plan for its subsidiary in Vietnam in May 2021. The Company has already invested a total of USD 20,000 thousand, and the construction of the factory was completed in the fourth quarter of the year 111. However, the Company's performance has been affected by a reduction in demand following the pandemic, and the benefits will gradually become evident..

7.6.9 Potential risks and countermeasures associated with concentrated procurement and sales :

(1) risks of concentrated procurement

Non-applicable as the company does have concentrated procurement.

(2) risks of concentrated sales

Non-applicable as the company does have concentrated procurement.

7.6.10 Potential impact, risks, and corresponding measure on sales with significant number of shares from directors, supervisors and major shareholders with over 10% of shares : n/a

7.6.11 Potential impact, risks and corresponding measure on change of management right : The company does not encounter change of management right.

7.6.12 Disclosure of information of directors, supervisors, managers, major shareholders holding over 10% of outstanding shares and affiliates regarding on litigation or non-litigation which will impact shareholder equity or stock price : None.

- (1) Ongoing Litigation or non-litigation which will impact shareholder equity or stock price in the most recent two years and till the printing date of annual report : None.
- (2) Ongoing Litigation or non-litigation of directors, supervisors, managers, major shareholders holding over 10% of outstanding shares and affiliates which will impact shareholder equity or stock price in the most recent two years and till the printing date of annual report : None.
- (3) The circumstances of the Article 157 of Securities Exchange Act and the current situation of the company treatment related to directors, supervisors, managers, major shareholders holding over 10% of outstanding shares in the last two years and the end of the annual report : None.

7.6.13 Other potential risks and corresponding measure :

Information safety risk: in view of the graduated development of information system and network application, to ensure the safety of the Company's software, hardware equipment and the network, information safety policy of the Company was approved by Board of Directors in 2019. As a basis for all personnel of the Company comply with information safety, avoiding improper use or intentional destruction of information system from internal, external person, or when the information system was improperly used, intentionally destructed, other urgent accidents, the Company can rapidly dispose, and recover normal operation in the shortest time, decrease possible economic loss and operation breakdown caused by the accidents.

Countermeasures: the Company authorized Department of Information & Supply Chain Management to plan annual inspection and evaluation for the safety and efficiency of overall network construction, and established off-site backup system for important information of various departments, meanwhile strengthened various simulation tests, emergency management and other drills for the engine room to ensure normal operation and information safety of information system, decrease breakdown risk caused by disasters without warning, human negligence and malware attack.

In 2021 and before the printing date of the annual report, the company did not find any major cyber-attack or incidents that will adversely affect business and operation. The company has not been involved in any legal cases or regulatory investigations related to this.

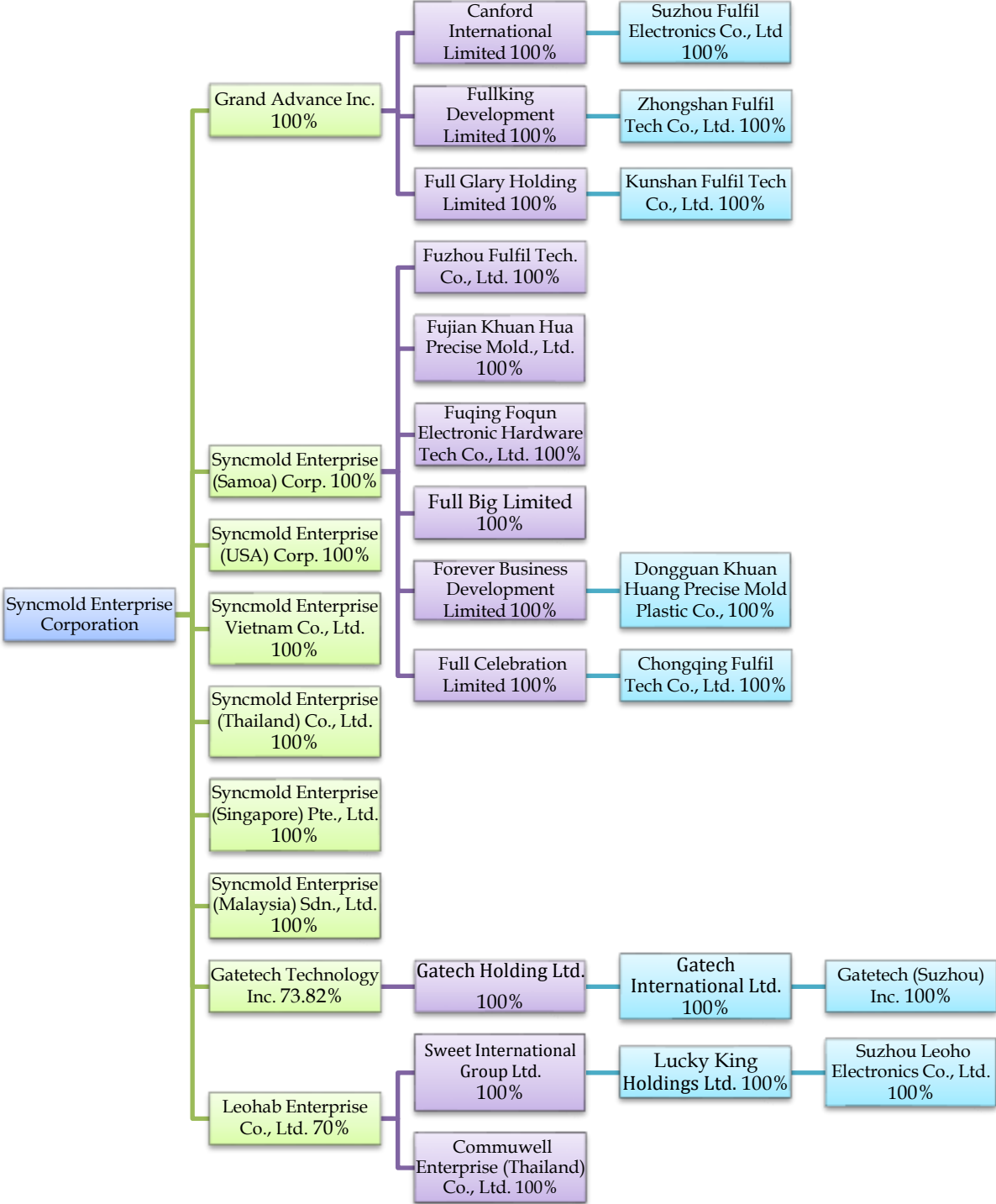
7.7 Others : None.

VIII、SPECIAL DISCLOSURE

8.1 Affiliated Companies

8.1.1 Affiliates Consolidated Financial Statement

(1) Organization Chart (December 31, 2022)



(2) Information on subsidiaries (December 31, 2022)

Unit : NT\$ in thousands

Name of subsidiaries	Established Date	Address	Paid-In Capital	Main Operating or Production item
Syncmold Enterprise (USA) Corp.	2016/06/27	691 S MILPITAS BLVD, STE 212, MILPITAS, CA 95035	31	Electronic parts trading, import and export trade and investment business
Syncmold Enterprise (Samoa) Corp.	2005/01/10	Level 2,lotemau Centre Building,Vaea Street,Apia, Samoa	108,885	Reinvestment in Chinese subsidiaries and international trade business
Fujian Khuan Hua Precise Mold., Ltd.	2003/07/15	Hongzhi Road, Hongkuan Industrial Village, Yangxia Town, Fuqing City, Fujian Province, P.R.Chin	109,419	Processing, manufacturing, trading of various metal molds and plastic molds and related import and export business
Fuzhou Fulfil Tech Co., Ltd.	2002/05/29	FuYu N. Road, Gaolun Villane, Hong Lu Town, Fu Qing City, Fujan Province, P.R.Chin	42,733	Electronic parts manufacturing, trading and related import and export business
Fuqing Foqun Electronic Hardware Tech Co., Ltd.	2006/04/25	No. 396 Shangting Village, Yangxia Street, Fuqing City, Fuzhou City, Fujian Province	58,313	Electronic parts manufacturing, trading and related import and export business
Forever Business Development Limited	2007/04/03	Portcullis Trust Net Chambers, P.O. Box 1225, Apia. Samoa	122,840	Reinvestment in Chinese subsidiaries and international trade business
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	2008/01/04	Area 3, Jinhe Management Zone, Zhangmutou Town, Dongguan City, Guangdong Province, P.R.China	123,643	Processing and manufacturing of various types of plastic molds and plastic injection parts and related import and export business
Grand Advance Inc.	2002/01/10	Level 2,lotemau Centre Building,Vaea Street,Apia, Samoa	207,154	Electronic parts trading, import and export business and investment business
Fullking Development Limited	2008/06/20	Room 706, Haleson Building, 1 Jubilee St., Central, Hong Kong	153,550	Electronic parts trading, import and export business and investment business
Zhongshan Fulfil Tech Co., Ltd.	2008/11/14	No.18, Shabian Road, Huoju Development, Zone Zhongshan City, GuangDong, P.R.Chin	150,482	Electronic parts manufacturing, trading and related import and export business
CANFORD INTERNATIONAL LIMITED	2002/01/10	Level 2,lotemau Centre Building,Vaea Street,Apia, Samoa	15,355	Import and export trade and investment business
Suzhou Fulfil Electronics Co., Ltd.	2002/03/01	NO.1201. FuYuan Road, XiangChengEconomic Developing District, SuZhou City, JiangSu Province, P.R.China	18,248	Electronic parts manufacturing, trading and related import and export business
FULL GLARY HOLDING LIMITED	2009/09/09	Room 706, Haleson Building, 1 Jubilee St., Central, Hong Kong	248,751	Electronic parts trading, import and export business and investment business
Kunshan Fulfil Tech Co., Ltd.	2010/03/04	257 FUIL Road, Zhang Pu Town, KunShan City, JiangSu Province, P.R.Chin	231,078	Processing, manufacturing, trading of precision hardware and accessories and related import and export business
Full Celebration Limited	2012/04/03	Le Sanalele Complex, Grand Floor,Vaea Street, Saleufi, P.O. Box 1868, Apia. Samoa	153,550	Reinvestment in Chinese subsidiaries and international trade business
Chongqing Fulfil Tech Co., Ltd.	2012/06/11	No. 1/2 Cooperative, Shihe Village, Qinggang Sub-district, Bishan District, Chongqing Province, P.R.Chin	137,374	Processing and manufacturing of various electronic plastic hardware and other related import and export business
Syncmold Enterprise Vietnam Co., Ltd.	2019/12/24	Đại Cường, Vietnam	591,629	Engages in manufacturing and selling LCD monitor stand, hinge products.

Syncmold Enterprise (MALAYSIA) Sdn., Bhd.	2020/02/10	Level 3-5, Menara AIA Sentral, No. 30, Jalan Sultan Ismail, 50250 Kuala Lumpur	6,699	Trading of electronic parts, imports and exports, customer support, and service center.
Syncmold Enterprise (SINGAPORE) Pte., Ltd.	2020/02/27	The Synergy, 1 International Business Park Rd	1,144	Trading of electronic parts, imports and exports, and design of electronic parts and products.
Syncmold Enterprise (THAILAND) Co., Ltd.	2020/05/14	Bangkok Bank RG7V+HRG, Hua Wa, Si Maha Phot District, Prachin Buri 25140	32,166	Processing and manufacturing, trading, and related imports and exports of electronic parts.
Gatetech Technology Inc.	1988/05/20	No. 1-1, Datong 1st Rd., Guanyin Dist., Taoyuan City 328, Taiwan (R.O.C.)	574,803	Processing and manufacturing service for aluminum alloy and magnesium alloy die casting
Gatetech Holdings Ltd.	2002/01/22	Le sanalele Complex, Gold-In Chambers, Vaea Street, Apia, Samoa.	647,041	General trade and investment
Gatetech International Ltd.	2002/01/22	Le sanalele Complex, Gold-In Chambers, Vaea Street, Apia, Samoa.	657,284	Import and export trade and investment business
Gatetech (Suzhou) Inc.	2002/06/27	No. 130 yanshan west road, chengxiang town, taicang city	712,282	Processing, manufacturing, trading of aluminum alloy and magnesium alloy die casting and export business
Leohab Enterprise Co., Ltd	1980/06/12	No.14, Gongyequ 24th Rd., Nantun Dist., Taichung City 408, Taiwan	237,424	Precision hardware components manufacturing
Sweet International Group Ltd.	2002/01/02	Intershore Chambers, P.O. Box 4342, Road Town, Tortola, British Virgin Islands.	180,219	General investment business
Lucky King Holdings Ltd.	2002/01/25	3rd Floor, Ebene Esplanade, 24 Cybercity Ebebe Mauritius.	180,219	General investment business
Suzhou Leoho Electronics Co., Ltd.	2002/02/05	No. 2500, Zhongshan North Road, Songling Town, Wujiang Economic Development Zone, Suzhou City, Jiangsu Province	203,817	Precision hardware components manufacturing
Commuwell Enterprise (Thailand) Co.,Ltd.	2002/01/22	78/19M005.TAKAM,BANGPAGONG,CHACHOE NGSAO, 24130,THAILAND	120,704	Plastic injection and hardware parts manufacturing

(3) Presumed to be the same shareholder information for those with control and affiliation : None

(4) Description of business relations :

A. The overall industry coverage by affiliates :

- (A) Reinvestment and international trade business。
- (B) Electronic parts manufacturing, trading and related import and export business
- (C) Processing and manufacturing of various types of plastic molds and plastic injection parts and related import and export business

B. Relationship between affiliates and division of cooperation :

- (A) The Company indirectly invests in CANFORD INTERNATIONAL LIMITED through Grand Advance Inc. (and indirectly invests in Suzhou Fulfil Electronics Co., Ltd.) and Fu Jing (and indirectly invests in Zhongshan Fulfil Tech Co., Ltd.). The Company takes over a portion of the export orders for Suzhou Fulfil Electronics Co., Ltd. and Zhongshan Fulfil Tech Co., Ltd.
- (B) The Company indirectly invests in Full Celebration Limited (and indirectly invests in Chongqing Fulfil Tech Co., Ltd.) and Fuzhou Fulfil Tech Co., Ltd through Syncmold Enterprise (Samoa) Corp. The Company takes over a portion of the export orders for Chongqing Fulfil Tech Co., Ltd. and Fuzhou Fulfil Tech Co., Ltd.
- (C) The Company engages in import and export trading operations in the United States through Syncmold Enterprise (USA).

(5) Information on Affiliates' Director, Supervisor and President (December 31, 2022)

Unit : NT\$ in thousands ; Share ; %

Company Name	Title	Name or Representative	Shareholding	
			Share Original Investment Amount	%
Syncmold Enterprise (USA) Corp.	Director	Syncmold Enterprise Corporation(Representative: Zi Xiang,Liao)	32	100%
Syncmold Enterprise Vietnam Co., Ltd.	Director	Syncmold Enterprise Corporation(Representative: Wen Hua, Yang)	579,944	100%
Syncmold Enterprise (MALAYSIA) Sdn., Bhd.	Director	Syncmold Enterprise Corporation(Representative: Zi Xiang,Liao , Wen Hua, Yang)	7,192	100%
Syncmold Enterprise (SINGAPORE) Pte., Ltd.	Director	Syncmold Enterprise Corporation(Representative: Zi Xiang,Liao)	1,100	100%
Syncmold Enterprise (THAILAND) Co., Ltd.	Director	Syncmold Enterprise Corporation(Representative: Zi Xiang,Liao)	33,638	100%
Syncmold Enterprise (Samoa) Corp.	Director	Syncmold Enterprise Corporation(Representative: Chiu-Lang,Chen)	3,545,584 Share 110,598	100%
Fujian Khuan Hua Precise Mold., Ltd.	Director	Syncmold Enterprise (Samoa) Corp. (Representative: Wen Hua, Yang)	109,419	100%
	Supervisor	Syncmold Enterprise (Samoa) Corp. (Representative: Zi Xiang,Liao)		
	President	Wen Hua, Yang	-	-
Fuzhou Fulfil Tech Co., Ltd.	Director	Syncmold Enterprise (Samoa) Corp. (Representative: Wen Hua, Yang)	42,733	100%
	Supervisor	Syncmold Enterprise (Samoa) Corp. (Representative: Zi Xiang,Liao)		
	President	Alex,Cheng		
Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Director	Syncmold Enterprise (Samoa) Corp. (Representative: Wen Hua, Yang)	58,313	100%
	Supervisor	Syncmold Enterprise (Samoa) Corp. (Representative: Zi Xiang,Liao)		
	President	Fang Sheng,Liu	-	-
Forever Business Development Limited	Director	Syncmold Enterprise (Samoa) Corp. (Representative: Chiu-Lang,Chen)	125,957	100%
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Director	Forever Business Development Limited (Representative: Zi Xiang,Liao)	123,643	100%
	Supervisor	Forever Business Development Limited(Representative: Wen Hua, Yang)		
Grand Advance Inc.	Director	Syncmold Enterprise Corporation (Representative: Chiu-Lang,Chen)	506,240	100%
Fullking Development Limited	Director	Grand Advance Inc. (Representative: Chiu-Lang,Chen)	160,175	100%
Zhongshan Fulfil Tech Co., Ltd.	Director	Fullking Development Limited (Representative: Chiu-Lang,Chen)	150,482	100%
CANFORD INTERNATIONAL LIMITED	Director	Grand Advance Inc. (Representative: Chiu-Lang,Chen)	119,342	100%
Suzhou Fulfil Electronics Co., Ltd.	Director	CANFORD INTERNATIONAL LIMITED (Representative: Zi Xiang,Liao)	18,248	100%
	Supervisor	CANFORD INTERNATIONAL LIMITED (Representative: Wen Hua, Yang)		
	President	Zi Xiang,Liao	-	-
FULL GLARY HOLDING LIMITED	Director	Grand Advance Inc. (Representative: Chiu-Lang,Chen)	259,720	100%
Kunshan Fulfil Tech Co., Ltd.	Director	FULL GLARY HOLDING LIMITED (Representative: Zi Xiang,Liao)	231,078	100%

	Supervisor	FULL GLARY HOLDING LIMITED (Representative: Wen Hua, Yang)		
Full Celebration Limited	Director	Syncmold Enterprise (Samoa) Corp. (Representative: Chiu-Lang,Chen)	147,710	100%
Chongqing Fulfil Tech Co., Ltd.	Director	Full Celebration Limited (Representative: Wen Hua, Yang)	137,374	100%
	Supervisor	Full Celebration Limited (Representative: Zi Xiang,Liao)		
	President	Wen Hua, Yang	-	-
Gatetech Technology Inc.	Director	Syncmold Enterprise Corp. (Representative: Chiu-Lang,Chen)	556,036	73.82%
	Supervisor	Dong-Ping, Jheng , Sheng-Le, Lin		
Gatetech Holdings Ltd.	Director	Syncmold Enterprise Corp. (Representative: Chiu-Lang,Chen)	647,041	73.82%
Gatetech International Ltd.	Director	Syncmold Enterprise Corp. (Representative: Chiu-Lang,Chen)	657,284	73.82%
Gatetech (Suzhou) Inc.	Director	Zi Xiang, Liao	712,282	73.82%
	Supervisor	Wen Hua, Yang		
Leohab Enterprise Co., Ltd	Director	Syncmold Enterprise Corp. (Representative: Tim, Weng)	232,677	70.00%
	Supervisor	Full Celebration Limited (Representative: Geng-Bin, Liao , Rui-Tai, Wu)		
	President	Yu-Kai, Lin		
Sweet International Group Ltd.	Director	Zi Xiang, Liao	147,834	70.00%
Lucky King Holdings Ltd.	Director	Zi Xiang, Liao	147,834	70.00%
Suzhou Leoho Electronics Co., Ltd.	Director	Zi Xiang, Liao	203,817	70.00%
	Supervisor	Wen Hua, Yang		
Commuwell Enterprise (Thailand) Co., Ltd.	Director	Zi Xiang, Liao , Wen Hua, Yang	190,728	70.00%
	Supervisor	Meng-Wei, Lin		

(6) Operating Overview of Affiliates

Unit : NT\$ in thousands

Company Name	Paid-In Capital	Total Asset	Total Liability	Equity	Operating Revenue	Operating Profit	Net Income (After-tax)	Earnings per share (NT\$) (After-tax)
Syncmold Enterprise (USA) Corp.	31	28,236	31,556	(3,320)	31,244	(237)	(220)	-
Syncmold Enterprise (Samoa) Corp.	108,885	2,174,079	-	2,174,079	-	-	(41,500)	-
Fujian Khuan Hua Precise Mold., Ltd.	109,419	342,852	103,134	239,718	342,279	(53,082)	(42,876)	-
Fuzhou Fulfil Tech Co., Ltd.	42,733	1,370,948	418,287	952,661	1,699,702	85,941	80,044	-
Fuqing Foqun Electronic Hardware Tech Co., Ltd.	58,313	255,410	107,824	147,586	506,537	(24,177)	(15,379)	-
Forever Business Development Limited	122,840	355,127	-	355,127	-	-	(1,178)	-
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	123,643	330,888	70,969	259,919	376,040	(5,617)	(2,832)	-
Grand Advance Inc.	207,154	2,907,082	30,541	2,876,541	-	(82,873)	234,262	-
Fullking Development Limited	153,550	1,100,182	70,633	1,029,549	-	-	328,507	-
Zhongshan Fulfil Tech Co., Ltd.	150,482	1,712,475	613,388	1,099,087	2,749,692	365,577	328,494	-
CANFORD INTERNATIONAL LIMITED	15,355	1,378,466	-	1,378,466	-	-	26,109	-
Suzhou Fulfil Electronics Co., Ltd.	18,248	2,005,737	627,290	1,378,447	2,633,527	2,444	26,190	-
FULL GLARY HOLDING LIMITED	248,751	252,057	-	252,057	-	-	(36,005)	-
Kunshan Fulfil Tech Co., Ltd.	231,078	369,795	117,738	252,057	386,296	(35,933)	(36,005)	-
Full Celebration Limited	153,550	133,223	-	133,223	-	-	(58,022)	-
Chongqing Fulfil Tech Co., Ltd.	137,374	377,184	243,974	133,210	469,314	(74,168)	(58,022)	-
Gatetech Technology Inc.	574,803	1,230,376	597,435	632,941	545,535	68,009	68,105	-
Gatetech Holdings Ltd.	647,041	616,413	-	616,413	-	-	1,350	-
Gatetech International Ltd.	657,284	616,413	-	616,413	-	-	1,350	-
Gatetech (Suzhou) Inc.	712,282	731,662	115,249	616,413	521,730	(12,424)	1,350	-
Syncmold Enterprise Vietnam Co., Ltd.	591,629	620,256	131,433	488,823	118,071	(51,090)	(48,257)	-
Syncmold Enterprise (MALAYSIA) Sdn., Bhd.	6,699	4,009	1,842	2,167	3,527	(88)	(98)	-
Syncmold Enterprise (SINGAPORE) Pte., Ltd.	1,144	7,566	1,985	5,581	7,104	1,669	1,847	-

Syncmold Enterprise (THAILAND) Co., Ltd.	32,166	12,638	11	12,627	-	(237)	(85)	-
Leohab Enterprise Co., Ltd	237,424	708,835	500,749	208,086	88,257	(33,943)	(34,392)	-
Sweet International Group Ltd.	180,219	300,221	-	300,221	-	-	(10,831)	-
Lucky King Holdings Ltd.	180,219	300,220	-	300,220	-	-	(10,831)	-
Suzhou Leoho Electronics Co., Ltd.	203,817	372,953	72,734	300,219	184,252	(26,333)	(15,015)	-
Commuwell Enterprise (Thailand) Co., Ltd.	120,704	307,723	83,793	223,930	344,662	29,617	21,917	-

Note 1 : Converting the foreign currency of each subsidiary into Taiwan dollar at the exchange rate of December 31, 2022.

