

**Syncmold Enterprise Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2020 and 2019 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Syncmold Enterprise Corporation

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Syncmold Enterprise Corporation and its subsidiaries (collectively, the "Group") as of September 30, 2020 and 2019, the related consolidated statements of comprehensive income for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As disclosed in Note 11 to the consolidated financial statements, the financial statements of non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of September 30, 2020 and 2019, the combined total assets of these non-significant subsidiaries were NT\$4,001,150 thousand and NT\$2,240,766 thousand, respectively, representing 38.60% and 27.14%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$1,597,193 thousand and NT\$862,561 thousand, respectively, representing 35.18% and 29.98%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2020 and 2019 and the nine months ended September 30, 2020 and 2019, the amounts of combined comprehensive income (loss) of these subsidiaries were NT\$142,284 thousand, NT\$(30,671) thousand, NT\$179,912 thousand and NT\$(18,296) thousand, respectively, representing 41.98%, (18.01%), 26.97% and (2.92%), respectively, of the consolidated total comprehensive income. As disclosed in Note 12 to the consolidated financial statements, the amounts of investments accounted for using the equity

method as of September 30, 2020 and 2019 were NT\$165,510 thousand and NT\$150,058 thousand, respectively; for the three months ended September 30, 2020 and 2019 and the nine months ended September 30, 2020 and 2019, the share of profit (loss) of associates of NT\$(186) thousand, NT\$4,577 thousand, NT\$8,658 thousand and NT\$12,745 thousand, respectively, were calculated based on financial statements which have not been reviewed. The disclosure information in Note 31 about the aforementioned non-significant subsidiaries and associates was based on the unreviewed financial statements of the subsidiaries and associates for the same reporting periods as those of the Group.

### **Qualified Conclusion**

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and associates accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of September 30, 2020 and 2019, its consolidated financial performance for the three months ended September 30, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Tung-Feng Lee and Chih-Yuan Chen.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

October 29, 2020

### Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors’ review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ review report and consolidated financial statements shall prevail.*

# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	September 30, 2020 (Reviewed)		December 31, 2019 (Audited)		September 30, 2019 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Notes 4 and 6)	\$ 2,307,250	22	\$ 2,889,307	29	\$ 2,567,624	31
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	476,886	5	91,989	1	74,780	1
Financial assets at amortized cost - current (Notes 4 and 8)	402,048	4	173,894	2	46,560	-
Notes receivable	425,547	4	401,766	4	420,884	5
Trade receivables, net (Notes 4 and 9)	3,223,821	31	3,088,959	31	2,866,560	35
Inventories (Notes 4 and 10)	750,335	7	747,098	7	490,588	6
Other current assets (Notes 4 and 26)	337,895	3	258,484	2	225,401	3
Total current assets	<u>7,923,782</u>	<u>76</u>	<u>7,651,497</u>	<u>76</u>	<u>6,692,397</u>	<u>81</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	57,690	1	60,882	1	60,070	1
Investments accounted for using the equity method (Notes 4, 12 and 27)	165,510	2	168,252	2	150,058	2
Property, plant and equipment (Notes 4, 13, 26 and 27)	1,236,139	12	1,225,581	12	525,957	6
Right-of-use assets (Notes 4 and 14)	505,115	5	436,868	5	348,452	4
Goodwill (Notes 4 and 15)	324,597	3	324,597	3	366,777	5
Intangible assets (Notes 4 and 16)	29,634	-	26,637	-	25,645	-
Deferred tax assets (Notes 4 and 23)	60,464	1	70,538	1	35,351	1
Prepayments for equipment	31,080	-	22,455	-	18,086	-
Refundable deposits	29,970	-	31,272	-	31,182	-
Net defined benefit assets (Notes 4 and 20)	2,273	-	2,269	-	2,320	-
Other non-current assets (Note 4)	407	-	4,662	-	-	-
Total non-current assets	<u>2,442,879</u>	<u>24</u>	<u>2,374,013</u>	<u>24</u>	<u>1,563,898</u>	<u>19</u>
<b>TOTAL</b>	<u>\$ 10,366,661</u>	<u>100</u>	<u>\$ 10,025,510</u>	<u>100</u>	<u>\$ 8,256,295</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 4, 17 and 27)	\$ 1,431,000	14	\$ 1,006,982	10	\$ 128,287	2
Short-term bills payable (Note 17)	19,969	-	-	-	-	-
Notes payable and trade payables	1,907,572	18	1,959,612	20	1,704,284	21
Other payables (Note 19)	398,826	4	417,290	4	362,626	4
Current tax liabilities (Notes 4 and 23)	182,610	2	113,470	1	125,612	2
Lease liabilities - current (Notes 4 and 14)	149,997	2	123,884	1	108,850	1
Current portion of bonds payable (Notes 18 and 27)	-	-	150,000	2	-	-
Other current liabilities	21,339	-	15,199	-	11,663	-
Total current liabilities	<u>4,111,313</u>	<u>40</u>	<u>3,786,437</u>	<u>38</u>	<u>2,441,322</u>	<u>30</u>
<b>NON-CURRENT LIABILITIES</b>						
Deferred tax liabilities (Notes 4 and 23)	242,038	2	276,152	3	241,652	3
Lease liabilities - non-current (Notes 4 and 14)	177,746	2	232,119	2	194,136	2
Guarantee deposits received	214	-	215	-	219	-
Net defined benefit liabilities (Notes 4 and 20)	9,200	-	10,956	-	-	-
Total non-current liabilities	<u>429,198</u>	<u>4</u>	<u>519,442</u>	<u>5</u>	<u>436,007</u>	<u>5</u>
Total liabilities	<u>4,540,511</u>	<u>44</u>	<u>4,305,879</u>	<u>43</u>	<u>2,877,329</u>	<u>35</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION</b>						
Ordinary shares	1,237,242	12	1,237,242	12	1,237,242	15
Capital surplus	2,591,336	25	2,591,280	26	2,591,280	31
Retained earnings						
Legal reserve	904,665	9	810,515	8	810,515	10
Special reserve	634,020	6	431,506	4	431,506	5
Unappropriated earnings	959,435	9	1,053,851	11	817,812	10
Total retained earnings	<u>2,498,120</u>	<u>24</u>	<u>2,295,872</u>	<u>23</u>	<u>2,059,833</u>	<u>25</u>
Other equity						
Exchange differences on translating the financial statements of foreign operations	(730,983)	(7)	(633,784)	(6)	(509,389)	(6)
Share of other comprehensive income of subsidiaries accounted for using the equity method	(236)	-	(236)	-	-	-
Total other equity	<u>(731,219)</u>	<u>(7)</u>	<u>(634,020)</u>	<u>(6)</u>	<u>(509,389)</u>	<u>(6)</u>
Total equity attributable to owners of the Corporation	<u>5,595,479</u>	<u>54</u>	<u>5,490,374</u>	<u>55</u>	<u>5,378,966</u>	<u>65</u>
<b>NON-CONTROLLING INTERESTS</b>						
	<u>230,671</u>	<u>2</u>	<u>229,257</u>	<u>2</u>	<u>-</u>	<u>-</u>
Total equity	<u>5,826,150</u>	<u>56</u>	<u>5,719,631</u>	<u>57</u>	<u>5,378,966</u>	<u>65</u>
<b>TOTAL</b>	<u>\$ 10,366,661</u>	<u>100</u>	<u>\$ 10,025,510</u>	<u>100</u>	<u>\$ 8,256,295</u>	<u>100</u>

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

(With Deloitte & Touche review report dated October 29, 2020)

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Note 4)	\$ 2,590,123	100	\$ 2,203,696	100	\$ 6,990,623	100	\$ 6,336,440	100
OPERATING COSTS (Notes 4, 10 and 22)	<u>1,904,371</u>	<u>74</u>	<u>1,601,542</u>	<u>73</u>	<u>5,114,927</u>	<u>73</u>	<u>4,714,006</u>	<u>74</u>
GROSS PROFIT	<u>685,752</u>	<u>26</u>	<u>602,154</u>	<u>27</u>	<u>1,875,696</u>	<u>27</u>	<u>1,622,434</u>	<u>26</u>
OPERATING EXPENSES (Notes 22 and 26)								
Selling and marketing expenses	68,625	3	72,277	3	189,036	3	220,049	4
General and administrative expenses	128,876	5	137,048	6	382,975	5	381,963	6
Research and development expenses	44,854	2	45,141	2	127,968	2	121,570	2
Expected credit loss (gain)	<u>(11,875)</u>	<u>(1)</u>	<u>10,860</u>	<u>1</u>	<u>(7,032)</u>	<u>-</u>	<u>8,808</u>	<u>-</u>
Total operating expenses	<u>230,480</u>	<u>9</u>	<u>265,326</u>	<u>12</u>	<u>692,947</u>	<u>10</u>	<u>732,390</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>455,272</u>	<u>17</u>	<u>336,828</u>	<u>15</u>	<u>1,182,749</u>	<u>17</u>	<u>890,044</u>	<u>14</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	6,402	-	7,554	-	27,927	1	22,494	-
Other gains and losses (Note 14)	8,055	-	11,410	1	27,828	-	22,925	-
Net foreign exchange (loss) gain (Note 29)	(81,581)	(3)	93,769	4	(59,132)	(1)	99,110	2
Net gain on financial assets at fair value through profit or loss (Notes 4 and 7)	14,214	1	8,390	1	14,739	-	36,747	1
Share of (loss) profit of associates (Notes 4 and 12)	(186)	-	4,577	-	8,658	-	12,745	-
Interest expenses	<u>(5,720)</u>	<u>-</u>	<u>(5,405)</u>	<u>-</u>	<u>(20,701)</u>	<u>-</u>	<u>(12,906)</u>	<u>-</u>
Total non-operating income and expenses	<u>(58,816)</u>	<u>(2)</u>	<u>120,295</u>	<u>6</u>	<u>(681)</u>	<u>-</u>	<u>181,115</u>	<u>3</u>
PROFIT BEFORE INCOME TAX FROM OPERATIONS	396,456	15	457,123	21	1,182,068	17	1,071,159	17
INCOME TAX EXPENSE (Notes 4 and 23)	<u>136,865</u>	<u>5</u>	<u>159,640</u>	<u>7</u>	<u>416,716</u>	<u>6</u>	<u>365,701</u>	<u>6</u>
NET PROFIT FOR THE PERIOD	259,591	10	297,483	14	765,352	11	705,458	11
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	<u>79,345</u>	<u>3</u>	<u>(127,211)</u>	<u>(6)</u>	<u>(98,315)</u>	<u>(1)</u>	<u>(77,883)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 338,936</u>	<u>13</u>	<u>\$ 170,272</u>	<u>8</u>	<u>\$ 667,037</u>	<u>10</u>	<u>\$ 627,575</u>	<u>10</u>

