

Stock Code: 1582



Syncmold Enterprise Corp.

2021 Annual Shareholders' Meeting Meeting Handbook

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Syncmold Enterprise Corp.
2021 General Shareholders' Meeting Agenda

Time: 9:00 am, Thursday, June 24th, 2021

Venue: No. 4, Alley 26, Jian-an Street, Xinzhuang District, New Taipei City (Xin zhuang Hou gang Civic Activity Center)

Agenda:

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Report Items
 - (I) 2020 Annual Business Report.
 - (II) Audit Committee's review of the 2020 financial statements.
 - (III) Report on China Investments.
 - (IV) Report on Loaning Funds to Other Parties.
 - (V) Report on Endorsements and Guarantees.
 - (VI) Report on the 2020 Compensation of the Employee and Directors.
 - (VII) Amendment of Ethical Corporate Management Best Practice Principles.
 - (VIII) Amendment of Code of Ethical Conducts for Directors, Supervisors, and Managers.
- IV. Ratifications
 - (I) Approval of the 2020 annual report and financial statement.
 - (II) Approval of the proposals for the distribution of 2020 profits.
- V. Discussions
 - (I) Release the Directors from non-competition Restrictions.
- VI. Extraordinary Motions
- VII. Adjournment

Report Items

Proposal 1

Cause: 2020 Annual Business Report for review and approval.

Description: Refer to Annex 1 (Pages 6 through 8).

Proposal 2

Cause: Audit Committee's review of the report on 2020 statements and reports for review and approval.

Description: Refer to Annex 2 (Page 9).

Proposal 3

Cause: Report on investments in China for review and approval.

Description: Refer to Annex 3 (Pages 10 through 11).

Proposal 4

Cause: Report on lending funds to others parties for review and approval.

Description: Refer to Annex 4. (Pages 12 through 14).

Proposal 5

Cause: Report on endorsements and guarantees for review and approval.

Description: Refer to Annex 5 (Page 15).

Proposal 6

Cause: 2020 Report on the distribution of remuneration to employees and that to directors and supervisors for review and approval.

Description: Refer to Annex 6 (Page 16).

Proposal 7

Cause: Amendment of the report on the Ethical Corporate Management Best-Practice Principles.

Description: Refer to Annex 7 (Pages 17 through 22).

Proposal 8

Cause: Amendment of the report on the Ethical Code of Conduct for Directors, Supervisors, and Managers

Description: Refer to Annex 8 (Pages 23 through 28).

Ratifications

Proposal 1

Cause: 2020 Statements and reports for ratification (brought forth by the Board of Directors)

Description:

- I. The Company's 2020 Financial Statement and Consolidated Financial Statement were completely audited by CPA Li, Dong-Feng and CPA Chen, Chih-Yuan of Deloitte Taiwan and this Audit Report with unqualified opinion plus paragraphs about other matters was issued.
- II. For the Company's 2020 Business Report, Financial Statement, and Consolidated Financial Statement, refer to Annex 1 (Pages 5 through 7), Annex 9 (Pages 29 through 38), and Annex 10 (Pages 39 through 48).
- III. This proposal is submitted for ratification.

Resolution:

Proposal 2

Cause: 2020 distribution of earnings for ratification (brought forth by the Board of Directors)

Description:

- (I) The 2020 distribution of earnings is prepared in compliance with Article 20 of the Company's Articles of Incorporation.
- (II) The undistributed earnings from prior years of the Company totaled NTD 200,428,131 and those recognized as retained earnings after adequate reduction of re-measurements of defined benefit plan NTD 637,561. The post-adjusted undistributed earnings came to NTD 199,790,570. The after-tax net profit of the Company in 2020 was NTD 965,738,066. The legal reserve and special reserve, worth NTD 96,510,051 and NTD 1,594,613, were set aside. The combined earnings that may be distributed came to NTD 1,067,423,972. It is intended that cash dividends worth NTD 5 per share will be issued; that is, NTD 618,620,855 in total. After the above distribution, remaining earnings yet to be distributed at the end of 2020 totaled NTD 448,803,117. For the earnings distribution table, refer to Annex 11 (Page 49).
- (III) The cash dividends intended to be distributed this time were calculated by the shareholding ratio of shareholders listed in the shareholder roster as of the dividend payout base date. Cash dividends were calculated to the nearest integer (chopping off thereafter). The sum of odd lots was included as part of other income of the Company.

Once it is approved through the 2021 general shareholders' meeting, the Chairman will be authorized to define the dividend payout base date, the payout date, and arrange other related matters separately.

- (IV) For the distribution of earnings in the preceding paragraph, in cases of changes that occur to the number of outstanding shares, which leads to changes to the payout ratio, it is at the discretion of the Chairman as authorized.
- (V) This proposal is submitted for ratification.

Resolution:

Discussions

Proposal 1

Cause: Release the Directors from non-competition Restrictions. (brought forth by the Board of Directors)

Description:

- I. According to Article 209 of the Company Act, “A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain during the shareholders’ meeting the essential contents of such behavior and secure its approval.
- II. The Company acquired 70% shares of LEOHAB ENTERPRISE CO., LTD. on November 30, 2020. Chairman Chen, Chiu-Lang was elected on December 16, 2020 as the representative of the institutional director of the said company.
- III. Lifting of the non-competition pledge obligations is intended for Director Chen, Chiu-Lang serving as the representative of the institutional director of the said company.
- IV. Submitted for discussion.

Resolution:

Questions and Motions:

Adjournment:

Syncmold Enterprise Corp. **2020 Annual Business Report**

We hereby present the Company's 2020 Operating status as follows:

In the midst of the US-China trade war of 2020, COVID-19 broke out and the impacts on the global economy and trade continued to spread and the extent of influence became more extensive as well. Faced with the critical moment of fierce impacts brought about by the trade war and the pandemic, the Company proactively diversified its overseas production sites and sought the possibility of developing new services externally in order to reduce the negative impacts brought about by the drastic changes in the external environment.

As far as the extension of the operational momentum is concerned, being the world's largest monitor bearing and socket supplier, with the surge in demand as a result of the pandemic for working from home, video conferencing, education, and stay-at-home economy, monitors, among other primary products, of the Company saw an increase in demand for a replenishment of inventory among customers, which accordingly boosted the growth in the revenue and profitability of the Company.

2020 Business Overview:

Challenged by the rapid changes in economy and COVID-19 sweeping through the world, the Company benefited from the demand for remote commerce, video conferencing, and education around the world in 2020 and hence the operations continued to be heated. Despite the impacts from fluctuating exchange rates, an annual growth of 12.5% was accomplished in the overall revenue.

Looking into 2021, in the aftermath of the pandemic, people's life has been changed, business opportunities brought about by remote commerce and the stay-at-home economy are emerging as part of the global industry. The demand for related products, such as computers, tablets, and displays, among other 3C supplies, continue to surge and according to the latest survey of TrendForce, up to 18.4 million e-sports LCD monitors were shipped in 2020, a growth of 105%. The shipment size is expected to reach 25 million units in 2021. Given the above two major trends, the Company continues to be optimistic about the steady growths in monitors and AIOs around the world. Plus the contribution to the revenue from re-invested businesses GATETECH TECHNOLOGY INC. and LEOHAB ENTERPRISE CO., LTD., the Company remains confident about an operational accomplishment that remains or even exceeds prior ones to create even greater value for the shareholders.

A. 2020 Business Report:

(1) Achievements of 2020 Business Plan:

The Company rendered a consolidated operating income of 2020 worth NTD 9,663,341 thousand, a growth of 12.6% from the consolidated operating income in 2019, which was NTD 8,582,344 thousand. The sales gross profit of 2020 was 26.29%, comparable to that of 2019, which was 26.39%. The Company's earnings per share of 2019 came to NTD 7.81.

(2) The implementation of the budget:

The Company did not reveal 2020 financial budget; therefore, there is not applicable.

(3) Financial revenue and expense and Profitability:

Unit: NT\$1,000; %

Title		2020	2019	
Financial revenue and expense	Interest Income	35,901	26,755	
	Interest Expenses	27,342	20,568	
Profitability	Return on Assets (%)	9.11	10.38	
	Return on Equity (%)	16.30	16.72	
	Capital ratio (%)	Operating Income	123.80	103.29
		Pre-tax Income	121.04	116.79
	Net Profit Margin (%)	10.09	10.98	
	Earnings Per Share (NT\$)	7.81	7.61	

(4) Research and Development:

The Company continued to increase its expenditure on research and development and constantly expanded its development of new technologies in 2020, with more than 80 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.

Besides continuing with the research and development of monitors, AIO, and TV sockets, the Company is devoted also to the R&D of other products and introduction of new technologies, such as the introduction of webcam life modules to meet the demand brought about by working-from-home business opportunities. In the future, the synergistic effects of merging with and acquiring GATETECH TECHNOLOGY INC. and LEOHAB ENTERPRISE CO., LTD. will help promote the magnesium alloy die casting technology and the ability to manufacture and assemble small precision bearings and stamping mechanisms and opportunities to apply them, respectively, to products such as wearable devices, auto and notebook computer bearings, and fitness devices, among others.

B. 2021 Business Plan:

(1) Operating Principles:

- a. Maximize the utilization of automated production equipment for enhanced production efficiency and quality of products.
- b. Increase the R&D manpower throughout the Group for expanding the growth momentum in the future.
- c. Set up production sites in different areas to reinforce the flexibility in the utilization of resources throughout the Group.
- d. Expedite the integration of resources throughout the Group in order to secure business for new applicable fields.
- e. Reinforce inventory management to enhance the capital turnover efficiency.

(2) Sales Forecast and its basis and the important production and sales policy:

The Company has not be requested to reveal 2021 financial budget, so will not describe. In

the aftermath of the pandemic, economic activities are gradually resumed in countries around the world. With demand in respective industries stabilizing, the Company will continue to focus on purchase order-based production, along with an adequate safety inventory size that helps satisfy customers' demand, and to seek optimal economic performance answering to changes in the external environment with a robust attitude.

C. Future Development Strategy:

As far as sockets are concerned, the Company remains optimistic about the growing stream of sockets for e-sports monitors and will maximize the research and development of patent rights over sockets of monitors of various types of high-end e-sports models to integrate applications such as audiovisual effects in the socket and to increase the market share with unique products. An increase in the shipment of e-sports models will contribute to the growth in the revenue momentum in the future.

As far as diversification of products is concerned, the Company has invested in GATETECH TECHNOLOGY INC., which deals with aluminum alloy and magnesium alloy die casting, and LEOHAB ENTERPRISE CO., LTD., which deals with precision metal stamping, through mergers and acquisitions, for the past few years to fulfill the purpose of maximizing the Company's portfolios and extending the scope of application of products so that the Group can more quickly and thoroughly reach its parts and components out to various types of 3C products, fitness devices, and electric vehicles to bring about growths in the revenue and profitability.

Audit Committee's Review Report

Among the 2020 Business Report, Financial statements and Consolidated financial statements, and the proposals for the distribution of 2020 profits which submitted by the Board of Directors, the Financial statements and Consolidated financial statements were audited and the Audit report was completed by independent auditors (CPA), Tung-Feng Lee and Chih-Yuan Chen, of Deloitte Taiwan who is appointed by the Board the Directors.

The audit Committee have reviewed the above mentioned Business Report, Financial statements, Consolidated financial statements, and the proposals for the profit distribution and found no inconsistency was found. The audit report was issue in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely yours

Syncmold Enterprise Corp.

2021 Annual General Shareholders' Meeting of the Company

Convener of Audit Committee: Yung-Lu, Tsai

March. 16th, 2021

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2020

(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, 2020	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2020	Accumulated Repatriation of Investment Income as of December 31, 2020
					Outward	Inward						
Fuzhou Fulfil Tech Co., Ltd.	Electronic parts processing manufacturing. Trading and related import and export business	\$ 42,300	Invested through Syncmold Enterprise (Samoa) Corp.	\$ 59,324 (US\$ 2,083 thousand)	\$ -	\$ -	\$ 59,324 (US\$ 2,083 thousand)	\$ 221,651	100.00	\$ 223,215	\$ 1,078,503	\$ 1,929,919 (US\$ 67,764 thousand)
Fujian Khuan Hua Precise Mold., Ltd.	Processing, manufacturing, trading and related import and export business of various metal molds, plastic molds and plastic injection molds	108,311	Invested through Syncmold Enterprise (Samoa) Corp.	38,619 (US\$ 1,356 thousand)	-	-	38,619 (US\$ 1,356 thousand)	(854)	100.00	3,471	310,018	-
Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Electronic parts processing manufacturing. Trading and related import and export business	57,723	Invested through Syncmold Enterprise (Samoa) Corp.	-	-	-	-	27,308	100.00	27,308	244,654	22,841 (US\$ 802 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	122,391	Invested through Forever Business Development Limited	-	-	-	-	46,472	100.00	48,011	252,270	-
Suzhou Fulfil Electronics Co., Ltd.	Electronic parts processing manufacturing. Trading and related import and export business	18,064	Invested through Canford International Limited	-	-	-	-	341,807	100.00	341,807	1,415,674	1,214,102 (US\$ 42,630 thousand)
Zhongshan Fufil Tech Co., Ltd.	Electronic parts processing manufacturing. Trading and related import and export business	148,959	Invested through Fullking Development Limited	-	-	-	-	315,671	100.00	321,412	1,046,542	1,192,059 (US\$ 41,856 thousand)
Kunshan Fulfil Tech Co., Ltd.	Manufacturing and assembling of laptops uses precise bearing, hardware and related accessories	228,740	Invested through Full Glary Holding Limited	170,880 (US\$ 6,000 thousand)	-	-	170,880 (US\$ 6,000 thousand)	54,834	100.00	54,809	312,017	-
Chongqing Fulfil Tech Co., Ltd.	The processing, manufacturing, related imports and exports of all electronic, plastic and hardware parts	135,983	Invested through Full Celebration Limited	-	-	-	-	(23,822)	100.00	(23,822)	248,058	516,172 (US\$ 18,124 thousand)
Gatech (Suzhou) Inc.	Aluminum and magnesium alloy die caster	692,064	Invested through Gatech International	692,064 (US\$ 24,300 thousand)	-	-	692,064 (US\$ 24,300 thousand)	8,909	73.43	12,521	625,602	-
Suzhou Leoho Electronics Co., Ltd.	Precision hardware components manufacturing	201,755	Invested through Lucky King Holdings Ltd.	127,533 (US\$ 4,478 thousand)	-	-	127,533 (US\$ 4,478 thousand)	110	70.00	77	327,666	-