2. Financial Statement of Affiliates : Please refer to consolidated financial statement.

3. Statement of Affiliates : None.

8.2 Private Placement Securities In The Latest Year : None.

8.3 The Company's Shares Held Or Disposed By Subsidiaries In Recent Years Until the Annual Report Being Published : None.

8.4 Other Supplementary Information : None.

IX. PURSUANT TO THE ARTICLE 36-3-2 OF SECURITY EXCHANGE ACT, EVENT HAVING MATERIAL IMPACT ON SHAREHOLDERS' EQUITY OR SHARE PRICE IN THE LATEST YEAR UNTIL THE ANNUAL REPORT BEING PUBLISHED : None.

**Syncmold Enterprise Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2022 and 2021 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, 2022 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 15, 2023

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, 2022 and 2021, 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 a summary of significant accounting policies (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, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by 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, 2022. 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, 2022 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 revenue accounted for 50.57% of total sales revenue in 2022. 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, 2022. 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 understood and assessed the operating effectiveness of design and implementation of the relevant internal controls.
2. We performed detailed verification tests on the selected samples of sales revenue, and checked transaction vouchers and sales returns and discounts of major customers to confirm 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 report of other auditors. As of December 31, 2022 and 2021, the amounts of investments accounted for using the equity method were NT\$168,088 thousand and NT\$172,058 thousand, respectively, which accounted for 1.47% and 1.46% of the Group's consolidated total assets, respectively. For the years ended December 31, 2022 and 2021, share of comprehensive income of associates accounted for using the equity method amounted to NT\$28,160 thousand and NT\$16,496 thousand, respectively, which accounted for 5.03% and 8.99% 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, 2022 and 2021 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, 2022 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 audit resulting in this independent auditors' report are Chih-Yuan Chen and Yao-Lin Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to 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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 3,510,365	31	\$ 2,059,537	17
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	704,121	6	146,753	1
Financial assets at amortized cost - current (Notes 4 and 8)	238,110	2	336,972	3
Notes receivable	181,328	2	357,113	3
Trade receivables, net (Notes 4 and 9)	1,969,799	17	3,416,893	29
Inventories (Notes 4 and 10)	907,985	8	1,285,141	11
Other current assets (Note 4)	<u>369,328</u>	<u>3</u>	<u>437,325</u>	<u>4</u>
Total current assets	<u>7,881,036</u>	<u>69</u>	<u>8,039,734</u>	<u>68</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 18)	63,490	1	65,430	1
Financial assets at amortized cost - non-current (Notes 4, 8 and 29)	3,272	-	2,208	-
Investments accounted for using the equity method (Notes 4 and 12)	168,088	1	172,058	2
Property, plant and equipment (Notes 4, 13, 28 and 29)	2,181,140	19	2,149,209	18
Right-of-use assets (Notes 4, 14 and 28)	583,556	5	744,012	6
Intangible assets (Notes 4, 15 and 28)	59,246	1	52,980	-
Goodwill (Notes 4 and 16)	324,597	3	324,597	3
Deferred tax assets (Notes 4 and 23)	107,155	1	106,378	1
Prepayments for equipment	25,317	-	90,606	1
Refundable deposits	43,812	-	41,452	-
Defined benefit assets (Notes 4 and 20)	6,416	-	2,898	-
Other non-current assets	<u>223</u>	<u>-</u>	<u>731</u>	<u>-</u>
Total non-current assets	<u>3,566,312</u>	<u>31</u>	<u>3,752,559</u>	<u>32</u>
TOTAL	<u>\$ 11,447,348</u>	<u>100</u>	<u>\$ 11,792,293</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 17 and 29)	\$ 1,477,363	13	\$ 895,836	8
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	41	-
Notes payable and trade payables	1,466,764	13	2,210,109	19
Other payables (Notes 19 and 28)	553,842	5	405,745	3
Current tax liabilities (Notes 4 and 23)	81,428	1	161,944	1
Lease liabilities - current (Notes 4, 14 and 28)	158,482	1	182,430	2
Current portion of long-term borrowing (Notes 4, 17 and 29)	16,476	-	16,545	-
Other current liabilities	<u>33,212</u>	<u>-</u>	<u>6,284</u>	<u>-</u>
Total current liabilities	<u>3,787,567</u>	<u>33</u>	<u>3,878,934</u>	<u>33</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 18)	1,178,724	10	1,166,288	10
Long-term borrowing (Notes 4, 17 and 29)	177,771	2	194,185	2
Deferred tax liabilities (Notes 4 and 23)	158,517	2	179,383	1
Lease liabilities - non-current (Notes 4, 14 and 28)	238,775	2	368,731	3
Net defined benefit liabilities (Notes 4 and 20)	6,998	-	11,676	-
Guarantee deposits received	933	-	1,443	-
Other non-current liabilities (Note 20)	<u>16,734</u>	<u>-</u>	<u>14,381</u>	<u>-</u>
Total non-current liabilities	<u>1,778,452</u>	<u>16</u>	<u>1,936,087</u>	<u>16</u>
Total liabilities	<u>5,566,019</u>	<u>49</u>	<u>5,815,021</u>	<u>49</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION				
Ordinary shares	<u>1,237,242</u>	<u>11</u>	<u>1,237,242</u>	<u>11</u>
Capital surplus	<u>2,361,070</u>	<u>21</u>	<u>2,769,331</u>	<u>23</u>
Retained earnings				
Legal reserve	1,026,386	9	1,001,175	9
Special reserve	687,191	6	635,615	5
Unappropriated earnings	<u>753,104</u>	<u>6</u>	<u>700,911</u>	<u>6</u>
Total retained earnings	<u>2,466,681</u>	<u>21</u>	<u>2,337,701</u>	<u>20</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	(514,593)	(5)	(698,561)	(6)
Unrealized (loss) gain of financial assets at fair value through other comprehensive income	<u>(4,203)</u>	<u>-</u>	<u>11,371</u>	<u>-</u>
Total other equity	<u>(518,796)</u>	<u>(5)</u>	<u>(687,190)</u>	<u>(6)</u>
Total equity attributable to owners of the Corporation	5,546,197	48	5,657,084	48
NON-CONTROLLING INTERESTS	<u>335,132</u>	<u>3</u>	<u>320,188</u>	<u>3</u>
Total equity	<u>5,881,329</u>	<u>51</u>	<u>5,977,272</u>	<u>51</u>
TOTAL	<u>\$ 11,447,348</u>	<u>100</u>	<u>\$ 11,792,293</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 15, 2023)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Note 4)	\$ 9,809,443	100	\$ 10,194,799	100
OPERATING COSTS (Notes 4, 10, 22 and 28)	<u>8,186,253</u>	<u>83</u>	<u>8,593,294</u>	<u>84</u>
GROSS PROFIT	<u>1,623,190</u>	<u>17</u>	<u>1,601,505</u>	<u>16</u>
OPERATING EXPENSES (Notes 22 and 28)				
Selling and marketing expenses	298,169	3	319,333	3
General and administrative expenses	797,012	8	707,366	7
Research and development expenses	182,447	2	186,188	2
Expected credit loss (reversed)	<u>1,760</u>	<u>-</u>	<u>(5,568)</u>	<u>-</u>
Total operating expenses	<u>1,279,388</u>	<u>13</u>	<u>1,207,319</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>343,802</u>	<u>4</u>	<u>394,186</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4, 14 and 22)	38,822	-	55,661	1
Other gains and losses (Notes 22 and 30)	(50,958)	-	(34,999)	-
Interest income	35,184	-	26,245	-
Net foreign exchange gain (loss) (Note 31)	270,397	3	(57,791)	(1)
Net (loss) gain on financial assets at fair value through profit (Notes 4 and 7)	(551)	-	45,390	-
Share of profit of associates (Notes 4 and 12)	42,401	-	7,520	-
Interest expenses (Note 28)	(51,773)	-	(40,963)	-
Impairment loss on investments accounted for using the equity method (Notes 4 and 12)	<u>(19,835)</u>	<u>-</u>	<u>(10,633)</u>	<u>-</u>
Total non-operating income and expenses	<u>263,687</u>	<u>2</u>	<u>(9,570)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	607,489	6	384,616	4
INCOME TAX EXPENSE (Notes 4 and 23)	<u>230,040</u>	<u>2</u>	<u>144,001</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>377,449</u>	<u>4</u>	<u>240,615</u>	<u>2</u>

(Continued)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 6,213	-	\$ 376	-
Share of other comprehensive (loss) income of subsidiaries accounted for using the equity method	(15,136)	-	8,976	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(773)	-	2,180	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>192,013</u>	<u>2</u>	<u>(68,618)</u>	<u>-</u>
Other comprehensive income (loss) for the year	<u>182,317</u>	<u>2</u>	<u>(57,086)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR				
	<u>\$ 559,766</u>	<u>6</u>	<u>\$ 183,529</u>	<u>2</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 371,277	4	\$ 251,755	2
Non-controlling interests	<u>6,172</u>	<u>-</u>	<u>(11,140)</u>	<u>-</u>
	<u>\$ 377,449</u>	<u>4</u>	<u>\$ 240,615</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 544,822	6	\$ 203,175	2
Non-controlling interests	<u>14,944</u>	<u>-</u>	<u>(19,646)</u>	<u>-</u>
	<u>\$ 559,766</u>	<u>6</u>	<u>\$ 183,529</u>	<u>2</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 3.00</u>		<u>\$ 2.03</u>	
Diluted	<u>\$ 2.67</u>		<u>\$ 2.02</u>	

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

(With Deloitte & Touche auditors' report dated March 15, 2023)

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Corporation (Notes 4, 21 and 25)												
	Ordinary Shares	Capital Surplus	Retained Earnings				Exchange Differences on Translating of the Financial Statements of Foreign Operations	Other Equity		Total Other Equity	Total	Non-controlling Interests (Notes 4, 21 and 25)	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total				
BALANCE AT JANUARY 1, 2021	\$ 1,237,242	\$ 2,592,857	\$ 904,665	\$ 634,020	\$ 1,165,528	\$ 2,704,213	\$ (639,134)	\$ 3,519	\$ (635,615)	\$ 5,898,697	\$ 343,138	\$ 6,241,835	
Appropriation of 2020 earnings													
Legal reserve	-	-	96,510	-	(96,510)	-	-	-	-	-	-	-	
Special reserve	-	-	-	1,595	(1,595)	-	-	-	-	-	-	-	
Cash dividends distributed by the Corporation	-	-	-	-	(618,621)	(618,621)	-	-	-	(618,621)	-	(618,621)	
	-	-	96,510	1,595	(716,726)	(618,621)	-	-	-	(618,621)	-	(618,621)	
Equity component of convertible bonds issued by the Corporation	-	175,396	-	-	-	-	-	-	-	175,396	-	175,396	
Change in percentage of ownership interests in associates accounted for using the equity method	-	-	-	-	(2,641)	(2,641)	-	-	-	(2,641)	-	(2,641)	
Unclaimed dividends	-	22	-	-	-	-	-	-	-	22	-	22	
Net profit (loss) for the year ended December 31, 2021	-	-	-	-	251,755	251,755	-	-	-	251,755	(11,140)	240,615	
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	1,871	1,871	(59,427)	8,976	(50,451)	(48,580)	(8,506)	(57,086)	
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	253,626	253,626	(59,427)	8,976	(50,451)	203,175	(19,646)	183,529	
Actual acquisition of interests in subsidiaries	-	1,056	-	-	-	-	-	-	-	1,056	(3,304)	(2,248)	
Disposal of investment in equity instrument designed as at fair value through other comprehensive income by associates	-	-	-	-	1,124	1,124	-	(1,124)	(1,124)	-	-	-	
BALANCE AT DECEMBER 31, 2021	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 designed 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	

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

(With Deloitte & Touche auditors' report dated March 15, 2023)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 607,489	\$ 384,616
Adjustments for:		
Depreciation expenses	476,700	403,834
Amortization expenses	24,725	16,482
Expected credit loss (gain)	1,760	(5,568)
Net loss (gain) on financial assets at fair value through profit or loss	551	(45,390)
Interest expenses	51,773	40,963
Interest income	(35,184)	(26,245)
Dividend income	(11,703)	(23,299)
Share of profit of associates	(42,401)	(7,520)
Loss on disposal of property, plant and equipment	20,181	2,086
Loss on disposal of intangible assets	29	1,143
Impairment loss on property, plant and equipment	-	570
Impairment loss on investments accounted for using the equity method	19,835	10,633
Write-downs of inventories	25,896	15,185
Net loss (gain) on unrealized foreign currency exchange	33,769	(41,193)
Gain on lease modification	(4,164)	(120)
Changes in operating assets and liabilities		
Notes receivable	181,012	33,751
Trade receivables	1,509,139	229,276
Inventories	379,335	(342,434)
Other current assets	74,390	(19,721)
Other non-current assets	(39)	(5,230)
Notes payable and trade payables	(768,039)	(57,212)
Other payables	127,575	1,850
Other current liabilities	32,529	(10,932)
Net defined benefit assets and liabilities	(1,983)	(9,042)
Other non-current liabilities	1,287	(3,925)
Cash generated from operations	2,704,462	542,558
Interest paid	(38,645)	(40,754)
Income tax paid	(317,054)	(363,203)
Net cash generated from operating activities	<u>2,348,763</u>	<u>138,601</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(414,425)	(334,599)
Proceeds from sale of financial assets at amortized cost	530,663	595,058
Purchase of financial assets at fair value through profit or loss	(1,482,944)	(947,066)
Proceeds from sale of financial assets at fair value through profit or loss	931,815	1,225,921
Acquisition of associates	-	(15,680)
Payment for property, plant and equipment	(179,041)	(667,373)
Proceeds from disposal of property, plant and equipment	38,491	29,048

(Continued)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Increase in refundable deposits	\$ (1,645)	\$ (4,626)
Payments for intangible assets	(29,925)	(36,471)
Increase in prepayments for equipment	(60,381)	(51,402)
Interest received	31,291	26,245
Dividends received	<u>23,103</u>	<u>34,699</u>
Net cash used in investing activities	<u>(612,998)</u>	<u>(146,246)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayments of) short-term borrowings	581,343	(973,313)
Repayments of short-term bills payable	-	(29,981)
Proceeds from issuance of convertible bonds	-	1,337,453
Proceeds from long-term borrowings	10,000	219,000
Repayments of long-term borrowings	(26,483)	(81,406)
Guarantee deposits received	-	136
Guarantee deposits refunded	(511)	-
Repayment of the principal portion of lease liabilities	(207,951)	(202,184)
Dividends paid	(655,738)	(618,621)
Actual acquisition of interest in subsidiaries	<u>-</u>	<u>(2,248)</u>
Net cash used in financing activities	<u>(299,340)</u>	<u>(351,164)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>14,403</u>	<u>(2,461)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,450,828	(361,270)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,059,537</u>	<u>2,420,807</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 3,510,365</u>	<u>\$ 2,059,537</u>

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

(With Deloitte & Touche auditors' report dated March 15, 2023)

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (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 15, 2023.

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

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

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

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

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

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

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

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

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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 6 and 7 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 (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 was 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 that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

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 use currencies which are different from the currency of the Group) 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.

Profits and losses resulting from upstream transactions and downstream transactions are recognized only 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 measured at cost less accumulated depreciation and accumulated impairment loss.

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 is 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 when 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 entity 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.

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 are not credit-impaired on purchase or origination but have 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) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) 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. Leasing

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 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 that which is 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, 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. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash on hand	\$ 2,225	\$ 2,067
Checking accounts and demand deposits	2,363,885	1,944,790
Cash equivalents (with original maturities within 3 months)		
Time deposits	<u>1,144,255</u>	<u>112,680</u>
	<u>\$ 3,510,365</u>	<u>\$ 2,059,537</u>

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

	December 31	
	2022	2021
Bank deposits	0.000%-5.28%	0.001%-0.42%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Financial assets at fair value through profit or loss (FVTPL) - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts (a)	\$ -	\$ 4
Non-derivative financial assets		
Domestic listed shares	86,154	81,379
Hybrid financial assets		
Structured deposits (b)	<u>617,967</u>	<u>65,370</u>
	<u>\$ 704,121</u>	<u>\$ 146,753</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Domestic third convertible bonds (Note 18)	\$ -	\$ 360
Non-derivative financial assets		
Domestic emerging market shares	20,482	17,528
Overseas unlisted shares	28,725	38,508
Private funds	<u>14,283</u>	<u>9,034</u>
	<u>\$ 63,490</u>	<u>\$ 65,430</u>
<u>Financial liabilities at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts (a)	<u>\$ -</u>	<u>\$ 41</u>

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

December 31, 2021

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

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

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

8. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Current</u>		
Time deposits with original maturities of more than 3 months	\$ <u>238,110</u>	\$ <u>336,972</u>
<u>Non-current</u>		
Pledged time deposits with original maturities of more than 1 year	\$ <u>3,272</u>	\$ <u>2,208</u>

The interest rates for time deposits with original maturities of more than 3 months were 0.15%-3.8% and 0.45%-3.7% per annum as of December 31, 2022 and 2021, respectively.

The interest rate for time deposits pledged as collateral with original maturities of more than 3 months were 0.2%-1.185% and 0.375% per annum as of December 31, 2022 and 2021, respectively.

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

9. TRADE RECEIVABLES, NET

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
At amortized cost		
Gross carrying amount	\$ 1,976,706	\$ 3,421,964
Less: Allowance for impairment loss	<u>(6,907)</u>	<u>(5,071)</u>
	<u>\$ 1,969,799</u>	<u>\$ 3,416,893</u>

The average credit period of sales of goods was 90-160 days. No interest was charged on trade receivables.

The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default 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, 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>

December 31, 2021

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

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 5,071	\$ 10,876
Add: Net remeasurement of loss allowance	1,760	-
Less: Reversal of loss allowance	-	(5,568)
Foreign exchange gains and losses	<u>76</u>	<u>(237)</u>
Balance at December 31	<u>\$ 6,907</u>	<u>\$ 5,071</u>

10. INVENTORIES

	December 31	
	2022	2021
Finished goods	\$ 374,665	\$ 476,793
Work in process	210,740	309,137
Raw materials	<u>322,580</u>	<u>499,211</u>
	<u>\$ 907,985</u>	<u>\$ 1,285,141</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 was \$8,186,018 thousand and \$8,592,872 thousand, respectively. The cost of goods sold included inventory write-downs of \$25,896 thousand and \$15,185 thousand.

11. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)	
			December 31	
			2022	2021
Syncmold Enterprise Corp.	Grand Advance Inc.	The trading, imports, exports and investments of electronic parts	100.00	100.00
	Syncmold Enterprise (Samoa) Corp.	The trading and commercial related practices of all metal molds and plastic molds as well as the reinvestment of subsidiaries in mainland China	100.00	100.00
	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
	Gatetech Technology Inc.	Precision molding and magnesium alloy die caster manufacturing and transaction business	73.82	73.82 (Note 1)
	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	Import and export trade and investment	100.00	100.00
	Fullking Development Limited	Import and export trade and investment	100.00	100.00
	Full Glary Holding Limited	Import and export trade and investment	100.00	100.00
Syncmold Enterprise (Samoa) Corp.	Full Big Limited	Reinvesting subsidiaries of mainland China and international business	-	100.00 (Note 3)
	Forever Business Development Limited	Reinvesting subsidiaries of mainland China and international business	100.00	100.00
	Full Celebration Limited	Reinvesting subsidiaries of mainland China and international 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 (Note 2)	- (Note 2)

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)	
			December 31	
			2022	2021
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
	Commuwell Enterprise (Thailand) Co., Ltd.	Plastic shot and hardware components manufacturing	- (Note 2)	100.00 (Note 2)

(Concluded)

Note 1: On December 15, 2021, the Corporation acquired additional 0.39% ownerships in Gatetech Technology Inc. for a cash consideration of \$2,248 thousand, which increased the Corporation's percentage of ownership to 73.82%. Refer to Note 25 for detailed information on the acquisition of non-controlling interests.

Note 2: For organizational restructuring purposes, the Corporation's board of directors resolved to transfer 100% equity of Commuwell Enterprise (Thailand) Co., Ltd. held by Lucky King Holdings Ltd. to Leohab Enterprise Co., Ltd. for direct investment. The capital transfer was completed in May 2022.

Note 3: For organizational restructuring purposes, in July 2022, the board of directors resolved to dissolve Full Big Limited, and Full Big Limited was completed the liquidation procedures in October 2022.

Information on the subsidiaries included in the consolidated financial statements for the years ended December 31, 2022 and 2021 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

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Associates that are not individually material		
Unlisted companies		
High Grade Tech Co., Ltd. (Note 1)	\$ 153,143	\$ 136,170
Corebio technologies Co., Ltd. (Note 2)	-	20,730
Smart Automation Technology Inc.	<u>14,945</u>	<u>15,158</u>
	<u>\$ 168,088</u>	<u>\$ 172,058</u>

Aggregate information of associates that are not individually material

	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
The Group's share of:		
Net profit of the year	<u>\$ 42,401</u>	<u>\$ 7,520</u>
Other comprehensive (loss) income	<u>\$ (15,136)</u>	<u>\$ 8,976</u>

Note 1: The Corporation's percentage of ownership in High Grade Tech Co., Ltd. was 38% originally. After High Grade Tech Co., Ltd. handled employee stock option for new shares in September 2021, the Corporation's percentage of ownership in High Grade Tech Co., Ltd. decrease to 35.63%. The effect of the change in ownership of investment accounted for using the equity method of \$2,641 thousand was recognized in retained earnings.

Note 2: Considering that the Group's interest in Corebio Technologies Co., Ltd. on December 31, 2022 and 2021 was lower than the market value, the management of the Corporation conducted an impairment test on the investment on December 31, 2021, and evaluated whether the carrying amount is less than the recoverable amount. After evaluation, the book value of the investment in Corebio Technologies Co., Ltd. was higher than the recoverable amount, and an impairment loss of \$19,835 thousand and \$10,633 thousand was recognized in 2022 and 2021.