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## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE								
TO:								
Owners of the Corporation	\$ 261,623	10	\$ 297,483	14	\$ 759,007	11	\$ 705,458	11
Non-controlling interests	<u>(2,032)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,345</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 259,591</u>	<u>10</u>	<u>\$ 297,483</u>	<u>14</u>	<u>\$ 765,352</u>	<u>11</u>	<u>\$ 705,458</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE								
TO:								
Owners of the Corporation	\$ 337,599	13	\$ 170,272	8	\$ 661,808	10	\$ 627,575	10
Non-controlling interests	<u>1,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,229</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 338,936</u>	<u>13</u>	<u>\$ 170,272</u>	<u>8</u>	<u>\$ 667,037</u>	<u>10</u>	<u>\$ 627,575</u>	<u>10</u>
EARNINGS PER SHARE								
(Note 24)								
Basic	<u>\$ 2.11</u>		<u>\$ 2.40</u>		<u>\$ 6.13</u>		<u>\$ 5.70</u>	
Diluted	<u>\$ 2.10</u>		<u>\$ 2.39</u>		<u>\$ 6.08</u>		<u>\$ 5.66</u>	

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

(With Deloitte & Touche review report dated October 29, 2020)

(Concluded)

**SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Corporation (Notes 4 and 21)																
	Capital Surplus						Retained Earnings				Other Equity		Non-controlling Interests (Notes 4 and 21)	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	Changes in Percentage of Ownership Interests in Subsidiaries	Consolidation Excess	Other	Total	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations			Share of Other Comprehensive Income of Subsidiaries Accounted for Using Equity Method	Total	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																	
Legal reserve	-	-	-	-	-	-	-	88,996	-	(88,996)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	54,857	(54,857)	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	-	-	-	(804,207)	(804,207)	-	-	-	(804,207)	-	(804,207)
	-	-	-	-	-	-	-	88,996	54,857	(948,060)	(804,207)	-	-	-	(804,207)	-	(804,207)
Net profit for the nine months ended September 30, 2019	-	-	-	-	-	-	-	-	-	705,458	705,458	-	-	-	705,458	-	705,458
Other comprehensive loss for the nine months ended September 30, 2019, net of income tax	-	-	-	-	-	-	-	-	-	-	-	(77,883)	-	(77,883)	(77,883)	-	(77,883)
Total comprehensive income (loss) for the nine months ended September 30, 2019	-	-	-	-	-	-	-	-	-	705,458	705,458	(77,883)	-	(77,883)	627,575	-	627,575
BALANCE AT SEPTEMBER 30, 2019	\$ 1,237,242	\$ 1,184,809	\$ 410,949	\$ 143,150	\$ 852,372	\$ -	\$ 2,591,280	\$ 810,515	\$ 431,506	\$ 817,812	\$ 2,059,833	\$ (509,389)	\$ -	\$ (509,389)	\$ 5,378,966	\$ -	\$ 5,378,966
BALANCE AT JANUARY 1, 2020	\$ 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	\$ 229,257	\$ 5,719,631
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)	-	(556,759)
	-	-	-	-	-	-	-	94,150	202,514	(853,423)	(556,759)	-	-	-	(556,759)	-	(556,759)
Unclaimed dividends	-	-	-	-	-	56	56	-	-	-	-	-	-	-	56	-	56
Net profit for the nine months ended September 30, 2020	-	-	-	-	-	-	-	-	-	759,007	759,007	-	-	-	759,007	6,345	765,352
Other comprehensive loss for the nine months ended September 30, 2020, net of income tax	-	-	-	-	-	-	-	-	-	-	-	(97,199)	-	(97,199)	(97,199)	(1,116)	(98,315)
Total comprehensive income (loss) for the nine months ended September 30, 2020	-	-	-	-	-	-	-	-	-	759,007	759,007	(97,199)	-	(97,199)	661,808	5,229	667,037
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,815)	(3,815)
BALANCE AT SEPTEMBER 30, 2020	\$ 1,237,242	\$ 1,184,809	\$ 410,949	\$ 143,150	\$ 852,372	\$ 56	\$ 2,591,336	\$ 904,665	\$ 634,020	\$ 959,435	\$ 2,498,120	\$ (730,983)	\$ (236)	\$ (731,219)	\$ 5,595,479	\$ 230,671	\$ 5,826,150

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

(With Deloitte & Touche review report dated October 29, 2020)

# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 1,182,068	\$ 1,071,159
Adjustments for:		
Depreciation expenses	213,818	182,958
Amortization expenses	10,279	10,106
Expected credit loss (gain) recognized on trade receivables	(7,032)	8,808
Net gain on financial assets at fair value through profit or loss	(14,739)	(36,747)
Interest expenses	20,701	12,906
Interest income	(27,927)	(22,494)
Dividend income	(6,229)	-
Share of profit of associates	(8,658)	(12,745)
Loss on disposal of property, plant and equipment	1,533	346
Impairment loss recognized on property, plant and equipment	2,528	-
Net loss (gain) on unrealized foreign currency exchange	18,876	(20,487)
Gain on lease modification	(1,476)	-
Changes in operating assets and liabilities		
Notes receivable	(36,401)	16,868
Trade receivables	(217,109)	205,174
Inventories	(22,360)	87,475
Other current assets	(103,948)	(5,006)
Notes payable and trade payables	8,916	(85,499)
Other payables	(12,717)	(56,699)
Other current liabilities	6,624	(6,412)
Net defined benefit assets and liabilities	(1,760)	(18)
Cash generated from operations	1,004,987	1,349,693
Interest paid	(20,701)	(12,906)
Income tax paid	(382,284)	(411,147)
Net cash generated from operating activities	<u>602,002</u>	<u>925,640</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(237,840)	(46,581)
Purchase of financial assets at fair value through profit or loss	(1,545,939)	(884,094)
Proceeds from sale of financial assets at fair value through profit or loss	1,179,133	1,029,729
Acquisition of associates	-	(25,000)
Payments for property, plant and equipment	(75,019)	(42,731)
Proceeds from disposal of property, plant and equipment	12,260	8,061
Decrease in refundable deposits	541	4,875
Payments for intangible assets	(13,327)	(13,984)
Payments for right-of-use assets	(100,651)	-
Increase in prepayments for equipment	(33,927)	(20,721)

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# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2020	2019
Interest received	\$ 27,927	\$ 22,494
Dividends received	<u>17,629</u>	<u>11,400</u>
Net cash (used in) generated from investing activities	<u>(769,213)</u>	<u>43,448</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	424,018	-
Repayments of short-term borrowing	-	(101,713)
Proceeds from short-term bills payable	19,969	-
Repayments of bond payables	(150,000)	-
Refunds of guarantee deposits received	-	(131)
Repayment of the principal portion of lease liabilities	(114,195)	(101,814)
Cash dividends	(556,759)	(804,207)
Changes in non-controlling interests	<u>(3,815)</u>	<u>-</u>
Net cash used in financing activities	<u>(380,782)</u>	<u>(1,007,865)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(34,064)</u>	<u>(74,910)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(582,057)	(113,687)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>2,889,307</u>	<u>2,681,311</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,307,250</u>	<u>\$ 2,567,624</u>

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

(With Deloitte & Touche review report dated October 29, 2020)

(Concluded)

# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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### 1. GENERAL INFORMATION

Syncmold Enterprise Corporation (the “Corporation”) was incorporated in the Republic of China (“ROC”) in July 1979 and is mainly engaged in the processing, manufacturing, trading, technology licensing and related import and export business of various metal molds, plastic molds and electronic parts.

The Corporation’s shares were approved for listing on the emerging stock board of the Taipei Exchange (“TPEX”) in December 2005 and after obtaining approval from the Financial Supervisory Commission, Executive Yuan in November 2006, the Corporation’s shares were listed on the over-the-counter market (OTC) on January 11, 2007. In November 2009, the Corporation obtained approval to transfer listing of its shares to the Taiwan Stock Exchange (“TWSE”) and were officially listed and started trading its shares on December 17, 2009.

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

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by Corporation’s board of directors on October 29, 2020.