(Continued)

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2020	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
\$1,300,824 (US\$45,675 thousand)	\$2,205,577 (US\$77,443 thousand)	\$3,745,101

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

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	Syncmold Enterprise Corporation	Syncmold Enterprise (Samoa) Corp.	Other receivables from related parties	Yes	\$ 100,000	\$ 100,000	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,359,479 (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	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,359,479 (40% of the net worth of the Corporation)
		Syncmold Enterprise Vietnam Co., Ltd.	Other receivables from related parties	Yes	250,000	250,000	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,359,479 (40% of the net worth of the Corporation)
		Gatech Technology Inc.	Other receivables from related parties	Yes	200,000	200,000	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,359,479 (40% of the net worth of the Corporation)
		Leohab Enterprise Co., Ltd.	Other receivables from related parties	Yes	300,000	300,000	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,359,479 (40% of the net worth of the Corporation)
1	Syncmold Enterprise (Samoa) Corp.	Fujian Khuan Hua Precise Mold., Ltd.	Other receivables from related parties	Yes	56,960	56,960	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
		Forever Business Development Limited	Other receivables from related parties	Yes	85,440	85,440	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
		Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	85,440	85,440	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	213,600	213,600	42,720	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
2	Grand Advance Inc.	Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	\$ 85,440	\$ 85,440	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
		Syncmold Enterprise (Samoa) Corp.	Other receivables from related parties	Yes	85,440	85,440	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
		Full Big Limited	Other receivables from related parties	Yes	85,440	85,440	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
		Zhongshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	199,360	85,440	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	199,360	85,440	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
		Fuzhou Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	199,360	85,440	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	199,360	85,440	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
		Syncmold Enterprise (USA) Corp.	Other receivables from related parties	Yes	25,632	25,632	11,392	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
		Fullking Development Limited	Other receivables from related parties	Yes	128,160	128,160	42,720	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	412,960	412,960	284,800	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
3	Fuzhou Fulfil Tech Co., Ltd.	Fujian Khuan Hua Precise Mold., Ltd.	Other receivables from related parties	Yes	69,837	69,837	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
		Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Other receivables from related parties	Yes	69,837	69,837	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	69,837	69,837	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
4	Full Big Limited	Grand Advance Inc.	Other receivables from related parties	Yes	\$ 17,088	\$ -	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
		Fullking Development Limited	Other receivables from related parties	Yes	39,872	22,784	22,784	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (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	39,283	39,283	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
6	Zhongshan Fulfil Tech Co., Ltd.	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	34,918	34,918	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	34,918	34,918	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	34,918	34,918	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,179,739 (20% of the net worth of the Corporation)	\$2,949,349 (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 2020.

Note 3: 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, 2019
(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	Syncmold Enterprise (Samoa) Corp.	Subsidiary	\$1,769,609 (30% of the net worth of the Corporation)	\$ 56,960 (US\$ 2,000 thousand)	\$ 56,960 (US\$ 2,000 thousand) (Notes 1 and 5)	\$ -	\$ -	0.97	\$2,949,349 (50% of the net worth of the Corporation)	Y	-	-
		Full Big Limited	Subsidiary	\$1,769,609 (30% of the net worth of the Corporation)	626,560 (US\$ 22,000 thousand)	-	-	-	-	\$2,949,349 (50% of the net worth of the Corporation)	Y	-	-
		Forever Business Development Limited	Subsidiary	\$1,769,609 (30% of the net worth of the Corporation)	626,560 (US\$ 22,000 thousand)	626,560 (US\$ 22,000 thousand) (Notes 2, 3 and 5)	570	-	10.62	\$2,949,349 (50% of the net worth of the Corporation)	Y	-	-
		Fullking Development Limited	Subsidiary	\$1,769,609 (30% of the net worth of the Corporation)	626,560 (US\$ 22,000 thousand)	284,800 (US\$ 10,000 thousand) (Notes 3 and 5)	-	-	4.83	\$2,949,349 (50% of the net worth of the Corporation)	Y	-	-
		Full Celebration Limited	Subsidiary	\$1,769,609 (Net worth of the corporation 30%)	-	-	-	-	-	\$2,949,349 (Net worth of the corporation 50%)	Y	-	-
1	Leohab Enterprise Co., Ltd.	Commuwell Enterprise (Thailand) Co., Ltd.	Subsidiary	\$128,399 (50% of the net worth of Leohab Enterprise Co., Ltd.)	102,249 (THB 107,000 thousand)	64,025 (THB 67,000 thousand) (Notes 4 and 5)	3,822	-	1.09	\$256,797 (100% of the net worth of Leohab Enterprise Co., Ltd.)	N	-	-

Note 1: The co-financing amount of endorsement and guarantees by Syncmold Enterprise (Samoa) Corp. to bank A is \$56,960 thousand.

Note 2: The co-financing amount of endorsement and guarantees by Forever Business Development Limited to bank D is \$341,760 thousand.

Note 3: The co-financing amount of endorsement and guarantees by Forever Business Development Limited and Fullking Development Limited to bank E is \$284,800 thousand.

Note 4: The co-financing amount of endorsement and guarantees by Commuwell Enterprise (Thailand) Corporation Limited to bank A is \$64,025 thousand.

Note 5: The Corporation co-financed most of the endorsement and guarantee amounts, and the Corporation's total balance for endorsements and guarantees is \$683,520 thousand. The Corporation and its subsidiaries' total amount for endorsements and guarantees is \$747,545 thousand.

Syncmold Enterprise Corp.**Report on the 2020 Distribution of Remuneration to Employees, Directors and Supervisors**

- I. According to Article 20 Paragraph 1 of the Articles of Incorporation, where it says that “The Company shall set aside the remuneration in case of any remainder following retention of the pre-tax profit of the year prior to subtraction of the remuneration to employees and that to directors for making up accumulated losses, which may not be less than 3% to employees and higher than 2% to directors”, it is advised that the Company shall distribute the remuneration to directors and supervisors and that to employees for 2020.
- II. The undistributed earnings from prior years of the Company totaled NTD 200,428,131 and those recognized as retained earnings after adequate reduction of re-measurements of defined benefit plan totaled NTD 637,561. The post-adjusted undistributed earnings came to NTD 199,790,570. The self-settled before-tax profit of the Company in 2020 before subtraction of the remuneration to employees and that to directors and supervisors came to NTD 1,228,978,429. When distributed as required by the Company’s Articles of Incorporation, the remuneration to directors and supervisors as advised by the management is NTD 18,000,000 and that to employees is NTD 80,000,000.
- III. It is intended to distribute the remuneration to employees for 2020 completely in cash.

Syncmold Enterprise Corp.
Comparison Table of Revisions Made to Provisions of the Ethical Corporate
Management Best-Practice Principles

After	Before	Rationale
<p>Article 2 The directors, managers, employees, or whoever with substantial control of the Company (hereinafter referred to as applicable staff below), while doing business, may not, directly or indirectly, provide, promise, demand, or accept any unjustified interest or engage in other dishonest behaviors against integrity, the law, or in violation of the entrusted obligations in order to gain or maintain interest (hereinafter referred to as dishonest behavior). The counterparts of behavior mentioned in the foregoing include civil servants, political candidates, political parties or partisans, and any public or private enterprises or institutions and their directors, supervisors, managers, employees, substantial controllers, or other stakeholders.</p>	<p>Article 2 The directors, —supervisors, managers, employees, or whoever with substantial control of the Company (hereinafter referred to as applicable staff below), while doing business, may not, directly or indirectly, provide, promise, demand, or accept any unjustified interest or engage in other dishonest behaviors against integrity, the law, or in violation of the entrusted obligations in order to gain or maintain interest (hereinafter referred to as dishonest behavior). The counterparts of behavior mentioned in the foregoing include civil servants, political candidates, political parties or partisans, and any public or private enterprises or institutions and their directors, supervisors, managers, employees, substantial controllers, or other stakeholders.</p>	<p>As the Audit Committee is set up, written descriptions about supervisors are deleted.</p>
<p>Article 13 The Company and its directors, managers, employees, appointees, and substantial controllers shall follow applicable intellectual property laws and regulations and internal operating procedures and contract requirements of the Company; without permissions from the owner of a specific intellectual property right, the intellectual property right may not be used, disclosed, disposed of, damaged, or infringed upon, etc.</p>	<p>Article 13 The Company and its directors, supervisors, managers, employees, appointees, and substantial controllers shall follow applicable intellectual property laws and regulations and internal operating procedures and contract requirements of the Company; without permissions from the owner of a specific intellectual property right, the intellectual property right may not be used, disclosed, disposed of, damaged, or infringed upon, etc.</p>	<p>As the Audit Committee is set up, written descriptions about supervisors are deleted.</p>

After	Before	Rationale
<p>Article 15 The Company and its directors, managers, employees, appointees, and substantial controllers shall abide by applicable laws and regulations and international standards while researching and developing, purchasing, manufacturing, providing, or distributing products and services to ensure the transparency of information and safety of products and services.</p>	<p>Article 15 The Company and its directors, supervisors, managers, employees, appointees, and substantial controllers shall abide by applicable laws and regulations and international standards while researching and developing, purchasing, manufacturing, providing, or distributing products and services to ensure the transparency of information and safety of products and services.</p>	<p>As the Audit Committee is set up, written descriptions about supervisors are deleted.</p>
<p>Article 16 The directors, managers, employees, appointees, and substantial controllers of the Company shall exercise due diligence as good-will manager by urging the Company to prevent against dishonest behavior and discussing the implementation efficacy at any time and continuing to make progress to help ensure fulfillment of the integrity policy. For the sake of normalizing ethical corporate management, the Corporate Governance Group under the Board of Directors shall convene and form the Ethical Corporate Management Panel to take charge of preparing, supervising, and implementing the ethical corporate management policy and preventive solution and to address primarily the following and the Panel will report to the Board of Directors periodically (at least once a year): I. To help combine honesty and moral values as part of the Company’s operational strategy and to prepare related preventive measures to ensure ethical</p>	<p>Article 16 The directors, —supervisors, managers, employees, appointees, and substantial controllers of the Company shall exercise due diligence as good-will manager by urging the Company to prevent against dishonest behaviors and discussing the implementation efficacy at any time and continuing to make progress to help ensure fulfillment of the policy on ethical corporate management. For the sake of normalizing ethical corporate management, the Corporate Governance Group under the Board of Directors shall convene and form the Ethical Corporate Management Panel to take charge of preparing, supervising, and implementing the ethical corporate management policy and preventive solution and to address primarily the following and the Panel will report to the Board of Directors periodically (at least once a year): I. To help combine honesty and moral values as part of the Company’s operational strategy and to prepare related preventive</p>	<p>As the Audit Committee is set up, written descriptions about supervisors are deleted.</p>

After	Before	Rationale
<p>corporate management as required by law.</p> <p>II. To periodically analyze and evaluate risks of dishonest behaviors within the scope of operation and to accordingly establish solutions to prevent against dishonest behaviors and establish task-related standard operating procedures and behavioral guides within respective solutions.</p> <p>III. To plan internal organization, configuration, and job responsibilities and to have mutual check and balance mechanisms in place for operational activities at relatively high risks of dishonest behaviors within the scope of operation.</p> <p>IV. To promote and coordinate communication and training on the integrity policy.</p> <p>V. To plan a reporting system that helps ensure effective implementation.</p> <p>VI. To help the Board of Directors and the management inspect and evaluate whether preventive measures established to ensure ethical corporate management have been working effectively and to evaluate related operating procedures periodically for compliance, with a report produced.</p>	<p>measures to ensure ethical corporate management as required by law.</p> <p>II. To periodically analyze and evaluate risks of dishonest behaviors within the scope of operation and to accordingly establish solutions to prevent against dishonest behaviors and establish task-related standard operating procedures and behavioral guides within respective solutions.</p> <p>III. To plan internal organization, configuration, and job responsibilities and to have mutual check and balance mechanisms in place for operational activities at relatively high risks of dishonest behaviors within the scope of operation.</p> <p>IV. To promote and coordinate communication and training on the integrity policy.</p> <p>V. To plan a reporting system that helps ensure effective implementation.</p> <p>VI. To help the Board of Directors and the management inspect and evaluate whether preventive measures established to ensure ethical corporate management have been working effectively and to evaluate related operating procedures periodically for compliance, with a report produced.</p>	
<p>Article 18</p> <p>The Company shall establish policies to prevent against conflicting interests and to accordingly identify, supervise, and manage risks of possible dishonest behaviors caused by conflicting interests and to provide appropriate channels for the directors, managers, and</p>	<p>Article 18</p> <p>The Company shall establish policies to prevent against conflicting interests and to accordingly identify, supervise, and manage risks of possible dishonest behaviors caused by conflicting interests and to provide appropriate channels for the directors, supervisors,</p>	<p>As the Audit Committee is set up, written descriptions about supervisors are deleted.</p>