Except for Corebio Technologies Co., Ltd., other investments of associates that are not individually material accounted for using equity method and the Group's share of profit or loss and other comprehensive income of 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 year ended December 31, 2022 and 2021. However, the carrying amount of this investment was written down to zero as of December 31 2022. Consequently, the Corporation's management believes there will be no material impact on the equity method 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, 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>
<u>Cost</u>								
Balance at January 1, 2021	\$ 714,292	\$ 883,285	\$ 1,497,074	\$ 41,069	\$ 50,318	\$ 250,313	\$ -	\$ 3,436,351
Additions	46,172	72,823	212,345	3,093	15,595	58,027	259,318	667,373
Disposals	-	(17,383)	(98,396)	(1,311)	(5,205)	(77,343)	-	(199,638)
Transferred from prepayments for equipment	10,673	3,927	9,353	-	2,560	-	-	26,513
Reclassifications	-	824	2,832	93	216	(4,682)	-	(717)
Effects of foreign currency exchange differences	(599)	(19,035)	(42,112)	(1,395)	(482)	(13,617)	8,942	(68,298)
Balance at December 31, 2021	<u>\$ 770,538</u>	<u>\$ 924,441</u>	<u>\$ 1,581,096</u>	<u>\$ 41,549</u>	<u>\$ 63,002</u>	<u>\$ 212,698</u>	<u>\$ 268,260</u>	<u>\$ 3,861,584</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2021	\$ -	\$ 444,043	\$ 1,056,696	\$ 24,956	\$ 32,117	\$ 192,522	\$ -	\$ 1,750,334
Depreciation expenses	-	68,534	87,089	4,182	8,224	28,676	-	196,705
Disposals	-	(17,383)	(69,644)	(1,180)	(4,809)	(75,488)	-	(168,504)
Impairment losses recognized	-	-	340	-	-	230	-	570
Reclassifications	-	712	(932)	274	323	(5,872)	-	(5,495)
Effects of foreign currency exchange differences	-	(12,526)	(28,354)	230	605	(21,190)	-	(61,235)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 483,380</u>	<u>\$ 1,045,195</u>	<u>\$ 28,462</u>	<u>\$ 36,460</u>	<u>\$ 118,878</u>	<u>\$ -</u>	<u>\$ 1,712,375</u>
Carrying amounts at December 31, 2021	<u>\$ 770,538</u>	<u>\$ 441,061</u>	<u>\$ 535,901</u>	<u>\$ 13,087</u>	<u>\$ 26,542</u>	<u>\$ 93,820</u>	<u>\$ 268,260</u>	<u>\$ 2,149,209</u>

The Group expects that future cash inflows of some machinery and equipment will decrease, resulting in recoverable amount lower than the carrying amount and, therefore, recognized an impairment loss of \$570 thousand in 2021. The impairment loss was recorded under other gains and losses in the consolidated statements of comprehensive income.

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	1-23 years
Transportation equipment	5-10 years
Office equipment	3-10 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

	<u>December 31</u>	
	2022	2021
<u>Carrying amounts</u>		
Lands	\$ 181,133	\$ 178,078
Buildings	400,982	564,917
Transportation equipment	<u>1,441</u>	<u>1,017</u>
	<u>\$ 583,556</u>	<u>\$ 744,012</u>
	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	<u>\$ 71,763</u>	<u>\$ 465,252</u>
Depreciation charge for right-of-use assets		
Lands	\$ 4,886	\$ 4,414
Buildings	220,111	201,575
Transportation equipment	1,051	1,140
Machinery equipment	<u>650</u>	<u>-</u>
	<u>\$ 226,698</u>	<u>\$ 207,129</u>
Income from the subleasing of right-of-use assets (presented in other income)	<u>\$ (546)</u>	<u>\$ (16)</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, 2022 and 2021.

b. Lease liabilities

	<u>December 31</u>	
	2022	2021
<u>Carrying amounts</u>		
Current	<u>\$ 158,482</u>	<u>\$ 182,430</u>
Non-current	<u>\$ 238,775</u>	<u>\$ 368,731</u>

Range of discount rate for lease liabilities was as follows:

	December 31	
	2022	2021
Buildings	0.81%-4.90%	0.94%-4.90%
Transportation equipment	0.94%-4.55%	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 year and with the priority to extend the lease. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend.

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

	December 31	
	2022	2021
Year 1	<u>\$ -</u>	<u>\$ 357</u>

d. Other lease information

	December 31	
	2022	2021
Expenses relating to short-term leases	<u>\$ 12,453</u>	<u>\$ 34,472</u>
Total cash outflow for leases	<u>\$ (243,607)</u>	<u>\$ (258,208)</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, 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>

(Continued)

	Trademarks	Computer Software	Patents	Total
<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	-	341	-	341
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>
<u>Cost</u>				
Balance at January 1, 2021	\$ 181	\$ 72,346	\$ 6,392	\$ 78,919
Additions	-	36,471	-	36,471
Disposals	-	-	(3,906)	(3,906)
Written off	(26)	(23,191)	-	(23,217)
Reclassifications	-	505	(505)	-
Effects of foreign currency exchange differences	-	(921)	-	(921)
Balance at December 31, 2021	<u>\$ 155</u>	<u>\$ 85,210</u>	<u>\$ 1,981</u>	<u>\$ 87,346</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2021	\$ 115	\$ 40,801	\$ 3,753	\$ 44,669
Amortization expenses	17	16,195	270	16,482
Disposals	-	-	(2,763)	(2,763)
Written off	(26)	(23,191)	-	(23,217)
Reclassifications	-	106	(106)	-
Effects of foreign currency exchange differences	-	(805)	-	(805)
Balance at December 31, 2021	<u>\$ 106</u>	<u>\$ 33,106</u>	<u>\$ 1,154</u>	<u>\$ 34,366</u>
Carrying amount at December 31, 2021	<u>\$ 49</u>	<u>\$ 52,104</u>	<u>\$ 827</u>	<u>\$ 52,980</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, 2022 and 2021.

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>	
	2022	2021
<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 11.97% and 14.11% in 2022 and 2021, 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>	
	2022	2021
<u>Secured borrowings (Note 29)</u>		
Mortgage loans	\$ 387,682	\$ 400,836
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u>1,089,681</u>	<u>495,000</u>
	<u>\$ 1,477,363</u>	<u>\$ 895,836</u>

The weighted average effective interest rates on bank loans were ranging from 1.49%-5% and 0.61%-3.75% per annum as of December 31, 2022 and 2021, respectively.

b. Long-term borrowings

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Secured borrowings (Note 29)</u>		
Mortgage loans	\$ 194,247	\$ 210,730
Less: Current portions	<u>(16,476)</u>	<u>(16,545)</u>
	<u>\$ 177,771</u>	<u>\$ 194,185</u>

The effective interest rate on long-term borrowings were 1.45%-1.55% and 0.9%-1% on December 31, 2022 and 2021, respectively.

18. BONDS PAYABLE

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Domestic third unsecured convertible bonds	<u>\$ 1,178,724</u>	<u>\$ 1,166,288</u>

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

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

The conversion price of bonds is set based on the arithmetic mean of the business day's closing share price multiplied by 102% premium rate before the effective date on August 20, 2021. In accordance with above method, the conversion price at the time of issuance of the convertible corporate bond is NT\$61.6 per share on December 31, 2022.

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

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

The convertible bonds contain both liability and equity components: The equity component was presented in equity under the heading of capital surplus-options. The liability components are recognized as liabilities of embedded derivative financial instruments and non-derivative products. Such embedded derivative financial instrument have been assessed at fair value of NT\$0 thousand and NT\$360 thousand (included in financial assets - non-current which are measured at FVTPL); non-derivative product liabilities have been measured on December 31, 2022 and 2021 at NT\$1,178,724 thousand and NT\$1,166,288 thousand (included in bonds payable) respectively based on amortized cost and its effective interest rate originally recognized 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 asset at fair value - non-current)	1,162,057
Interest charged at an effective interest rate of 1.0663%	<u>3,871</u>
Liability component on December 31, 2021	1,165,928
Interest charged at an effective interest rate of 1.0663%	12,436
Loss on valuation of financial instrument	<u>360</u>
Liability component on December 31, 2022	<u>\$ 1,178,724</u>

As of December 31, 2022, the third unsecured convertible bonds have no conversion.

19. OTHER PAYABLES

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Payables for salaries or bonuses	\$ 204,625	\$ 201,376
Others (Note 28)	<u>349,217</u>	<u>204,369</u>
	<u>\$ 553,842</u>	<u>\$ 405,745</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	
	2022	2021
Present value of defined benefit obligation	\$ 43,098	\$ 47,787
Fair value of plan assets	<u>(42,516)</u>	<u>(39,009)</u>
Net defined benefit liabilities	<u>\$ 582</u>	<u>\$ 8,778</u>

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.

The net defined benefit liabilities (assets) were \$11,676 thousand and \$(2,898) thousand recognized in the consolidated balance sheets for the year ended December 31, 2021.

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, 2021	\$ 60,291	\$ (42,095)	\$ 18,196
Service cost			
Current service cost	244	-	244
Net interest expense (income)	<u>294</u>	<u>(194)</u>	<u>100</u>
Recognized in profit or loss	<u>538</u>	<u>(194)</u>	<u>344</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(474)	(474)
Actuarial (gain) loss			
Changes in demographic assumptions	545	-	545
Changes in financial assumptions	155	-	155
Experience adjustments	<u>(602)</u>	<u>-</u>	<u>(602)</u>
Recognized in other comprehensive income	<u>98</u>	<u>(474)</u>	<u>(376)</u>
Contributions from the employer	<u>-</u>	<u>(740)</u>	<u>(740)</u>
Benefits paid	<u>(13,140)</u>	<u>4,494</u>	<u>(8,646)</u>
Balance at December 31, 2021	<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>

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	
	2022	2021
Discount rate	1.25%	0.5%-0.55%
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 will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2022	2021
Discount rate		
25% increase	<u>\$ (714)</u>	<u>\$ (917)</u>
25% decrease	<u>\$ 738</u>	<u>\$ 949</u>
Expected rate of salary increase		
25% increase	<u>\$ 734</u>	<u>\$ 938</u>
25% decrease	<u>\$ (713)</u>	<u>\$ (912)</u>

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.

	<u>December 31</u>	
	2022	2021
Expected contributions to the plans for the next year	\$ <u>1,910</u>	\$ <u>654</u>
Average duration of the defined benefit obligation	7.5-15.9 years	8.1-13.9 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

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

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 stock options.

- b. Capital surplus

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

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

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

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors 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 ratios every year and propose such allocation ratio at the shareholder's meeting. For the distribution of bonuses to shareholders, cash dividends are preferred. Distribution of earnings may also be made in the form of stock dividends; provided that the ratio of cash dividends distributed is 5% to 100% of the total dividends distributed.

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

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

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

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

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

The appropriation of earnings for 2022, proposed by the Corporation's board of directors on March 15, 2023, were as follows:

	For the Year Ended December 31, 2022
Legal reserve	<u>\$ 37,643</u>
Special reserve	<u>\$ (168,395)</u>
Cash dividends	<u>\$ 371,172</u>
Dividends per share (NT\$)	\$ 3.00

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

d. Special reserve

	<u>For the Year Ended December 31</u>	
	2022	2021
Balance at January 1	\$ 635,615	\$ 634,020
Appropriated special reserve		
Exchange differences on translating the financial statements of foreign operations	<u>51,576</u>	<u>1,595</u>
Balance at December 31	<u>\$ 687,191</u>	<u>\$ 635,615</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. 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

	<u>For the Year Ended December 31,</u>	
	2022	2021
Balance at January 1	\$ 320,188	\$ 343,138
Share in profit (loss) for the year	6,172	(11,140)
Other comprehensive income (loss) during the year		
Exchange differences on translating the financial statements of foreign entities	8,071	(9,191)
Remeasurement of defined benefit plans	723	11
Income tax relating to items that will not be reclassified subsequently to profit or loss	(22)	674
Changes in ownership interests in subsidiaries (Note 25)	<u>-</u>	<u>(3,304)</u>
Balance at December 31	<u>\$ 335,132</u>	<u>\$ 320,188</u>

22. NET PROFIT

Net profit comprises:

a. Other income

	For the Year Ended December 31,	
	2022	2021
Dividends	\$ 11,703	\$ 23,299
Rental income	2,482	90
Subsidy income	9,634	18,124
Others	<u>15,003</u>	<u>14,148</u>
	<u>\$ 38,822</u>	<u>\$ 55,661</u>

b. Other gains and losses

	For the Year Ended December 31,	
	2022	2021
Loss on disposal of property, plant and equipment	\$ (20,181)	\$ (2,086)
Loss from disaster	(24,886)	(17,833)
Gain on lease modification	4,164	120
Others	<u>(10,055)</u>	<u>(15,200)</u>
	<u>\$ (50,958)</u>	<u>\$ (34,999)</u>

c. Depreciation, amortization and employee benefits expense:

	For the Year Ended December 31					
	2022			2021		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Defined contribution plan	\$ 72,562	\$ 21,085	\$ 93,647	\$ 69,201	\$ 22,286	\$ 91,487
Defined benefit plans	243	(197)	46	263	81	344
Other employee benefits	<u>1,600,313</u>	<u>592,105</u>	<u>2,192,418</u>	<u>1,809,127</u>	<u>533,591</u>	<u>2,342,718</u>
	<u>\$ 1,673,118</u>	<u>\$ 612,993</u>	<u>\$ 2,286,111</u>	<u>\$ 1,878,591</u>	<u>\$ 555,958</u>	<u>\$ 2,434,549</u>
Depreciation	<u>\$ 316,335</u>	<u>\$ 160,365</u>	<u>\$ 476,700</u>	<u>\$ 264,343</u>	<u>\$ 139,491</u>	<u>\$ 403,834</u>
Amortization	<u>\$ 3,019</u>	<u>\$ 21,706</u>	<u>\$ 24,725</u>	<u>\$ 1,150</u>	<u>\$ 15,332</u>	<u>\$ 16,482</u>

d. Compensation of employees and remuneration of directors

According to the Corporation's Articles of Incorporation, the Corporation accrued compensation of employees and remuneration of directors at rates of no less than 3% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Corporation's board of directors on March 15, 2023 and March 15, 2022, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2022	2021
Compensation of employees	8.74%	8.82%
Remuneration of directors	1.99%	1.99%

Amount

	For the Year Ended December 31	
	2022	2021
	Cash	Cash
Compensation of employees	\$ 43,000	\$ 31,000
Remuneration of directors	9,800	7,000

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, 2022 and March 16, 2021 and the meeting resulted in the actual amounts of the compensation of employees and remuneration of directors paid for 2021 and 2020 to differ from the amounts recognized in the consolidated financial statements. The differences were adjusted to profit and loss for the year ended December 31, 2021.

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

Information on the compensation of employees and remuneration of directors 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	
	2022	2021
Current tax		
In respect of the current year	\$ 234,299	\$ 310,871
Income tax on unappropriated earnings	-	9,230
Adjustments for prior years	<u>17,199</u>	<u>1,193</u>
	<u>251,498</u>	<u>321,294</u>
Deferred tax		
In respect of the current year	(14,313)	(181,696)
Adjustments to deferred tax attributable to changes in tax rates and laws	<u>(7,145)</u>	<u>4,403</u>
	<u>(21,458)</u>	<u>(177,293)</u>
Income tax expense recognized in profit or loss	<u>\$ 230,040</u>	<u>\$ 144,001</u>

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

	For the Year Ended December 31	
	2022	2021
Profit before tax	<u>\$ 607,489</u>	<u>\$ 384,616</u>
Income tax expense calculated at the statutory rate	\$ 205,019	\$ 107,762
Permanent differences	3,981	6,110
Unrecognized deductible temporary differences	4,582	4,344
Unrecognized loss carryforwards	6,404	10,959
Income tax on unappropriated earnings	-	9,230
Adjustments for prior years' tax	<u>10,054</u>	<u>5,596</u>
Income tax expense recognized in profit or loss	<u>\$ 230,040</u>	<u>\$ 144,001</u>

b. Current tax liabilities

	December 31	
	2022	2021
Current tax liabilities		
Income tax payable	<u>\$ 81,428</u>	<u>\$ 161,944</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, 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>

For the year ended December 31, 2021

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	\$ 2,394	\$ (2,040)	\$ -	\$ -	\$ (43)	\$ 311
Allowance for inventory valuation and obsolescence losses	22,338	2,288	-	(418)	(209)	23,999
Others	13,475	(2,555)	17	(6,469)	(432)	4,036
Loss carryforwards	<u>41,513</u>	<u>36,525</u>	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>78,032</u>
	<u>\$ 79,720</u>	<u>\$ 34,218</u>	<u>\$ 17</u>	<u>\$ (6,887)</u>	<u>\$ (690)</u>	<u>\$ 106,378</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	\$ 284,128	\$ (135,264)	\$ -	\$ -	\$ -	\$ 148,864
Unrealized exchange gains	7,486	(4,564)	-	(2,228)	-	694
Land value income tax	22,171	-	-	-	-	22,171
Others	<u>18,154</u>	<u>(7,650)</u>	<u>(2,163)</u>	<u>(256)</u>	<u>(431)</u>	<u>7,654</u>
	<u>\$ 331,939</u>	<u>\$ (147,478)</u>	<u>\$ (2,163)</u>	<u>\$ (2,484)</u>	<u>\$ (431)</u>	<u>\$ 179,383</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	
	2022	2021
Deductible temporary differences	\$ 164,401	\$ 149,634
Loss carryforwards	<u>115,771</u>	<u>87,361</u>
	<u>\$ 280,172</u>	<u>\$ 236,995</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, 2022 comprised:

Unused Amount	Expiry Year
\$ 70,211	2023
44,201	2024
21,082	2025
66,205	2026
25,078	2029
6,998	2030
<u>35,378</u>	2031
<u>\$ 269,153</u>	

- f. Income tax assessments

The income tax returns of the Corporation, Gatetech Technology Inc. and Leohab Enterprise Co., Ltd. through 2020 have been assessed by the tax authorities.

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

24. EARNINGS PER SHARE

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

	For the Year Ended December 31	
	2022	2021
Earnings used in the computation of diluted earnings per share	\$ 371,277	\$ 251,755
Effect of potentially dilutive ordinary shares		
Interest on convertible bonds	<u>12,796</u>	<u>1,052</u>
	<u>\$ 384,073</u>	<u>\$ 252,807</u>

Shares

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

	For the Year Ended December 31	
	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	123,724	123,724
Effect of potentially dilutive ordinary shares		
Convertible bonds	19,481	1,083
Compensation of employees	<u>819</u>	<u>629</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>144,024</u>	<u>125,436</u>

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

25. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On December 15, 2021, the Corporation subscribed for additional new shares of Gatetech Technology Inc. at 0.39% from its existing ownership percentage for a cash consideration of \$2,248 thousand, and increased the Corporation's percentage of ownership from 73.43% to 73.82%.

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, 2021
Consideration paid	\$ (2,248)
The proportionate share of carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>3,304</u>
Difference recognized from equity transactions	<u>\$ 1,056</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>\$ 1,056</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

December 31, 2022

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

December 31, 2021

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

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

1) Fair value hierarchy

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>

December 31, 2021

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

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

	<u>For the Year Ended December 31</u>	
	2022	2021
Balance at January 1	\$ 54,643	\$ 63,578
Recognized in profit or loss (included in net loss on fair value changes of financial instruments at FVTPL)	(3,689)	(17,040)
Purchases	7,238	8,105
Refund of capital reduction	<u>(4,036)</u>	<u>-</u>
Balance at December 31	<u>\$ 54,156</u>	<u>\$ 54,643</u>

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

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

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

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

c. Categories of financial instruments

	December 31	
	2022	2021
<u>Financial assets</u>		
Mandatorily classified as at FVTPL	\$ 767,611	\$ 212,183
Financial assets at amortized cost (Note 1)	5,996,361	6,279,111
<u>Financial liabilities</u>		
Mandatorily classified as at FVTPL	-	41
Financial liabilities at amortized cost (Note 2)	4,667,248	4,688,776

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, trade receivables, other receivables, and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise notes payable and trade payables, other payables, short-term borrowings, long-term borrowings, current portion of long-term borrowing and bonds payable, 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 cost, equity investments, trade receivables, trade payables, accounts payable, bonds payable, short-term borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). There is no change in the method of the measurement of market risk.

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

a) Foreign currency risk

Several subsidiaries of the Group have foreign currency sales and purchases, which exposes the Group to foreign currency risk. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 31.

Sensitivity analysis

The Group is mainly exposed to the USD and RMB.