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

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

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

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

<u>New IFRSs</u>	<u>Effective Date Announced by IASB (Note 1)</u>
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform - Phase 2”	January 1, 2021
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

(Concluded)

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

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

##### b. Basis of preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

d. Other significant accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2019.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

## **5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The critical accounting judgments and key sources of estimation uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2019.

## 6. CASH AND CASH EQUIVALENTS

	September 30, 2020	December 31, 2019	September 30, 2019
Cash on hand	\$ 2,805	\$ 2,509	\$ 3,141
Checking accounts and demand deposits	1,808,949	2,427,533	2,260,602
Cash equivalents			
Time deposits with original maturities within 3 months	<u>495,496</u>	<u>459,265</u>	<u>303,881</u>
	<u>\$ 2,307,250</u>	<u>\$ 2,889,307</u>	<u>\$ 2,567,624</u>

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

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Financial assets at fair value through profit or loss (FVTPL) - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets			
Foreign exchange forward contracts (a)	\$ 3,322	\$ -	\$ -
Non-derivative financial assets			
Domestic listed shares	194,302	39,800	-
Hybrid financial assets			
Structured deposits (b)	<u>279,262</u>	<u>52,189</u>	<u>74,780</u>
	<u>\$ 476,886</u>	<u>\$ 91,989</u>	<u>\$ 74,780</u>
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic emerging market shares	\$ 13,973	\$ 10,271	\$ 9,205
Overseas unlisted shares	<u>43,717</u>	<u>50,611</u>	<u>50,865</u>
	<u>\$ 57,690</u>	<u>\$ 60,882</u>	<u>\$ 60,070</u>

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

September 30, 2020

	Currency	Maturity Date	Notional Amount (In Thousands)
Sell	US\$/RMB	2021.01	US\$1,000/RMB7,089
Sell	US\$/RMB	2021.02	US\$1,000/RMB6,973
Sell	US\$/RMB	2021.02	US\$1,000/RMB6,854
Sell	US\$/RMB	2021.02	US\$1,000/RMB6,890
Sell	US\$/RMB	2021.02	US\$1,000/RMB6,891
Sell	US\$/RMB	2021.03	US\$1,000/RMB6,987
Sell	US\$/RMB	2021.03	US\$2,000/RMB13,882
Sell	US\$/RMB	2021.03	US\$2,000/RMB13,842
Sell	US\$/RMB	2021.03	US\$2,000/RMB13,682

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

- b. The Group successively entered into structured time deposit contracts with bank for the nine months ended September 30, 2020 and 2019. The structured time deposit contract includes an embedded derivative instrument which is not closely related to the host contract. The entire contract is assessed and mandatorily classified as at FVTPL since it contained a host that is an asset within the scope of IFRS 9.

## 8. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 402,048</u>	<u>\$ 173,894</u>	<u>\$ 46,560</u>

## 9. TRADE RECEIVABLES, NET

	September 30, 2020	December 31, 2019	September 30, 2019
At amortized cost			
Gross carrying amount	\$ 3,231,379	\$ 3,103,403	\$ 2,888,111
Less: Allowance for impairment loss	<u>(7,558)</u>	<u>(14,444)</u>	<u>(21,551)</u>
	<u>\$ 3,223,821</u>	<u>\$ 3,088,959</u>	<u>\$ 2,866,560</u>

The average credit period of sales of goods was 130-160 days. No interest was charged on trade receivables. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

The Group applies the simplified approach to providing for expected credit losses prescribed, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

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

September 30, 2020

	<b>Not Past Due</b>	<b>Less than 30 Days</b>	<b>31 to 90 Days</b>	<b>91 to 180 Days</b>	<b>Over 180 Days</b>	<b>Total</b>
Expected credit loss rate	-	4.45%	16.07%	50.20%	100%	
Gross carrying amount	\$ 3,127,612	\$ 82,680	\$ 20,211	\$ 496	\$ 380	\$ 3,231,379
Loss allowance (Lifetime ECLs)	-	(3,682)	(3,247)	(249)	(380)	(7,558)
Amortized cost	<u>\$ 3,127,612</u>	<u>\$ 78,998</u>	<u>\$ 16,964</u>	<u>\$ 247</u>	<u>\$ -</u>	<u>\$ 3,223,821</u>

December 31, 2019

	<b>Not Past Due</b>	<b>Less than 30 Days</b>	<b>31 to 90 Days</b>	<b>91 to 180 Days</b>	<b>Over 180 Days</b>	<b>Total</b>
Expected credit loss rate	-	4.71%	16.99%	46.79%	99.75%	
Gross carrying amount	\$ 3,003,292	\$ 73,753	\$ 17,597	\$ 1,434	\$ 7,327	\$ 3,103,403
Loss allowance (Lifetime ECLs)	-	(3,475)	(2,989)	(671)	(7,309)	(14,444)
Amortized cost	<u>\$ 3,003,292</u>	<u>\$ 70,278</u>	<u>\$ 14,608</u>	<u>\$ 763</u>	<u>\$ 18</u>	<u>\$ 3,088,959</u>

September 30, 2019

	<b>Not Past Due</b>	<b>Less than 30 Days</b>	<b>31 to 90 Days</b>	<b>91 to 180 Days</b>	<b>Over 180 Days</b>	<b>Total</b>
Expected credit loss rate	-	3.82%	19.86%	40.00%	85.74%	
Gross carrying amount	\$ 2,734,258	\$ 101,510	\$ 30,867	\$ 15,023	\$ 6,453	\$ 2,888,111
Loss allowance (Lifetime ECLs)	-	(3,879)	(6,130)	(6,009)	(5,533)	(21,551)
Amortized cost	<u>\$ 2,734,258</u>	<u>\$ 97,631</u>	<u>\$ 24,737</u>	<u>\$ 9,014</u>	<u>\$ 920</u>	<u>\$ 2,866,560</u>

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1	\$ 14,444	\$ 13,253
Add: Net remeasurement of loss allowance	-	8,808
Less: Net remeasurement of loss allowance	(7,032)	-
Foreign exchange gains and losses	<u>146</u>	<u>(510)</u>
Balance at September 30	<u>\$ 7,558</u>	<u>\$ 21,551</u>

## 10. INVENTORIES

	<b>September 30, 2020</b>	<b>December 31, 2019</b>	<b>September 30, 2019</b>
Finished goods	\$ 256,929	\$ 301,455	\$ 175,012
Work in progress	199,639	197,681	90,434
Raw materials	<u>293,767</u>	<u>247,962</u>	<u>225,142</u>
	<u>\$ 750,335</u>	<u>\$ 747,098</u>	<u>\$ 490,588</u>

The cost of goods sold for the three months and the nine months ended September 30, 2020 included reversals of inventory write-downs of \$9,213 thousand and \$21,941 thousand, respectively. The cost of goods sold for the three months and the nine months ended September 30, 2019 included reversal of inventory write-downs of \$427 thousand and inventory write-downs of \$27,402 thousand, respectively. The reversal of inventory write-downs resulted from selling of slow-moving inventories.

## 11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	<b>Proportion of Ownership (%)</b>			Note
			<b>September 30, 2020</b>	<b>December 31, 2019</b>	<b>September 30, 2019</b>	
Syncmold Enterprise Corp.	Syncmold Enterprise (Samoa) Corp.	The trading and commercial related practices of all metal molds and plastic molds as well as the reinvestment of subsidiaries in mainland China.	100.00	100.00	100.00	Note 1
	Grand Advnace Inc.	The trading, imports, exports and investments of electronic parts.	100.00	100.00	100.00	Note 1
	Syncmold Enterprise (USA) Corp.	The trading, imports and exports of electronic parts.	100.00	100.00	100.00	Note 2
	Gatech Technology Inc.	Precision molding and magnesium alloy die caster manufacturing and transaction business	73.43	72.81	-	Note 3
	Syncmold Enterprise Vietnam Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business.	100.00	-	-	Note 4
	Syncmold Enterprise Malaysia Sdn., Bhd.	The trading, imports and exports of electronic parts.	100.00	-	-	Note 5
	Syncmold Enterprise Singapore Pte., Ltd.	The trading, imports and exports of electronic parts.	100.00	-	-	Note 6
	Syncmold Enterprise Thailand Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business.	100.00	-	-	Note 7

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note	
			September 30, 2020	December 31, 2019	September 30, 2019		
Grand Advance Inc.	Canford International Limited	Import and export trade and investment business.	100.00	100.00	100.00	Note 2	
	Fullking Development Limited	Import and export trade and investment business.	100.00	100.00	100.00	Note 2	
Syncmold Enterprise (Samoa) Corp.	Full Glary Holding Limited	Import and export trade and investment business.	100.00	100.00	100.00	Note 2	
	Full Big Limited	Reinvesting subsidiaries of mainland China and international business.	100.00	100.00	100.00	Note 2	
	Forever Business Development Limited	Reinvesting subsidiaries of mainland China and international business.	100.00	100.00	100.00	Note 2	
	Full Celebration Limited	Reinvesting subsidiaries of mainland China and international business.	100.00	100.00	100.00	Note 2	
	Fuzhou Fulfil Tech Co., Ltd.	Electronic parts processing and manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 1	
	Fujian Khuan Hua Precise Mold., Ltd.	Processing, manufacturing, trading and related import and export business of various metal molds, plastic molds and plastic injection molds.	100.00	100.00	100.00	Note 2	
	Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Electronic parts processing and manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 2	
	Gatech Technology Inc.	Gatech Holding Ltd.	General investment business	100.00	100.00	-	Note 3
	Forever Business Development Limited	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Processing, manufacturing, trading and related import and export business of various metal molds, plastic molds and plastic injection molds.	100.00	100.00	100.00	Note 2
Canford International Limited	Suzhou Fulfil Electronics Co., Ltd.	Electronic parts processing and manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 1	
Fullking Development Limited	Zhongshan Fulfil Tech Co., Ltd.	Electronic parts processing and manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 1	
Full Glary Holding Limited	Kunshan Fulfil Tech Co., Ltd.	Manufacturing and assembling of laptop components such as precision bearing, hardware and related accessories.	100.00	100.00	100.00	Note 2	
Full Celebration Limited	Chongqing Fulfil Tech Co., Ltd.	The processing, manufacturing, related imports and exports of all electronic, plastic and electronic parts.	100.00	100.00	100.00	Note 2	
Gatech Holding Ltd.	Gatech International Ltd.	General investment business	100.00	100.00	-	Note 3	
Gatech International Ltd.	Gatech (Suzhou) Tech. Co., Ltd.	Aluminum and magnesium alloy manufacturing and trading	100.00	100.00	-	Note 3	

(Concluded)

Note 1: Its financial statements for the nine months ended September 30, 2020 and 2019 have been reviewed.