After	Before	Rationale
<p>other stakeholders present or seated in the Board of Directors to spontaneously explain whether potential conflicting interests with the Company's exist or not.</p> <p>The Company's directors, managers, and other stakeholders present or seated in the Board of Directors, when considered as an interested party themselves or the corporations they represent in the proposals raised by the Board of Directors, shall explain during the said Board of Directors' meeting important details about conflicting interests. They may not take part in the discussion and voting session if hurting the Company's interests is a concern and they shall recuse themselves during discussion and voting and may not exercise voting rights on behalf of other directors, either. The directors shall demonstrate self-discipline among themselves, too, without improper mutual support.</p> <p>The directors, managers, employees, appointees, and substantial controllers of the Company may not not take advantage of the position or the influence they have in the Company by enabling themselves, their spouse, parents, children, or anyone else to receive unjustified interests.</p>	<p>managers, and other stakeholders present or seated in the Board of Directors to spontaneously explain whether potential conflicting interests with the Company's exist or not.</p> <p>The Company's directors, supervisors, managers, and other stakeholders present or seated in the Board of Directors, when considered as an interested party themselves or the corporations they represent in the proposals raised by the Board of Directors, shall explain during the said Board of Directors' meeting important details about conflicting interests. They may not take part in the discussion and voting session if hurting the Company's interests is a concern and they shall recuse themselves during discussion and voting and may not exercise voting rights on behalf of other directors, either. The directors shall demonstrate self-discipline among themselves, too, without improper mutual support.</p> <p>The directors, supervisors, managers, employees, appointees, {and substantial controllers of the Company may not not take advantage of the position or the influence they have in the Company by enabling themselves, their spouse, parents, children, or anyone else to receive unjustified interests.</p>	
<p>Article 22 The Company shall provide justified whistle-blowing channels and shall precisely keep confidential the identity of the party being reported and details about the report.</p>	<p>Article 22 The Company shall provide justified whistle-blowing channels and shall precisely keep confidential the identity of the party being reported and details about the report.</p>	<p>As the Audit Committee is set up, written descriptions about supervisors are deleted.</p>

After	Before	Rationale
<p>The responsible person or unit handling reported matters of the Company, upon discovering major violations or a concern over the Company suffering major damages through investigation, shall produce a report immediately and notify the independent director in writing.</p>	<p>The responsible person or unit handling reported matters of the Company, upon discovering major violations or a concern over the Company suffering major damages through investigation, shall produce a report immediately and notify the independent director or the supervisor in writing.</p>	
<p>Article 25 The Company shall pay attention to developments of applicable regulations governing honest operations domestically and internationally at all times and encourage directors, managers, and employees to provide advice and discuss accordingly and improve the policy herein and the measures being promoted by the Company in order to enhance the efficacy of ethical corporate management of the Company.</p>	<p>Article 25 The Company shall pay attention to developments of applicable regulations governing honest operations domestically and internationally at all times and encourage directors, supervisors, managers, and employees to provide advice and discuss accordingly and improve the policy herein and the measures being promoted by the Company in order to enhance the efficacy of ethical corporate management of the Company.</p>	<p>As the Audit Committee is set up, written descriptions about supervisors are deleted.</p>
<p>Article 26 The Ethical Corporate Management Best-Practice Principles shall enter into force after it has been approved by the Board of Directors and shall be submitted to <u>the Audit Committee</u> and to the shareholders' meeting. The same shall apply upon revisions. When the Ethical Corporate Management Best-Practice Principles is submitted to the Board of Directors for discussion as required in the preceding paragraph, opinions from respective independent directors shall be sufficiently considered. In the event that an independent director objects or has reserved opinions, it shall be specified so in the Board of Directors meeting minutes. If an</p>	<p>Article 26 The Ethical Corporate Management Best-Practice Principles shall enter into force after it has been approved by the Board of Directors and shall be submitted to each of the supervisors and presented in the shareholders' meeting. The same shall apply upon revisions. When the Ethical Corporate Management Best-Practice Principles is submitted to the Board of Directors for discussion as required in the preceding paragraph, opinions from respective independent directors shall be sufficiently considered. In the event that an independent director objects or has reserved opinions, it shall be specified so in the Board of Directors meeting minutes. If an</p>	<p>As the Audit Committee is set up, written descriptions about supervisors are deleted.</p>

After	Before	Rationale
<p>independent director is unable to attend the Board of Directors meeting in person to express objections or reserved opinions, unless with justified reasons, written opinions shall be provided in advance and it shall be specified so in the Board of Directors meeting minutes.</p>	<p>independent director is unable to attend the Board of Directors meeting in person to express objections or reserved opinions, unless with justified reasons, written opinions shall be provided in advance and it shall be specified so in the Board of Directors meeting minutes.</p>	

Syncmold Enterprise Corp.
Comparison Table of Revisions Made to Provisions of the Ethical Code of Conduct
for Directors, Supervisors, and Managers

After	Before	Rationale
Ethical Code of Conduct for Directors and Managers	Ethical Code of Conduct for Directors, Supervisors, and Managers	As the Audit Committee is set up, written descriptions about supervisors are deleted.
<p>Article 1</p> <p>In order for the Company's directors and managers to have something to be followed for their moral behavior while they are engaged in operational activities as part of their function, this Code is prepared to prevent against unethical behavior and behavior that undermines the interests of the Company and the shareholders.</p>	<p>Article 1</p> <p>In order for the Company's directors, supervisors, and managers to have something to be followed for their moral behavior while they are engaged in operational activities as part of their function, this Code is prepared to prevent against unethical behavior and behavior that undermines the interests of the Company and the shareholders.</p>	As the Audit Committee is set up, written descriptions about supervisors are deleted.
<p>Article 2</p> <p>This Code shall apply to all directors and managers of the Company (including the President, Vice President, Assistant Vice President or their equivalents and higher-ranking officials, head of finance, and head of accounting).</p>	<p>Article 2</p> <p>This Code shall apply to all directors, supervisors, and managers of the Company (including the President, Vice President, Assistant Vice President or their equivalents and higher-ranking officials, head of finance, and head of accounting).</p>	As the Audit Committee is set up, written descriptions about supervisors are deleted.
<p>Article 3</p> <p>This Code is meant only to serve as a guide for the directors and managers of the Company. For questions about specific conditions set forth under one or more provisions of this Code, the Company's directors and managers may consult professionals inside or outside</p>	<p>Article 3</p> <p>This Code is meant only to serve as a guide for the directors, supervisors, and managers of the Company. For questions about specific conditions set forth under one or more provisions of this Code, the Company's directors, supervisors, and managers may</p>	As the Audit Committee is set up, written descriptions about supervisors are deleted.

<p>the Company for their opinions, depending on the circumstances.</p>	<p>consult professionals inside or outside the Company for their opinions, depending on the circumstances.</p>	
<p>Article 4 Directors and managers shall handle affairs of the Company with an honest, non-deceptive, reliable and lawful, fair and impartial, and ethical/moral self-disciplinary attitude.</p>	<p>Article 4 Directors, supervisors, and managers shall handle affairs of the Company with an honest, non-deceptive, reliable and lawful, fair and impartial, and ethical/moral self-disciplinary attitude.</p>	<p>As the Audit Committee is set up, written descriptions about supervisors are deleted.</p>
<p>Article 5 Directors and managers shall avoid conflicts of interest where personal interests or the overall interest of the Company may be at stake, including, without limitation, the inability of the said person to handle affairs of the Company objectively and efficiently or the said person, his/her spouse, parent, child, or relative within the third degree of kinship to receive unjustified interests due to his/her position in the Company. In order to prevent against conflicts of interest, the lending of funds, guarantees, or major transactions of assets between the Company and the enterprises that the foregoing parties belong to need to be handled in compliance with applicable laws and regulations and requirements of the Company. Related purchases (sales), on the other hand, shall be handled in the best interest of the Company. Managers or their subordinates may not have the spouse or a relative to the second degree of kinship to work in the same department or to hold a position that shall be managed separately as part of the internal control mechanism. In cases of special needs, to hire the above-</p>	<p>Article 5 Directors, supervisors, and managers shall avoid conflicts of interest where personal interests or the overall interest of the Company may be at stake, including, without limitation, the inability of the said person to handle affairs of the Company objectively and efficiently or the said person, his/her spouse, parent, child, or relative within the third degree of kinship to receive unjustified interests due to his/her position in the Company. In order to prevent against conflicts of interest, the lending of funds, guarantees, or major transactions of assets between the Company and the enterprises that the foregoing parties belong to need to be handled in compliance with applicable laws and regulations and requirements of the Company. Related purchases (sales), on the other hand, shall be handled in the best interest of the Company. Managers or their subordinates may not have the spouse or a relative to the second degree of kinship to work in the same department or to hold a position that shall be managed separately as part of the internal control mechanism. In cases of special needs, to hire the above-</p>	<p>As the Audit Committee is set up, written descriptions about supervisors are deleted.</p>

<p>mentioned spouse or relative to the second degree of kinship, prior approval shall be obtained from the Board of Directors.</p>	<p>mentioned spouse or relative to the second degree of kinship, prior approval shall be obtained from the Board of Directors.</p>	
<p>Article 6 In cases of profit-making opportunities, directors and managers of the Company shall maintain or increase the justified legitimate interests that the Company may be entitled to. Directors and managers may not use the Company's property, information, or obtain personal interests or benefit someone else taking advantage of their position or function and may not be engaged in competition against the Company unless it is required by the Company Act or the Articles of Incorporation.</p>	<p>Article 6 In cases of profit-making opportunities, directors, supervisors, and managers of the Company shall maintain or increase the justified legitimate interests that the Company may be entitled to. Directors, supervisors, and managers may not use the Company's property, information, or obtain personal interests or benefit someone else taking advantage of their position or function and may not be engaged in competition against the Company unless it is required by the Company Act or the Articles of Incorporation.</p>	<p>As the Audit Committee is set up, written descriptions about supervisors are deleted.</p>
<p>Article 7 Directors and managers shall be obligated to keep information about the Company and customers that the Company purchases from or sells to confidential unless disclosure is authorized or required by law. Information that shall be kept confidential includes all the information yet to be disclosed that may be utilized by the competition or that may harm the Company or the customer if disclosed.</p>	<p>Article 7 Directors, supervisors, and managers shall be obligated to keep information about the Company and customers that the Company purchases from or sells to confidential unless disclosure is authorized or required by law. Information that shall be kept confidential includes all the information yet to be disclosed that may be utilized by the competition or that may harm the Company or the customer if disclosed.</p>	<p>As the Audit Committee is set up, written descriptions about supervisors are deleted.</p>
<p>Article 8 The Company is devoted to competition on the market through outstanding operational management and service and does not seek efficacy unlawfully or unethically. Directors and managers shall treat the Company's customers and employees fairly and competition lawfully and may not provide untruthful</p>	<p>Article 8 The Company is devoted to competition on the market through outstanding operational management and service and does not seek efficacy unlawfully or unethically. Directors, supervisors, and managers shall treat the Company's customers and employees fairly and competition lawfully and may</p>	<p>As the Audit Committee is set up, written descriptions about supervisors are deleted.</p>

statements about important matters or obtain unjustified interests in other unfair trading approaches by manipulating, hiding, or abusing the information that they become aware of because of the tasks they perform.	not provide untruthful statements about important matters or obtain unjustified interests in other unfair trading approaches by manipulating, hiding, or abusing the information that they become aware of because of the tasks they perform.	
<p>Article 9</p> <p>The Company’s assets shall be protected and may only be properly utilized for the legitimate commercial purposes of the Company. Directors and managers are responsible for protecting the Company’s assets and ensuring that they can be effectively and lawfully used for business and preventing them from being stolen, neglected, or wasted to directly impact the Company’s profitability.</p>	<p>Article 9</p> <p>The Company’s assets shall be protected and may only be properly utilized for the legitimate commercial purposes of the Company. Directors, supervisors, and managers are responsible for protecting the Company’s assets and ensuring that they can be effectively and lawfully used for business and preventing them from being stolen, neglected, or wasted to directly impact the Company’s profitability.</p>	As the Audit Committee is set up, written descriptions about supervisors are deleted.
<p>Article 10</p> <p>Directors and managers shall supervise the Company over reinforced compliance with the Company Act, the Securities and Exchange Act, and other laws and regulations and abide by all the laws and regulations governing activities of the Company and may not violate any law or regulation on purpose, intend to mislead, manipulate or unfairly receive interests from customers or suppliers, and provide untruthful statements about the Company’s products or services.</p>	<p>Article 10</p> <p>Directors, supervisors, and managers shall supervise the Company over reinforced compliance with the Company Act, the Securities and Exchange Act, and other laws and regulations and abide by all the laws and regulations governing activities of the Company and may not violate any law or regulation on purpose, intend to mislead, manipulate or unfairly receive interests from customers or suppliers, and provide untruthful statements about the Company’s products or services.</p>	As the Audit Committee is set up, written descriptions about supervisors are deleted.
<p>Article 11</p> <p>Upon suspicious or discovered violations of laws or regulations or this Code by directors or managers, the Company’s employees shall enclose sufficient information and submit it to the Personnel Department or the head of</p>	<p>Article 11</p> <p>Upon suspicious or discovered violations of laws or regulations or this Code by directors, supervisors, or managers, the Company’s employees shall enclose sufficient information and submit it to the Personnel</p>	As the Audit Committee is set up, written descriptions about supervisors are deleted.