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

	For the Year Ended December 31	
	2022	2021
<u>USD impact</u>		
USD:NTD	\$ (2,011)	\$ 84
USD:RMB	\$ (19,186)	\$ (24,472)
USD:VND	\$ (228)	\$ (939)
<u>RMB impact</u>		
RMB:NTD	\$ (1,633)	\$ (2,311)
RMB:USD	\$ (447)	\$ (441)

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

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

b) Interest rate risk

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

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

	December 31	
	2022	2021
Fair value interest rate risk		
Financial assets	\$ 2,003,604	\$ 517,230
Financial liabilities	3,247,591	2,824,014
Cash flow interest rate risk		
Financial assets	2,362,027	1,940,437

Sensitivity analysis

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

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$23,620 thousand and \$19,404 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate deposits.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$1,496 thousand and \$1,464 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

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Unsecured bank overdraft facilities, reviewed annually:		
Amount used	\$ 1,089,681	\$ 495,000
Amount unused	<u>3,133,506</u>	<u>3,410,000</u>
	<u>\$ 4,223,187</u>	<u>\$ 3,905,000</u>
Secured bank overdraft facilities		
Amount used	\$ 581,929	\$ 611,566
Amount unused	<u>74,023</u>	<u>47,633</u>
	<u>\$ 655,952</u>	<u>\$ 659,199</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

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

b. Operating cost

	<u>For the Year Ended December 31</u>	
<u>Related Party Category</u>	<u>2022</u>	<u>2021</u>
Associates	<u>\$ 99</u>	<u>\$ -</u>

c. Operating expense

Related Party Category	For the Year Ended December 31	
	2022	2021
Associates	\$ <u>-</u>	\$ <u>12</u>

d. Acquisition of property, plant and equipment

Related Party Category	For the Year Ended December 31	
	2022	2021
Associates	\$ 476	\$ 197
The subsidiaries of associates	<u>3,960</u>	<u>-</u>
	\$ <u>4,436</u>	\$ <u>197</u>

e. Lease agreements

Related Party Category	For the Year Ended December 31	
	2022	2021
<u>Lease assets acquired</u>		
Related party in substance	\$ 3,216	\$ -
The legal representative of the Corporation's director	<u>1,749</u>	<u>-</u>
	\$ <u>4,965</u>	\$ <u>-</u>

Line Item	Related Party Category	December 31	
		2022	2021
Lease liabilities	Related party in substance	\$ 1,948	\$ 242
	The legal representative of the Corporation's director	<u>1,058</u>	<u>132</u>
		\$ <u>3,006</u>	\$ <u>374</u>

Related Party Category	For the Year Ended December 31	
	2022	2021
<u>Interest expense</u>		
Related party in substance	\$ 19	\$ 10
The legal representative of the Corporation's director	<u>10</u>	<u>5</u>
	\$ <u>29</u>	\$ <u>15</u>

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

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	
		2022	2021
Intangible assets	Associates	\$ 9,460	\$ 730
	The subsidiaries of associates	<u>126</u>	<u>-</u>
		<u>\$ 9,586</u>	<u>\$ 730</u>

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

Line Item	Related Party Category	December 31	
		2022	2021
Other payables	Associates	<u>\$ 78</u>	<u>\$ -</u>

h. Remuneration of key management personnel

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	\$ 43,227	\$ 44,873
Post-employment benefits	<u>314</u>	<u>314</u>
	<u>\$ 43,541</u>	<u>\$ 45,187</u>

The remuneration of directors and key executives was determined by the remuneration committee 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	
	2022	2021
Property, plant and equipment	\$ 819,017	\$ 822,189
Financial assets at amortized cost	<u>3,272</u>	<u>2,208</u>
	<u>\$ 822,289</u>	<u>\$ 824,397</u>

30. SIGNIFICANT LOSSES FROM DISASTERS

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.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

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

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 59,638	27.68 (USD:NTD)	\$ 1,650,780
USD	90,378	6.3757 (USD:RMB)	2,501,663
USD	4,417	23,130 (USD:VND)	122,263
RMB	58,264	4.3440 (RMB:NTD)	253,099
RMB	10,158	0.1569 (RMB:USD)	44,126
Non-monetary items			
Financial assets at FVTPL - non-current			
USD	1,391	27.68 (USD:NTD)	38,508

Financial liabilities

Monetary items			
USD	59,940	27.68 (USD:NTD)	1,659,139
USD	1,967	6.3757 (USD:RMB)	54,447
USD	1,026	23,130 (USD:VND)	28,400
RMB	5,056	4.3440 (RMB:NTD)	21,963

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:

Foreign Currency	For the Year Ended December 31			
	2022		2021	
Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)	
NTD	1 (NTD:NTD)	\$ 58,523	1 (NTD:NTD)	\$ 7,331
USD	29.805 (USD:NTD)	(4,083)	28.009 (USD:NTD)	1,013
RMB	4.422 (RMB:NTD)	213,486	4.341 (RMB:NTD)	(70,355)
VND	0.00126 (VND:NTD)	1,763	0.00116 (VND:NTD)	2,798
Others		<u>708</u>		<u>1,422</u>
		<u>\$ 270,397</u>		<u>\$ (57,791)</u>

32. 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 (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
- 9) Trading in derivative instruments (Note 7)
- 10) Intercompany relationships and significant intercompany transactions (Table 8)

b. Information of investees (Table 6)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 7)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Tables 1, 2, 4, 5 and 8):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to 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 9)

33. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were electronic equipment and molding.

No operating segments 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 December 31		For the Year Ended December 31	
	2022	2021	2022	2021
Equipment - electronic parts	\$ 9,579,801	\$ 9,894,007	\$ 1,123,726	\$ 1,090,029
- plastic molding	229,642	300,792	17,088	11,523
Revenue from continuing operations	<u>\$ 9,809,443</u>	<u>\$ 10,194,799</u>	1,140,814	1,101,552
Other income			38,822	55,661
Other gains and losses			(50,958)	(34,999)
Interest income			35,184	26,245
Net foreign exchange gain (loss)			270,397	(57,791)
Net (loss) gain on financial assets at FVTPL			(551)	45,390
Share of profit of associates			42,401	7,520
Interest expenses			(51,773)	(40,963)
Impairment loss on investments accounted for using the equity method			(19,835)	(10,633)
General and administrative expenses			(797,012)	(707,366)
Income before tax			<u>\$ 607,489</u>	<u>\$ 384,616</u>

The above segment revenue and results were generated from the transactions with external customers. There were no inter-segment transactions in 2022 and 2021.

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, other income, other gains and losses, interest income, gain from bargain purchase - acquisitions of subsidiaries, net foreign exchange gain (loss), net (loss) gain on financial assets at FVTPL, share of profit of associates, interest expense, impairment loss on investments accounted for using the equity method and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets

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

c. Other segment information

	Depreciation and Amortization	
	For the Year Ended December 31 2022	2021
Electronic parts department	\$ 454,059	\$ 371,184
Plastic molding department	47,366	49,132
	<u>\$ 501,425</u>	<u>\$ 420,316</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	
	2022	2021
Display hinges	\$ 9,579,801	\$ 9,894,007
Molding equipment	<u>229,642</u>	<u>300,792</u>
	<u>\$ 9,809,443</u>	<u>\$ 10,194,799</u>

e. Geographical information

The Group operates in three principal geographical areas - China, Thailand 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	
	2022	2021
China	\$ 4,899,884	\$ 5,696,024
Taiwan	4,438,353	4,170,460
Other	<u>471,206</u>	<u>328,315</u>
	<u>\$ 9,809,443</u>	<u>\$ 10,194,799</u>

f. Information about major customers

Revenue in 2022 and 2021 were \$9,809,443 thousand and \$10,194,799 thousand, respectively and each single customer contributing 10% or more to the Group's revenue was as follows:

	For the Year Ended December 31			
	2022		2021	
Client Code	Sales	% of Revenue	Sales	% of Revenue
A	\$ 2,371,096	24.17	\$ 2,504,787	24.57
B	838,281	8.55	1,475,227	14.47

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(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	\$ -	-	-	\$ 1,109,239 (20% of the net worth of the Corporation)	\$ 2,218,479 (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	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,218,479 (40% of the net worth of the Corporation)
		Syncmold Enterprise Vietnam Co., Ltd.	Other receivables from related parties	Yes	100,000	100,000	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,218,479 (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	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,218,479 (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	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,218,479 (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	61,420	61,420	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	138,195	138,195	46,065	2.00	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Fullking Development Limited	Other receivables from related parties	Yes	24,568	24,568	24,568	0.00	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	61,420	61,420	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	319,384	319,384	227,254	0.00	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Notes 1 and 2)	Ending Balance (Notes 1 and 2)	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
2	Grand Advance Inc.	Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	\$ 61,420	\$ 61,420	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$ 1,109,239 (20% of the net worth of the Corporation)	\$ 2,773,099 (50% of the net worth of the Corporation)
		Syncmold Enterprise (Samoa) Corp.	Other receivables from related parties	Yes	61,420	61,420	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	92,130	-	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	61,420	61,420	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Syncmold Enterprise (USA) Corp.	Other receivables from related parties	Yes	27,639	27,639	12,284	0.00	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Fullking Development Limited	Other receivables from related parties	Yes	107,485	46,065	46,065	0.00	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	337,810	168,905	168,905	0.00	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
3	Full Big Limited (Note 3)	Fullking Development Limited	Other receivables from related parties	Yes	24,568	-	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
4	Fuzhou Fulfil Tech Co., Ltd.	Fujian Khuan Hua Precise Mold Co., Ltd.	Other receivables from related parties	Yes	44,094	44,094	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Other receivables from related parties	Yes	57,322	57,322	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	70,550	44,094	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
5	Suzhou Fulfil Electronics Co., Ltd.	Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	39,685	39,685	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Notes 1 and 2)	Ending Balance (Notes 1 and 2)	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
6	Zhongshan Fulfil Tech. Co., Ltd.	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	\$ 35,275	\$ 35,275	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$ 1,109,239 (20% of the net worth of the Corporation)	\$ 2,773,099 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	44,094	44,094	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	35,275	35,275	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)

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

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

Note 3: For organizational restructuring purposes, in July 2022, the board of directors resolved to dissolve Full Big Limited, which was completed in October 2022.

Note 4: All the transaction in the table above have been eliminated during the preparation of the consolidated financial statements.

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Syncmold Enterprise Corporation	Gatetech Technology Inc.	Subsidiary	\$1,109,239 (20% of the net worth of the Corporation)	\$ 200,000	\$ 200,000	\$ 100,000	\$ -	3.61	\$2,773,099 (50% of the net worth of the Corporation)	Y	N	N
		Leohab Enterprise Co., Ltd.	Subsidiary	\$1,109,239 (20% of the net worth of the Corporation)	300,000	300,000 (Note)	216,000	-	5.41	\$2,773,099 (50% of the net worth of the Corporation)	Y	N	N
		Syncmold Enterprise Vietnam Co., Ltd.	Subsidiary	\$1,663,859 (30% of the net worth of the Corporation)	614,200 (US\$ 20,000 thousand)	614,200 (US\$ 20,000 thousand)	18,733	-	11.07	\$2,773,099 (50% of the net worth of the Corporation)	Y	N	N

Note: By the resolution of the board of directors of the Corporation on March 15, 2022, it is proposed that Syncmold Enterprise Corporation provide an short-term endorsement guarantee within the limit of \$260,000 thousand, Moreover, on November 7, 2022, it is also proposed that Taishin Bank provide an short-term endorsement guarantee within the limit of \$60,000 thousand, total funds \$320,000 thousand for Leohab Enterprise Co., Ltd. As of December 31, 2022, the remaining \$20,000 thousand has not been implemented.

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2022

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Syncmold Enterprise Corporation	<u>Stock</u>							
	Gigastone Corporation	-	Financial assets at FVTPL - non-current	847,011	\$ 9,334	1.67	\$ 9,334	(Notes 2 and 6)
	Tiga Gaming Inc.	-	Financial assets at FVTPL - non-current	1,332,132	11,148	5.06	11,148	(Notes 3 and 6)
	Foxfortune Technology Limited	-	Financial assets at FVTPL - non-current	1,000,000	19,646	5.80	19,646	(Notes 4 and 6)
	Hercules BioVenture, L.P.	-	Financial assets at FVTPL - non-current	210,526	9,079	2.63	9,079	(Notes 4 and 6)
	Winmate Inc.	-	Financial assets at FVTPL - current	1,038,000	86,154	1.44	86,154	(Notes 2 and 6)
	<u>Private funds</u>							
	China Development of Healthcare Venture of Limited Partnership	-	Financial assets at FVTPL - non-current	20,360,270	14,283	0.96	14,283	(Notes 4 and 6)
	<u>Structured deposit</u>							
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Pagged exchange rate daily accumulated interest to corporate structured deposits	-	Financial assets at FVTPL - current	-	44,181	-	44,181	(Notes 5 and 6)
	Pagged exchange rate daily accumulated interest to corporate structured deposits	-	Financial assets at FVTPL - current	-	22,090	-	22,090	(Notes 5 and 6)
Zhongshan Fulfil Tech. Co., Ltd.	Linked interest rate (ten-year treasury bond maturity yield) structured deposit products No. 12	-	Financial assets at FVTPL - current	-	44,146	-	44,146	(Notes 5 and 6)
Kunshan Fulfil Tech Co., Ltd.	Monthly profit 22110091	-	Financial assets at FVTPL - current	-	44,172	-	44,172	(Notes 5 and 6)
Gatetech (Suzhou) Technology Co., Ltd.	Monthly profit 22090283	-	Financial assets at FVTPL - current	-	44,227	-	44,227	(Notes 5 and 6)
	Monthly profit 22090282	-	Financial assets at FVTPL - current	-	44,225	-	44,225	(Notes 5 and 6)
Suzhou Fulfil Electronics Co., Ltd.	Monthly profit 22120149	-	Financial assets at FVTPL - current	-	79,406	-	79,406	(Notes 5 and 6)
	Monthly profit 22120150	-	Financial assets at FVTPL - current	-	79,403	-	79,403	(Notes 5 and 6)
	Monthly profit 22120151	-	Financial assets at FVTPL - current	-	79,399	-	79,399	(Notes 5 and 6)
	Monthly profit 22120152	-	Financial assets at FVTPL - current	-	70,574	-	70,574	(Notes 5 and 6)
	Monthly profit 22120269	-	Financial assets at FVTPL - current	-	66,144	-	66,144	(Notes 5 and 6)

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

Note 2: The shares are calculated at the strike price as of December 31, 2022.

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

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

Note 5: The structured commodity is calculated at its contract worth as of December 31, 2022.

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

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022

(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	
Syncmold Enterprise Corporation	Zhongshan Fulfil Tech. Co., Ltd.	Subsidiary	Purchases	\$ 1,652,508	47	Note 1	\$ -	-	\$ (361,977)	46	
	Suzhou Fulfil Electronics Co., Ltd.	Subsidiary	Purchases	1,089,901	31	Note 1	-	-	(222,567)	28	
	Fuzhou Fulfil Tech Co., Ltd.	Subsidiary	Purchases	508,590	14	Note 1	-	-	(121,136)	15	
	Chongqing Fulfil Tech Co., Ltd.	Subsidiary	Purchases	142,413	4	Note 1	-	-	(51,715)	7	
Zhongshan Fulfil Tech. Co., Ltd.	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Indirect subsidiary	Purchases	187,527	9	Note 1	-	-	(23,309)	6	
Suzhou Fulfil Electronics Co., Ltd.	Kunshan Fulfil Tech Co., Ltd.	Indirect subsidiary	Purchases	383,868	16	Note 1	-	-	(55,399)	18	
	Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Indirect subsidiary	Purchases	155,143	7	Note 1	-	-	(20,933)	7	
Fuzhou Fulfil Tech Co., Ltd.	Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Indirect subsidiary	Purchases	249,582	17	Note 1	-	-	(19,866)	7	
Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(1,652,508)	60	Note 1	-	-	361,977	53	
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(1,089,901)	41	Note 1	-	-	222,567	34	
Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(508,590)	30	Note 1	-	-	121,136	23	
Chongqing Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(142,413)	30	Note 1	-	-	51,715	30	
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Zhongshan Fulfil Tech. Co., Ltd.	Indirect subsidiary	Sales	(187,527)	50	Note 1	-	-	23,309	36	
Kunshan Fulfil Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary	Sales	(383,868)	99	Note 1	-	-	55,399	100	
Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary	Sales	(155,143)	31	Note 1	-	-	20,933	33	
	Fuzhou Fulfil Tech Co., Ltd.	Indirect subsidiary	Sales	(249,582)	49	Note 1	-	-	19,866	31	

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

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

DECEMBER 31, 2022

(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	\$ 168,905 (Note 1)	-	\$ -	-	\$ 61,420	\$ -
Syncmold Enterprise (Samoa) Corp.	Syncmold Enterprise Corporation	Parent company	227,254 (Note 1)	-	-	-	-	-
Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	121,136	-	-	-	55,815	-
Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation	Parent company	361,977	-	-	-	213,201	-
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	222,567	-	-	-	111,119	-
Syncmold Enterprise Corporation	Zhongshan Fulfil Tech. Co., Ltd.	Subsidiary	108,340 (Note 2)	-	-	-	108,340	-

Note 1: Financing.

Note 2: Royalties receivable.

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (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, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Number of Shares	%	Carrying Amount			
Syncmold Enterprise Corporation	Grand Advance Inc.	Samoa	Trading, import and export and investment in electronic parts	\$ 506,240	\$ 506,240	-	100.00	\$ 2,875,187	\$ 234,262	\$ 234,249	(Note 1)
	Syncmold Enterprise (Samoa) Corp.	Samoa	Trading and related import and export businesses of metal molds and plastic molds as well as the reinvestment of subsidiaries in mainland China	110,598	110,598	3,546	100.00	2,172,304	(41,500)	(37,341)	(Note 1)
	Syncmold Enterprise (USA) Corp.	USA	Trading, import and export in electronic parts	32	32	-	100.00	(3,319)	(220)	(220)	(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	153,143	122,202	43,535	(Note 1)
	Corebio Technologies Co., Ltd.	Taiwan	Medical technology and precision instrument wholesale and retail	52,000	52,000	5,200	38.29	-	(2,337)	(895)	(Note 2)
	Smart Automation Technology Inc.	Taiwan	Software design services	15,680	15,680	1,568	49.00	14,945	(485)	(239)	(Note 1)
	Leohab Enterprise Co., Ltd.	Taiwan	Precision hardware components manufacturing	232,677	232,677	16,620	70.00	217,034	(34,392)	(25,493)	(Note 1)
	Gatetech Technology Inc.	Taiwan	Precise molding and magnesium alloy die caster manufacturing and transaction business	556,063	556,063	42,432	73.82	682,832	68,105	48,254	(Note 1)
	Syncmold Enterprise Vietnam Co., Ltd.	Vietnam	Trading, import and export and investment in electronic parts	579,944	579,944	-	100.00	488,823	(48,256)	(48,256)	(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	2,167	(98)	(98)	(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	5,581	1,847	1,847	(Note 1)	
Syncmold Enterprise (THAILAND) Co., Ltd.	Thailand	Trading, import and export and investment in electronic parts	33,638	33,638	-	100.00	12,627	(85)	(85)	(Note 1)	
Grand Advance Inc.	Canford International Limited	Samoa	Import and export trade and investment business	119,342	119,342	-	100.00	1,378,466	26,109	26,109	(Note 1)
	Fullking Development Limited	Hong Kong	Import and export trade and investment business	160,175	160,175	-	100.00	1,029,524	328,507	328,507	(Note 1)
	Full Glary Holding Limited	Hong Kong	Import and export trade and investment business	259,720	259,720	-	100.00	252,158	(36,005)	(37,419)	(Note 1)
Syncmold Enterprise (Samoa) Corp.	Full Big Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	-	16,643	-	-	-	292	292	(Notes 1 and 5)
	Forever Business Development Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	125,957	125,957	-	100.00	354,424	(1,178)	314	(Note 1)
	Full Celebration Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	147,710	147,710	-	100.00	133,223	(58,022)	(58,022)	(Note 1)
Gatetech Technology Inc.	Gatech Holdings Ltd.	Samoa	General investment business	647,041	647,041	20,130	100.00	616,413	1,350	1,350	(Note 1)
Gatech Holdings Ltd.	Gatech International Ltd.	Samoa	General investment business	657,284	657,284	20,268	100.00	616,413	1,350	1,350	(Note 1)
Leohab Enterprise Co., Ltd.	Sweet International Group Ltd.	British Virgin Islands	General investment business	147,834	280,368	-	100.00	306,533	(10,831)	(10,810)	(Note 1)
	Commuwell Enterprise (Thailand) Co., Ltd.	Thailand	Plastic shot and hardware components manufacturing	190,728	-	-	100.00	223,930	17,732	17,732	(Note 4)
Sweet International Group Ltd.	Lucky King Holdings Ltd.	Mauritius	General investment business	147,834	280,368	-	100.00	300,220	(10,831)	(10,831)	(Note 1)
Lucky King Holdings Ltd.	Commuwell Enterprise (Thailand) Co., Ltd.	Thailand	Plastic shot and hardware components manufacturing	-	113,236	-	-	-	4,184	4,184	(Note 4)

(Continued)

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

Note 2: Calculated based on the unaudited financial statements of the investee company and the Corporation's shareholding ratio.

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

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

Note 5: For organizational restructuring purposes, in July 2022, Full Big Limited's board of directors resolved to dissolution, which has completed the liquidation procedures in October 2022.

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

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
Fuzhou Fulfil Tech Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	\$ 42,733	Invested through Syncmold Enterprise (Samoa) Corp.	\$ 63,969 (US\$ 2,083 thousand)	\$ -	\$ -	\$ 63,969 (US\$ 2,083 thousand)	\$ 80,044	100.00	\$ 80,044	\$ 952,661	\$ 2,428,055 (US\$ 79,064 thousand)
Fujian Khuan Hua Precise Mold Co., Ltd.	Processing, manufacturing, trading and related import and export business of various metal molds, plastic molds and plastic injection molds	109,419	Invested through Syncmold Enterprise (Samoa) Corp.	41,643 (US\$ 1,356 thousand)	-	-	41,643 (US\$ 1,356 thousand)	(42,876)	100.00	(42,876)	239,010	-
Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	58,313	Invested through Syncmold Enterprise (Samoa) Corp.	-	-	-	-	(15,379)	100.00	(15,379)	147,586	119,708 (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	123,643	Invested through Forever Business Development Limited	-	-	-	-	(2,832)	100.00	(2,832)	259,919	-
Suzhou Fulfil Electronics Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	18,248	Invested through Canford International Limited	-	-	-	-	26,109	100.00	26,109	1,378,447	1,309,167 (US\$ 42,630 thousand)
Zhongshan Fulfil Tech. Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	150,482	Invested through Fullking Development Limited	-	-	-	-	328,494	100.00	328,494	1,099,087	1,760,113 (US\$ 57,314 thousand)
Kunshan Fulfil Tech Co., Ltd.	Manufacturing and assembling of laptops uses precise bearing, hardware and related accessories	231,078	Invested through Full Glary Holding Limited	184,260 (US\$ 6,000 thousand)	-	-	184,260 (US\$ 6,000 thousand)	(36,005)	100.00	(36,005)	252,057	-
Chongqing Fulfil Tech Co., Ltd.	The processing, manufacturing, related imports and exports of all electronic, plastic and hardware parts	137,374	Invested through Full Celebration Limited	-	-	-	-	(58,022)	100.00	(58,022)	133,211	556,588 (US\$ 18,124 thousand)

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
Gatetech (Suzhou) Technology Co., Ltd.	The manufacture, processing and trading of aluminum and magnesium alloy die-casting products	\$ 712,282	Invested through Gatech International Ltd.	\$ 746,253 (US\$ 24,300 thousand)	\$ -	\$ -	\$ 746,253 (US\$ 24,300 thousand)	\$ (43)	73.82	\$ (31)	\$ 616,413	\$ -
Suzhou Leoho Electronics Co., Ltd.	Precision hardware components manufacturing	203,817	Invested through Lucky King Holdings Ltd.	137,519 (US\$ 4,478 thousand)	-	-	137,519 (US\$ 4,478 thousand)	(15,015)	70.00	(10,511)	300,219	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
\$1,402,679 (US\$45,675 thousand)	\$2,378,275 (US\$77,443 thousand)	\$3,528,797