Note 2: As the subsidiary is not a major subsidiary, its financial statements for the nine months ended September 30, 2020 and 2019 have not been reviewed.

Note 3: The subsidiary is not a major subsidiary. On November 29, 2019, the Corporation completed the acquisition of Gatech Technology Inc. for a cash consideration of \$550,000 thousand; after the acquisition, the Corporation's percentage of ownership in Gatech Technology Inc. was 72.81%. On April 21, 2020 and July 27, 2020, the Corporation acquired additional 0.17% and 0.45% ownerships in Gatech Technology Inc. for a cash consideration of \$1,345 thousand and \$2,470 thousand, respectively, which increased the Corporation's percentage of ownership to 73.43%. Its financial statements for the nine months ended September 30, 2020 and 2019 have not been reviewed.

Note 4: The subsidiary is not a major subsidiary. The establishment of Syncmold Enterprise Vietnam Co., Ltd. was approved on December 24, 2019. As of March 19, 2020, the Corporation had invested \$302,444 thousand in exchange for 100% shareholding interest.

Note 5: The subsidiary is not a major subsidiary. The establishment of Syncmold Enterprise Malaysia Sdn., Bhd. was approved on February 10, 2020. As of June 10, 2020, the Corporation had invested \$3,639 thousand in exchange for 100% shareholding interest.

Note 6: The subsidiary is not a major subsidiary. The establishment of Syncmold Enterprise Singapore Pte., Ltd. was approved on February 27, 2020. As of June 29, 2020, the Corporation had invested \$1,100 thousand in exchange for 100% shareholding interest.

Note 7: The subsidiary is not a major subsidiary. The establishment of Syncmold Enterprise Thailand Co., Ltd. was approved on May 14, 2020. As of May 27, 2020, the Corporation had invested \$19,920 thousand in exchange for 100% shareholding interest.

## 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2020	December 31, 2019	September 30, 2019
Associates that are not individually material			
Unlisted company			
High Grade Tech Co., Ltd.	\$ 125,289	\$ 121,500	\$ 127,907
Corebio technologies Co., Ltd.	<u>40,221</u>	<u>46,752</u>	<u>22,151</u>
	<u>\$ 165,510</u>	<u>\$ 168,252</u>	<u>\$ 150,058</u>

In January 2019, the Corporation subscribed for shares of Corebio Technologies Co., Ltd. for a cash consideration of \$25,000 thousand; after the subscription, the Corporation's percentage of ownership in Corebio Technologies Co., Ltd. was 23.83% and the Corporation was able to exercise significant influence over Corebio Technologies Co., Ltd., and as of December 31, 2019, the Corporation subscribed for additional new shares at a cash consideration of \$27,000 thousand, which increased the Corporation's percentage of ownership to 38.29%.

Investments were accounted for using the equity method and the share of profit or loss for the nine months ended September 30, 2020 and 2019 were calculated based on financial statements which have not been reviewed.

## 13. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Asset used by the Group</u>			
Freehold land	\$ 495,581	\$ 484,451	\$ 65,187
Buildings	308,462	320,064	129,872
Equipment	382,882	371,319	288,603
Transportation equipment	12,556	13,326	9,202
Office equipment	24,245	12,345	12,575
Other equipment	<u>12,413</u>	<u>24,076</u>	<u>20,518</u>
	<u>\$ 1,236,139</u>	<u>\$ 1,225,581</u>	<u>\$ 525,957</u>

Except for depreciation recognized, the Group did not have significant addition, disposal, or impairment of property, plant and equipment during the nine months ended September 30, 2020 and 2019. The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

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

#### 14. LEASE ARRANGEMENTS

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

	September 30, 2020	December 31, 2019	September 30, 2019	
<u>Carrying amounts</u>				
Lands	\$ 151,911	\$ 53,158	\$ 7,576	
Buildings	352,562	383,134	340,606	
Transportation equipment	<u>642</u>	<u>576</u>	<u>270</u>	
	<u>\$ 505,115</u>	<u>\$ 436,868</u>	<u>\$ 348,452</u>	
	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2020	2019	2020	2019
Additions to right-of-use assets			<u>\$ 237,471</u>	<u>\$ 55,240</u>
Depreciation charge for right-of-use assets				
Lands	\$ 591	\$ 58	\$ 1,140	\$ 174
Buildings	39,161	36,684	117,006	108,482
Transportation equipment	<u>113</u>	<u>62</u>	<u>299</u>	<u>187</u>
	<u>\$ 39,865</u>	<u>\$ 36,804</u>	<u>\$ 118,445</u>	<u>\$ 108,843</u>
Income from the subleasing of right-of-use assets (presented in other income)	<u>\$ (250)</u>	<u>\$ (4,313)</u>	<u>\$ (9,862)</u>	<u>\$ (13,236)</u>

Except for the recognized depreciation, the Group did not have any significant impairment of right-of-use assets during the nine months ended September 30, 2020 and 2019.

b. Lease liabilities

	<b>September 30, 2020</b>	<b>December 31, 2019</b>	<b>September 30, 2019</b>
<u>Carrying amounts</u>			
Current	<u>\$ 149,997</u>	<u>\$ 123,884</u>	<u>\$ 108,850</u>
Non-current	<u>\$ 177,746</u>	<u>\$ 232,119</u>	<u>\$ 194,136</u>

Range of discount rate for lease liabilities was as follows:

	<b>September 30, 2020</b>	<b>December 31, 2019</b>	<b>September 30, 2019</b>
Buildings	0.94%-4.90%	0.94%-4.90%	0.94%-4.90%
Transportation equipment	0.94%	0.94%	0.94%

c. Subleases

The Group subleases its right-of-use assets for buildings under operating leases with lease terms of 5 years and with the priority to extend the lease. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend.

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

	<b>September 30, 2020</b>	<b>December 31, 2019</b>	<b>September 30, 2019</b>
Year 1	<u>\$ -</u>	<u>\$ 8,386</u>	<u>\$ 10,116</u>

d. Other lease information

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Expenses relating to short-term leases	<u>\$ 6,137</u>	<u>\$ 3,472</u>	<u>\$ 15,132</u>	<u>\$ 10,663</u>
Total cash outflow for leases			<u>\$ (139,425)</u>	<u>\$ (125,060)</u>

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

## 15. GOODWILL

	<b>September 30, 2020</b>	<b>December 31, 2019</b>	<b>September 30, 2019</b>
<u>Cost</u>			
Balance at January 1	<u>\$ 366,777</u>	<u>\$ 366,777</u>	<u>\$ 366,777</u>
Balance at end of period	<u>\$ 366,777</u>	<u>\$ 366,777</u>	<u>\$ 366,777</u>
<u>Accumulated impairment losses</u>			
Balance at January 1	\$ (42,180)	\$ -	\$ -
Impairment losses recognized	<u>-</u>	<u>(42,180)</u>	<u>-</u>
Balance at end of period	<u>\$ (42,180)</u>	<u>\$ (42,180)</u>	<u>\$ -</u>
Carrying amounts at end of period	<u>\$ 324,597</u>	<u>\$ 324,597</u>	<u>\$ 366,777</u>

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

In 2019, part of plastic molding departments had ceased operations due to the expected increase in bargaining pressure, price of raw materials, and labor costs of molded plastic products, as well as intra-group rearrangements and adjustments. Since the estimated recoverable amount of plastic molding department was smaller than its carrying amount, goodwill impairment loss of \$42,180 thousand was recognized in 2019.

The recoverable amount of plastic molding department was determined based on a value in use calculation that used the cash flow projections in the financial budgets approved by management covering a 5-year period; the discount rate was 12.96%. Other key assumptions included budgeted revenue and budgeted gross margin. Such assumptions were based on the past performance of the cash-generating unit and management's expectations of future market development.

## 16. INTANGIBLE ASSETS

	<b>September 30, 2020</b>	<b>December 31, 2019</b>	<b>September 30, 2019</b>
Computer software	<u>\$ 29,634</u>	<u>\$ 26,637</u>	<u>\$ 25,645</u>

Except for the recognized amortization, the Group did not have any significant additions, disposals or impairment of intangible assets during the nine months ended September 30, 2020 and 2019.