<p>internal audit to reveal them. Once such violations are confirmed through investigation, the Company shall provide adequate rewards according to the Personnel Management Rules. The Company shall adequately process the materials enclosed in the submission as mentioned above confidentially and responsibly and try its best to protect the safety of the good-will whistleblower so that the latter is not subject to threat of any form.</p>	<p>Department or the head of internal audit or supervisor to reveal them. Once such violations are confirmed through investigation, the Company shall provide adequate rewards according to the Personnel Management Rules. The Company shall adequately process the materials enclosed in the submission as mentioned above confidentially and responsibly and try its best to protect the safety of the good-will whistleblower so that the latter is not subject to threat of any form.</p>	
<p>Article 12 In the event that directors and managers violate the Ethical Code of Conduct, the Company shall address it according to the disciplinary measures specified in applicable laws and regulations or the Personnel Management Rules and disclose in real time the title and name of the violator, date of violation, cause of violation, the guidelines involved in the violation, and how it is handled in the Market Observation Post System. If directors and managers can provide evidence to prove that they did not violate this Code, they may appeal to related departments right away.</p>	<p>Article 12 In the event that directors, supervisors, and managers violate the Ethical Code of Conduct, the Company shall address it according to the disciplinary measures specified in applicable laws and regulations or the Personnel Management Rules and disclose in real time the title and name of the violator, date of violation, cause of violation, the guidelines involved in the violation, and how it is handled in the Market Observation Post System. If directors, supervisors, and managers can provide evidence to prove that they did not violate this Code, they may appeal to related departments right away.</p>	<p>As the Audit Committee is set up, written descriptions about supervisors are deleted.</p>
<p>Article 13 If it is required to waive compliance with this Code for directors and managers, prior resolution and approval by the Board of Directors is required and it shall be disclosed in real time the title and name of people for whom the waiver is allowed, date the waiver is approved by the Board of Directors, applicable duration of the</p>	<p>Article 13 If it is required to waive compliance with this Code for directors, supervisors, and managers, prior resolution and approval by the Board of Directors is required and it shall be disclosed in real time the title and name of people for whom the waiver is allowed, date the waiver is approved by the Board of Directors, applicable duration</p>	<p>As the Audit Committee is set up, written descriptions about supervisors are deleted.</p>

<p>waiver, rationale for the applicability of the waiver, and applicable guidelines for the waiver, among other information, in the Market Observation Post System so that shareholders may determine if the resolution reached by the Board of Directors is appropriate and to protect the rights of the Company.</p>	<p>of the waiver, rationale for the applicability of the waiver, and applicable guidelines for the waiver, among other information, in the Market Observation Post System so that shareholders may determine if the resolution reached by the Board of Directors is appropriate and to protect the rights of the Company.</p>	
<p>Article 14 In the event that directors and managers of the Company serve as directors or managers of a public offering company that is not the parent or a subsidiary of the Company, the Company shall be informed of it immediately.</p>	<p>Article 14 In the event that directors, supervisors, and managers of the Company serve as directors or managers of a public offering company that is not the parent ; supervisors, or a subsidiary of the Company, the Company shall be informed of it immediately.</p>	<p>As the Audit Committee is set up, written descriptions about supervisors are deleted.</p>
<p>Article 16 This Code is to be enforced after it is approved by the Board of Directors and to be brought forth in the shareholders' meeting; the same applies upon amendment.</p>	<p>Article 16 This Code is to be enforced after it is approved by the Board of Directors and to be sent to each of the supervisors and to be brought forth in the shareholders' meeting; the same applies upon amendment.</p>	<p>As the Audit Committee is set up, written descriptions about supervisors are deleted.</p>

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, 2020 and 2019, 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, 2020 and 2019, 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 auditing standards generally accepted in 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, 2020. 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.

Key audit matter of the Corporation's financial statements for the year ended December 31, 2020 is stated 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 63.54% of total sales revenue in 2020. 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, 2020. 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 future 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, 2020 and 2019, the amounts of investments accounted for using the equity method were NT\$418,523 thousand and NT\$168,252 thousand, respectively, which accounted for 4.54% and 2.03% of the Corporation's total assets, respectively. For the years ended December 31, 2020 and 2019, share of profit of associates accounted for using the equity method amounted to NT\$9,671 thousand and NT\$3,939 thousand, respectively, which accounted for 1.00% and 0.53% 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 auditing standards generally accepted in 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 auditing standards generally accepted in 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, 2020 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 Tung-Feng Lee and Chih-Yuan Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 16, 2021

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, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

ASSETS	2020		2019	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Notes 4 and 6)	\$ 438,447	5	\$ 308,208	4
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	220,572	3	39,800	1
Notes receivable	-	-	5,216	-
Trade receivables, net (Notes 4 and 8)	766,631	8	886,530	11
Trade receivables from related parties (Notes 4 and 25)	245,735	3	204,542	2
Other receivables from related parties (Notes 4 and 25)	22,565	-	66,954	1
Current tax assets (Notes 4 and 20)	8,474	-	3,309	-
Inventories (Notes 4 and 9)	15,838	-	25,730	-
Other current assets (Note 4)	10,354	-	34,595	-
Total current assets	<u>1,728,616</u>	<u>19</u>	<u>1,574,884</u>	<u>19</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	70,286	1	60,882	1
Investments accounted for using the equity method (Notes 4, 10 and 22)	6,885,352	75	6,145,911	74
Property, plant and equipment (Notes 4, 11 and 25)	152,098	2	118,158	2
Right-of-use assets (Notes 4, 12 and 25)	23,591	-	21,366	-
Goodwill (Notes 4 and 13)	324,597	3	324,597	4
Intangible assets (Notes 4 and 14)	15,593	-	17,159	-
Deferred tax assets (Notes 4 and 20)	505	-	760	-
Prepayments for land, property and equipment	17,160	-	494	-
Net defined benefit assets (Notes 4 and 17)	2,567	-	2,269	-
Refundable deposits	2,161	-	1,716	-
Total non-current assets	<u>7,493,910</u>	<u>81</u>	<u>6,693,312</u>	<u>81</u>
TOTAL	<u>\$ 9,222,526</u>	<u>100</u>	<u>\$ 8,268,196</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 15)	\$ 1,214,800	13	\$ 726,982	9
Notes payable and trade payables	6,029	-	7,611	-
Trade payables from related parties (Note 25)	1,226,682	13	1,183,282	14
Other payables (Note 16)	167,585	2	193,747	3
Other payables from related parties (Note 25)	327,520	4	344,770	4
Current tax liabilities (Notes 4 and 20)	98,120	1	18,796	-
Lease liabilities - current (Notes 4 and 12)	13,175	-	8,180	-
Other current liabilities	2,934	-	3,092	-
Total current liabilities	<u>3,056,845</u>	<u>33</u>	<u>2,486,460</u>	<u>30</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 20)	254,065	3	275,737	4
Lease liabilities - non-current (Notes 4, 12 and 25)	10,397	-	13,188	-
Other non-current liabilities (Notes 4 and 10)	2,522	-	2,437	-
Total non-current liabilities	<u>266,984</u>	<u>3</u>	<u>291,362</u>	<u>4</u>
Total liabilities	<u>3,323,829</u>	<u>36</u>	<u>2,777,822</u>	<u>34</u>
EQUITY				
Ordinary shares	1,237,242	14	1,237,242	15
Capital surplus	2,592,857	28	2,591,280	31
Retained earnings				
Legal reserve	904,665	10	810,515	10
Special reserve	634,020	7	431,506	5
Unappropriated earnings	1,165,528	12	1,053,851	13
Total retained earnings	<u>2,704,213</u>	<u>29</u>	<u>2,295,872</u>	<u>28</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	(639,134)	(7)	(633,784)	(8)
Unrealized gain (loss) of financial assets at fair value through other comprehensive income	3,519	-	(236)	-
Total other equity	<u>(635,615)</u>	<u>(7)</u>	<u>(634,020)</u>	<u>(8)</u>
Total equity	<u>5,898,697</u>	<u>64</u>	<u>5,490,374</u>	<u>66</u>
TOTAL	<u>\$ 9,222,526</u>	<u>100</u>	<u>\$ 8,268,196</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 16, 2021)

SYNCMOLD ENTERPRISE CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 25)				
Sales revenue	\$ 3,597,648	92	\$ 3,393,441	92
Other operating revenue	<u>333,466</u>	<u>8</u>	<u>313,233</u>	<u>8</u>
Total operating revenue	3,931,114	100	3,706,674	100
OPERATING COSTS (Notes 4, 9, 19 and 25)	<u>3,413,366</u>	<u>87</u>	<u>3,156,347</u>	<u>85</u>
GROSS PROFIT	<u>517,748</u>	<u>13</u>	<u>550,327</u>	<u>15</u>
OPERATING EXPENSES (Notes 19 and 25)				
Selling and marketing expenses	62,610	1	97,531	3
General and administrative expenses	184,044	5	166,155	4
Research and development expenses	169,754	4	168,952	5
Expected credit loss on trade receivables (Notes 4 and 8)	<u>601</u>	<u>-</u>	<u>59</u>	<u>-</u>
Total operating expenses	<u>417,009</u>	<u>10</u>	<u>432,697</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>100,739</u>	<u>3</u>	<u>117,630</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 25)	993	-	1,013	-
Gain from bargain purchase - acquisition of subsidiaries (Notes 4, 10 and 22)	19,323	-	63,669	2
Other income (Notes 19 and 25)	21,224	1	1,653	-
Net gain on financial assets at fair value through profit or loss (Notes 4 and 7)	40,215	1	30,744	1
Impairment loss on goodwill (Notes 4 and 13)	-	-	(42,180)	(1)
Interest expenses (Note 25)	(9,767)	-	(1,246)	-
Net foreign exchange gain (Notes 4 and 19)	32,949	1	7,972	-
Share of profit of subsidiaries and associates (Notes 4 and 10)	<u>924,709</u>	<u>23</u>	<u>933,427</u>	<u>25</u>
Total non-operating income and expenses	<u>1,029,646</u>	<u>26</u>	<u>995,052</u>	<u>27</u>
PROFIT BEFORE INCOME TAX	1,130,385	29	1,112,682	30
INCOME TAX EXPENSE (Notes 4 and 20)	<u>164,647</u>	<u>4</u>	<u>171,140</u>	<u>5</u>
NET PROFIT FOR THE YEAR	<u>965,738</u>	<u>25</u>	<u>941,542</u>	<u>25</u>

(Continued)

SYNCMOLD ENTERPRISE CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 283	-	\$ (56)	-
Share of other comprehensive income of subsidiaries accounted for using the equity method	2,891	-	(236)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(57)	-	11	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>(5,350)</u>	<u>-</u>	<u>(202,278)</u>	<u>(5)</u>
Other comprehensive loss for the year	<u>(2,233)</u>	<u>-</u>	<u>(202,559)</u>	<u>(5)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 963,505</u>	<u>25</u>	<u>\$ 738,983</u>	<u>20</u>
EARNINGS PER SHARE (Note 21)				
Basic	<u>\$ 7.81</u>		<u>\$ 7.61</u>	
Diluted	<u>\$ 7.73</u>		<u>\$ 7.55</u>	

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

(With Deloitte & Touche auditors' report dated March 16, 2021)

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	Capital Surplus (Notes 4 and 18)											Other Equity			
	Ordinary Shares (Note 18)	Issuance of Ordinary Shares	The Difference Between the Consideration Paid and the Carrying Amount of the Subsidiaries Net Assets During Actual Acquisition	Change in Percentage of Ownership Interest in Subsidiaries	Consolidation Excess	Other	Total	Retained Earnings (Note 18)				Exchange Differences on Translating the Financial Statements of Foreign Operation (Notes 4 and 18)	Unrealized Gain (Loss) of Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total Equity
								Legal Reserve	Special Reserve	Unappropriated Earnings					
										Total					
BALANCE AT JANUARY 1, 2019	\$ 1,237,242	\$ 1,184,809	\$ 410,949	\$ 143,150	\$ 852,372	\$ -	\$ 2,591,280	\$ 721,519	\$ 376,649	\$ 1,060,414	\$ 2,158,582	\$ (431,506)	\$ -	\$ (431,506)	\$ 5,555,598
Appropriation of 2018 earnings															
Legal reserve	-	-	-	-	-	-	-	88,996	-	(88,996)	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	54,857	(54,857)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	-	-	-	(804,207)	(804,207)	-	-	-	(804,207)
	-	-	-	-	-	-	-	88,996	54,857	(948,060)	(804,207)	-	-	-	(804,207)
Net profit for the year ended December 31, 2019	-	-	-	-	-	-	-	-	-	941,542	941,542	-	-	-	941,542
Other comprehensive loss for the year ended December 31, 2019, net of income tax	-	-	-	-	-	-	-	-	-	(45)	(45)	(202,278)	(236)	(202,514)	(202,559)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	-	-	-	-	941,497	941,497	(202,278)	(236)	(202,514)	738,983
BALANCE AT DECEMBER 31, 2019	1,237,242	1,184,809	410,949	143,150	852,372	-	2,591,280	810,515	431,506	1,053,851	2,295,872	(633,784)	(236)	(634,020)	5,490,374
Appropriation of 2019 earnings															
Legal reserve	-	-	-	-	-	-	-	94,150	-	(94,150)	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	202,514	(202,514)	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	-	-	-	(556,759)	(556,759)	-	-	-	(556,759)
	-	-	-	-	-	-	-	94,150	202,514	(853,423)	(556,759)	-	-	-	(556,759)
Unclaimed dividends	-	-	-	-	-	56	56	-	-	-	-	-	-	-	56
Actual acquisition of interests in subsidiaries	-	-	1,521	-	-	-	1,521	-	-	-	-	-	-	-	1,521
Net profit for the year ended December 31, 2020	-	-	-	-	-	-	-	-	-	965,738	965,738	-	-	-	965,738
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	-	-	-	-	(638)	(638)	(5,350)	3,755	(1,595)	(2,233)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	-	-	-	965,100	965,100	(5,350)	3,755	(1,595)	963,505
BALANCE AT DECEMBER 31, 2020	\$ 1,237,242	\$ 1,184,809	\$ 412,470	\$ 143,150	\$ 852,372	\$ 56	\$ 2,592,857	\$ 904,665	\$ 634,020	\$ 1,165,528	\$ 2,704,213	\$ (639,134)	\$ 3,519	\$ (635,615)	\$ 5,898,697

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

(With Deloitte & Touche auditors' report dated March 16, 2021)