Note 1: Calculated based on the audited financial statements of the investee company and the Corporation'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)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details		Payment Terms	% of Total Sales or Asset (Note 3)
				Financial Statement Account	Price		
0	Syncmold Enterprise Corporation	Zhongshan Fulfil Tech. Co., Ltd.	1	Trade receivables from related parties	\$ 108,340	No significant difference with non-related parties	1
1	Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation	2	Sales	1,652,508	No significant difference with non-related parties	17
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	361,977	No significant difference with non-related parties	3
2	Dongguan Khuan Huang Precision Mold Plastic Co., Ltd.	Syncmold Enterprise Vietnam Co., LTD	3	Trade receivables from related parties	12,668	No significant difference with non-related parties	-
		Zhongshan Fulfil Tech. Co., Ltd.	3	Sales	187,527	No significant difference with non-related parties	2
		Zhongshan Fulfil Tech. Co., Ltd.	3	Trade receivables from related parties	23,309	No significant difference with non-related parties	-
		Fuzhou Fulfil Tech Co., Ltd.	3	Sales	79,955	No significant difference with non-related parties	1
		Fuzhou Fulfil Tech Co., Ltd.	3	Trade receivables from related parties	14,441	No significant difference with non-related parties	-
		Suzhou Fulfil Electronics Co., Ltd.	3	Sales	68,488	No significant difference with non-related parties	1
3	Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	2	Sales	508,590	No significant difference with non-related parties	5
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	121,136	No significant difference with non-related parties	1
4	Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Zhongshan Fulfil Tech. Co., Ltd.	3	Sales	95,004	No significant difference with non-related parties	1
		Zhongshan Fulfil Tech. Co., Ltd.	3	Trade receivables from related parties	15,034	No significant difference with non-related parties	-
		Fuzhou Fulfil Tech Co., Ltd.	3	Sales	249,582	No significant difference with non-related parties	3
		Fuzhou Fulfil Tech Co., Ltd.	3	Trade receivables from related parties	19,866	No significant difference with non-related parties	-
		Suzhou Fulfil Electronics Co., Ltd.	3	Sales	155,143	No significant difference with non-related parties	2
		Suzhou Fulfil Electronics Co., Ltd.	3	Trade receivables from related parties	20,933	No significant difference with non-related parties	-
5	Grand Advance Inc.	Syncmold Enterprise Corporation	2	Other receivables from related parties - financing	168,905	Based on the contract between both parties	1
		Syncmold Enterprise (USA) Corp.	3	Other receivables from related parties - financing	12,284	Based on the contract between both parties	-
		Fullking Development Limited	3	Other receivables from related parties - financing	46,065	Based on the contract between both parties	-
6	Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	2	Sales	1,089,901	No significant difference with non-related parties	11
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	222,567	No significant difference with non-related parties	2
7	Gatetech (Suzhou) Technology Co., Ltd.	Gatetech Technology Inc.	3	Sales	94,598	No significant difference with non-related parties	1
		Gatetech Technology Inc.	3	Trade receivables from related parties	45,634	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		
8	Kunshan Fulfil Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	3	Sales	\$ 383,868	No significant difference with non-related parties	4
		Suzhou Fulfil Electronics Co., Ltd.	3	Trade receivables from related parties	55,399	No significant difference with non-related parties	-
9	Chongqing Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	2	Sales	142,413	No significant difference with non-related parties	1
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	51,715	No significant difference with non-related parties	-
10	Syncmold Enterprise (Samoa) Corp.	Syncmold Enterprise Corporation	2	Other receivables from related parties - financing	227,254	Based on the contract between both parties	2
		Fujian Khuan Hua Precise Mold Co., Ltd.	3	Other receivables from related parties - dividends	44,299	Based on the contract between both parties	-
		Fullking Development Limited	3	Other receivables from related parties - financing	24,568	Based on the contract between both parties	-
		Chongqing Fulfil Tech Co., Ltd	3	Other receivables from related parties - financing	46,065	Based on the contract between both parties	-
11	Fujian Khuan Hua Precise Mold Co., Ltd.	Fuzhou Fulfil Tech Co., Ltd.	3	Sales	41,428	No significant difference with non-related parties	-
		Zhongshan Fulfil Tech. Co., Ltd.	3	Sales	46,322	No significant difference with non-related parties	-
12	Suzhou Leoho Electronics Co., Ltd.	Leohab Enterprise Co., Ltd.	3	Trade receivables from related parties	71,848	No significant difference with non-related parties	1
13	Syncmold Enterprise Vietnam Co., LTD	Syncmold Enterprise Corporation	2	Sales	22,838	No significant difference with non-related parties	0

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, the ratio is calculated using the ending balance. If the account is in the income statement, the ratio is calculated using cumulative amount during that period.

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

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

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES**INFORMATION ON MAJOR SHAREHOLDERS
DECEMBER 31, 2022**

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

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the 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, please refer to Market Observation Post System.

Syncmold Enterprise Corporation

**Financial Statements for the
Years Ended December 31, 2022 and 2021 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Syncmold Enterprise Corporation

Opinion

We have audited the accompanying financial statements of Syncmold Enterprise Corporation (the "Corporation"), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, based on our audits and the report of other auditors (refer to the other matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the 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 Corporation's financial statements for the year ended December 31, 2022 is described as follows:

Occurrence of Sales Revenue

The sales revenue of the Corporation is mainly generated from the sales of monitor hinge products. Most of the sales were highly concentrated on major customers, which revenue accounted for 57.62% of total sales revenue in 2022. 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, 2022. Refer to Note 4 to the 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 Corporation were as follows:

1. We understood the design and implementation of internal controls and assessed the operating effectiveness of relevant controls.
2. We performed detailed verification tests on the selected samples of sales revenue, and checked transaction vouchers and amount received or reconciliation with customers to confirm 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 report of other auditors. As of December 31, 2022 and 2021, the amounts of investments accounted for using the equity method were NT\$168,088 thousand and NT\$172,058 thousand, respectively, which accounted for 1.86% and 1.91% of the Corporation's total assets, respectively. For the years ended December 31, 2022 and 2021, share of profit of associates accounted for using the equity method amounted to NT\$28,160 thousand and NT\$16,496 thousand, respectively, which accounted for 5.17% and 8.12% of the Corporation's total comprehensive income, respectively.

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

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

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 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 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 Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 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 audit resulting in this independent auditors' report are Chih-Yuan Chen and Yao-Lin Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 2023

Notice to Readers

The accompanying financial statements are intended only to present the 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 financial statements are those generally applied in the Republic of China.

For the convenience of readers, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. 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 financial statements shall prevail.

SYNCMOLD ENTERPRISE CORPORATION

BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,227,685	14	\$ 516,182	6
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	86,154	1	81,383	1
Notes receivable (Note 4)	-	-	268	-
Trade receivables, net (Notes 4 and 8)	207,331	2	1,072,488	12
Trade receivables from related parties (Notes 4 and 25)	188,259	2	230,090	3
Other receivables from related parties (Notes 4 and 25)	8,936	-	24,503	-
Inventories (Notes 4 and 9)	25,953	-	17,494	-
Other current assets (Note 4)	11,503	-	8,921	-
Total current assets	<u>1,755,821</u>	<u>19</u>	<u>1,951,329</u>	<u>22</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 16)	63,490	1	65,430	1
Investments accounted for using the equity method (Notes 4 and 10)	6,624,643	74	6,425,412	71
Property, plant and equipment (Notes 4, 11, 25 and 26)	216,650	2	231,944	2
Right-of-use assets (Notes 4, 12 and 25)	3,564	-	10,204	-
Intangible assets (Notes 4 and 13)	13,611	-	13,788	-
Goodwill (Notes 4 and 14)	324,597	4	324,597	4
Deferred tax assets (Notes 4 and 21)	2,955	-	58	-
Prepayments for equipment	6,589	-	1,250	-
Refundable deposits	1,983	-	2,008	-
Net defined benefit assets (Notes 4 and 18)	6,416	-	2,898	-
Total non-current assets	<u>7,264,498</u>	<u>81</u>	<u>7,077,589</u>	<u>78</u>
TOTAL	<u>\$ 9,020,319</u>	<u>100</u>	<u>\$ 9,028,918</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 15)	\$ 755,000	8	\$ 200,000	2
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	41	-
Trade payables	12,175	-	18,739	-
Trade payables from related parties (Note 25)	770,644	9	1,299,360	15
Other payables (Note 17)	138,912	2	113,635	1
Other payables from related parties (Note 25)	397,602	4	264,804	3
Current tax liabilities (Notes 4 and 21)	52,611	1	133,333	2
Lease liabilities - current (Notes 4, 12 and 25)	2,996	-	9,957	-
Current portion of long-term borrowing (Notes 4, 15 and 26)	4,476	-	4,545	-
Other current liabilities	14,472	-	4,163	-
Total current liabilities	<u>2,148,888</u>	<u>24</u>	<u>2,048,577</u>	<u>23</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 16)	1,178,724	13	1,166,288	13
Long-term borrowing (Notes 4, 15 and 26)	43,771	1	48,185	-
Deferred tax liabilities (Notes 4 and 21)	98,603	1	105,574	1
Lease liabilities - non-current (Notes 4, 12 and 25)	681	-	287	-
Guarantee deposits received	136	-	136	-
Other non-current liabilities (Notes 4 and 10)	3,319	-	2,787	-
Total non-current liabilities	<u>1,325,234</u>	<u>15</u>	<u>1,323,257</u>	<u>14</u>
Total liabilities	<u>3,474,122</u>	<u>39</u>	<u>3,371,834</u>	<u>37</u>
EQUITY				
Ordinary shares	1,237,242	14	1,237,242	14
Capital surplus	2,361,070	26	2,769,331	31
Retained earnings				
Legal reserve	1,026,386	11	1,001,175	11
Special reserve	687,191	8	635,615	7
Unappropriated earnings	753,104	8	700,911	8
Total retained earnings	<u>2,466,681</u>	<u>27</u>	<u>2,337,701</u>	<u>26</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	(514,593)	(6)	(698,561)	(8)
Unrealized (loss) gain of financial assets at fair value through other comprehensive income	(4,203)	-	11,371	-
Total other equity	<u>(518,796)</u>	<u>(6)</u>	<u>(687,190)</u>	<u>(8)</u>
Total equity	<u>5,546,197</u>	<u>61</u>	<u>5,657,084</u>	<u>63</u>
TOTAL	<u>\$ 9,020,319</u>	<u>100</u>	<u>\$ 9,028,918</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 15, 2023)

SYNCMOLD ENTERPRISE CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 25)				
Sales revenue	\$ 3,860,081	94	\$ 3,689,164	92
Other operating revenue	<u>254,777</u>	<u>6</u>	<u>330,543</u>	<u>8</u>
Total operating revenue	4,114,858	100	4,019,707	100
OPERATING COSTS (Notes 4, 9, 20 and 25)	<u>3,524,611</u>	<u>86</u>	<u>3,342,422</u>	<u>83</u>
GROSS PROFIT	<u>590,247</u>	<u>14</u>	<u>677,285</u>	<u>17</u>
OPERATING EXPENSES (Notes 20 and 25)				
Selling and marketing expenses	75,902	2	62,783	2
General and administrative expenses	198,096	5	204,838	5
Research and development expenses	146,338	3	157,429	4
Expected credit gain (Notes 4 and 8)	<u>(87)</u>	<u>-</u>	<u>(617)</u>	<u>-</u>
Total operating expenses	<u>420,249</u>	<u>10</u>	<u>424,433</u>	<u>11</u>
PROFIT FROM OPERATIONS	<u>169,998</u>	<u>4</u>	<u>252,852</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 20 and 25)	32,001	1	49,968	1
Other gains and losses	8	-	759	-
Interest income (Note 25)	13,321	-	384	-
Net foreign exchange gain (Notes 4 and 28)	53,957	1	9,069	-
Net (loss) gain on financial assets at fair value through profit (Notes 4 and 7)	(7,381)	-	38,362	1
Share of profit (loss) of subsidiaries and associates (Notes 4 and 10)	215,258	5	(16,247)	-
Interest expenses (Note 25)	(18,124)	-	(10,903)	-
Impairment loss on investments accounted for using the equity method (Notes 4 and 10)	<u>(19,835)</u>	<u>-</u>	<u>(10,633)</u>	<u>-</u>
Total non-operating income and expenses	<u>269,205</u>	<u>7</u>	<u>60,759</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	439,203	11	313,611	8
INCOME TAX EXPENSE (Notes 4 and 21)	<u>67,926</u>	<u>2</u>	<u>61,856</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>371,277</u>	<u>9</u>	<u>251,755</u>	<u>6</u>

(Continued)

SYNCMOLD ENTERPRISE CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 3,503	-	\$ 322	-
Share of other comprehensive (loss) income of subsidiaries accounted for using the equity method	(13,200)	-	10,589	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(700)	-	(64)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>183,942</u>	<u>4</u>	<u>(59,427)</u>	<u>(1)</u>
Other comprehensive income (loss) for the year	<u>173,545</u>	<u>4</u>	<u>(48,580)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 544,822</u>	<u>13</u>	<u>\$ 203,175</u>	<u>5</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 3.00</u>		<u>\$ 2.03</u>	
Diluted	<u>\$ 2.67</u>		<u>\$ 2.02</u>	

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

(With Deloitte & Touche auditors' report dated March 15, 2023)

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	Ordinary Shares (Note 19)	Capital Surplus (Notes 4 and 19)	Retained Earnings (Note 19)			Total	Exchange Differences on Translating of the Financial Statements of Foreign Operations	Other Equity		Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings			Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	
BALANCE AT JANUARY 1, 2021	\$ 1,237,242	\$ 2,592,857	\$ 904,665	\$ 634,020	\$ 1,165,528	\$ 2,704,213	\$ (639,134)	\$ 3,519	\$ (635,615)	\$ 5,898,697
Appropriation of 2020 earnings	-	-	96,510	-	(96,510)	-	-	-	-	-
Legal reserve	-	-	-	-	(96,510)	-	-	-	-	-
Special reserve	-	-	-	1,595	(1,595)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(618,621)	(618,621)	-	-	-	(618,621)
	-	-	96,510	1,595	(716,726)	(618,621)	-	-	-	(618,621)
Equity component of convertible bonds issued by the Corporation	-	175,396	-	-	-	-	-	-	-	175,396
Change in percentage of ownership interests in associates accounted for using the equity method	-	-	-	-	(2,641)	(2,641)	-	-	-	(2,641)
Unclaimed dividends	-	22	-	-	-	-	-	-	-	22
Net profit for the year ended December 31, 2021	-	-	-	-	251,755	251,755	-	-	-	251,755
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	1,871	1,871	(59,427)	8,976	(50,451)	(48,580)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	253,626	253,626	(59,427)	8,976	(50,451)	203,175
Actual acquisition of interests in subsidiaries	-	1,056	-	-	-	-	-	-	-	1,056
Disposal of investment in equity instrument designed as at fair value through other comprehensive income by associates	-	-	-	-	1,124	1,124	-	(1,124)	(1,124)	-
BALANCE AT DECEMBER 31, 2021	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
Appropriation of 2021 earnings	-	-	25,211	-	(25,211)	-	-	-	-	-
Legal reserve	-	-	25,211	-	(25,211)	-	-	-	-	-
Special reserve	-	-	-	51,576	(51,576)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(247,448)	(247,448)	-	-	-	(247,448)
	-	-	25,211	51,576	(324,235)	(247,448)	-	-	-	(247,448)
Cash dividends distributed by capital surplus	-	(408,290)	-	-	-	-	-	-	-	(408,290)
Unclaimed dividends	-	29	-	-	-	-	-	-	-	29
Net profit for the year ended December 31, 2022	-	-	-	-	371,277	371,277	-	-	-	371,277
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
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	376,016	376,016	183,968	(15,162)	168,806	544,822
Disposal of investment in equity instrument designed 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

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

(With Deloitte & Touche auditors' report dated March 15, 2023)

SYNCMOLD ENTERPRISE CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 439,203	\$ 313,611
Adjustments for:		
Depreciation expenses	35,572	32,632
Amortization expenses	13,329	10,735
Expected credit gain	(87)	(617)
Net loss (gain) on financial assets at fair value through profit or loss	7,381	(38,362)
Interest expenses	18,124	10,903
Interest income	(13,321)	(384)
Dividend income	(11,703)	(23,299)
Share of profit or loss of subsidiaries and associates	(215,258)	16,247
Gain on disposal of property, plant and equipment	(8)	(759)
Impairment loss on investments accounted for using the equity method	19,835	10,633
(Reversal) write-downs of inventories	(2,305)	5,881
Net loss on unrealized foreign currency exchange	13,034	23,452
Gain on lease modification	-	(3)
Changes in operating assets and liabilities		
Notes receivable	268	(268)
Trade receivables	868,239	(305,240)
Trade receivables from related parties	41,831	17,124
Other receivables from related parties	7,033	(1,938)
Inventories	(6,155)	(7,537)
Other current assets	1,449	1,433
Net defined benefit assets	(15)	(9)
Notes payable and trade payables	(6,390)	16,229
Trade payables from related parties	(528,716)	57,322
Other payables	27,973	(52,897)
Other current liabilities	10,310	1,229
Cash generated from operations	719,623	86,118
Interest paid	(5,237)	(11,582)
Income tax paid	(159,215)	(166,277)
Net cash generated from (used in) operating activities	<u>555,171</u>	<u>(91,741)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(157,149)	(87,839)
Proceeds from sale of financial assets at fair value through profit or loss	146,896	270,647
Acquisition of associates	-	(15,680)
Net cash outflow on acquisition of subsidiaries	-	(297,019)
Payment for property, plant and equipment	(7,144)	(86,064)
Proceeds from disposal of property, plant and equipment	130	4,513
Decrease in refundable deposits	26	153
Purchase of intangible assets	(13,152)	(8,930)

(Continued)

SYNCMOLD ENTERPRISE CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Increase in prepayments for equipment	\$ (6,589)	\$ (1,250)
Interest received	9,425	384
Dividends received	<u>179,169</u>	<u>718,900</u>
Net cash generated from investing activities	<u>151,612</u>	<u>497,815</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	555,000	-
Repayments of short-term borrowings	-	(1,016,600)
Proceeds from issuance of convertible bonds	-	1,337,453
Proceeds from long-term borrowings	-	56,000
Repayments of long-term borrowings	(4,483)	(3,270)
Increase (decrease) in financing payables to related parties	121,875	(70,491)
Refund of guarantee deposits received	-	136
Repayment of the principal portion of lease liabilities	(11,934)	(12,946)
Dividends paid	<u>(655,738)</u>	<u>(618,621)</u>
Net cash generated from (used in) financing activities	<u>4,720</u>	<u>(328,339)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	711,503	77,735
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>516,182</u>	<u>438,447</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,227,685</u>	<u>\$ 516,182</u>

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

(With Deloitte & Touche auditors' report dated March 15, 2023)

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Corporation’s board of directors on March 15, 2023.

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

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

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

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

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

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

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

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

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Regulations").

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit assets which are measured at the present value of 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.

When preparing these parent company only financial statements, the Corporation used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same as the amounts attributable to the owners of the Corporation in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates and the share of other comprehensive income of subsidiaries and associates.

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 Corporation 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. 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.

e. Foreign currencies

In preparing the Corporation's financial statements, transactions in currencies other than the Corporation's functional currency (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 differences 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 was 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 that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting the financial statements, the functional currencies of the Corporation (including subsidiaries in other countries that use 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.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and products 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.

g. Investments in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the Corporation's share of equity of subsidiaries.

Changes in the Corporation's ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are accounted for as equity transactions. The Corporation recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Corporation's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the subsidiary), the Corporation continues recognizing its share of further losses.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Corporation assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Corporation.

h. Investments in associates

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

The Corporation 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 Corporation's share of the profit or loss and other comprehensive income of the associates. The Corporation also recognizes the changes in the Corporation'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 Corporation's proportionate interest in the associate. The Corporation 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 Corporation'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.

Profits and losses resulting from upstream transactions and downstream transactions are recognized only in the parent company only financial statements only to the extent of interests in the associates that are not related to the Corporation.

i. Property, plant and equipment

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

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 Corporation's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is 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 when 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 entity 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 assets and intangible assets other than goodwill.

At the end of each reporting period, the Corporation 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 Corporation 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 Corporation 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 24.

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.

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 are not credit impaired on purchase or origination but have 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 Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Corporation always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Corporation 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 Corporation 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 Corporation 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 Corporation 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

Equity instruments issued by the Corporation are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

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

The repurchase of the Corporation'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 Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) 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 Corporation 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 Corporation 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. Leasing

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

1) The Corporation 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 Corporation as lessee

The Corporation 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 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 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 Corporation 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 Corporation 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. For a lease modification that is not accounted for as a separate lease, the Corporation accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease. Lease liabilities are presented on a separate line in the 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 that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. 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), recognized in other comprehensive income 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 Corporation'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.

r. 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, 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 difference 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 Corporation 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 Corporation 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.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash on hand	\$ 924	\$ 1,029
Checking accounts and demand deposits	459,011	515,153
Cash equivalents (with original maturities within 3 months)		
Time deposits	<u>767,750</u>	<u>-</u>
	<u>\$ 1,227,685</u>	<u>\$ 516,182</u>

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

	December 31	
	2022	2021
Bank deposits	0.000%-5.28%	0.001%-0.2%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Financial assets at fair value through profit or loss (FVTPL) - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	\$ -	\$ 4
Non-derivative financial assets		
Domestic listed shares	<u>86,154</u>	<u>81,379</u>
	<u>\$ 86,154</u>	<u>\$ 81,383</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Domestic third convertible bonds (Note 16)	\$ -	\$ 360
Non-derivative financial assets		
Domestic emerging market shares	20,482	17,528
Overseas unlisted shares	28,725	38,508
Private funds	<u>14,283</u>	<u>9,034</u>
	<u>\$ 63,490</u>	<u>\$ 65,430</u>
<u>Financial Liabilities at FVTPL - current</u>		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 41</u>

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

December 31, 2021

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

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

8. TRADE RECEIVABLES, NET

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
At amortized cost		
Gross carrying amount	\$ 207,337	\$ 1,072,581
Less: Allowance for impairment loss	<u>(6)</u>	<u>(93)</u>
	<u>\$ 207,331</u>	<u>\$ 1,072,488</u>

The average credit period of sales of goods was 90-120 days. No interest was charged on trade receivables. Credit rating information is obtained from independent rating agencies where available or, if not available, the Corporation uses other publicly available financial information or its own trading records to rate its major customers. The Corporation'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 Corporation measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the 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 forecasted direction of economic conditions at the reporting date. As the Corporation'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 Corporation's different customer base.

The Corporation 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 Corporation 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 Corporation's provision matrix.