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

## 17. BORROWINGS

### a. Short-term borrowings

	September 30, 2020	December 31, 2019	September 30, 2019
Unsecured borrowings - line of credit borrowing	\$ 1,041,000	\$ 726,982	\$ 128,287
Secured borrowings - pledge	<u>390,000</u>	<u>280,000</u>	<u>-</u>
	<u>\$ 1,431,000</u>	<u>\$ 1,006,982</u>	<u>\$ 128,287</u>

The range of interest rates on bank loans was 0.77%-1.00%, 0.88%-2.80% and 0.87%-2.60% on September 30, 2020, December 31, 2019 and September 30, 2019, respectively.

### b. Short-term bills payable

	September 30, 2020	December 31, 2019	September 30, 2019
Commercial paper	\$ 20,000	\$ -	\$ -
Less: Unamortized discounts on bills payable	<u>(31)</u>	<u>-</u>	<u>-</u>
	<u>\$ 19,969</u>	<u>\$ -</u>	<u>\$ -</u>

Outstanding short-term bills payable were as follows:

#### September 30, 2020

Issuer	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
<u>Commercial paper</u>						
Mega Bills Finance Co., Ltd.	\$ 20,000	\$ 31	\$ 19,969	1.0500%	None	\$ -

## 18. BONDS PAYABLE

	September 30, 2020	December 31, 2019	September 30, 2019
Secured domestic bonds	\$ -	\$ 150,000	\$ -
Less: Current portions	<u>-</u>	<u>(150,000)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2019, bonds payable acquired in business combinations by the Group had coupon rate of 1.45%, with annual interest payments and repayment of principal in December 2020, as well as an advance payment in March 2020.

## 19. OTHER PAYABLES

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Current</u>			
Other payables			
Payables for salaries or bonuses	\$ 214,921	\$ 242,155	\$ 227,727
Others	<u>183,905</u>	<u>175,135</u>	<u>134,899</u>
	<u>\$ 398,826</u>	<u>\$ 417,290</u>	<u>\$ 362,626</u>

## 20. RETIREMENT BENEFIT PLANS

For the three months ended September 30, 2020 and 2019 and the nine months ended September 30, 2020 and 2019, the pension expenses (gains) of defined benefit plans were \$120 thousand, \$(6) thousand, \$363 thousand and \$(18) thousand, respectively, and these were calculated based on the actuarially determined pension cost rate on December 31, 2019 and 2018, respectively.

## 21. EQUITY

### a. Share capital

#### Ordinary shares

	September 30, 2020	December 31, 2019	September 30, 2019
Number of shares authorized (in thousands)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Value of shares authorized	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>123,724</u>	<u>123,724</u>	<u>123,724</u>
Value of shares issued	<u>\$ 1,237,242</u>	<u>\$ 1,237,242</u>	<u>\$ 1,237,242</u>

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

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

### b. Capital surplus

Capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

Capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method and unclaimed dividends may be only use to offset a deficit.

c. Retained earnings and dividends policy

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

As the Corporation is currently in the growth stage, the Corporation considers its industry development and long-term interests of shareholders as well as its programs to maintain operating efficiency and meet its financial goals when determining the distribution of bonuses in shares or cash. The board of directors shall propose allocation ratio every year and submit it to the shareholder' meeting for approval. For the distribution of bonuses to shareholders, cash dividends are preferred. Distribution of earnings may also be made in the form of stock dividends provided that the ratio of cash dividends distributed is 5% to 100% of the total dividends distributed.

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

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

The appropriations of earnings for 2019 and 2018, which were approved in the shareholders' meetings on June 18, 2020 and June 20, 2019, respectively, were as follows:

	<b>Appropriation of Earnings</b>		<b>Dividends Per Share (NT\$)</b>	
	<b>For the Year Ended</b>		<b>For the Year Ended</b>	
	<b>December 31</b>		<b>December 31</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Legal reserve	\$ 94,150	\$ 88,996		
Special reserve	202,514	54,857		
Cash dividends	556,759	804,207	\$4.50	\$6.50

d. Special reserve

	<b>For the Nine Months Ended</b>	
	<b>2020</b>	<b>2019</b>
Balance at January 1	\$ 431,506	\$ 376,649
Appropriations to special reserve		
Debits to other equity items	<u>202,514</u>	<u>54,857</u>
Balance at September 30	<u>\$ 634,020</u>	<u>\$ 431,506</u>

On the initial application of the IFRSs, the balance of retained earnings was not enough to appropriate to special reserve the full amount of IFRS adjustments; the Group appropriated to special reserve only at the amount of \$230,916 thousand representing the remaining amount in retained earnings that resulted from the conversion to IFRSs. Additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRSs. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and is thereafter, distributed.

e. Non-controlling interests

	<b>For the Nine Months Ended September 30, 2020</b>
Balance at January 1	\$ 229,257
Non-controlling interests arising from acquisition of subsidiaries	(3,815)
Share of profit for the year	6,345
Other comprehensive income (loss) during the year	
Exchange differences on translating the financial statements of foreign operations	<u>(1,116)</u>
Balance at September 30	<u>\$ 230,671</u>

## 22. NET PROFIT

a. Employee benefits expense, depreciation and amortization

	<b>For the Three Months Ended September 30</b>					
	<b>2020</b>			<b>2019</b>		
	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>
Employee benefits expense						
Defined contribution plan	\$ 9,364	\$ 2,910	\$ 12,274	\$ 23,667	\$ 5,620	\$ 29,287
Defined benefit plan	67	53	120	-	(6)	(6)
Other employee benefits	<u>328,251</u>	<u>108,851</u>	<u>437,102</u>	<u>243,769</u>	<u>107,135</u>	<u>350,904</u>
	<u>\$ 337,682</u>	<u>\$ 111,814</u>	<u>\$ 449,496</u>	<u>\$ 267,436</u>	<u>\$ 112,749</u>	<u>\$ 380,185</u>
Depreciation	<u>\$ 48,783</u>	<u>\$ 24,825</u>	<u>\$ 73,608</u>	<u>\$ 40,489</u>	<u>\$ 21,514</u>	<u>\$ 62,003</u>
Amortization	<u>\$ 104</u>	<u>\$ 3,395</u>	<u>\$ 3,499</u>	<u>\$ 12</u>	<u>\$ 3,724</u>	<u>\$ 3,736</u>
	<b>For the Nine Months Ended September 30</b>					
	<b>2020</b>			<b>2019</b>		
	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total</b>
Employee benefits expense						
Defined contribution plan	\$ 25,225	\$ 9,126	\$ 34,351	\$ 42,099	\$ 12,814	\$ 54,913
Defined benefit plan	217	146	363	-	(18)	(18)
Other employee benefits	<u>979,487</u>	<u>312,817</u>	<u>1,292,304</u>	<u>753,550</u>	<u>297,906</u>	<u>1,051,456</u>
	<u>\$ 1,004,929</u>	<u>\$ 322,089</u>	<u>\$ 1,327,018</u>	<u>\$ 795,649</u>	<u>\$ 310,702</u>	<u>\$ 1,106,351</u>
Depreciation	<u>\$ 141,937</u>	<u>\$ 71,881</u>	<u>\$ 213,818</u>	<u>\$ 117,238</u>	<u>\$ 65,720</u>	<u>\$ 182,958</u>
Amortization	<u>\$ 118</u>	<u>\$ 10,161</u>	<u>\$ 10,279</u>	<u>\$ 23</u>	<u>\$ 10,083</u>	<u>\$ 10,106</u>

b. Employees' compensation and remuneration of directors

According to the Corporation's Articles of Incorporation, the Corporation accrued employees' compensation and remuneration of directors at rates of no less than 3% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. The employees' compensation and the remuneration of directors and supervisors for the three months ended September 30, 2020 and 2019 and the nine months ended September 30, 2020 and 2019, respectively, are as follows:

Accrual rate

	<b>For the Nine Months Ended September 30</b>	
	<b>2020</b>	<b>2019</b>
Employees' compensation	6.55%	6.56%
Remuneration of directors and supervisors	1.44%	1.44%

Amount

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Employees' compensation	<u>\$ 21,580</u>	<u>\$ 24,673</u>	<u>\$ 63,232</u>	<u>\$ 58,400</u>
Remuneration of directors and supervisors	<u>\$ 4,737</u>	<u>\$ 5,415</u>	<u>\$ 13,880</u>	<u>\$ 12,819</u>

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

The appropriations of employees' compensation and remuneration of directors for 2019 and 2018 that were resolved by the board of directors on March 13, 2020 and March 14, 2019, respectively, are as shown below:

Amount

	<b>For the Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
	<b>Cash</b>	<b>Cash</b>
Employees' compensation	\$ 79,000	\$ 76,000
Remuneration of directors and supervisors	18,000	17,000

The Corporation held board of directors' meetings on March 13, 2020 and March 14, 2019 and the meetings resulted in the actual amounts of the employees' compensation and remuneration of directors and supervisors paid for 2019 and 2018 to differ from the amounts recognized in the consolidated financial statements. The adjustment for differences will be and was recognized in profit and loss for the years ended December 31, 2020 and 2019.