SYNCMOLD ENTERPRISE CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,130,385	\$ 1,112,682
Adjustments for:		
Depreciation expenses	22,317	11,678
Amortization expenses	11,288	11,445
Expected credit loss recognized on trade receivables	601	59
Net gain on financial assets at fair value through profit or loss	(40,215)	(30,744)
Share of profit of subsidiaries and associates	(924,709)	(933,427)
Interest expenses	9,767	1,246
Interest income	(993)	(1,013)
Dividend income	(6,229)	-
Loss on disposal of property, plant and equipment	2	-
Impairment loss on goodwill	-	42,180
Reversal of write-downs of inventories	-	(1,900)
Net gain on unrealized foreign currency exchange	(23,249)	(16,368)
Gain from bargain purchase	(19,323)	(63,669)
Gain on lease modification	(3)	-
Changes in operating assets and liabilities		
Notes receivable	5,216	3,630
Trade receivables	119,298	(57,237)
Trade receivables from related parties	(48,753)	1,731
Other receivables from related parties	(5,611)	1,684
Inventories	9,892	3,617
Other current assets	24,241	(27,118)
Net defined benefit assets	(15)	(23)
Notes payable and trade payables	(1,567)	(555)
Trade payables from related parties	64,994	227,947
Other payables	(26,481)	491
Other current liabilities	(158)	(2,140)
Cash generated from operations	300,695	284,196
Interest paid	(9,392)	(1,293)
Income tax paid	(111,962)	(153,835)
Net cash generated from operating activities	<u>179,341</u>	<u>129,068</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(217,884)	(449,385)
Proceeds of financial assets at fair value through profit or loss	67,923	625,462
Acquisition of associates	-	(52,000)
Net cash outflow on acquisition of subsidiaries	(563,595)	(550,000)
Payment for property, plant and equipment	(43,312)	(13,243)
Proceeds from disposal of property, plant and equipment	256	-
Increase in refundable deposits	(445)	(1,145)
Decrease (increase) in finance receivables from related parties	50,000	(50,000)
Purchase of intangible assets	(9,722)	(15,413)

(Continued)

SYNCMOLD ENTERPRISE CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
Increase in prepayments for land, property and equipment	\$ (17,160)	\$ (494)
Interest received	993	1,013
Dividends received	<u>773,562</u>	<u>496,428</u>
Net cash generated from (used in) investing activities	<u>40,616</u>	<u>(8,777)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	487,818	496,982
Repayment of the principal portion of lease liabilities	(12,727)	(4,114)
Increase in finance payables from related parties	(8,050)	94,307
Refund of guarantee deposits received	-	(120)
Dividends paid	<u>(556,759)</u>	<u>(804,207)</u>
Net cash used in financing activities	<u>(89,718)</u>	<u>(217,152)</u>
NET INCREASE (DECREASE) IN CASH	130,239	(96,861)
CASH AT THE BEGINNING OF THE YEAR	<u>308,208</u>	<u>405,069</u>
CASH AT THE END OF THE YEAR	<u>\$ 438,447</u>	<u>\$ 308,208</u>

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

(With Deloitte & Touche auditors' report dated March 16, 2021)

(Concluded)

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, 2020 and 2019, 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, 2020 and 2019, 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 auditing standards generally accepted in 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, 2020. 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

Key audit matter of the Group's consolidated financial statements for the year ended December 31, 2020 is stated 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 51.20% of total sales revenue in 2020. 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, 2020. 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 future sales returns and discounts of major customers to confirm the occurrence of sales revenue.

Other Matter

We did not audit the financial statements of certain subsidiaries of the Group as of and for the year ended December 31, 2020 which were included in the accompanying consolidated financial statements, but such financial statements were audited by other auditors whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included in the Group's consolidated financial statements for such subsidiaries, is based solely on the reports of other auditors. The total assets of such subsidiaries amounted to NT\$742,781 thousand, which represented 6.31% of the Group's consolidated total assets. The operating revenue of such subsidiaries amounted to NT\$51,837 thousand, which represented 0.54% of the Group's consolidated total operating revenue. 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, 2020 and 2019, the amounts of investments accounted for using the equity method were NT\$164,556 thousand and NT\$168,252 thousand, respectively, which accounted for 1.40% and 1.68% of the Group's consolidated total assets, respectively. For the years ended December 31, 2020 and 2019, share of other comprehensive income of associates accounted for using the equity method amounted to NT\$7,704 thousand and NT\$3,939 thousand, respectively, which accounted for 0.79% and 0.53% 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, 2020 and 2019 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 auditing standards generally accepted in 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 auditing standards generally accepted in 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, 2020 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 Tung-Feng Lee and Chih-Yuan Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 16, 2021

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, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

ASSETS	2020		2019	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,420,807	21	\$ 2,889,307	29
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	375,949	3	91,989	1
Financial assets at amortized cost - current (Notes 4, 8 and 30)	605,827	5	173,894	2
Notes receivable	392,958	3	401,766	4
Trade receivables, net (Notes 4 and 9)	3,616,529	31	3,088,959	31
Inventories (Notes 4 and 10)	967,154	8	747,098	7
Other current assets (Notes 4, 23 and 29)	429,744	4	258,484	2
Total current assets	<u>8,808,968</u>	<u>75</u>	<u>7,651,497</u>	<u>76</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	70,286	1	60,882	1
Investments accounted for using the equity method (Notes 4 and 12)	164,556	1	168,252	2
Property, plant and equipment (Notes 4, 13, 29 and 30)	1,686,017	14	1,225,581	12
Right-of-use assets (Notes 4, 14 and 29)	495,502	4	436,868	5
Goodwill (Notes 4 and 15)	324,597	3	324,597	3
Intangible assets (Notes 4 and 16)	34,250	-	26,637	-
Deferred tax assets (Notes 4 and 23)	79,720	1	70,538	1
Prepayments for land, property and equipment	66,967	1	22,455	-
Refundable deposits	37,202	-	31,272	-
Net defined benefit assets (Notes 4 and 20)	2,567	-	2,269	-
Other non-current assets (Notes 4 and 16)	279	-	4,662	-
Total non-current assets	<u>2,961,943</u>	<u>25</u>	<u>2,374,013</u>	<u>24</u>
TOTAL	<u>\$ 11,770,911</u>	<u>100</u>	<u>\$ 10,025,510</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 17 and 30)	\$ 1,867,695	16	\$ 1,006,982	10
Short-term bills payable (Notes 4 and 17)	29,981	-	-	-
Notes payable and trade payables	2,183,688	19	1,959,612	20
Other payables (Note 19)	498,717	4	417,290	4
Current tax liabilities (Notes 4 and 23)	181,357	2	113,470	1
Lease liabilities - current (Notes 4, 14 and 29)	133,785	1	123,884	1
Current portion of long-term borrowing and bonds payable (Notes 17, 18 and 30)	16,909	-	150,000	2
Other current liabilities	17,314	-	15,199	-
Total current liabilities	<u>4,929,446</u>	<u>42</u>	<u>3,786,437</u>	<u>38</u>
NON-CURRENT LIABILITIES				
Long-term borrowing (Notes 4 and 17)	56,227	1	-	-
Deferred tax liabilities (Notes 4 and 23)	331,939	3	276,152	3
Lease liabilities - non-current (Notes 4, 14 and 29)	170,268	1	232,119	2
Net defined benefit liabilities (Notes 4 and 20)	20,763	-	10,956	-
Guarantee deposits received	1,308	-	215	-
Other non-current liabilities (Note 20)	19,125	-	-	-
Total non-current liabilities	<u>599,630</u>	<u>5</u>	<u>519,442</u>	<u>5</u>
Total liabilities	<u>5,529,076</u>	<u>47</u>	<u>4,305,879</u>	<u>43</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION				
Ordinary shares	1,237,242	10	1,237,242	12
Capital surplus	2,592,857	22	2,591,280	26
Retained earnings				
Legal reserve	904,665	8	810,515	8
Special reserve	634,020	5	431,506	4
Unappropriated earnings	1,165,528	10	1,053,851	11
Total retained earnings	<u>2,704,213</u>	<u>23</u>	<u>2,295,872</u>	<u>23</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	(639,134)	(5)	(633,784)	(6)
Unrealized gain (loss) of financial assets at fair value through other comprehensive income	3,519	-	(236)	-
Total other equity	<u>(635,615)</u>	<u>(5)</u>	<u>(634,020)</u>	<u>(6)</u>
Total equity attributable to owners of the Corporation	5,898,697	50	5,490,374	55
NON-CONTROLLING INTERESTS	<u>343,138</u>	<u>3</u>	<u>229,257</u>	<u>2</u>
Total equity	<u>6,241,835</u>	<u>53</u>	<u>5,719,631</u>	<u>57</u>
TOTAL	<u>\$ 11,770,911</u>	<u>100</u>	<u>\$ 10,025,510</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 16, 2021)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Note 4)	\$ 9,663,341	100	\$ 8,582,344	100
OPERATING COSTS (Notes 4, 10 and 22)	<u>7,122,648</u>	<u>74</u>	<u>6,317,305</u>	<u>74</u>
GROSS PROFIT	<u>2,540,693</u>	<u>26</u>	<u>2,265,039</u>	<u>26</u>
OPERATING EXPENSES (Notes 22 and 29)				
Selling and marketing expenses	254,095	2	289,010	3
General and administrative expenses	584,491	6	526,348	6
Research and development expenses	175,753	2	170,127	2
Expected credit loss (reversed) on trade receivables	<u>(5,338)</u>	<u>-</u>	<u>1,559</u>	<u>-</u>
Total operating expenses	<u>1,009,001</u>	<u>10</u>	<u>987,044</u>	<u>11</u>
PROFIT FROM OPERATIONS	<u>1,531,692</u>	<u>16</u>	<u>1,277,995</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4, 14 and 22)	42,663	-	44,191	1
Other gains and losses (Notes 14 and 22)	(9,764)	-	(8,720)	-
Interest income	35,901	-	26,755	-
Gain from bargain purchase - acquisition of subsidiaries (Notes 4 and 25)	19,323	-	63,669	1
Net foreign exchange (loss) gain (Notes 22 and 33)	(153,494)	(2)	59,115	1
Net gain on financial assets at fair value through profit or loss (Notes 4 and 7)	54,357	1	40,794	-
Share of profit of subsidiaries and associates (Notes 4 and 12)	4,185	-	3,939	-
Interest expenses (Note 29)	(27,342)	-	(20,568)	-
Impairment loss on goodwill (Notes 4 and 15)	<u>-</u>	<u>-</u>	<u>(42,180)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>(34,171)</u>	<u>(1)</u>	<u>166,995</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	1,497,521	15	1,444,990	17
INCOME TAX EXPENSE (Notes 4 and 23)	<u>522,839</u>	<u>5</u>	<u>502,395</u>	<u>6</u>
NET PROFIT FOR THE YEAR	<u>974,682</u>	<u>10</u>	<u>942,595</u>	<u>11</u>

(Continued)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (572)	-	\$ (380)	-
Share of other comprehensive income of subsidiaries accounted for using the equity method	3,519	-	(2,577)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(57)	-	11	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>(2,842)</u>	<u>-</u>	<u>(200,576)</u>	<u>(2)</u>
Other comprehensive income (loss) for the year	<u>48</u>	<u>-</u>	<u>(203,522)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 974,730</u>	<u>10</u>	<u>\$ 739,073</u>	<u>9</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 965,738	10	\$ 941,542	11
Non-controlling interests	<u>8,944</u>	<u>-</u>	<u>1,053</u>	<u>-</u>
	<u>\$ 974,682</u>	<u>10</u>	<u>\$ 942,595</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 963,505	10	\$ 738,983	9
Non-controlling interests	<u>11,225</u>	<u>-</u>	<u>90</u>	<u>-</u>
	<u>\$ 974,730</u>	<u>10</u>	<u>\$ 739,073</u>	<u>9</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 7.81</u>		<u>\$ 7.61</u>	
Diluted	<u>\$ 7.73</u>		<u>\$ 7.55</u>	

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

(With Deloitte & Touche auditors' report dated March 16, 2021)

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the corporation (Notes 4, 21 and 26)																
	Capital Surplus							Retained Earnings				Other Equity			Aggregate Amount	Non-controlling Interests (Notes 4, 21 and 26)	Total Equity
	Ordinary Shares	Issuance of Ordinary Shares	The Difference Between the Consideration Paid and the Carrying Amount of the Subsidiaries Net Assets During Actual Acquisition	Change in Percentage of Ownership Interest in Subsidiaries	Consolidation Excess	Other	Total	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operation	Unrealized Gain (Loss) of Financial Assets at Fair Value Through Other Comprehensive Income	Total			
BALANCE AT JANUARY 1, 2019	\$ 1,237,242	\$ 1,184,809	\$ 410,949	\$ 143,150	\$ 852,372	\$ -	\$ 2,591,280	\$ 721,519	\$ 376,649	\$ 1,060,414	\$ 2,158,582	\$ (431,506)	\$ -	\$ (431,506)	\$ 5,555,598	\$ -	\$ 5,555,598
Appropriation of 2018 earnings	-	-	-	-	-	-	-	88,996	-	(88,996)	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	(54,857)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	(804,207)	(804,207)	-	-	-	(804,207)	-	(804,207)
Cash dividends distributed by the Corporation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	88,996	54,857	(948,060)	(804,207)	-	-	-	(804,207)	-	(804,207)
Net profit for the year ended December 31, 2019	-	-	-	-	-	-	-	-	-	941,542	941,542	-	-	-	941,542	1,053	942,595
Other comprehensive loss for the year ended December 31, 2019, net of income tax	-	-	-	-	-	-	-	-	-	(45)	(45)	(202,278)	(236)	(202,514)	(202,559)	(963)	(203,522)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	-	-	-	-	941,497	941,497	(202,278)	(236)	(202,514)	738,983	90	739,073
Actual acquisition of interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	229,167	229,167
BALANCE AT DECEMBER 31, 2019	<u>1,237,242</u>	<u>1,184,809</u>	<u>410,949</u>	<u>143,150</u>	<u>852,372</u>	<u>-</u>	<u>2,591,280</u>	<u>810,515</u>	<u>431,506</u>	<u>1,053,851</u>	<u>2,295,872</u>	<u>(633,784)</u>	<u>(236)</u>	<u>(634,020)</u>	<u>5,490,374</u>	<u>229,257</u>	<u>5,719,631</u>
Appropriation of 2019 earnings	-	-	-	-	-	-	-	94,150	-	(94,150)	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	202,514	(202,514)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	(556,759)	(556,759)	-	-	-	(556,759)	-	(556,759)
Cash dividends distributed by the Corporation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	94,150	202,514	(853,423)	(556,759)	-	-	-	(556,759)	-	(556,759)
Unclaimed dividends	-	-	-	-	-	56	56	-	-	-	-	-	-	-	56	-	56
Net profit for the year ended December 31, 2020	-	-	-	-	-	-	-	-	-	965,738	965,738	-	-	-	965,738	8,944	974,682
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	-	-	-	-	(638)	(638)	(5,350)	3,755	(1,595)	(2,233)	2,281	48
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	-	-	-	965,100	965,100	(5,350)	3,755	(1,595)	963,505	11,225	974,730
Actual acquisition of interests in subsidiaries	-	-	1,521	-	-	-	1,521	-	-	-	-	-	-	-	1,521	102,656	104,177
BALANCE AT DECEMBER 31, 2020	<u>\$ 1,237,242</u>	<u>\$ 1,184,809</u>	<u>\$ 412,470</u>	<u>\$ 143,150</u>	<u>\$ 852,372</u>	<u>\$ 56</u>	<u>\$ 2,592,857</u>	<u>\$ 904,665</u>	<u>\$ 634,020</u>	<u>\$ 1,165,528</u>	<u>\$ 2,704,213</u>	<u>\$ (639,134)</u>	<u>\$ 3,519</u>	<u>\$ (635,615)</u>	<u>\$ 5,898,697</u>	<u>\$ 343,138</u>	<u>\$ 6,241,835</u>