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	-	0.02%	0.1%	1.84%	-	
Gross carrying amount	\$ 199,672	\$ 3,692	\$ 3,881	\$ 92	\$ -	\$ 207,337
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(1)</u>	<u>(4)</u>	<u>(1)</u>	<u>-</u>	<u>(6)</u>
Amortized cost	<u>\$ 199,672</u>	<u>\$ 3,691</u>	<u>\$ 3,877</u>	<u>\$ 91</u>	<u>\$ -</u>	<u>\$ 207,331</u>

December 31, 2021

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	-	5.07%	0.07%	2.43%	-	
Gross carrying amount	\$ 1,066,446	\$ 1,757	\$ 4,371	\$ 7	\$ -	\$ 1,072,581
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(89)</u>	<u>(3)</u>	<u>(1)</u>	<u>-</u>	<u>(93)</u>
Amortized cost	<u>\$ 1,066,446</u>	<u>\$ 1,668</u>	<u>\$ 4,368</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 1,072,488</u>

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 93	\$ 710
Less: Reversal of loss allowance	<u>(87)</u>	<u>(617)</u>
Balance at December 31	<u>\$ 6</u>	<u>\$ 93</u>

9. INVENTORIES

	December 31	
	2022	2021
Products	\$ 20,017	\$ 9,997
Raw materials	2,999	6,806
Work in process	455	626
Finished goods	<u>2,482</u>	<u>65</u>
	<u>\$ 25,953</u>	<u>\$ 17,494</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 was \$3,524,376 thousand and \$3,342,000 thousand, respectively. The cost of goods sold included reversals of inventory of \$2,305 thousand and inventory write-downs of \$5,881 thousand for the years ended December 31, 2022 and 2021, respectively. The reversals of inventory write-downs resulted from selling of slow-moving inventories.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in subsidiaries	\$ 6,456,555	\$ 6,253,354
Investments in associates	<u>168,088</u>	<u>172,058</u>
	<u>\$ 6,624,643</u>	<u>\$ 6,425,412</u>

a. Investments in subsidiaries

	December 31	
	2022	2021
Grand Advance Inc.	\$ 2,875,187	\$ 2,741,122
Syncmold Enterprise (Samoa) Corp.	2,172,304	2,139,272
Syncmold Enterprise (USA) Corp.	(3,319)	(2,787)
Leohab Enterprise Co., Ltd.	217,034	228,941
Gatetech Technology Inc.	682,832	626,258
Syncmold Enterprise Vietnam Co., Ltd.	488,823	500,521
Syncmold Enterprise (Malaysia) Sdn., Bhd	2,167	2,154
Syncmold Enterprise (Singapore) Pte., Ltd.	5,581	3,219
Syncmold Enterprise (Thailand) Co., Ltd.	<u>12,627</u>	<u>11,867</u>
	6,453,236	6,250,567
Add: Credit balance of investments reclassified to non-current liabilities	<u>3,319</u>	<u>2,787</u>
	<u>\$ 6,456,555</u>	<u>\$ 6,253,354</u>

Name of Subsidiaries	Proportion of Ownership and Voting Rights	
	December 31	
	2022	2021
Grand Advance Inc.	100.00%	100.00%
Syncmold Enterprise (Samoa) Corp.	100.00%	100.00%
Syncmold Enterprise (USA) Corp.	100.00%	100.00%
Leohab Enterprise Co., Ltd.	70.00%	70.00%
Gatetech Technology Inc.	73.82%	73.82%
Syncmold Enterprise Vietnam Co., Ltd.	100.00%	100.00%
Syncmold Enterprise (Malaysia) Sdn., Bhd	100.00%	100.00%
Syncmold Enterprise (Singapore) Pte., Ltd.	100.00%	100.00%
Syncmold Enterprise (Thailand) Co., Ltd.	100.00%	100.00%

The Corporation continued to support Syncmold Enterprise (USA) Corp. and recognized investment loss based on the proportion of the Corporation's ownership. The credit balances of long-term equity investment transferred to other liabilities were \$3,319 thousand and \$2,787 thousand on December 31, 2022 and 2021, respectively.

On December 15, 2021, the Corporation acquired additional 0.39% ownerships in Gatetech Technology Inc. for a cash consideration of \$2,248 thousand, which increased the Corporation's percentage of ownership to 73.82%. Refer to Note 25 for detailed information on the acquisition of non-controlling interests.

For details of the investments in subsidiaries indirectly held by the Corporation, refer to Note 29.

The share of profit or loss of subsidiaries accounted for using the equity method in 2022 and 2021 was calculated based on the subsidiaries' financial statements which have been audited for the same periods.

b. Investments in associates

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Associates that are not individually material		
Unlisted companies		
High Grade Tech Co., Ltd. (Note 1)	\$ 153,143	\$ 136,170
Corebio Technologies Co., Ltd. (Note 2)	-	20,730
Smart Automation Technology Inc.	<u>14,945</u>	<u>15,158</u>
	<u>\$ 168,088</u>	<u>\$ 172,058</u>

Aggregate information of associates that are not individually material:

	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
The Corporation's share of:		
Net profit of the year	<u>\$ 42,401</u>	<u>\$ 7,520</u>
Other comprehensive (loss) income	<u>\$ (15,136)</u>	<u>\$ 8,976</u>

Note 1: The Corporation's percentage of ownership in High Grade Tech Co., Ltd. was 38% originally. After High Grade Tech Co., Ltd. handled employee stock option for new shares in September 2021, the Corporation's percentage of ownership in High Grade Tech Co., Ltd. decrease to 35.63%. The effect of the change in ownership of investment accounted for using the equity method of \$2,641 thousand was recognized in retained earnings.

Note 2: Considering that the Corporation's interest in Corebio Technologies Co., Ltd. on December 31, 2022 and 2021 was lower than the market value, the management conducted an impairment test on the investment, and evaluated whether the carrying amount is less than the recoverable amount. After evaluation, the book value of the investment in Corebio Technologies Co., Ltd. was higher than the recoverable amount, and an impairment loss of \$19,835 thousand and \$10,633 thousand was recognized in 2022 and 2021.

Except for Corebio Technologies Co., Ltd., other investments of associates that are not individually material and accounted for using the equity method and the Corporation's share of profit or loss and other comprehensive income of those investments were calculated based on audited financial statements. After conducting an impairment test, considering that the Corporation's interest in Corebio Technologies Co., Ltd. was lower than the market value, the carrying amount of the investment in Corebio Technologies Co., Ltd. was evaluated as higher than the recoverable amount, with impairment loss recognized for the years ended December 31, 2022 and 2021. However, the carrying amount of this investment was written down to zero as of December 31 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.

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Equipment	Transportation Equipment	Office Equipment	Total
<u>Cost</u>						
Balance at January 1, 2022	\$ 122,032	\$ 95,300	\$ 46,271	\$ 1,425	\$ 13,178	\$ 278,206
Additions	-	2,327	3,092	-	1,725	7,144
Transferred from prepayments for equipment	-	-	1,250	-	-	1,250
Disposals	-	(809)	(2,492)	(875)	(522)	(4,698)
Balance at December 31, 2022	<u>\$ 122,032</u>	<u>\$ 96,818</u>	<u>\$ 48,121</u>	<u>\$ 550</u>	<u>\$ 14,381</u>	<u>\$ 281,902</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2022	\$ -	\$ 27,421	\$ 13,832	\$ 1,013	\$ 3,996	\$ 46,262
Depreciation expenses	-	10,356	10,030	92	3,088	23,566
Disposals	-	(809)	(2,370)	(875)	(522)	(4,576)
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 36,968</u>	<u>\$ 21,492</u>	<u>\$ 230</u>	<u>\$ 6,562</u>	<u>\$ 65,252</u>
Carrying amounts at December 31, 2022	<u>\$ 122,032</u>	<u>\$ 59,850</u>	<u>\$ 26,629</u>	<u>\$ 320</u>	<u>\$ 7,819</u>	<u>\$ 216,650</u>
<u>Cost</u>						
Balance at January 1, 2021	\$ 65,187	\$ 66,385	\$ 40,111	\$ 1,425	\$ 7,980	\$ 181,088
Additions	46,172	25,119	11,097	-	3,676	86,064
Transferred from prepayments for land, buildings and equipment	10,673	3,927	-	-	2,560	17,160
Disposals	-	(131)	(4,937)	-	(1,038)	(6,106)
Balance at December 31, 2021	<u>\$ 122,032</u>	<u>\$ 95,300</u>	<u>\$ 46,271</u>	<u>\$ 1,425</u>	<u>\$ 13,178</u>	<u>\$ 278,206</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2021	\$ -	\$ 18,863	\$ 6,790	\$ 812	\$ 2,525	\$ 28,990
Depreciation expenses	-	8,689	8,225	201	2,509	19,624
Disposals	-	(131)	(1,183)	-	(1,038)	(2,352)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 27,421</u>	<u>\$ 13,832</u>	<u>\$ 1,013</u>	<u>\$ 3,996</u>	<u>\$ 46,262</u>
Carrying amounts at December 31, 2021	<u>\$ 122,032</u>	<u>\$ 67,879</u>	<u>\$ 32,439</u>	<u>\$ 412</u>	<u>\$ 9,182</u>	<u>\$ 231,944</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	20-50 years
Electromechanical power devices	4-5 years
Equipment	3-10 years
Transportation equipment	5-10 years
Office equipment	3-8 years

See Note 26 for detailed information on property, plant and equipment pledged as collateral.

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31</u>	
	2022	2021
<u>Carrying amounts</u>		
Buildings	\$ 2,892	\$ 9,420
Transportation equipment	<u>672</u>	<u>784</u>
	<u>\$ 3,564</u>	<u>\$ 10,204</u>
	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	<u>\$ 5,371</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 11,488	\$ 12,508
Transportation equipment	<u>518</u>	<u>500</u>
	<u>\$ 12,006</u>	<u>\$ 13,008</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, 2022 and 2021.

b. Lease liabilities

	<u>December 31</u>	
	2022	2021
<u>Carrying amounts</u>		
Current	<u>\$ 2,996</u>	<u>\$ 9,957</u>
Non-current	<u>\$ 681</u>	<u>\$ 287</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31</u>	
	2022	2021
Buildings	0.94%	0.94%
Transportation equipment	0.94%	0.94%

c. Other lease information

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	<u>\$ 663</u>	<u>\$ 213</u>
Total cash outflow for leases	<u>\$ (12,676)</u>	<u>\$ (13,323)</u>

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

13. INTANGIBLE ASSETS

	Computer Software Cost
<u>Cost</u>	
Balance at January 1, 2022	\$ 27,752
Additions	13,152
Written off	<u>(10,679)</u>
Balance at December 31, 2022	<u>\$ 30,225</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2022	\$ 13,964
Amortization expenses	13,329
Written off	<u>(10,679)</u>
Balance at December 31, 2022	<u>\$ 16,614</u>
Carrying amount at December 31, 2022	<u>\$ 13,611</u>
<u>Cost</u>	
Balance at January 1, 2021	\$ 32,891
Additions	8,930
Written off	<u>(14,069)</u>
Balance at December 31, 2021	<u>\$ 27,752</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2021	\$ 17,298
Amortization expenses	10,735
Written off	<u>(14,069)</u>
Balance at December 31, 2021	<u>\$ 13,964</u>
Carrying amount at December 31, 2021	<u>\$ 13,788</u>

Computer software costs are amortized on a straight-line basis over one to five years.

14. GOODWILL

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<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 Corporation 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 11.97% and 14.11% in 2022 and 2021, 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.

15. BORROWINGS

a. Short-term borrowings

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Unsecured borrowings - line of credit borrowings	<u>\$ 755,000</u>	<u>\$ 200,000</u>

The weighted average effective interest rates on bank loans were 1.49%-1.75% and 0.61% per annum as of December 31, 2022 and 2021, respectively.

b. Long-term borrowings

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Secured borrowings (Note 26)		
Mortgage loans	\$ 48,247	\$ 52,730
Less: Current portion	<u>(4,476)</u>	<u>(4,545)</u>
	<u>\$ 43,771</u>	<u>\$ 48,185</u>

The effective interest rate on long-term borrowings were 1.45% and 0.9% on December 31, 2022 and 2021, respectively.

16. BONDS PAYABLE

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Domestic third unsecured convertible bonds	<u>\$ 1,178,724</u>	<u>\$ 1,166,288</u>

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

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

The conversion price of bonds is set based on the arithmetic mean of the business day's closing share price multiplied by 102% premium rate before the effective date on August 20, 2021. In accordance with above method, the conversion price at the time of issuance of the convertible corporate bond is NT\$61.6 per share on December 31, 2022.

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

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

The convertible bonds contain both liability and equity components: The equity component was presented in equity under the heading of capital surplus-options. The liability components are recognized as liabilities of embedded derivative financial instruments and non-derivative products. Such embedded derivative financial instrument have been assessed at fair value of NT\$0 thousand and NT\$360 thousand (included in financial assets - non-current which are measured at FVTPL); non-derivative product liabilities have been measured on December 31, 2022 and 2021 at NT\$1,178,724 thousand and NT\$1,166,288 thousand (included in bonds payable) respectively based on amortized cost and its effective interest rate originally recognized 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 asset at fair value - non-current)	1,162,057
Interest charged at an effective interest rate of 1.0663%	<u>3,871</u>
Liability component on December 31, 2021	1,165,928
Interest charged at an effective interest rate of 1.0663%	12,436
Loss on valuation of financial instrument	<u>360</u>
Liability component on December 31, 2022	<u>\$ 1,178,724</u>

As of December 31, 2022, the third unsecured convertible bonds have no conversion.

17. OTHER PAYABLES

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Payables for salaries or bonuses	\$ 93,870	\$ 75,060
Others	<u>45,042</u>	<u>38,575</u>
	<u>\$ 138,912</u>	<u>\$ 113,635</u>

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (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.

b. Defined benefit plans

The defined benefit plans adopted by the Corporation 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 Corporation contribute 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 Corporation 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 Corporation 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 Corporation has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Corporation's defined benefit plans were as follows:

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Present value of defined benefit obligation	\$ 20,905	\$ 23,633
Fair value of plan assets	<u>(27,321)</u>	<u>(26,531)</u>
Net defined benefit assets	<u>\$ (6,416)</u>	<u>\$ (2,898)</u>

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, 2021	\$ 23,501	\$ (26,068)	\$ (2,567)
Net interest expense (income)	<u>88</u>	<u>(97)</u>	<u>(9)</u>
Recognized in profit or loss	<u>88</u>	<u>(97)</u>	<u>(9)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(366)	(366)
Actuarial (gain) loss			
Changes in demographic assumptions	545	-	545
Changes in financial assumptions	(238)	-	(238)
Experience adjustments	<u>(263)</u>	<u>-</u>	<u>(263)</u>
Recognized in other comprehensive income	<u>44</u>	<u>(366)</u>	<u>(322)</u>
Balance at December 31, 2021	<u>23,633</u>	<u>(26,531)</u>	<u>(2,898)</u>
Net interest expense (income)	<u>118</u>	<u>(133)</u>	<u>(15)</u>
Recognized in profit or loss	<u>118</u>	<u>(133)</u>	<u>(15)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,105)	(2,105)
Actuarial (gain) loss			
Changes in financial assumptions	(1,238)	-	(1,238)
Experience adjustments	<u>(160)</u>	<u>-</u>	<u>(160)</u>
Recognized in other comprehensive income	<u>(1,398)</u>	<u>(2,105)</u>	<u>(3,503)</u>
Benefits paid	<u>(1,448)</u>	<u>1,448</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ 20,905</u>	<u>\$ (27,321)</u>	<u>\$ (6,416)</u>

Through the defined benefit plans under the Labor Standards Law, the Corporation 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	
	2022	2021
Discount rate	1.250%	0.500%
Expected rate of salary increase	1.500%	1.500%
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 will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2022	2021
Discount rate		
25% increase	\$ (386)	\$ (473)
25% decrease	\$ 399	\$ 489
Expected rate of salary increase		
25% increase	\$ 392	\$ 477
25% decrease	\$ (381)	\$ (463)

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	
	2022	2021
Expected contributions to the plans for the next year	\$ -	\$ -
Average duration of the defined benefit obligation	7.5 years	8.1 years

19. EQUITY

a. Share capital

Ordinary shares

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

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 stock options.

b. Capital surplus

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

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

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

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 20-c.

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

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

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

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

	Appropriation of Earnings	
	For the Year Ended December 31	
	2021	2020
Legal reserve	\$ 25,211	\$ 96,510
Special reserve	\$ 51,576	\$ 1,595
Cash dividends	\$ 247,448	\$ 618,621
Dividends per share (NT\$)	\$ 2.00	\$ 5.00

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

The appropriation of earnings for 2022, proposed by the Corporation's board of directors on March 15, 2023, were as follows:

	For the Year Ended December 31, 2022
Legal reserve	\$ 37,643
Special reserve	\$ (168,395)
Cash dividends	\$ 371,172
Dividends per share (NT\$)	\$ 3.00

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

d. Special reserve

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 635,615	\$ 634,020
Appropriated special reserve		
Exchange differences on translating the financial statements of foreign operations	<u>51,576</u>	<u>1,595</u>
Balance at December 31	<u>\$ 687,191</u>	<u>\$ 635,615</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. 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.

20. NET PROFIT

a. Other income

	For the Year Ended December 31	
	2022	2021
Consulting income (Note 25)	\$ 19,051	\$ 20,736
Dividends	11,703	23,299
Others (Note 25)	<u>1,247</u>	<u>5,933</u>
	<u>\$ 32,001</u>	<u>\$ 49,968</u>

b. Depreciation, amortization and employee benefits expense

	For the Year Ended December 31					
	2022			2021		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salaries expenses	\$ 22,733	\$ 240,499	\$ 263,232	\$ 12,446	\$ 249,395	\$ 261,841
Labor insurance expenses	2,605	16,860	19,465	1,239	20,933	22,172
Pension expenses						
Defined contribution plan	1,344	8,292	9,636	678	9,711	10,389
Defined benefit plans	-	(15)	(15)	-	(9)	(9)
Director's remuneration	-	10,150	10,150	-	7,673	7,673
Other employee benefits	<u>1,363</u>	<u>8,995</u>	<u>10,358</u>	<u>655</u>	<u>11,817</u>	<u>12,472</u>
	<u>\$ 28,045</u>	<u>\$ 284,781</u>	<u>\$ 312,826</u>	<u>\$ 15,018</u>	<u>\$ 299,520</u>	<u>\$ 314,538</u>
Depreciation	<u>\$ 18,105</u>	<u>\$ 17,467</u>	<u>\$ 35,572</u>	<u>\$ 11,131</u>	<u>\$ 21,501</u>	<u>\$ 32,632</u>
Amortization	<u>\$ 533</u>	<u>\$ 12,796</u>	<u>\$ 13,329</u>	<u>\$ 105</u>	<u>\$ 10,630</u>	<u>\$ 10,735</u>

As of December 31, 2022 and 2021, the Corporation had 251 and 264 employees, respectively, which included 6 directors and 6 directors not concurrently serving as employees, respectively. The average employee benefits expenses were \$1,235 thousand and \$1,189 thousand, respectively. The average employees' salaries were \$1,074 thousand and \$1,015 thousand, respectively. The average adjustment of employee salary was 5.8% which the calculation standard was the same as employee benefits expense.

The remuneration of directors shall be allocated in accordance with the Articles of Incorporation and shall be paid by remuneration committee upon the resolution of the board of directors and reported in the shareholders' meeting. The remuneration is based on the content of work, education, expertise and other standards, and the Corporation's operating conditions. Employees' performance and other factors such as salary increases or bonuses, and remuneration of managers are determined by compensation committee subject to the approval from the board of directors.

c. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of the Corporation, the Corporation accrued compensation of employees and remuneration of directors at rates of no less than 3% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Corporation's board of directors on March 15, 2023 and March 15, 2022, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2022	2021
Compensation of employees	8.74%	8.82%
Remuneration of directors	1.99%	1.99%

Amount

	For the Year Ended December 31	
	2022	2021
	Cash	Cash
Compensation of employees	\$ 43,000	\$ 31,000
Remuneration of directors	9,800	7,000

If there is a change in the amounts after the annual 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, 2022 and March 16, 2021 and the meeting resulted in the actual amounts of the compensation of employees and remuneration of directors paid for 2021 and 2020 to differ from the amounts recognized in the financial statements. The differences were adjusted to profit and loss for the years ended December 31, 2021.

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

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

21. 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	
	2022	2021
Current tax		
In respect of the current year	\$ 75,472	\$ 203,486
Income tax on unappropriated earnings	-	9,230
Adjustments for prior years	<u>3,022</u>	<u>(2,752)</u>
	<u>78,494</u>	<u>209,964</u>
Deferred tax		
In respect of the current year	(8,033)	(148,108)
Adjustments to deferred tax attributable to changes in tax rates and laws	<u>(2,535)</u>	<u>-</u>
	<u>(10,568)</u>	<u>(148,108)</u>
Income tax expense recognized in profit or loss	<u>\$ 67,926</u>	<u>\$ 61,856</u>

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

	For the Year Ended December 31	
	2022	2021
Profit before tax	<u>\$ 439,203</u>	<u>\$ 313,611</u>
Income tax expense calculated at the statutory rate	\$ 87,841	\$ 62,722
Tax-exempt income	(24,369)	(9,471)
Unrecognized deductible temporary differences	3,967	2,127
Income tax on unappropriated earnings	-	9,230
Adjustments for prior years' tax	<u>487</u>	<u>(2,752)</u>
Income tax expense recognized in profit or loss	<u>\$ 67,926</u>	<u>\$ 61,856</u>

b. Current tax assets and liabilities

	December 31	
	2022	2021
Income tax payable	<u>\$ 52,611</u>	<u>\$ 133,333</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, 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	Closing Balance
Temporary differences					
Allowance for exceeding limit	\$ -	\$ 1,541	\$ -	\$ 1	\$ 1,542
Allowance for inventory valuation and obsolescence losses	58	(461)	-	1,176	773
Financial assets at FVTPL	<u>-</u>	<u>640</u>	<u>-</u>	<u>-</u>	<u>640</u>
	<u>\$ 58</u>	<u>\$ 1,720</u>	<u>\$ -</u>	<u>\$ 1,177</u>	<u>\$ 2,955</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	Closing Balance
Temporary differences					
Gain on investments accounted for using the equity method	\$ 101,169	\$ (13,008)	\$ -	\$ -	\$ 88,161
Defined benefit obligations	579	3	700	-	1,282
Unrealized exchange gains	1,873	7,451	-	(164)	9,160
Financial assets at FVTPL	<u>1,953</u>	<u>(759)</u>	<u>-</u>	<u>(1,194)</u>	<u>-</u>
	<u>\$ 105,574</u>	<u>\$ (6,313)</u>	<u>\$ 700</u>	<u>\$ (1,358)</u>	<u>\$ 98,603</u>

For the year ended December 31, 2021

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	Closing Balance
Temporary differences					
Allowance for exceeding limit	\$ 447	\$ (447)	\$ -	\$ -	\$ -
Allowance for inventory valuation and obsolescence losses	<u>58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58</u>
	<u>\$ 505</u>	<u>\$ (447)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58</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	Closing Balance
Temporary differences					
Gain on investments accounted for using the equity method	\$ 240,321	\$ (139,152)	\$ -	\$ -	\$ 101,169
Defined benefit obligations	514	1	64	-	579
Unrealized exchange gains	6,133	(4,260)	-	-	1,873
Financial assets at FVTPL	<u>7,097</u>	<u>(5,144)</u>	<u>-</u>	<u>-</u>	<u>1,953</u>
	<u>\$ 254,065</u>	<u>\$ (148,555)</u>	<u>\$ 64</u>	<u>\$ -</u>	<u>\$ 105,574</u>

- d. Deductible temporary differences for which no deferred tax assets have been recognized in the balance sheets

	December 31	
	2022	2021
Deductible temporary differences	<u>\$ 129,916</u>	<u>\$ 134,532</u>

The unrecognized deductible temporary differences are goodwill amortization and excess loss allowance.

e. Income tax assessments

The income tax returns of the Corporation through 2020 have been assessed by the tax authorities.