	<b>For the Year Ended December 31</b>			
	<b>2019</b>		<b>2018</b>	
	<b>Employees' Compensation</b>	<b>Remuneration of Directors and Supervisors</b>	<b>Employees' Compensation</b>	<b>Remuneration of Directors and Supervisors</b>
Amounts approved in the board of directors' meeting	<u>\$ 79,000</u>	<u>\$ 18,000</u>	<u>\$ 76,000</u>	<u>\$ 17,000</u>
Amounts recognized in the annual consolidated financial statements	<u>\$ 79,339</u>	<u>\$ 17,416</u>	<u>\$ 75,903</u>	<u>\$ 16,662</u>

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

### 23. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Current tax				
In respect of the current period	\$ 243,162	\$ 116,293	\$ 445,923	\$ 371,365
Income tax on unappropriated earnings	-	-	4,404	-
Adjustments for prior periods	<u>(253)</u>	<u>2,809</u>	<u>2,235</u>	<u>1,810</u>
	<u>242,909</u>	<u>119,102</u>	<u>452,562</u>	<u>373,175</u>
Deferred tax				
In respect of the current period	(103,427)	40,538	(35,588)	(7,474)
Adjustments for prior periods	<u>(2,617)</u>	<u>-</u>	<u>(258)</u>	<u>-</u>
	<u>(106,044)</u>	<u>40,538</u>	<u>(35,846)</u>	<u>(7,474)</u>
Income tax expense recognized in profit or loss	<u>\$ 136,865</u>	<u>\$ 159,640</u>	<u>\$ 416,716</u>	<u>\$ 365,701</u>

b. Income tax assessments

The income tax returns of the Corporation through 2018 have been assessed by the tax authorities.

The income tax returns of the Gatech Technology Inc. through 2018 have been assessed by the tax authorities.

The income tax returns of subsidiaries in mainland China through 2018 have been assessed by the tax authorities.

**24. EARNINGS PER SHARE**

**Net Profit for the Period**

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Earnings used in the computation of diluted earnings per share	<u>\$ 261,623</u>	<u>\$ 297,483</u>	<u>\$ 759,007</u>	<u>\$ 705,458</u>

**Shares**

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Weighted average number of ordinary shares used in the computation of basic earnings per share	123,724	123,724	123,724	123,724
Effect of potentially dilutive ordinary shares				
Employees' compensation	<u>755</u>	<u>760</u>	<u>1,023</u>	<u>1,013</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>124,479</u>	<u>124,484</u>	<u>124,747</u>	<u>124,737</u>

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

## 25. FINANCIAL INSTRUMENTS

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

#### 1) Fair value hierarchy

September 30, 2020

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Listed shares	\$ 194,302	\$ -	\$ -	\$ 194,302
Emerging market shares	5,006	-	8,967	13,973
Structured deposits	279,262	-	-	279,262
Forward foreign exchange	3,322	-	-	3,322
Overseas unlisted shares	<u>-</u>	<u>-</u>	<u>43,717</u>	<u>43,717</u>
	<u>\$ 481,892</u>	<u>\$ -</u>	<u>\$ 52,684</u>	<u>\$ 534,576</u>

December 31, 2019

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Listed shares	\$ 39,800	\$ -	\$ -	\$ 39,800
Emerging market shares	3,473	-	6,798	10,271
Structured deposits	52,189	-	-	52,189
Overseas unlisted shares	<u>-</u>	<u>-</u>	<u>50,611</u>	<u>50,611</u>
	<u>\$ 95,462</u>	<u>\$ -</u>	<u>\$ 57,409</u>	<u>\$ 152,871</u>

September 30, 2019

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Listed shares	\$ -	\$ -	\$ -	\$ -
Emerging market shares	3,828	-	5,377	9,205
Structured deposits	74,780	-	-	74,780
Overseas unlisted shares	<u>-</u>	<u>-</u>	<u>50,865</u>	<u>50,865</u>
	<u>\$ 78,608</u>	<u>\$ -</u>	<u>\$ 56,242</u>	<u>\$ 134,850</u>

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

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

For the nine months ended September 30, 2020

	<b>Financial Assets at FVTPL Equity Instruments</b>
Balance at January 1, 2020	\$ 57,409
Recognized in profit or loss (included in net loss on fair value changes of financial assets at fair value through profit or loss)	<u>(4,725)</u>
Balance at September 30, 2020	<u>\$ 52,684</u>

For the nine months ended September 30, 2019

	<b>Financial Assets at FVTPL Equity Instruments</b>
Balance at January 1, 2019	\$ 54,099
Recognized in profit or loss (included in net gain on fair value changes of financial assets at fair value through profit or loss)	2,489
Purchase	3,482
Transfer out of Level 3	<u>(3,828)</u>
Balance at September 30, 2019	<u>\$ 56,242</u>

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

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

b. Categories of financial instruments

	<b>September 30, 2020</b>	<b>December 31, 2019</b>	<b>September 30, 2019</b>
<u>Financial assets</u>			
Mandatorily classified as at FVTPL	\$ 534,576	\$ 152,871	\$ 134,850
Financial assets at amortized cost (Note 1)	6,436,091	6,621,835	5,973,224
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	3,452,660	3,291,944	1,967,789

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

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, trade and other payables, and guarantee deposits received.

c. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

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

There is no change in the method of the measurement of market risk.

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

a) Foreign currency risk

Several subsidiaries of the Group have sales and purchases denominated in foreign currencies, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 30.

Sensitivity analysis

The Group is mainly exposed to the USD and RMB.

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2020</b>	<b>2019</b>
<u>USD impact</u>		
USD:NTD	<u>\$ 6,318</u>	<u>\$ 3,778</u>
USD:RMB	<u>\$ (20,893)</u>	<u>\$ (29,922)</u>
USD:VND	<u>\$ (1,596)</u>	<u>\$ -</u>

(Continued)

**For the Nine Months Ended  
September 30**

**2020                      2019**

RMB impact

RMB:NTD	\$ (1,367)	\$ (1,128)
RMB:USD	\$ (431)	\$ (960)
		(Concluded)

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

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

b) Interest rate risk

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

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

	September 30, 2020	December 31, 2019	September 30, 2019
Fair value interest rate risk			
Financial assets	\$ 1,176,806	\$ 685,348	\$ 425,221
Financial liabilities	1,778,712	1,512,985	128,287
Cash flow interest rate risk			
Financial assets	1,805,676	2,424,021	2,257,258

Sensitivity analysis

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

If interest rates had been 100 basis point higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2020 and 2019 would have increased/decreased by \$13,543 thousand and \$16,929 thousand, respectively.

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

c) Other price risk

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

### Sensitivity analysis

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

If equity prices had been 1% higher/lower, pre-tax profit for the nine months ended September 30, 2020 and 2019 would have increased/decreased by \$2,520 thousand and \$601 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

The Group's sensitivity to other price risk has not changed significantly from the prior period.

#### 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to reduce credit risk, the management team of the Group designated a special team to decide the credit ratings of counterparties and other monitoring procedures to make sure there are appropriate actions taken to collect the overdue receivables. Additionally, on each balance sheet date, the Group reviews the recoverable amounts to ensure appropriate allowances have been made for doubtful accounts. Therefore, the Group considers its credit risk to be significantly reduced.

The Group continuously assesses the financial conditions of customers with outstanding receivables.

As the counterparties of the Group are financial institutions and companies with good credit ratings, the Group has limited credit risk.

#### 3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2020, December 31, 2019 and September 30, 2019, the Group had available unutilized short-term bank loan facilities set out in (b) below.

Financing facilities

	September 30, 2020	December 31, 2019	September 30, 2019
Unsecured bank overdraft facilities, reviewed annually and payable on demand			
Amount used	\$ 1,041,000	\$ 726,982	\$ 128,287
Amount unused	<u>2,209,000</u>	<u>1,323,018</u>	<u>1,571,713</u>
	<u>\$ 3,250,000</u>	<u>\$ 2,050,000</u>	<u>\$ 1,700,000</u>
Secured bank overdraft facilities			
Amount used	\$ 390,000	\$ 260,000	\$ -
Amount unused	<u>10,000</u>	<u>140,000</u>	<u>-</u>
	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ -</u>

**26. TRANSACTIONS WITH RELATED PARTIES**

Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
High Grade Tech Co., Ltd. Chen Chien Hung	Associate Related party in substance (first-degree relative of the Corporation's director)
Chen Chien Yuan Kuan Chen Investment Co., Inc.	The legal representative of the Corporation's director (Note) Related party in substance (director is the first-degree relative of the Corporation's director)

Note: Before June 2020, Chen Chien Yuan was a related party in substance.

b. Operating expenses

<u>Related Party Category</u>	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2020	2019	2020	2019
Associate	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>

c. Property, plant and equipment

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Related party in substance	\$ 550	\$ -	\$ 550	\$ -

d. Lease agreements

Related Party Category	For the Nine Months Ended September 30	
	2020	2019
<u>Lease assets acquired</u>		
Related party in substance	\$ 4,453	\$ -

Line Item	Related Party Category	September 30, 2020	December 31, 2019	September 30, 2019
Lease liabilities	Related party in substance	\$ 1,117	\$ 374	\$ 934
	The legal representative of the Corporation's director	2,044	-	-
		\$ 3,161	\$ 374	\$ 934

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
<u>Interest expense</u>				
Related party in substance	\$ 2,931	\$ 3,070	\$ 11,851	\$ 11,097
The legal representative of the Corporation's director	5,363	-	6,476	-
	\$ 8,294	\$ 3,070	\$ 18,327	\$ 11,097

Lease expense

Related party in substance	\$ -	\$ 239	\$ 383	\$ 713
The legal representative of the Corporation's director	225	-	301	-
	\$ 225	\$ 239	\$ 684	\$ 713

Lease expenses included expenses relating to short-term leases.