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

(With Deloitte & Touche auditors' report dated March 16, 2021)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 1,497,521	\$ 1,444,990
Adjustments for:		
Depreciation expenses	301,651	240,560
Amortization expenses	14,034	14,435
Expected credit loss (reversed) on trade receivables	(5,338)	1,559
Net gain on financial assets at fair value through profit or loss	(54,357)	(40,794)
Share of profit of associates	(4,185)	(3,939)
Interest expenses	27,342	20,568
Interest income	(35,901)	(26,755)
Dividend income	(6,229)	-
Loss on disposal of property, plant and equipment	1,038	6,870
Impairment loss on property, plant and equipment	2,528	-
(Reversal of) write-downs of inventories	(44,940)	37,854
Net loss on unrealized foreign currency exchange	19,139	23,718
Impairment loss on goodwill	-	42,180
Gain from bargain purchase	(19,323)	(63,669)
Gain on lease modification	(1,476)	-
Changes in operating assets and liabilities		
Notes receivable	(11,192)	29,998
Trade receivables	(478,209)	91,134
Inventories	(165,173)	(117,947)
Other current assets	(177,692)	(25,007)
Other non-current assets	(76,142)	712
Notes payable and trade payables	340,145	36,272
Other payables	(60,884)	(55,284)
Other current liabilities	1,405	(1,999)
Net defined benefit assets and liabilities	(2,086)	(280)
Cash generated from operations	1,061,676	1,655,176
Interest paid	(26,622)	(20,430)
Income tax paid	(472,288)	(508,623)
Net cash generated from operating activities	<u>562,766</u>	<u>1,126,123</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(431,933)	(173,801)
Purchase of financial assets at fair value through profit or loss	(2,427,595)	(1,021,306)
Proceeds from sale of financial assets at fair value through profit or loss	2,189,260	1,153,032
Acquisition of associates	-	(52,000)
Payment for property, plant and equipment	(141,301)	(92,991)
Proceeds from disposal of property, plant and equipment	19,210	11,387
(Increase) decrease in refundable deposits	(7,493)	4,835
Payments for intangible assets	(17,385)	(18,681)
Net cash outflow on business combinations	(107,113)	(246,525)

(Continued)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
Payments for right-of-use assets	\$ (100,651)	\$ -
Interest received	35,901	26,755
Dividends received	<u>17,629</u>	<u>11,400</u>
Net cash used in investing activities	<u>(971,471)</u>	<u>(397,895)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	651,539	447,468
Proceeds from short-term bills payable	29,981	-
Repayments of bond payables	(150,000)	-
Repayments of long-term borrowings	(1,130)	-
Refunds of guarantee deposits received	1,093	(152)
Repayment of the principal portion of lease liabilities	(145,801)	(128,057)
Cash dividends	(556,759)	(804,207)
Changes in non-controlling interests	<u>(3,815)</u>	<u>-</u>
Net cash used in financing activities	<u>(174,892)</u>	<u>(484,948)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>115,097</u>	<u>(35,284)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(468,500)	207,996
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,889,307</u>	<u>2,681,311</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,420,807</u>	<u>\$ 2,889,307</u>

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

(With Deloitte & Touche auditors' report dated March 16, 2021)

(Concluded)

Syncmold Enterprise Corp.

2020 Earnings Distribution Table

	Unit: NTD \$
Undistributed earnings at start of term:	200,428,131
Re-measurements of defined benefit plan reduced and recognized as part of retained earnings	(637,561)
Post-adjusted undistributed earnings	<u>199,790,570</u>
Current period net profit	965,738,066
Appropriation of as legal reserve (10%)	(96,510,051)
Appropriation of special reserve	(1,594,613)
Earnings available for distribution of the current term	<u>1,067,423,972</u>
Distributable items:	
Shareholder bonus - NTD 5 per share	<u>(618,620,855)</u>
Undistributed earnings at end of term (carried over to the following year)	<u><u>448,803,117</u></u>

Chairman :

CEO :

Chief Accountant :

Syncmold Enterprise Corp.
Shareholding status of directors

- I. The paid-in capital size of the Company totals NTD 1,237,241,710, with 123,724,171 shares issued. As is required by the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratio at Public Companies,” the minimum number of shares that all directors of the Company shall hold is 8,000,000.
- II. The number of shares held by each of the directors shown in the shareholder roster as of the book closure date (April 26, 2021) for the current shareholders’ meeting is as follows. The ratio requirement as specified in Article 26 of the Securities and Exchange Act has been fulfilled.

Title	Name	Date elected	Shares held now	
			Quantity	Ratio
Chairman	Chen, Chiu-Lang	June 18, 2020	5,708,211	4.61%
Directors	Chuang, Shu-Yen	June 18, 2020	1,918,684	1.55%
Directors	Fortune Investment Co.,Ltd.	June 18, 2020	5,200,139	4.20%
Independent Director	Tsai, Yung-Lu	June 18, 2020	-	-
Independent Director	Tsai, Shih-Kuang	June 18, 2020	-	-
Independent Director	Yen, Da-Ho	June 18, 2020	-	-
Independent Director	Chiu, Hui-Chin	June 18, 2020	-	-
Subtotal of shares held by directors			12,827,034	10.36%

Syncmold Enterprise Corp. Rules of Procedure for Shareholders' Meetings

Article 1 In order to create a sound shareholders' governance system, normalize the supervisory function, and strengthen the management feature, the Company created these rules to be followed in compliance with Article 6 of the Corporate Governance Best-Practice Principles.

Article 2 Unless specified otherwise in laws and regulations or the Articles of Incorporation, the Company's Rules of Procedure for Shareholders' Meetings shall be based on these rules.

Article 3 Unless specified otherwise in laws and regulations, the Company's shareholders' meetings shall be called for by the Board of Directors.

For general shareholders' meetings, respective shareholders shall be notified 30 days in advance and shareholders holding less than 1,000 inscribed shares may be notified through announcement in the Market Observation Post System 30 days in advance. For special shareholders' meetings, respective shareholders shall be notified 15 days in advance and shareholders holding less than 1,000 inscribed shares may be notified through announcement in the Market Observation Post System 15 days in advance.

The notification and announcement shall specify cause of the meeting.

Re-election of directors, change of the articles of incorporation, dissolution, consolidation, division of the Company or respective sub-paragraphs in Article 185 Paragraph 1 of the Company Act and matters in Article 26-1 and Article 43-6 of the Securities and Exchange Act shall be listed under Cause of the Meeting; they may not be brought forth during motions.

Article 4 Shareholders may authorize someone to attend the shareholders' meeting on their behalf by issuing the Letter of Authorization printed by the Company specifying the scope of authorization for each shareholders' meeting.

Each shareholder may issue one Letter of Authorization and authorize one person. Such Letter of Authorization shall be delivered to the the Company five days prior to the shareholders' meeting. In cases of repeated Letters of Authorization, the one delivered first shall prevail. This, however, does not apply if it is declared that prior authorization shall be recalled.

Article 5 A shareholders' meeting shall take place at where the Company is located or it is convenient for shareholders to attend and suitable for holding the meeting. The start time of the meeting may not be earlier than 9:00 am or later than 3:00 pm Opinions from independent directors shall be fully considered about the time and venue of the meeting. .

Article 6 The Company shall have the sign-in book ready to be signed by the attending shareholders or their proxies (the "Shareholders") or the attending shareholders shall submit the sign-in card instead to indicate their presence.

The Company shall give shareholders present in the meeting the meeting agenda, annual report, attendance card, speech note, vote, and other meeting materials; when election of directors is involved, the ballot shall also be included.

Shareholders shall attend a shareholders' meeting with a show of their

attendance card, attendance sign-in card, or other IDs. Powers of attorney of letters of authorization shall also bring their status supporting documents for verification purpose.

When the shareholder is the government or a legal entity, there may be more than one representative attending the shareholders' meeting. When a legal entity is authorized to attend a shareholder's meeting, only one person may attend the meeting.

Article 7 If a shareholders' meeting is called for by the Board of Directors, it shall be chaired by the Chairman of the Board of Directors. When the Chairman is on leave or is unable to exercise his/her function for some reason, the Vice Chairman shall act on his/her behalf. When the Vice Chairman is also on leave or unable to exercise his/her function for some reason, the Chairman shall assign a standing director to act on his/her behalf. When the Chairman does not assign a designee, someone among the directors shall act on his/her behalf. .

For a shareholders' meeting called for by the Board of Directors, more than half the directors shall attend the meeting.

If the shareholders' meeting is called for by someone outside the Board of Directors, the said someone shall chair the meeting. When there are more than two people calling for the meeting, one of them shall act as the chairperson.

The Company may appoint its attorneys, certified public accountants, or related persons to attend the meeting in a non-voting capacity.

Article 8 The Company shall keep the minutes of the meeting by voice recording or videotaping, and retain the record for at least 1 year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the materials of the meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

Article 9 The attendance of shareholders shall be calculated based on the number of shares represented. The number of shares held by those present is based on the sign-in book or the submitted sign-in cards.

When time of meeting is due, the chairperson shall call the meeting to order. When the attendance has not reached a majority of the total circulating shares held by the shareholders, however, the chairperson may announce that the meeting be postponed. The postponement is limited to two times only. The time postponed may not exceed an hour. When the meeting has been postponed twice and the attendance has still not reached at least one-third of the total number of shares already issued and held by shareholders, the chairperson shall announce that the meeting is aborted.

When it has been postponed twice and the majority is still not fulfilled yet the number of shareholders that are present hold more than one-third of all shares already issued, a tentative resolution may be made as required by Article 175 Paragraph 1 of the Company Act and each of the shareholders shall be informed of the tentative resolution that the meeting will be called for again within one month.

Before the meeting is completed, if the number of shares held by the attending shareholders combined has reached already majority of the total circulating shares, the chairperson may re-introduce the rendered tentative resolution for a decision during the meeting as required by Article 174 of the Company Act.

Article 10 If a shareholders' meeting is called for by the Board of Directors, the

meeting agenda is to be set by the Board of Directors and the meeting shall be held according to the agenda; without a decision made through a shareholders' meeting, it may not be changed.

If the shareholders' meeting is called for by someone outside the Board of Directors, the requirements in the preceding paragraph apply.

Before the agenda (including the motions) as scheduled according to the preceding two paragraphs is completed, without a decision, the chairperson may not announce that the meeting is adjourned unilaterally. When the chairperson violates these Rules and announces that the meeting is adjourned, however, other members of the Board of Directors shall quickly help attending shareholders have another person to serve as the chairperson upon approval by a majority of the attending shareholders in compliance with the legal procedure and continue with the meeting.

For proposals and amendments brought forth by shareholders or motions, the chairperson shall give them opportunities to provide sufficient information and discuss. If it is believed to have reached the extent for a voting session, it may be announced that discussions shall stop and voting shall begin.

Article 11

Before attending shareholders speak, they must complete the speech note specifying the theme of their speech, the shareholder's account number (or the number shown on the attendance card) and account name. The chairperson will decide their speaking sequence.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

A shareholder may not speak more than twice on the same proposal, except with the chair's consent, and a single speech may not exceed 5 minutes. However, if the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When attending shareholders speak, other shareholders may not speak and interfere with their speech unless with approval by the chairperson and the speaking shareholder; the chairperson shall stop violators.

When more than two representatives are sent by a shareholder that is a legal entity to attend a shareholders' meeting, only one person may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond or direct relevant personnel to respond.

Article 12

Votes in shareholders meetings shall be calculated based on the number of shares held.

The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders.

Shareholders that are stakeholders in matters discussed in the meeting to accordingly likely undermine the interests of the Company may not take part in the voting session and may not exercise voting rights on behalf of other shareholders.

The number of shares involved in the voting right that may not be exercised as indicated in the preceding paragraph is not included as part of the voting weights of attending shareholders.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Article 13 Shareholders are entitled to a voting right for each share they hold; this, however, does not apply to those restricted or without voting rights.

For the voting on proposals, unless specified otherwise in the Company Act and the Company's Articles of Incorporation, to approve a proposal, it requires support from a majority of voting rights among attending shareholders. When voting, the chairperson or the assigned person shall, proposal by proposal, announce the total number of voting rights held by attending shareholders.

When no shareholders attending the meeting expresses disagreement during consultation by the chairperson, the specific proposal is considered to have been approved; the power is the same as that of a decision made through voting. In case of disagreement, voting shall take place as required in the preceding paragraph.

Except for the proposals shown in the agenda, other proposals brought forth by shareholders or amendments or alternatives to original proposals shall be supported by endorsement from other shareholders. The number of shares held by the proposer and the endorsers combined shall account for 1% of all issued shares with voting rights.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

The chairperson is to assign the staff to inspect voting on proposals and count the ballots; the inspectors, however, shall be shareholders. Ballot counting shall take place in public within the venue of the shareholders' meeting and voting results shall be announced on the spot and records shall be produced.

Article 14 When directors are elected during a shareholders' meeting, related election regulations established by the Company shall be followed and the voting outcome shall be announced on the spot.

Ballots for the election in the preceding paragraph shall be kept properly once they are sealed and signed off by the inspectors and shall be kept for at least a year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the materials of the meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

Article 15 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting.