22. 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>	
	2022	2021
Earnings used in the computation of diluted earnings per share	\$ 371,277	\$ 251,755
Effect of potentially dilutive ordinary shares		
Interest on convertible bonds	<u>12,796</u>	<u>1,052</u>
	<u>\$ 384,073</u>	<u>\$ 252,807</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>	
	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	123,724	123,724
Effect of potentially dilutive ordinary shares		
Convertible bonds	19,481	1,083
Compensation of employees	<u>819</u>	<u>629</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>144,024</u>	<u>125,436</u>

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

23. CAPITAL MANAGEMENT

The Corporation 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 Corporation is based on the scale of the business, the future growth of the industry and the blueprints of the products' development. The Corporation calculates trading fund and cash based on its production capacity in order to have a long-term and completed plan. The Corporation 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 Corporation 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 Corporation uses a cautious risk management strategy.

24. FINANCIAL INSTRUMENTS

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

December 31, 2022

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

December 31, 2021

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

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

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 86,154	\$ -	\$ -	\$ 86,154
Emerging market shares	9,334	-	11,148	20,482
Overseas unlisted shares	-	-	28,725	28,725
Private funds	-	-	14,283	14,283
	<u>\$ 95,488</u>	<u>\$ -</u>	<u>\$ 54,156</u>	<u>\$ 149,644</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Foreign exchange forward contracts	\$ -	\$ 4	\$ -	\$ 4
Listed shares	81,379	-	-	81,379
Bonds payable	-	360	-	360
Emerging market shares	10,427	-	7,101	17,528
Overseas unlisted shares	-	-	38,508	38,508
Private funds	<u>-</u>	<u>-</u>	<u>9,034</u>	<u>9,034</u>
	<u>\$ 91,806</u>	<u>\$ 364</u>	<u>\$ 54,643</u>	<u>\$ 146,813</u>
Financial liabilities at FVTPL				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ 41</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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 54,643	\$ 63,578
Recognized in profit or loss (included in net loss on fair value changes of financial instruments at FVTPL)	(3,689)	(17,040)
Purchases	7,238	8,105
Refund of capital reduction	<u>(4,036)</u>	<u>-</u>
Balance at December 31	<u>\$ 54,156</u>	<u>\$ 54,643</u>

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

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

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

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

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Financial assets</u>		
Mandatorily classified as at FVTPL	\$ 149,644	\$ 146,813
Financial assets at amortized cost (Note 1)	1,638,346	1,845,539
<u>Financial liabilities</u>		
Mandatorily classified as at FVTPL	-	41
Financial liabilities at amortized cost (Note 2)	3,207,570	3,040,496

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, trade receivables, other receivables and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise notes payable and trade payables, other payables, short-term borrowings, long-term borrowings, current portion of long-term borrowing and bonds payable, bonds payable, and guarantee deposits received.

d. Financial risk management objectives and policies

The Corporation's major financial instruments include cash and cash equivalents, financial assets mandatorily classified as at FVTPL, financial assets at amortized cost, equity investments, trade receivables, trade payables, short-term borrowings and lease liabilities. The Corporation'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 Corporation 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 Corporation's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

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

a) Foreign currency risk

The Corporation has foreign currency sales and purchases, which exposes the Corporation to foreign currency risk. The carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 28.

Sensitivity analysis

The Corporation is mainly exposed to the USD and RMB.

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

	USD Impact		RMB Impact	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2022	2021	2022	2021
Equity	\$ (1,654)	\$ (814)	\$ (1,600)	\$ (2,311)

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

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

b) Interest rate risk

The Corporation is exposed to interest rate risk because the Corporation borrows funds at both fixed and floating interest rates.

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

	December 31	
	2022	2021
Fair value interest rate risk		
Financial assets	\$ 767,750	\$ -
Financial liabilities	1,985,648	1,429,262
Cash flow interest rate risk		
Financial assets	457,153	510,800

Sensitivity analysis

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

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$4,572 thousand and \$5,108 thousand, respectively, which was mainly attributable to the Corporation's exposure to interest rates on its variable-rate deposits.

c) Other price risk

The Corporation was exposed to equity price risk through its investments in domestic listed shares, domestic emerging market shares, overseas unlisted shares, and private funds. In addition, the Corporation 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, 2022 and 2021 would have increased/decreased by \$1,496 thousand and \$1,464 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 Corporation. As at the end of the reporting period, the Corporation's maximum exposure to credit risk, which would cause a financial loss to the Corporation due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Corporation, could be equal to the total of 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 Corporation 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 Corporation reviews the recoverable amounts to ensure appropriate allowances have been made for doubtful accounts. Therefore, the Corporation considers its credit risk to be significantly reduced.

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

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

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Corporation'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 Corporation relies on bank borrowings as a significant source of liquidity. The Corporation had available unutilized short-term bank loan facilities set out below.

Financing facilities

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Unsecured bank overdraft facilities, reviewed annually:		
Amount used	\$ 755,000	\$ 200,000
Amount unused	<u>2,485,000</u>	<u>2,600,000</u>
	<u>\$ 3,240,000</u>	<u>\$ 2,800,000</u>
Secured bank overdraft facilities		
Amount used	\$ 48,247	\$ 52,730
Amount unused	<u>-</u>	<u>-</u>
	<u>\$ 48,247</u>	<u>\$ 52,730</u>

25. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Corporation and other related parties are disclosed below.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Syncmold Enterprise (Samoa) Corp.	Subsidiary
Grand Advance Inc.	Subsidiary
Syncmold Enterprise (USA) Corp.	Subsidiary
Syncmold Enterprise Vietnam Co., Ltd.	Subsidiary
Syncmold Enterprise (Singapore) Pte. Ltd.	Subsidiary
Syncmold Enterprise (Malaysia) Sdn., Bhd.	Subsidiary
Leohab Enterprise Co., Ltd.	Subsidiary
Gatetech Technology Inc.	Subsidiary
Gatetech (Suzhou) Technology Co., Ltd.	Indirect subsidiary
Fuzhou Fulfil Tech Co., Ltd.	Indirect subsidiary
Fujian Khuan Hua Precise Mold Co., Ltd.	Indirect subsidiary
Chongqing Fulfil Tech Co., Ltd.	Indirect subsidiary
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Indirect subsidiary
Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary
Zhongshan Fulfil Tech. Co., Ltd	Indirect subsidiary
Commuwell Enterprise (Thailand) Co., Ltd.	Indirect subsidiary
High Grade Tech Co., Ltd.	Associate
Smart Automation Technology Inc.	Associate
Chen Chien Yuan	The legal representative of the Corporation's director
Chen Chien Hung	Related party in substance (first-degree relative of the Corporation's director)

b. Sales of goods

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2022	2021
Sales	Subsidiaries	\$ 34,607	\$ 12,270
	Indirect subsidiaries	<u>-</u>	<u>4</u>
		<u>34,607</u>	<u>12,274</u>
Other operating revenue - royalty	Indirect subsidiaries		
	Suzhou Fulfil Electronics Co., Ltd.	61,259	133,498
	Fuzhou Fulfil Tech Co., Ltd.	67,292	68,776
	Zhongshan Fulfil Tech. Co., Ltd.	108,051	99,908
	Others	<u>11,996</u>	<u>26,501</u>
		<u>248,598</u>	<u>328,683</u>
Other operating revenue - service revenue	Indirect subsidiaries	<u>-</u>	<u>982</u>
		<u>\$ 283,205</u>	<u>\$ 341,939</u>

The transaction prices and terms of collection between the Corporation and its related parties are the same as the non-related parties, except for subsidiaries that purchase raw materials on behalf of the Corporation, whose service income is decided with reference to market prices, and royalty income which is based on that stated in the agreements.

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31	
	2022	2021
Subsidiaries	\$ 23,851	\$ -
Indirect subsidiaries		
Zhongshan Fulfil Tech. Co., Ltd	1,652,508	1,401,453
Suzhou Fulfil Electronics Co., Ltd.	1,089,901	1,213,277
Fuzhou Fulfil Tech Co., Ltd.	508,590	428,550
Others	<u>155,072</u>	<u>237,179</u>
	<u>\$ 3,429,922</u>	<u>\$ 3,280,459</u>

Prices of transactions between the Corporation and related parties were made with reference to market prices, and payment terms are the same as that with non-related parties.

d. Operating costs

Related Party Category	For the Year Ended December 31	
	2022	2021
Associates	<u>\$ 99</u>	<u>\$ -</u>

e. Operating expenses

Related Party Category	For the Year Ended December 31	
	2022	2021
Subsidiaries	\$ 11,086	\$ 6,983
Associates	<u>-</u>	<u>12</u>
	<u>\$ 11,086</u>	<u>\$ 6,995</u>

f. Acquisition of property, plant and equipment

Related Party Category	For the Year Ended December 31	
	2022	2021
Related parties in substance	\$ <u>476</u>	\$ <u>-</u>

g. Leases agreements

Related Party Category	For the Year Ended December 31	
	2022	2021
<u>Lease assets acquired</u>		
Related parties in substance	\$ 3,216	\$ -
The legal representative of the Corporation's director	<u>1,749</u>	<u>-</u>
	\$ <u>4,965</u>	\$ <u>-</u>

Line Item	December 31	
	2022	2021
<u>Lease liabilities</u>		
Related parties in substance	\$ 1,948	\$ 242
The legal representative of the Corporation's director	<u>1,058</u>	<u>132</u>
	\$ <u>3,006</u>	\$ <u>374</u>

Related Party Category	For the Year Ended December 31	
	2022	2021
<u>Interest expense</u>		
Related parties in substance	\$ 19	\$ 10
The legal representative of the Corporation's director	<u>10</u>	<u>5</u>
	\$ <u>29</u>	\$ <u>15</u>

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

h. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31	
		2022	2021
Trade receivables	Subsidiaries	\$ 20,883	\$ 3,758
	Indirect subsidiaries		
	Zhongshan Fulfil Tech. Co., Ltd	108,340	100,668
	Suzhou Fulfil Electronics Co., Ltd.	26,564	74,450
	Fuzhou Fulfil Tech Co., Ltd.	26,937	36,816
	Others	<u>5,535</u>	<u>14,398</u>
		<u>\$ 188,259</u>	<u>\$ 230,090</u>
Other receivables	Subsidiaries	\$ 253	\$ 154
	Indirect subsidiaries		
	Gatetech (Suzhou) Technology Co., Ltd.	8,125	10,400
	Others	<u>558</u>	<u>13,949</u>
		<u>\$ 8,936</u>	<u>\$ 24,503</u>

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2022 and 2021, no allowance loss was recognized for trade receivables from related parties.

Other receivables between the Corporation and its related parties are mainly from the purchase of raw materials. The Corporation recognizes the transactions that have not been paid to the suppliers as other payables.

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

Line Item	Related Party Category/Name	December 31	
		2022	2021
Trade payables	Subsidiaries	\$ 8,928	\$ 3,397
	Indirect subsidiaries		
	Suzhou Fulfil Electronics Co., Ltd.	222,567	540,898
	Zhongshan Fulfil Tech. Co., Ltd.	361,977	540,297
	Fuzhou Fulfil Tech Co., Ltd.	121,136	161,864
	Chongqing Fulfil Tech Co., Ltd.	51,715	43,813
	Others	<u>4,321</u>	<u>9,091</u>
		<u>\$ 770,664</u>	<u>\$ 1,299,360</u>
Other payables	Subsidiaries	\$ 1,365	\$ 1,844
	Associates	<u>78</u>	<u>-</u>
		<u>\$ 1,443</u>	<u>\$ 1,844</u>

The outstanding trade payables to related parties are unsecured and would be repaid in cash.

j. Loans to related parties

Interest revenue

Related Party Category	For the Year Ended December 31	
	2022	2021
Other receivables		
Subsidiaries	\$ <u>174</u>	\$ <u>28</u>

The Corporation provided Gatetech Technology Inc. with unsecured short-term loans at rate of 1.43%-2.13% and 1.55%, which was comparable to market interest rates in 2022 and 2021.

k. Loans from related parties

Related Party Category/Name	December 31	
	2022	2021
Other payables		
Subsidiaries		
Grand Advance Inc.	\$ 168,905	\$ 221,440
Syncmold Enterprise (Samoa) Corp.	<u>227,254</u>	<u>41,520</u>
	<u>\$ 396,159</u>	<u>\$ 262,960</u>

The interest rate of short-term borrowings from related parties was 0% in 2022 and 2021.

l. Endorsements and guarantees

Related Party Category/Name	December 31	
	2022	2021
Subsidiaries		
Amount endorsed	<u>\$ 1,114,200</u>	<u>\$ 1,008,600</u>
Amount utilized	<u>\$ 334,733</u>	<u>\$ 245,000</u>

m. Non-operating income

Line Item	Related Party Category/Name	December 31	
		2022	2021
Non-operating income	Subsidiaries	\$ 900	\$ 450
Service revenue	Indirect subsidiaries		
	Gatetech (Suzhou) Technology Co., Ltd.	17,075	19,785
	Others	<u>1,076</u>	<u>501</u>
		<u>\$ 19,051</u>	<u>\$ 20,736</u>
Endorsement guarantee for service fee income	Subsidiaries	<u>\$ 277</u>	<u>\$ 146</u>

The Corporation provided management consultancy services to its subsidiaries in 2022 and 2021. The conditions of transaction price payment was based on to the market price agreed. Service revenue was agreed according to the content of the contract. The rest are comparable to non-related parties.

n. Remuneration of key management personnel

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	\$ 26,797	\$ 23,265
Post-employment benefits	<u>314</u>	<u>314</u>
	<u>\$ 27,111</u>	<u>\$ 23,579</u>

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

26. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	December 31	
	2022	2021
Property, plant and equipment	<u>\$ 76,337</u>	<u>\$ 76,742</u>

27. SIGNIFICANT LOSSES FROM DISASTERS

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.

28. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 43,249	30.71 (USD:NTD)	\$ 1,328,177
RMB	47,324	4.408 (RMB:NTD)	208,604
Non-monetary items			
Subsidiaries accounted for using the equity method			
USD	164,360	30.71 (USD:NTD)	5,047,491
Financial assets at FVTPL - non-current			
USD	935	30.71 (USD:NTD)	28,725
<u>Financial liabilities</u>			
Monetary items			
USD	37,864	30.71 (USD:NTD)	1,162,803
RMB	11,030	4.408 (RMB:NTD)	48,620

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 53,857	27.68 (USD:NTD)	\$ 1,490,762
RMB	58,264	4.344 (RMB:NTD)	253,099
Non-monetary items			
Subsidiaries accounted for using the equity method			
USD	176,315	27.68 (USD:NTD)	4,880,394
Financial assets at FVTPL - non-current			
USD	1,375	27.68 (USD:NTD)	38,058
<u>Financial liabilities</u>			
Monetary items			
USD	56,796	27.68 (USD:NTD)	1,572,113
RMB	5,056	4.344 (RMB:NTD)	21,963

The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the Year Ended December 31				
2022			2021	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	29.805 (USD:NTD)	\$ 45,607	28.009 (USD:NTD)	\$ 11,614
RMB	4.422 (RMB:NTD)	8,823	4.341 (RMB:NTD)	(2,329)
Others		<u>(473)</u>		<u>(216)</u>
		<u>\$ 53,957</u>		<u>\$ 9,069</u>

29. 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 (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
- 9) Trading in derivative instruments (Note 7)

b. Information on investees (Table 6)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 7)

- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Tables 1, 2, 4, 5 and 7):
- 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 8)

SYNCMOLD ENTERPRISE CORPORATION

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(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	\$ -	-	-	\$ 1,109,239 (20% of the net worth of the Corporation)	\$ 2,218,479 (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	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,218,479 (40% of the net worth of the Corporation)
		Syncmold Enterprise Vietnam Co., Ltd.	Other receivables from related parties	Yes	100,000	100,000	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,218,479 (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	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,218,479 (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	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,218,479 (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	61,420	61,420	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	138,195	138,195	46,065	2.00	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Fullking Development Limited	Other receivables from related parties	Yes	24,568	24,568	24,568	0.00	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	61,420	61,420	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	319,384	319,384	227,254	0.00	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Notes 1 and 2)	Ending Balance (Notes 1 and 2)	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
2	Grand Advance Inc.	Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	\$ 61,420	\$ 61,420	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$ 1,109,239 (20% of the net worth of the Corporation)	\$ 2,773,099 (50% of the net worth of the Corporation)
		Syncmold Enterprise (Samoa) Corp.	Other receivables from related parties	Yes	61,420	61,420	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	92,130	-	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	61,420	61,420	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Syncmold Enterprise (USA) Corp.	Other receivables from related parties	Yes	27,639	27,639	12,284	0.00	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Fullking Development Limited	Other receivables from related parties	Yes	107,485	46,065	46,065	0.00	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	337,810	168,905	168,905	0.00	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
3	Full Big Limited (Note 3)	Fullking Development Limited	Other receivables from related parties	Yes	24,568	-	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
4	Fuzhou Fulfil Tech Co., Ltd.	Fujian Khuan Hua Precise Mold Co., Ltd.	Other receivables from related parties	Yes	44,094	44,094	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Other receivables from related parties	Yes	57,322	57,322	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	70,550	44,094	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
5	Suzhou Fulfil Electronics Co., Ltd.	Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	39,685	39,685	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Notes 1 and 2)	Ending Balance (Notes 1 and 2)	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
6	Zhongshan Fulfil Tech. Co., Ltd.	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	\$ 35,275	\$ 35,275	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$ 1,109,239 (20% of the net worth of the Corporation)	\$ 2,773,099 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	44,094	44,094	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	35,275	35,275	-	-	Short-term financing	-	Operating capital	-	-	-	1,109,239 (20% of the net worth of the Corporation)	2,773,099 (50% of the net worth of the Corporation)

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

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

Note 3: For organizational restructuring purposes, in July 2022, the board of directors resolved to dissolve Full Big Limited which was completed in October 2022.

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Syncmold Enterprise Corporation	Gatetech Technology Inc.	Subsidiary	\$1,109,239 (20% of the net worth of the Corporation)	\$ 200,000	\$ 200,000	\$ 100,000	\$ -	3.61	\$2,773,099 (50% of the net worth of the Corporation)	Y	N	N
		Leohab Enterprise Co., Ltd.	Subsidiary	\$1,109,239 (20% of the net worth of the Corporation)	300,000	300,000 (Note)	216,000	-	5.41	\$2,773,099 (50% of the net worth of the Corporation)	Y	N	N
		Syncmold Enterprise Vietnam Co., Ltd.	Subsidiary	\$1,663,859 (30% of the net worth of the Corporation)	614,200 (US\$ 20,000 thousand)	614,200 (US\$ 20,000 thousand)	18,733	-	11.07	\$2,773,099 (50% of the net worth of the Corporation)	Y	N	N

Note: By the resolution of the board of directors of the Corporation on March 15, 2022, it is proposed that Syncmold Enterprise Corporation provide an short-term endorsement guarantee within the limit of \$260,000 thousand. Moreover, on November 7, 2022, it is also proposed that Taishin Bank provide an short-term endorsement guarantee within the limit of \$60,000 thousand, total funds \$320,000 thousand for Leohab Enterprise Co., Ltd. As of December 31, 2022, the remaining \$20,000 thousand has not been implemented.

SYNCMOLD ENTERPRISE CORPORATION

MARKETABLE SECURITIES HELD

DECEMBER 31, 2022

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Syncmold Enterprise Corporation	<u>Stock</u>							
	Gigastone Corporation	-	Financial assets at FVTPL - non-current	847,011	\$ 9,334	1.67	\$ 9,334	(Notes 2 and 6)
	Tiga Gaming Inc.	-	Financial assets at FVTPL - non-current	1,332,132	11,148	5.06	11,148	(Notes 3 and 6)
	Foxfortune Technology Limited	-	Financial assets at FVTPL - non-current	1,000,000	19,646	5.80	19,646	(Notes 4 and 6)
	Hercules BioVenture, L.P.	-	Financial assets at FVTPL - non-current	210,526	9,079	2.63	9,079	(Notes 4 and 6)
	Winmate Inc.	-	Financial assets at FVTPL - current	1,038,000	86,154	1.44	86,154	(Notes 2 and 6)
	<u>Private funds</u>							
	China Development of Healthcare Venture of Limited Partnership	-	Financial assets at FVTPL - non-current	20,360,270	14,283	0.96	14,283	(Notes 4 and 6)
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	<u>Structured deposit</u>							
	Pagged exchange rate daily accumulated interest to corporate structured deposits	-	Financial assets at FVTPL - current	-	44,181	-	44,181	(Notes 5 and 6)
	Pagged exchange rate daily accumulated interest to corporate structured deposits	-	Financial assets at FVTPL - current	-	22,090	-	22,090	(Notes 5 and 6)
Zhongshan Fulfil Tech. Co., Ltd.	Linked interest rate (ten-year treasury bond maturity yield) structured deposit products No. 12	-	Financial assets at FVTPL - current	-	44,146	-	44,146	(Notes 5 and 6)
Kunshan Fulfil Tech Co., Ltd.	Monthly profit 22110091	-	Financial assets at FVTPL - current	-	44,172	-	44,172	(Notes 5 and 6)
Gatetech (Suzhou) Technology Co., Ltd.	Monthly profit 22090283	-	Financial assets at FVTPL - current	-	44,227	-	44,227	(Notes 5 and 6)
	Monthly profit 22090282	-	Financial assets at FVTPL - current	-	44,225	-	44,225	(Notes 5 and 6)
Suzhou Fulfil Electronics Co., Ltd.	Monthly profit 22120149	-	Financial assets at FVTPL - current	-	79,406	-	79,406	(Notes 5 and 6)
	Monthly profit 22120150	-	Financial assets at FVTPL - current	-	79,403	-	79,403	(Notes 5 and 6)
	Monthly profit 22120151	-	Financial assets at FVTPL - current	-	79,399	-	79,399	(Notes 5 and 6)
	Monthly profit 22120152	-	Financial assets at FVTPL - current	-	70,574	-	70,574	(Notes 5 and 6)
	Monthly profit 22120269	-	Financial assets at FVTPL - current	-	66,144	-	66,144	(Notes 5 and 6)

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

Note 2: The shares are calculated at the strike price as of December 31, 2022.