The rental amounts agreed in lease contracts between the Group and other related parties are determined based on market prices and general payment terms.

e. Prepayments

Line Item	Related Party Category	September 30, 2020	December 31, 2019	September 30, 2019
Prepaid expense (including other current assets)	The legal representative of the Corporation's director	\$ <u>74</u>	\$ <u>76</u>	\$ <u>79</u>

f. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Short-term employee benefits	\$ 13,225	\$ 10,836	\$ 37,419	\$ 37,419
Post-employment benefits	<u>65</u>	<u>69</u>	<u>205</u>	<u>205</u>
	<u>\$ 13,290</u>	<u>\$ 10,905</u>	<u>\$ 37,624</u>	<u>\$ 37,624</u>

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

## 27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for short-term borrowings and current portion of bonds payable:

	September 30, 2020	December 31, 2019	September 30, 2019
Investment accounted for using the equity method	\$ -	\$ 317,694	\$ -
Property, plant and equipment	<u>504,585</u>	<u>529,385</u>	<u>-</u>
	<u>\$ 504,585</u>	<u>\$ 847,079</u>	<u>\$ -</u>

All intragroup transactions and balances have been eliminated during the preparation of the consolidated financial statements.

## 28. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In order to expand the Corporation's business and products portfolio on October 29, 2020, the board of directors of the Corporation resolved to acquire a total of 16,619,800 shares of Leohab Enterprise Co., Ltd from Liao Lu Yin, Lin Chao Chi, Merry Electronics Co., Ltd. and other related parties. The estimated total investment amount was NT\$232,677 thousand, accounting for 70% of 23,742,439 shares in issue.

## 29. OTHER ITEMS

Except for the extension of Lunar New Year holiday in accordance with the epidemic prevention regulations of mainland China, the Group's operations have not been affected by the COVID-19 pandemic.

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

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

September 30, 2020

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 42,211	29.10 (USD:NTD)	\$ 1,228,340
USD	74,800	6.8101 (USD:RMB)	2,176,680
USD	5,486	25,752.2124 (USD:VND)	159,643
RMB	39,469	4.2690 (RMB:NTD)	168,493
RMB	10,107	0.1467 (RMB:USD)	43,147
Non-monetary items			
Financial assets at FVTPL - non-current			
USD	1,500	29.10 (USD:NTD)	43,717

#### Financial liabilities

Monetary items			
USD	63,921	29.10 (USD:NTD)	1,860,101
USD	3,002	6.8101 (USD:RMB)	87,358
RMB	7,446	4.2690 (RMB:NTD)	31,787

December 31, 2019

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 41,587	29.98 (USD:NTD)	\$ 1,246,778
USD	106,932	6.9762 (USD:RMB)	3,205,821
RMB	45,357	4.305 (RMB:NTD)	195,262
RMB	22,072	0.143 (RMB:USD)	95,020
Non-monetary items			
Financial assets at FVTPL - non-current			
USD	1,500	29.980 (USD:NTD)	50,611

#### Financial liabilities

Monetary items			
USD	52,819	29.980 (USD:NTD)	1,583,514
USD	4,468	6.9762 (USD:RMB)	133,951

September 30, 2019

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 42,133	31.04 (USD:NTD)	\$ 1,307,808
USD	106,673	7.0729 (USD:RMB)	3,311,130
RMB	25,922	4.35 (RMB:NTD)	112,761
RMB	22,073	0.1414 (RMB:USD)	96,018
Non-monetary items			
Financial assets at FVTPL - non-current			
USD	1,500	31.04 (USD:NTD)	46,560
<u>Financial liabilities</u>			
Monetary items			
USD	54,305	31.04 (USD:NTD)	1,685,272
USD	10,275	7.0729 (USD:RMB)	318,936

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

<b>For the Three Months Ended September 30</b>				
		<b>2020</b>	<b>2019</b>	
<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Losses</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gains</b>
NTD	1 (NTD:NTD)	\$ 8,891	1 (NTD:NTD)	\$ (2,297)
USD	29.817 (USD:NTD)	2,733	31.04 (USD:NTD)	(2,801)
RMB	4.259 (RMB:NTD)	(93,002)	4.35 (RMB:NTD)	98,867
VND	0.00116 (VND:NTD)	(203)	- (VND:NTD)	-
		<u>\$ (81,581)</u>		<u>\$ 93,769</u>

<b>For the Nine Months Ended September 30</b>				
		<b>2020</b>	<b>2019</b>	
<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Losses</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gains</b>
NTD	1 (NTD:NTD)	\$ 14,631	1 (NTD:NTD)	\$ (908)
USD	29.817 (USD:NTD)	(10,652)	31.04 (USD:NTD)	(586)
RMB	4.259 (RMB:NTD)	(61,628)	4.35 (RMB:NTD)	100,604
VND	0.00116 (VND:NTD)	(1,483)	- (VND:NTD)	-
		<u>\$ (59,132)</u>		<u>\$ 99,110</u>

### **31. SEPARATELY DISCLOSED ITEMS**

a. Information about significant transactions and investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 9) Trading in derivative instruments (Table 3)
- 10) Intercompany relationships and significant intercompany transactions (Table 9)
- 11) Information on investees (Table 7)

b. Information on investments in mainland China:

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 8)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Tables 1, 2, 5, 6 and 9)
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
  - c) The amount of property transactions and the amount of the resultant gains or losses
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

- e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds
  - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (None)

### 32. SEGMENT INFORMATION

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

No operating segments have ceased operation during the year.

#### a. Segment revenue and results

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

	Income		Loss	
	2020	2019	2020	2019
Equipment - electronic parts	\$ 6,655,089	\$ 5,945,916	\$ 1,465,168	\$ 1,221,821
- plastic molding	335,534	390,524	100,556	50,186
Revenue from continuing operations	\$ 6,990,623	\$ 6,336,440	1,565,724	1,272,007
Interest income			27,927	22,494
Other gains and losses			27,828	22,925
Net foreign exchange gain			(59,132)	99,110
Net gain on financial assets at fair value through profit or loss			14,739	36,747
Share of profit of associates			8,658	12,745
Interest expenses			(20,701)	(12,906)
General and administrative expenses			(382,975)	(381,963)
Income before tax			\$ 1,182,068	\$ 1,071,159

The above segment revenues and results were generated from the transactions with external customers. There were no inter-segment transactions for the nine months ended September 30, 2020 and 2019.

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

b. Segment total assets

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

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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	\$ -	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,238,192 (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	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,238,192 (40% of the net worth of the Corporation)
		Syncmold Enterprise Vietnam Corp.	Other receivables from related parties	Yes	250,000	250,000	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,238,192 (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	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,238,192 (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	58,200	58,200	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
		Forever Business Development Limited	Other receivables from related parties	Yes	87,300	87,300	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
		Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	87,300	87,300	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	218,250	218,250	43,650	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
2	Grand Advance Inc.	Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	87,300	87,300	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
		Syncmold Enterprise (Samoa) Corp.	Other receivables from related parties	Yes	87,300	87,300	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
		Full Big Limited	Other receivables from related parties	Yes	87,300	87,300	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
		Zhongshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	203,700	87,300	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	203,700	87,300	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
		Fuzhou Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	203,700	87,300	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	203,700	87,300	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
		Syncmold Enterprise (USA) Corp.	Other receivables from related parties	Yes	26,190	26,190	11,640	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
		Fullking Development Limited	Other receivables from related parties	Yes	130,950	130,950	43,650	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	421,950	421,950	291,000	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
3	Full Big Limited	Grand Advance Inc.	Other receivables from related parties	Yes	\$ 17,460	\$ -	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
		Fullking Development Limited	Other receivables from related parties	Yes	40,740	23,280	23,280	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
4	Fuzhou Fulfil Tech Co., Ltd.	Fujian Khuan Hua Precise Mold., Ltd.	Other receivables from related parties	Yes	68,370	68,370	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
		Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Other receivables from related parties	Yes	68,370	68,370	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	68,370	68,370	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (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	38,458	38,458	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (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	34,185	34,185	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	34,185	34,185	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	34,185	34,185	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,119,096 (20% of the net worth of the Corporation)	\$2,797,740 (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 September 2020.

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

(Concluded)

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020  
(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	Full Celebration Limited	Subsidiary	\$1,678,644 (30% of the net worth of the Corporation)	\$ -	\$ -	\$ -	\$ -	-	\$2,797,740 (50% of the net worth of the Corporation)	Y	-	-
		Full Big Limited	Subsidiary	\$1,678,644 (30% of the net worth of the Corporation)	640,200 (US\$ 22,000 thousand)	-	-	-	-	\$2,797,740 (50% of the net worth of the Corporation)	Y	-	-
		Syncmold Enterprise (Samoa) Corp.	Subsidiary	\$1,678,644 (30% of the net worth of the Corporation)	58,200 (US\$ 2,000 thousand)	58,200 (US\$ 2,000 thousand)	-	-	1.04	\$2,797,740 (50% of the net worth of the Corporation)	Y	-	-
		Fulking Development Limited	Subsidiary	\$1,678,644 (30% of the net worth of the Corporation)	640,200 (US\$ 22,000 thousand)	291,000 (US\$ 10,000 thousand)	-	-	5.20	\$2,797,740 (50% of the net worth of the Corporation)	Y	-	-
		Forever Business Development Limited	Subsidiary	\$1,678,644 (30% of the net worth of the Corporation)	640,200 (US\$ 22,000 thousand)	640,200 (US\$ 22,000 thousand)	1,455 (US\$ 50 thousand)	-	11.44	\$2,797,740 (50% of the net worth of the Corporation)	Y	-	-

Note 1: The co-financing amount of endorsement and guarantees by Syncmold Enterprise (Samoa) Corp. to bank A is \$58,200 thousand.