The distribution of meeting minutes as indicated in the preceding paragraph shall be based on the requirements of the Company Act.

The meeting minutes shall truthfully document the year, month, date,

venue, name of the chairperson, decision-making method, guidelines to be followed throughout the meeting, and the results and shall be kept permanently while the Company continues to exist.

A decision is made in the preceding paragraph by the chairperson consulting each shareholder. When no shareholders express disagreement, it shall be documented as “the proposal has been approved unanimously among all attending shareholders consulted by the chairperson”. In case of disagreement, on the other hand, it shall be specified that a voting session has taken place and the approval votes and the weights involved.

Article 16 The number of shares obtained by the power of attorney and that represented by the authorized proxy shall be clearly disclosed in the venue of the shareholders’ meeting on the date of the shareholders’ meeting through a statistical chart prepared in the format required.

For decisions made during a shareholders’ meeting, if any significant information specified in laws and regulations or by the Taiwan Stock Exchange (or Taipei Exchange) is involved, the Company shall transmit the contents to the Market Observation Post System within the specified period of time.

Article 17 Staff organizing the shareholders' meeting shall wear a badge or a shoulder patch.

The chairperson may have the patrols or security to help maintain order on the floor. When helping maintain order in the venue, the patrols or security shall wear the “patrol” shoulder patch or badge.

When loud speakers are available in the venue and shareholders do not speak through the equipment configured by the Company, the chairperson may stop their speech.

When shareholders violate these Rules and disobey correction from the chairperson and obstruct the proceedings of the meeting, demonstrating disobedience upon interference, the chairperson may have the patrol or security to ask the specific shareholder to leave the venue.

Article 18 When a meeting is ongoing, the chairperson may announce time for a break whenever it is considered appropriate. In cases of force majeure events, the chairperson may decide to hold a meeting for the time being and announce the time for the meeting to continue, depending on the circumstances.

Before the agenda (including the motions) of a shareholders’ meeting is completed yet the venue of the meeting cannot continue to be used, the meeting may be continued at another venue found on the basis of a decision made in the shareholders' meeting.

It may be decided whether the shareholders’ meeting shall be postponed or continued within five days as required by Article 182 of the Company Act.

Article 19 These Rules shall be subject to approval through the general shareholders’ meeting on May 24, 2005 before they take effect. The same procedure is applicable to any amendment thereto.

The first amendment occurred on June 5, 2012.

The 2nd amendment occurred on June 18, 2020.

Syncmold Enterprise Corp.

Articles of Incorporation

Chapter I General Provisions

Article 1: The Company is incorporated in accordance with the Company Act, under the name of (English name: Syncmold Enterprise Corp.)

Article 2: The Company's business activities comprise the following:

1. CB01010 Manufacturing of machinery and equipment.
2. CQ01010 Manufacturing of dies.
3. F113010 Wholesale of machinery.
4. F213080 Retail sale of machinery and tools.
5. CC01110 Manufacturing of computers and peripheral equipment
6. CC01080 Manufacturing of electronic parts and components
7. CC01060 Manufacturing of wired communication machinery and devices
8. F119010 Wholesale of electronic materials
9. F401010 International trade
10. F108031 Wholesale of medical devices
11. CC01070 Manufacturing of wired communication machinery and devices
12. CC01101 Manufacturing of telecommunication controlled radio-frequency devices
13. H703100 Real estate lease
14. JE01010 Lease
15. ZZ99999 Operations not prohibited or restricted by law besides the said approved ones

Article 3: The main office of the Company is located in New Taipei City and a branch office may be established domestically or internationally as decided by the Board of Directors if necessary.

Article 4: The Company may serve as a shareholder of another company as decided by the Board of Directors; the overall value of investment is not subject to the limit set forth concerning re-investments under Article 13 of the Company Act. The Company may provide external endorsements and guarantees.

Chapter II Shares

Article 5: The total rated capital of the Company is NTD 2 billion, which consists of 200 million shares, with each share worth NTD 10. The Board of Directors is authorized to issue the shares yet to be issued in separate batches.

Within the capital size indicated in the foregoing paragraph, three million shares are retained for issuance of employee stock warrants and may be issued in separate batches as determined by the Board of Directors.

Article 5-1: The treasury stock purchased by the Company may be assigned to employees of a controlled or affiliated company who meet certain criteria.

The employee stock warrants are issued to employees of the Parent or subsidiaries of the Company who meet certain criteria.

When the Company issues new shares, employees who subscribe to the shares include employees of the Parent or subsidiaries of the Company who meet certain criteria.

The Company's restricted stock awards are issued to employees of the Company's Parent or subsidiaries who meet certain criteria.

Certain criteria described herein are to be set by the Board of Directors as authorized.

Article 6: Deleted.

Article 7: The Company issues its shares to registered owners only. Share certificates are issued with the signatures or authorized seals of the directors representing the Company, subject to certification by the competent authority or any of its approved institutes. For shares issued by the Company, they need not be printed out. They shall, however, be registered with a centralized securities depository enterprise.

Article 8: Registration for transfer of shares shall be suspended for the sixty (60) days prior to the general shareholders' meeting, or for the thirty (30) days prior to an extraordinary shareholders' meeting, or for the five (5) days before the baseline date for distribution of dividends and bonuses or other gains as decided by the Company.

Chapter III Shareholders' Meeting

Article 9: There are general and extraordinary shareholders' meetings. The general meeting is called for once a year as required by law within the six (6) months following the end of each fiscal year while the extraordinary one is to be called for as needed according to law.

Article 10: When shareholders are unable to attend a shareholders' meeting, they may issue an authorization letter that is prepared by the Company specifying the scope of authorization and have someone to attend it on their behalf.

Besides the requirements in Article 177 of the Company Act, those in the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies promulgated by the competent authority shall be followed.

Article 11: Unless specified otherwise in the Company Act, each share is entitled to one vote.

Article 12: Unless specified otherwise by applicable laws and regulations, a resolution reached in the shareholders' meeting shall be supported by affirmative votes that account for a majority of the total votes of shareholders that attend in person or through proxies the meeting that represent a majority of all shares issued.

Article 12-1: If the shareholders' meeting is called for by the Board of Directors, it shall be chaired by the Chairman. When the Chairman is absent, the Vice Chairman shall act on his/her behalf. When the Vice Chairman is also absent, the Chairman shall assign one director else to act on his/her behalf. If not assigned, one director will be elected to act on his/her behalf. If the shareholders' meeting is called for by someone outside the Board of Directors, the said someone shall chair the meeting. When there are more than two people calling for the meeting, one of them shall act as the chairperson.

Article 12-2: Resolutions reached in a shareholders' meeting shall be included in the meeting minutes that bear the signature or seal of the chairperson of the meeting and shall be distributed to each of the shareholders within twenty (20) days after the meeting is over. The distribution of meeting minutes as indicated in the preceding paragraph shall be based on the requirements of the Company Act.

Article 12-3: If public offering of the Company's shares is intended to be canceled, it shall be brought forth for a resolution in the shareholders' meeting and this article may not be changed while the Company is TWSE/TPEX-listed.

Chapter IV Directors and Audit Committee

Article 13: The Company is configured with five to seven directors (including independent directors). The nomination system is adopted. Shareholders elect those on the list of director candidates to serve a term of three years; a director may serve multiple terms if re-elected.

The Company shall have the directors covered by liability insurance regarding their legitimate liabilities over compensation within their term of office.

Article 13-1: In the event that there are more than one-third of openings for directors, the Board of Directors shall call for a special shareholders' meeting within 60 days for a by-election, with the tenure being the remainder of the existing one.

Article 13-2: Among the openings for directors as indicated in Article 13 herein, there may not be fewer than three independent directors and the number of openings may not be less than one-fifth of the total number of directors expected of the Board. Shareholders shall elect among the candidates on the list for independent directors. The professional qualification, shareholding, restrictions on part-time jobs, nomination and election methods and other required matters of independent directors shall be subject to the provisions of the competent securities authority.

Article 13-3: The Company shall set up an Audit Committee and other functional committees.

The Audit Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

Article 14: The Board of Directors is formed by the directors and the Chairman and the Vice Chairman, one each, are elected by a majority of the attending directors. There shall be more than two-thirds of directors attending the Board of Directors' meeting. The Chairman is the chairperson of the shareholders' meeting and the Board of Directors' meeting and represents the Company externally.

Article 14-1: For the convening of the Company's Board of Directors' meeting, the cause shall be specified and made known to directors seven (7) days in advance. In case of emergency, however, it may be called for at any time.

Notification on the convening of the Company's Board of Directors' meeting may be done in writing, through email, or by fax.

Article 15: When the Chairman is on leave or cannot exercise his/her function for some reason, his/her designee may do so on his/her behalf as required by Article 208 of the Company Act. When a director is unable to attend the Board of Directors' meeting in person, another director may act on his/her behalf. The authorization, however, shall be based on the requirements set forth in Article 205 of the Company Act.

Article 16: The remuneration to directors is based on the extent of their involvement in the Company's operations and value of their contribution with reference to the generally-accepted industrial standards domestically and internationally. The Board of Directors is authorized to determine it through a meeting.

Chapter V Manager

Article 17: The Company may be configured with one President, whose appointment, dismissal, and compensation shall be based on the requirements set forth in Article 29 of the Company Act.

Chapter VI Accounting

Article 18: The Board of Directors is to prepare the following statements and reports at the end of each fiscal year. These statements and reports shall be presented during the shareholders' meeting for the final acknowledgment according to the statutory procedure.

- I. The Business Report;
- II. The Financial Statements, and
- III. The surplus earning distribution or loss off-setting proposals.

Article 19: Deleted.

Article 20: The Company shall set aside the remuneration in case of any remainder following retention of the pre-tax profit of the year prior to subtraction of the remuneration to employees and that to directors for making up accumulated losses, which may not be less than 3% to employees and higher than 2% to directors.

The ratio of remuneration to employees and that to directors and the remuneration to employees is to be done in stock or cash, which shall be supported by a majority of directors attending the Board of Directors' meeting that account for two-thirds or more of all directors and shall be presented during the shareholders' meeting. The remuneration to employees is issued to employees of a controlled or affiliated company who meet certain criteria in stock or cash. Such criteria are to be set by the Board of Directors as authorized.

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 for a range of 0% to 90%. The Board of Directors will prepare the distribution proposal and introduce it during the shareholders' meeting for a decision before they are distributed.

Article 20-1: The Company is during the operational growth period. The policy on distribution of dividends will take into consideration the Company's demand for capital in the future and its long-term financial plan as well as shareholders' interests. The Board of Directors will prepare the distribution proposal each year

and submit it to the shareholders' meeting. Distribution of dividends for shareholders will prioritize the cash option. They, however, may also be distributed in stock. Cash dividends, however, shall be kept between 5% and 100%.

Chapter VII Supplementary Provisions

Article 21: Matters not addressed herein, if any, shall be governed by the Company Act and other applicable laws and regulations.

Article 22: These Articles of Incorporation were established on June 16, 1979.

Amended for the first time on July 24, 1980.

Amended for the second time on October 15, 1988.

Amended for the third time on June 20, 1989.

Amended for the fourth time on October 15, 1995.

Amended for the fifth time on August 8, 1997.

Amended for the sixth time on December 31, 2001.

Amended for the seventh time on November 1, 2004.

Amended for the eighth time on March 11, 2005.

Amended for the ninth time on May 24, 2005.

Amended for the tenth time on June 23, 2006.

Amended for the eleventh time on June 15, 2007.

Amended for the twelfth time on June 27, 2008.

Amended for the thirteenth time on June 25, 2010.

Amended for the fourteenth time on June 5, 2012.

Amended for the fifteenth time on June 21, 2013.

Amended for the sixteenth time on June 19, 2014.

Amended for the seventeenth time on June 8, 2016.

Amended for the eighteenth time on June 20, 2019.

Amended for the nineteenth time on June 18, 2020.

Syncmold Enterprise Corp.

Chairman: Chen, Chiu-Lang

Syncmold Enterprise Corp.

Ethical Corporate Management Best-Practice Principles (Before Revision)

Article 1

The Company establishes these Principles in order to create a corporate culture based on honest operations and accomplish normal developments. These Principles are applicable to the subsidiaries of the Company and organizations such as institutions or corporations with substantial control over the Company.

Article 2

The directors, supervisors, managers, employees, or whoever with substantial control of the Company (hereinafter referred to as applicable staff below), while doing business, may not, directly or indirectly, provide, promise, demand, or accept any unjustified interest or engage in other dishonest behaviors against integrity, the law, or in violation of the entrusted obligations in order to gain or maintain interest (hereinafter referred to as dishonest behavior).

The counterparts of behavior mentioned in the foregoing include civil servants, political candidates, political parties or partisans, and any public or private enterprises or institutions and their directors, supervisors, managers, employees, substantial controllers, or other stakeholders.

Article 3

Interest herein refers to any thing of value, including money, gift, commission, position, service, preferred treatment, kickbacks, among others, in any form or name. It, however, may not include those as part of normal social etiquettes and which are occasional and have no effect on specific rights and obligations.

Article 4

The Company shall abide by the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the Political Donations Act, the Anti-Corruption Act, the Government Procurement Act, the Act on Recusal of Public Servants Due to Conflicts of Interest, and applicable regulations governing TWSE-listing, and other applicable laws and regulations governing business behavior; they are the cornerstone of ethical corporate management.

Article 5

The Company shall adhere to its management beliefs in integrity, transparency, and responsibility by establishing honesty-based policies that are to be approved by the Board of Directors and building a sound corporate governance and risk control mechanism to contribute to an operational environment for sustainable developments.

Article 6

The Company, based on the management beliefs and policies in the preceding article, prepares internal requirements preventing against unethical behavior and analyzes operational activities at relatively high risk of unethical behavior within the scope of operation, and reinforcing related preventive measures.

Article 7

The Company shall require that its directors and high-ranking management issue a statement on complying with the integrity policy and include in its hiring criteria that the employees are required to follow the integrity policy.