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

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

(Continued)

Note 5: The structured commodity is calculated at its contract worth as of December 31, 2022.

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

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

(Concluded)

TABLE 4

SYNCMOLD ENTERPRISE CORPORATION

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, 2022

(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	
Syncmold Enterprise Corporation	Zhongshan Fulfil Tech. Co., Ltd.	Subsidiary	Purchases	\$ 1,652,508	47	Note	\$ -	-	\$ (361,977)	46	
	Suzhou Fulfil Electronics Co., Ltd.	Subsidiary	Purchases	1,089,901	31	Note	-	-	(222,567)	28	
	Fuzhou Fulfil Tech Co., Ltd.	Subsidiary	Purchases	508,590	14	Note	-	-	(121,136)	15	
	Chongqing Fulfil Tech Co., Ltd.	Subsidiary	Purchases	142,413	4	Note	-	-	(51,715)	7	
Zhongshan Fulfil Tech. Co., Ltd.	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Indirect subsidiary	Purchases	187,527	9	Note	-	-	(23,309)	6	
Suzhou Fulfil Electronics Co., Ltd.	Kunshan Fulfil Tech Co., Ltd.	Indirect subsidiary	Purchases	383,868	16	Note	-	-	(55,399)	18	
	Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Indirect subsidiary	Purchases	155,143	7	Note	-	-	(20,933)	7	
Fuzhou Fulfil Tech Co., Ltd.	Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Indirect subsidiary	Purchases	249,582	17	Note	-	-	(19,866)	7	
Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(1,652,508)	60	Note	-	-	361,977	53	
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(1,089,901)	41	Note	-	-	222,567	34	
Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(508,590)	30	Note	-	-	121,136	23	
Chongqing Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(142,413)	30	Note	-	-	51,715	30	
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Zhongshan Fulfil Tech. Co., Ltd.	Indirect subsidiary	Sales	(187,527)	50	Note	-	-	23,309	36	
Kunshan Fulfil Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary	Sales	(383,868)	99	Note	-	-	55,399	100	
Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary	Sales	(155,143)	31	Note	-	-	20,933	33	
	Fuzhou Fulfil Tech Co., Ltd.	Indirect subsidiary	Sales	(249,582)	49	Note	-	-	19,866	31	

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

SYNCMOLD ENTERPRISE CORPORATION

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

DECEMBER 31, 2022

(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	\$ 168,905 (Note 1)	-	\$ -	-	\$ 61,420	\$ -
Syncmold Enterprise (Samoa) Corp.	Syncmold Enterprise Corporation	Parent company	227,254 (Note 1)	-	-	-	-	-
Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	121,136	-	-	-	55,815	-
Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation	Parent company	361,977	-	-	-	213,201	-
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	222,567	-	-	-	111,119	-
Syncmold Enterprise Corporation	Zhongshan Fulfil Tech. Co., Ltd.	Subsidiary	108,340 (Note 2)	-	-	-	108,340	-

Note 1: Financing.

Note 2: Royalties receivable.

SYNCMOLD ENTERPRISE CORPORATION

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(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, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Number of Shares	%	Carrying Amount			
Syncmold Enterprise Corporation	Grand Advance Inc.	Samoa	Trading, import and export and investment in electronic parts	\$ 506,240	\$ 506,240	-	100.00	\$ 2,875,187	\$ 234,262	\$ 234,249	(Note 1)
	Syncmold Enterprise (Samoa) Corp.	Samoa	Trading and related import and export businesses of metal molds and plastic molds as well as the reinvestment of subsidiaries in mainland China	110,598	110,598	3,546	100.00	2,172,304	(41,500)	(37,341)	(Note 1)
	Syncmold Enterprise (USA) Corp.	USA	Trading, import and export in electronic parts	32	32	-	100.00	(3,319)	(220)	(220)	(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	153,143	122,202	43,535	(Note 1)
	Corebio Technologies Co., Ltd.	Taiwan	Medical technology and precision instrument wholesale and retail	52,000	52,000	5,200	38.29	-	(2,337)	(895)	(Note 2)
	Smart Automation Technology Inc.	Taiwan	Software design services	15,680	15,680	1,568	49.00	14,945	(485)	(239)	(Note 1)
	Leohab Enterprise Co., Ltd.	Taiwan	Precision hardware components manufacturing	232,677	232,677	16,620	70.00	217,034	(34,392)	(25,493)	(Note 1)
	Gatetech Technology Inc.	Taiwan	Precise molding and magnesium alloy die caster manufacturing and transaction business	556,063	556,063	42,432	73.82	682,832	68,105	48,254	(Note 1)
	Syncmold Enterprise Vietnam Co., Ltd.	Vietnam	Trading, import and export and investment in electronic parts	579,944	579,944	-	100.00	488,823	(48,256)	(48,256)	(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	2,167	(98)	(98)	(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	5,581	1,847	1,847	(Note 1)	
Syncmold Enterprise (THAILAND) Co., Ltd.	Thailand	Trading, import and export and investment in electronic parts	33,638	33,638	-	100.00	12,627	(85)	(85)	(Note 1)	
Grand Advance Inc.	Canford International Limited	Samoa	Import and export trade and investment business	119,342	119,342	-	100.00	1,378,466	26,109	26,109	(Note 1)
	Fullking Development Limited	Hong Kong	Import and export trade and investment business	160,175	160,175	-	100.00	1,029,524	328,507	328,507	(Note 1)
	Full Glary Holding Limited	Hong Kong	Import and export trade and investment business	259,720	259,720	-	100.00	252,158	(36,005)	(37,419)	(Note 1)
Syncmold Enterprise (Samoa) Corp.	Full Big Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	-	16,643	-	-	-	292	292	(Notes 1 and 5)
	Forever Business Development Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	125,957	125,957	-	100.00	354,424	(1,178)	314	(Note 1)
	Full Celebration Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	147,710	147,710	-	100.00	133,223	(58,022)	(58,022)	(Note 1)
Gatetech Technology Inc.	Gatech Holdings Ltd.	Samoa	General investment business	647,041	647,041	20,130	100.00	616,413	1,350	1,350	(Note 1)
Gatech Holdings Ltd.	Gatech International Ltd.	Samoa	General investment business	657,284	657,284	20,268	100.00	616,413	1,350	1,350	(Note 1)
Leohab Enterprise Co., Ltd.	Sweet International Group Ltd.	British Virgin Islands	General investment business	147,834	280,368	-	100.00	306,533	(10,831)	(10,810)	(Note 1)
	Commuwell Enterprise (Thailand) Co., Ltd.	Thailand	Plastic shot and hardware components manufacturing	190,728	-	-	100.00	223,930	17,732	17,732	(Note 4)
Sweet International Group Ltd.	Lucky King Holdings Ltd.	Mauritius	General investment business	147,834	280,368	-	100.00	300,220	(10,831)	(10,831)	(Note 1)
Lucky King Holdings Ltd.	Commuwell Enterprise (Thailand) Co., Ltd.	Thailand	Plastic shot and hardware components manufacturing	-	113,236	-	-	-	4,184	4,184	(Note 4)

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

Note 2: Calculated based on the unaudited financial statements of the investee company and the investee Corporation's shareholding ratio.

(Continued)

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

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

Note 5: For organizational restructuring purposes, in July 2022, Full Big Limited's board of directors resolved to dissolution, which has completed the liquidation procedures in October 2022.

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
Fuzhou Fulfil Tech Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	\$ 42,733	Invested through Syncmold Enterprise (Samoa) Corp.	\$ 63,969 (US\$ 2,083 thousand)	\$ -	\$ -	\$ 63,969 (US\$ 2,083 thousand)	\$ 80,044	100.00	\$ 80,044	\$ 952,661	\$ 2,428,055 (US\$ 79,064 thousand)
Fujian Khuan Hua Precise Mold Co., Ltd.	Processing, manufacturing, trading and related import and export business of various metal molds, plastic molds and plastic injection molds	109,419	Invested through Syncmold Enterprise (Samoa) Corp.	41,643 (US\$ 1,356 thousand)	-	-	41,643 (US\$ 1,356 thousand)	(42,876)	100.00	(42,876)	239,010	-
Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	58,313	Invested through Syncmold Enterprise (Samoa) Corp.	-	-	-	-	(15,379)	100.00	(15,379)	147,586	119,708 (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	123,643	Invested through Forever Business Development Limited	-	-	-	-	(2,832)	100.00	(2,832)	259,919	-
Suzhou Fulfil Electronics Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	18,248	Invested through Canford International Limited	-	-	-	-	26,109	100.00	26,109	1,378,447	1,309,167 (US\$ 42,630 thousand)
Zhongshan Fulfil Tech. Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	150,482	Invested through Fullking Development Limited	-	-	-	-	328,494	100.00	328,494	1,099,087	1,760,113 (US\$ 57,314 thousand)
Kunshan Fulfil Tech Co., Ltd.	Manufacturing and assembling of laptops uses precise bearing, hardware and related accessories	231,078	Invested through Full Glary Holding Limited	184,260 (US\$ 6,000 thousand)	-	-	184,260 (US\$ 6,000 thousand)	(36,005)	100.00	(36,005)	252,057	-
Chongqing Fulfil Tech Co., Ltd.	The processing, manufacturing, related imports and exports of all electronic, plastic and hardware parts	137,374	Invested through Full Celebration Limited	-	-	-	-	(58,022)	100.00	(58,022)	133,211	556,588 (US\$ 18,124 thousand)

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
Gatetech (Suzhou) Technology Co., Ltd.	The manufacture, processing and trading of aluminum and magnesium alloy die-casting products	\$ 712,282	Invested through Gatech International Ltd.	\$ 746,253 (US\$ 24,300 thousand)	\$ -	\$ -	\$ 746,253 (US\$ 24,300 thousand)	\$ (43)	73.82	\$ (31)	\$ 616,413	\$ -
Suzhou Leoho Electronics Co., Ltd.	Precision hardware components manufacturing	203,817	Invested through Lucky King Holdings Ltd.	137,519 (US\$ 4,478 thousand)	-	-	137,519 (US\$ 4,478 thousand)	(15,015)	70.00	(10,511)	300,219	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
\$1,402,679 (US\$45,675 thousand)	\$2,378,275 (US\$77,443 thousand)	\$3,528,797

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

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION**INFORMATION ON MAJOR SHAREHOLDERS
DECEMBER 31, 2022**

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

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the 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, please refer to Market Observation Post System.

SYNCMOLD ENTERPRISE CORPORATION

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SYNCMOLD ENTERPRISE CORPORATION**STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Item	Amount
Petty cash	\$ <u>924</u>
Cash in banks	
Checking accounts	1,858
Demand deposits	<u>59,866</u>
	<u>61,724</u>
Foreign currency demand deposits (Note 1)	<u>397,287</u>
Foreign currency time deposits (Note 2)	<u>767,750</u>
	<u>\$ 1,227,685</u>

Note1: The amount of US\$12,170 thousand was calculated based on the exchange rate of US\$1=NT\$30.71. The amount of RMB4,914 thousand was calculated based on the exchange rate of RMB1=NT\$4.408. The amount of EUR3 thousand was calculated based on the exchange rate of EUR1=NT\$32.720 and the amount of SGD45 thousand was calculated based on the exchange rate of SGD1=NT\$22.88 and the amount of JPY722 thousand was calculated based on the exchange rate of JPY1=NT\$0.2324 and the amount of THB639 thousand was calculated based on the exchange rate of THB1=NT\$0.8941.

Note2: The amount of US\$25,000 thousand was calculated based on the exchange rate of US\$1=NT\$30.71.

SYNCMOLD ENTERPRISE CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
DECEMBER 31, 2022

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

Item	Balance, January 1, 2022		Acquisition		Decrease		Gain (Losses) on Financial Assets at FVTPL - Non-current	Balance, December 31, 2022			Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount		Shares	Stock Price	Amount		
Stock												
Winmate Inc.	1,038,000	\$ 81,379	-	\$ -	-	\$ -	\$ 4,775	1,038,000	83	\$ 86,154	None	-
Foreign exchange forward contract												
Sell	-	4	-	149,911	-	(142,860)	(7,055)	-	-	-	None	-
		<u>\$ 81,383</u>		<u>\$ 149,911</u>		<u>\$ (142,860)</u>	<u>\$ (2,280)</u>			<u>\$ 86,154</u>		

SYNCMOLD ENTERPRISE CORPORATION

STATEMENT OF TRADE RECEIVABLES

DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

Client Name	Amount
A	\$ 61,053
B	16,811
C	16,383
D	16,292
E	14,342
F	11,667
others (Note)	<u>70,789</u>
Less: Allowance for impairment loss	<u>(6)</u>
	<u>\$ 207,331</u>

Note: The amount from each individual client included in others does not exceed 5% of the account balance.

SYNCMOLD ENTERPRISE CORPORATION**STATEMENT OF INVENTORIES****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

Item	Amount	
	Cost	Net Realized Value
Products	\$ 21,312	\$ 21,704
Finished goods	2,968	3,625
Work in process	455	455
Raw material	<u>5,088</u>	<u>5,088</u>
	29,823	<u>\$ 30,872</u>
Less: Allowance for inventory valuation losses	<u>(3,870)</u>	
	<u>\$ 25,953</u>	

SYNCMOLD ENTERPRISE CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - NON-CURRENT
DECEMBER 31, 2022

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

Item	Balance, January 1, 2022		Acquisition		Decrease		Gain (Losses) on Financial Assets at FVTPL - Non-current	Balance, December 31, 2022		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount		Shares	Amount		
Domestic emerging market shares											
Gigastone Corporation	847,011	\$ 10,427	-	\$ -	-	\$ -	\$ (1,093)	847,011	\$ 9,334	None	-
Tiga Gaming Inc.	1,332,132	<u>7,101</u>	-	<u>-</u>	-	<u>-</u>	<u>4,047</u>	1,332,132	<u>11,148</u>	None	-
		<u>17,528</u>		<u>-</u>		<u>-</u>	<u>2,954</u>		<u>20,482</u>		
Overseas unlisted shares											
Hercules BioVenture, L.P.	342,105	11,484	-	-	(131,579)	(4,036)	1,631	210,526	9,079	None	-
Foxfortune Technology Limited	1,000,000	<u>27,024</u>	-	<u>-</u>	-	<u>-</u>	<u>(7,378)</u>	1,000,000	<u>19,646</u>	None	-
		<u>38,508</u>		<u>-</u>		<u>(4,036)</u>	<u>(5,747)</u>		<u>28,725</u>		
Private funds											
China Development of Healthcare Venture of Limited Partnership	13,122,465	<u>9,034</u>	7,237,805	<u>7,238</u>	-	<u>-</u>	<u>(1,989)</u>	20,360,270	<u>14,283</u>	None	-
Domestic third convertible bonds	-	<u>360</u>	-	<u>-</u>	-	<u>-</u>	<u>(360)</u>	-	<u>-</u>	None	-
		<u>\$ 65,430</u>		<u>\$ 7,238</u>		<u>\$ (4,036)</u>	<u>\$ (5,142)</u>		<u>\$ 63,490</u>		

SYNCMOLD ENTERPRISE CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

	Balance as of January 1, 2022			Increase in Investments	Adjustments of the Year			Cash Dividends	Balance of December 31, 2022			Note
	Shares (In Thousands)	Shareholding Ratio %	Amount		Share of Profit or Loss of Subsidiaries and Associates	Exchange Differences on Translating the Financial Statements of Foreign Operations	Share of Other Comprehensive Income of Subsidiaries Accounted for Using the Equity Method		Shares (In Thousands)	Shareholding Ratio %	Amount	
Unlisted companies												
Grand Advance Inc.	-	100.00	\$ 2,741,122	\$ -	\$ 234,249	\$ 55,882	\$ -	\$ (156,066)	-	100.00	\$ 2,875,187	Notes 1 and 2
Syncmold Enterprise (Samoa) Corp.	3,546	100.00	2,139,272	-	(37,341)	70,373	-	-	3,546	100.00	2,172,304	Notes 1 and 2
Syncmold Enterprise (USA) Corp.	-	100.00	(2,787)	-	(220)	(312)	-	-	-	100.00	(3,319)	Notes 1 and 2
High Grade Tech Co., Ltd.	2,280	35.63	136,170	-	43,535	-	(15,162)	(11,400)	2,280	35.63	153,143	Notes 1 and 2
Corebio Technologies Co., Ltd.	5,200	38.29	20,730	(19,835)	(895)	-	-	-	5,200	38.29	-	Notes 2 and 3
Smart Automation Technology Inc.	1,568	49.00	15,158	-	(239)	-	26	-	1,568	49.00	14,945	Notes 1 and 2
Leohab Enterprise Co., Ltd.	16,620	70.00	228,941	-	(25,493)	13,381	205	-	16,620	70.00	217,034	Notes 1 and 2
Gatetech Technology Inc.	42,432	73.82	626,258	-	48,254	6,589	1,731	-	42,432	73.82	682,832	Notes 1 and 2
Syncmold Enterprise Vietnam Co., Ltd.	-	100.00	500,521	-	(48,256)	36,558	-	-	-	100.00	488,823	Notes 1 and 2
Syncmold Enterprise (Malaysia) Sdn., Bhd.	-	100.00	2,154	-	(98)	111	-	-	-	100.00	2,167	Notes 1 and 2
Syncmold Enterprise (Singapore) Pte., Ltd.	-	100.00	3,219	-	1,847	515	-	-	-	100.00	5,581	Notes 1 and 2
Syncmold Enterprise (Thailand) Co., Ltd.	-	100.00	11,867	-	(85)	845	-	-	-	100.00	12,627	
			6,422,625	\$ (19,835)	\$ 215,258	\$ 183,942	\$ (13,200)	\$ (167,466)			6,621,324	
Add: Credit balance of Investments reclassified to non-current liabilities			2,787								3,319	
			\$ 6,425,412								\$ 6,624,643	

Note 1: Calculated based on the audited financial statements of the investee companies and the shareholding ratio.

Note 2: No pledges or guaranteed investments accounted for using the equity method as at the end of 2022.

Note 3: Calculated based on the unaudited financial statements of the investee company and the Corporation's shareholding ratio. The Corporation's management conducted an impairment test on the investment on December 31, 2022. After evaluation, the book value of the investment in Corebio Technologies Co., Ltd. was higher than the recoverable amount, and an impairment loss of \$19,835 thousand was recognized in 2022.

SYNCMOLD ENTERPRISE CORPORATION

STATEMENT OF SHORT-TERM BORROWINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Credit Type	Contract Date	Annual Rate (%)	Ending Balance	Credit Line	Security Guarantees	Note
Bank loan						
E.SUN Commercial Bank, Ltd.	2022/10/21-2023/01/20	1.49	\$ 200,000	\$ 500,000	None	Note 1
E.SUN Commercial Bank, Ltd.	2022/11/02-2023/02/02	1.535	250,000	500,000	None	Note 1
Yuanta Commercial Bank Co., Ltd.	2022/12/26-2023/03/24	1.75	110,000	500,000	None	Note 2
Yuanta Commercial Bank Co., Ltd.	2022/12/29-2023/03/28	1.75	50,000	500,000	None	Note 2
Yuanta Commercial Bank Co., Ltd.	2022/11/29-2023/02/23	1.63	100,000	500,000	None	Note 2
Yuanta Commercial Bank Co., Ltd.	2022/12/21-2023/03/20	1.75	45,000	500,000	None	Note 2
CTBC Bank Co., Ltd.	-	-	-	500,000	None	-
TAIPEIFUBON Commercial Bank Co., Ltd.	-	-	-	500,000	None	-
Taishin International Bank	-	-	-	440,000	None	-
Bank SinoPac Company Limited	-	-	-	500,000	None	-
HSBC Bank (Taiwan) Limited	-	-	-	300,000	None	-
			<u>\$ 755,000</u>			

Note1: Short-term borrowings facilities from E.SUN Commercial Bank, Ltd. was \$500,000 thousand.

Note2: Short-term borrowings facilities from Yuanta Commercial Bank Co., Ltd. was \$500,000 thousand.

SYNCMOLD ENTERPRISE CORPORATION**STATEMENT OF LONG-TERM BORROWINGS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

Credit Type	Contract Date	Annual Rate (%)	Ending Balance	Credit Line	Security Guarantees
Bank loan					
E.SUN Commercial Bank, Ltd.	2021/01/27-2033/01/27	1.45	\$ 42,214	\$ 42,214	Property, plant and equipment
E.SUN Commercial Bank, Ltd.	2021/01/29-2033/01/29	1.45	<u>6,033</u>	<u>6,033</u>	Property, plant and equipment
			48,247	<u>\$ 48,247</u>	
Less: Current portions			<u>(4,476)</u>		
			<u>\$ 43,771</u>		

SYNCMOLD ENTERPRISE CORPORATION**STATEMENT OF NET OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Item	Quantity	Average Price	Amount
Sales revenue			
Display hinges	22,975,742	\$ 168	\$ 3,855,971
Others	-		<u>4,110</u>
			3,860,081
Other operating revenue			<u>254,777</u>
			<u>\$ 4,114,858</u>

SYNCMOLD ENTERPRISE CORPORATION**STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

Item	Amount
Raw material, beginning of year	\$ 8,427
Add: Raw material purchased	40,472
Less: Raw material, end of the year	(5,088)
Sale of raw material	(255)
Transferred to operating expense	(115)
Disposals	(74)
Raw materials used	43,367
Direct labor	10,104
Manufacturing expense	53,163
Manufacturing cost	106,634
Add: Work in process, beginning of year	626
Less: Work in process, end of year	(455)
Cost of finished goods	106,805
Add: Finished goods, beginning of year	94
Less: Finished goods, end of year	(2,968)
Cost of finished goods sold	103,931
Add: Product, beginning of year	14,522
Purchase of products	3,429,325
Less: Product, end of year	(21,312)
Transferred to operating expense	(40)
Cost of products	3,422,495
Add: Sale of product	255
Less: Reversal of write-downs of inventories	(2,305)
Cost of goods sold	3,524,376
Other operating cost	235
	<u>\$ 3,524,611</u>

SYNCMOLD ENTERPRISE CORPORATION**STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

Item	Selling Expenses	General and Administrative	Research and Development Expense	Expected Credit Loss Reversed on Trade Receivables	Total
Salary (Note 2)	\$ 26,425	\$ 143,973	\$ 88,528	\$ -	\$ 258,926
Others (Note 1)	<u>49,477</u>	<u>54,123</u>	<u>57,810</u>	<u>(87)</u>	<u>161,323</u>
	<u>\$ 75,902</u>	<u>\$ 198,096</u>	<u>\$ 146,338</u>	<u>\$ (87)</u>	<u>\$ 420,249</u>

Note 1: The amount of each item in others does not exceed 5% of the account balance.

Note 2: Included salary, pension and remuneration of directors.