The Company shall state in their Memorandum, external correspondences and the company website the integrity policy and the commitment that its Board of Directors and high-ranking management will proactively fulfill the integrity policy and precisely enforce it in internal management and external business activities.

The Company shall prepare documented information and properly keep it of the integrity policy, statement, undertaking, and implementation stated in Paragraphs I and II.

Article 8

The Company shall, in honor of the ethical corporate management principle, engage itself in business activities fairly and transparently.

Prior to business interactions, the Company shall take into consideration the legitimacy of the dealer, the supplier, the customer, or any other business counterpart and if any record of dishonest behavior was involved or not and shall

avoid transactions with anyone with prior records of dishonest behavior.

The contract entered into by and between the Company and the dealer, the supplier, the customer, or any other business counterpart shall include compliance with the integrity policy and the clause that the contract may be terminated or dismissed at any time if a counterpart is found with any dishonest behavior.

Article 9

The Company and its applicable staff, while performing business tasks, may not, directly or indirectly, provide illegitimate interests of any form to customers, dealers, contractors, suppliers, civil servants, or other stakeholders, promise, demand, or accept so.

Article 10

The Company and its applicable staff, while performing business tasks, may not, directly or indirectly, provide contributions to political parties and organizations or individuals involved in political campaigns. The Political Donations Act and applicable internal operating procedures of the Company shall be followed. No seeking of business interest or trading preference is allowed accordingly.

Article 11

The Company and its applicable staff shall follow applicable laws and regulations and internal operating procedures for charity donations or sponsorships; no disguised bribery is allowed.

Article 12

The Company and its applicable staff may not provide or accept any unjustified gift, reception, or other unjustified interests directly or indirectly for building business relationships or affecting business transactions.

Article 13

The Company and its directors, supervisors, managers, employees, appointees, and substantial controllers shall follow applicable intellectual property laws and regulations and internal operating procedures and contract requirements of the Company; without permissions from the owner of a specific intellectual property right, the intellectual property right may not be used, disclosed, disposed of, damaged, or infringed upon, etc.

Article 14

The Company shall be engaged in business activities in compliance with applicable competition laws and regulations and may not share or segment the market by fixating prices, manipulating the bidding process, restricting the production volume and quota, or assigning customers, suppliers, operating regions, or the type of business.

Article 15

The Company and its directors, supervisors, managers, employees, appointees, and substantial controllers shall abide by applicable laws and regulations and international standards while researching and developing, purchasing, manufacturing, providing, or distributing products and services to ensure the transparency of information and safety of products and services.

Article 16

The directors, supervisors, managers, employees, appointees, and substantial controllers of the Company shall exercise due diligence as good-will manager by urging the Company to prevent against dishonest behaviors and discussing the implementation efficacy at any time and continuing to make progress to help ensure fulfillment of the policy on ethical corporate management.

For the sake of normalizing ethical corporate management, the Corporate Governance Group under the Board of Directors shall convene and form the Ethical Corporate Management Panel to take charge of preparing, supervising, and implementing the ethical corporate management policy and preventive solution and to address primarily the following and the Panel will report to the Board of Directors periodically (at least once a year):

- I. To help combine honesty and moral values as part of the Company's operational strategy and to prepare related preventive measures to ensure ethical corporate management as required by law.
- II. To periodically analyze and evaluate risks of dishonest behaviors within the scope of operation and to accordingly establish solutions to prevent against dishonest behaviors and establish task-related standard operating procedures and behavioral guides within respective solutions.
- III. To plan internal organization, configuration, and job responsibilities and to have mutual check and balance mechanisms in place for operational activities at relatively high risks of dishonest behaviors within the scope of operation.

- IV. To promote and coordinate communication and training on the integrity policy.
- V. To plan a reporting system that helps ensure effective implementation.
- VI. To help the Board of Directors and the management inspect and evaluate whether preventive measures established to ensure ethical corporate management have been working effectively and to evaluate related operating procedures periodically for compliance, with a report produced.

Article 17

While performing tasks, the Company and its applicable staff shall abide by regulatory requirements and internal requirements on the prevention against dishonest behavior.

Article 18

The Company shall establish policies to prevent against conflicting interests and to accordingly identify, supervise, and manage risks of possible dishonest behaviors caused by conflicting interests and to provide appropriate channels for the directors, supervisors, managers, and other stakeholders present or seated in the Board of Directors to spontaneously explain whether potential conflicting interests with the Company's exist or not.

The Company's directors, supervisors, managers, and other stakeholders present or seated in the Board of Directors, when considered as an interested party themselves or the corporations they represent in the proposals raised by the Board of Directors, shall explain during the said Board of Directors' meeting important details about conflicting interests. They may not take part in the discussion and voting session if hurting the Company's interests is a concern and they shall recuse themselves during discussion and voting and may not exercise voting rights on behalf of other directors, either. The directors shall demonstrate self-discipline among themselves, too, without improper mutual support.

The directors, supervisors, managers, employees, appointees, {and substantial controllers of the Company may not not take advantage of the position or the influence they have in the Company by enabling themselves, their spouse, parents, children, or anyone else to receive unjustified interests.

Article 19

The Company shall establish an effective accounting system and an internal control system for operating activities at relatively high risks of dishonest behaviors and may not have external or reserved private accounts and shall reflect from time to time such systems in order for the design and implementation of the said systems to remain effective. The internal audit unit of the Company shall prepare related audit plans according to results of the dishonest behavior risk evaluation covering the auditee, the scope, the items, and the frequency, among others, and accordingly inspect compliance with the preventive solutions; if necessary, a CPA or a professional may be authorized to provide assistance.

Results of the inspection in the preceding paragraph shall be reported to the high-ranking management and the unit responsible for ethical corporate management and the audit report shall be prepared and submitted to the Board of Directors.

Article 20

The Company's applicable staff is obligated to keep classified and sensitive business data obtained at work confidential and is refrained from utilizing the Company's property, classified data, or other information of the Company yet to be disclosed and unavailable on the market to obtain unjustified interests for themselves.

Article 21

The Company shall provide its applicable staff with educational training and communication periodically and invite counterparts that do business with the Company to take part so that they have a sufficient understanding of the Company's commitment to ethical corporate management, policy, requirements on the prevention against unethical corporate management, and consequences of dishonest behaviors.

The Company shall combine its policy on ethical corporate management with its polices on employee performance evaluation and human resources and set up related disciplinary systems.

Article 22

The Company shall provide justified whistle-blowing channels and shall precisely keep confidential the identity of the party being reported and details about the report.

The responsible person or unit handling reported matters of the Company, upon discovering major violations or a concern over the Company suffering major damages through investigation, shall produce a report immediately and notify the independent director or supervisor in writing.

Article 23

The Company shall specify the punishment and appeal system for violations of ethical corporate management requirements and disclose adequately internally the status of violation and the handling situation, among other information.

Article 24

The Company shall create quantified data of ethical corporate management and continue to analyze and evaluate the efficacy in the promotion of the integrity policy and disclose measures adopted as part of ethical corporate management, the implementation status, and the foregoing quantified data and implementation efficacy on the Company's website, in the Annual Report, and the prospectus and disclose contents of the Integrity Code of Conduct on the MOPS.

Article 25

The Company shall pay attention to developments of applicable regulations governing honest operations domestically and internationally at all times and encourage directors, supervisors, managers, and employees to provide advice and discuss accordingly and improve the policy herein and the measures being promoted by the Company in order to enhance the efficacy of ethical corporate management of the Company.

Article 26

The Ethical Corporate Management Best-Practice Principles shall enter into force after it has been approved by the Board of Directors and shall be submitted to each of the supervisors and presented in the shareholders' meeting. The same shall apply upon revisions.

When the Ethical Corporate Management Best-Practice Principles is submitted to the Board of Directors for discussion as required in the preceding paragraph, opinions from respective independent directors shall be sufficiently considered. In the event that an independent director objects or has reserved opinions, it shall be specified so in the Board of Directors meeting minutes. If an independent director is unable to attend the Board of Directors meeting in person to express objections or reserved opinions, unless with justified reasons, written opinions shall be provided in advance and it shall be specified so in the Board of Directors meeting minutes.

Syncmold Enterprise Corp.

Comparison Table of Revisions Made to Provisions of the Ethical Code of Conduct for
Directors, Supervisors, and Managers (Before)

- Article 1. In order for the Company's directors, supervisors, and managers to have something to be followed for their moral behavior while they are engaged in operational activities as part of their function, this Code is prepared to prevent against unethical behavior and behavior that undermines the interests of the Company and the shareholders.
- Article 2. This Code shall apply to all directors, supervisors, and managers of the Company (including the President, Vice President, Assistant Vice President or their equivalents and higher-ranking officials, head of finance, and head of accounting).
- Article 3. This Code is meant only to serve as a guide for the directors, supervisors and managers of the Company. For questions about specific conditions set forth under one or more provisions of this Code, the Company's directors, supervisors, and managers may consult professionals inside or outside the Company for their opinions, depending on the circumstances.

Chapter II Ethical Code of Conduct

- Article 4. **Honest and Moral Behavior:**
Directors, supervisors, and managers shall handle affairs of the Company with an honest, non-deceptive, reliable and lawful, fair and impartial, and ethical/moral self-disciplinary attitude.
- Article 5. **Avoiding Personal Conflicts of Interest:**
Directors, supervisors, and managers shall avoid conflicts of interest where personal interests or the overall interest of the Company may be at stake, including, without limitation, the inability of the said person to handle affairs of the Company objectively and efficiently or the said person, his/her spouse, parent, child, or relative within the third degree of kinship to receive unjustified interests due to his/her position in the Company. In order to prevent against conflicts of interest, the lending of funds, guarantees, or major transactions of assets between the Company and the enterprises that the foregoing parties belong to need to be handled in compliance with applicable laws and regulations and requirements of the Company. Related purchases (sales), on the other hand, shall be handled in the best interest of the Company. Managers or their subordinates may not have the spouse or a relative to the second degree of kinship to work in the same department or to hold a position that shall be managed separately as part of the internal control mechanism. In cases of special needs, to hire the above-mentioned spouse or relative to the second degree of kinship, prior approval shall be obtained from the Board of Directors.
- Article 6. **Avoiding Opportunities to Benefit Oneself:**
In cases of profit-making opportunities, directors, supervisors and managers of the Company shall maintain or increase the justified legitimate interests that the Company may be entitled to.
Directors, supervisors, and managers may not use the Company's property, information, or obtain personal interests or benefit someone else taking advantage of their position or function and may not be engaged in competition against the Company unless it is required by the Company Act or the Articles of Incorporation.
- Article 7. **Keeping Business Secrets:**
Directors, supervisors, and managers shall be obligated to keep information about the Company and customers that the Company purchases from or sells to confidential unless disclosure is authorized or required by law. Information that shall be kept confidential includes all the information yet to be disclosed that may be utilized by the competition or that may harm the Company or the customer if disclosed.
- Article 8. **Fair Transactions:**
The Company is devoted to competition on the market through outstanding operational management and service and does not seek efficacy unlawfully or unethically. Directors, supervisors and managers shall treat the Company's customers and employees fairly and competition lawfully and may not provide untruthful statements about important matters or obtain unjustified interests in other unfair trading approaches by manipulating, hiding, or abusing the information that they become aware of because of the tasks they perform.
- Article 9. **Protection and Adequate Utilization of Company Assets:**

The Company's assets shall be protected and may only be properly utilized for the legitimate commercial purposes of the Company. Directors, supervisors, and managers are responsible for protecting the Company's assets and ensuring that they can be effectively and lawfully used for business and preventing them from being stolen, neglected, or wasted to directly impact the Company's profitability.

Article 10. Compliance with Laws and Regulations:

Directors, supervisors, and managers shall supervise the Company over reinforced compliance with the Company Act, the Securities and Exchange Act, and other laws and regulations and abide by all the laws and regulations governing activities of the Company and may not violate any law or regulation on purpose, intend to mislead, manipulate or unfairly receive interests from customers or suppliers, and provide untruthful statements about the Company's products or services.

Article 11. Encouraging of Employees to Report Any Behavior That Is Illegal or in Violation of the Ethical Code of Conduct:

Upon suspicious or discovered violations of laws or regulations or this Code by directors, supervisors, or managers, the Company's employees shall enclose sufficient information and submit it to the Personnel Department or the head of internal audit or supervisors to reveal them. Once such violations are confirmed through investigation, the Company shall provide adequate rewards according to the Personnel Management Rules. The Company shall adequately process the materials enclosed in the submission as mentioned above confidentially and responsibly and try its best to protect the safety of the good-will whistleblower so that the latter is not subject to threat of any form.

Article 12 Disciplinary Measures:

In the event that directors, supervisors, and managers violate the Ethical Code of Conduct, the Company shall address it according to the disciplinary measures specified in applicable laws and regulations or the Personnel Management Rules and disclose in real time the title and name of the violator, date of violation, cause of violation, the guidelines involved in the violation, and how it is handled in the Market Observation Post System. If directors, supervisors, and managers can provide evidence to prove that they did not violate this Code, they may appeal to related departments right away.

Chapter III Applicable Procedure for a Waiver

Article 13. If it is required to waive compliance with this Code for directors, supervisors, and managers, prior resolution and approval by the Board of Directors is required and it shall be disclosed in real time the title and name of people for whom the waiver is allowed, date the waiver is approved by the Board of Directors, applicable duration of the waiver, rationale for the applicability of the waiver, and applicable guidelines for the waiver, among other information, in the Market Observation Post System so that shareholders may determine if the resolution reached by the Board of Directors is appropriate and to protect the rights of the Company.

Article 14. In the event that directors, supervisors, and managers of the Company serve as directors, supervisors, or managers of a public offering company that is not the parent or a subsidiary of the Company, the Company shall be informed of it immediately.

Chapter IV Disclosure of Information

Article 15. This Code shall be disclosed in the Annual Report, Prospectus, and Market Observation Post System and the same applies upon amendment.

Chapter V Supplementary Provisions

Article 16. This Code is to be enforced after it is approved by the Board of Directors and to be distributed to each supervisor and submitted during the shareholders' meeting; the same applies upon amendment.