Note 2: The co-financing amount of endorsement and guarantees by Forever Business Development Limited and bank C is \$349,200 thousand.

Note 3: The co-financing amount of endorsement and guarantees by Forever Business Development Limited and Fulking Development Limited to bank D is \$291,000 thousand.

Note 4: The Corporation co-financed most of the endorsement and guarantee amounts, and the Corporation's total balance for endorsements and guarantees is \$698,400 thousand. The Corporation and its subsidiaries' total amount for endorsements and guarantees is \$698,400 thousand.

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2020

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Syncmold Enterprise Corporation	<u>Stock</u>							
	Gigastone Corporation	-	Financial assets at FVTPL - non-current	847,011	\$ 5,006	1.66	\$ 5,006	(Notes 2 and 5)
	Tiga Gaming Inc.	-	Financial assets at FVTPL - non-current	1,332,132	8,967	5.06	8,967	(Note 5)
	Foxfortune Technology Limited	-	Financial assets at FVTPL - non-current	-	28,470	5.80	28,470	(Note 5)
	Hercules BioVenture, L.P.	-	Financial assets at FVTPL - non-current	-	15,247	2.25	15,247	(Note 5)
	Advanced Wireless Semiconductor Company	-	Financial assets at FVTPL - current	379,198	38,489	0.25	38,489	(Notes 2 and 5)
	Largan Precision Co., Ltd.	-	Financial assets at FVTPL - current	9,000	30,240	0.01	30,240	(Notes 2 and 5)
	Global Mixed-mode Technology Inc.	-	Financial assets at FVTPL - current	1,018,000	77,673	1.41	77,673	(Notes 2 and 5)
	Auras Technology Co., Ltd.	-	Financial assets at FVTPL - current	200,000	47,900	0.23	47,900	(Notes 2 and 5)
	<u>Structured commodity</u>							
Kunshan Fulfil Tech Co., Ltd.	Monthly profit 20040162	-	Financial assets at FVTPL - current	20,000,000	86,868	-	86,868	(Notes 3 and 5)
Dongguan Khuan Huang Precise Mold Co., Ltd.	People's profit 84	-	Financial assets at FVTPL - current	20,000,000	85,550	-	85,550	(Notes 3 and 5)
Zhongshan Fufil Tech Co., Ltd.	Monthly profit 20090311	-	Financial assets at FVTPL - current	15,000,000	64,099	-	64,099	(Notes 3 and 5)
Fujian Khuan Hua Precise Mold., Ltd.	Structured deposit from Xiamen Bank	-	Financial assets at FVTPL - current	5,000,000	21,366	-	21,366	(Notes 3 and 5)
Chongqing Fulfil Tech Co., Ltd.	Structured deposit from Bank of Communications	-	Financial assets at FVTPL - current	5,000,000	21,379	-	21,379	(Notes 3 and 5)

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

Note 2: The share is calculated at the strike price as of September 30, 2020.

Note 3: The structured commodity is calculated at its contract worth as of September 30, 2020.

Note 4: The mutual fund is calculated at its net value as of September 30, 2020.

Note 5: No guarantees, pledged collateral or other restricted situations.

Note 6: Refer to Tables 7 and 8 for information on investments in subsidiaries and associates.

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal	Shares	Amount
Syncmold Enterprise Corporation	Share Syncmold Enterprise Vietnam Corp.	Investments accounted for using the equity method	Syncmold Enterprise Vietnam Corp.	Subsidiary	-	\$ -	-	\$ 302,444	-	\$ -	-	\$ -	-	\$ 256,626 (Note 1)

Note 1: The amount is calculated based on beginning balance adjusted by investment loss of \$(6,778) thousand and other comprehensive income of \$(39,040) thousand.

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

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Syncmold Enterprise Corporation	Zhongshan Fufil Tech Co., Ltd.	Subsidiary	Purchase	\$ 1,177,866	46	Note 1	\$ -	-	\$ (604,270)	49	
	Suzhou Fulfil Electronics Co., Ltd.	Subsidiary	Purchase	937,559	37	Note 1	-	-	(463,173)	38	
	Fuzhou Fulfil Tech Co., Ltd.	Subsidiary	Purchase	270,080	11	Note 1	-	-	(111,859)	9	
Zhongshan Fufil Tech Co., Ltd.	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Indirect subsidiary	Purchase	231,575	19	Note 1	-	-	(73,342)	14	
Suzhou Fulfil Electronics Co., Ltd.	Kunshan Fulfil Tech Co., Ltd.	Indirect subsidiary	Purchase	411,731	20	Note 1	-	-	(132,605)	18	
Fuzhou Fulfil Tech Co., Ltd.	Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Indirect subsidiary	Purchase	250,478	27	Note 1	-	-	(49,980)	17	
Suzhou Fulfil Electronics Co., Ltd.	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Indirect subsidiary	Purchase	106,621	5	Note 1	-	-	(37,344)	5	
	Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Indirect subsidiary	Purchase	149,026	7	Note 1	-	-	(49,193)	7	
Zhongshan Fufil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(1,177,866)	69	Note 1	-	-	604,270	61	
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(937,559)	35	Note 1	-	-	463,173	29	
Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(270,080)	22	Note 1	-	-	111,859	12	
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Zhongshan Fufil Tech Co., Ltd.	Indirect subsidiary	Sales	(231,575)	54	Note 1	-	-	73,342	54	
Kunshan Fulfil Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary	Sales	(411,731)	100	Note 1	-	-	132,605	100	
Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Fuzhou Fulfil Tech Co., Ltd.	Indirect subsidiary	Sales	(250,478)	55	Note 1	-	-	49,980	49	
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary	Sales	(106,621)	25	Note 1	-	-	37,344	28	
Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary	Sales	(149,026)	33	Note 1	-	-	49,193	48	

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

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

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

SEPTEMBER 30, 2020

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

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Grand Advance Inc.	Syncmold Enterprise Corporation	Parent company	\$ 291,000 (Note 1)	-	\$ -	-	\$ -	\$ -
Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	111,859	-	-	-	30,980	-
Zhongshan Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	604,270	-	-	-	149,854	-
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	463,173	-	-	-	120,936	-
Kunshan Fulfil Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary	132,605	-	-	-	56,133	-

Note 1: Financing.

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

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
Syncmold Enterprise Corporation	Syncmold Enterprise (Samoa) Corp.	Samoa	Trading and related import and export businesses of metal molds and plastic molds as well as the reinvestment of subsidiaries in mainland China	\$ 110,598	\$ 110,598	3,546	100.00	\$ 2,464,612	\$ 244,219	\$ 236,999	(Note 1)
	Grand Advance Inc.	Samoa	Trading, import and export and investment in electronic parts	506,240	506,240	-	100.00	2,877,586	553,722	551,736	(Note 1)
	Syncmold Enterprise (USA) Corp.	USA	Trading, import and export in electronic parts	32	32	-	100.00	(2,574)	(214)	(214)	(Note 2)
	High Grade Tech Co., Ltd.	Taiwan	The design and sale of television hangers and related import and export businesses	36,075	36,075	2,280	38.00	125,289	39,971	15,189	(Note 2)
	Corebio Technologies Co., Ltd.	Taiwan	Medical technology and precision instrument wholesale and retail	52,000	52,000	5,200	38.29	40,221	(17,056)	(6,531)	(Note 2)
	Gatech Technology Inc.	Taiwan	Precise molding and magnesium alloy die caster manufacturing and transaction business	553,815	550,000	42,207	73.43	630,224	23,303	15,581	(Note 2)
	Syncmold Enterprise Vietnam Corp.	Vietnam	Trading, import and export and investment in electronic parts	302,444	-	-	100.00	256,626	(6,778)	(6,778)	(Note 2)
	Syncmold Enterprise Malaysia Corp.	Malaysia	Trading, import and export in electronic parts, customer support and service center	3,639	-	-	100.00	2,849	(507)	(507)	(Note 2)
	Syncmold Enterprise Singapore Corp.	Singapore	Trading, import and export in electronic parts, electronic components and parts design	1,100	-	-	100.00	564	(502)	(502)	(Note 2)
	Syncmold Enterprise Thailand Corp.	Thailand	Trading, import and export and investment in electronic parts	19,920	-	-	100.00	17,457	(1,978)	(1,978)	(Note 2)
Grand Advance Inc.	Canford International Limited	Samoa	Import and export trade and investment business	119,342	119,342	-	100.00	1,322,514	274,108	274,108	(Note 2)
	Fullking Development Limited	Hong Kong	Import and export trade and investment business	160,175	160,175	-	100.00	906,277	263,826	263,826	(Note 2)
	Full Glary Holding Limited	Hong Kong	Import and export trade and investment business	259,720	259,720	-	100.00	286,369	37,076	35,433	(Note 2)
Syncmold Enterprise (Samoa) Corp.	Full Big Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	16,643	16,643	-	100.00	240,497	2,686	2,686	(Note 2)
	Forever Business Development Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	125,957	125,957	-	100.00	323,452	40,128	39,208	(Note 2)
	Full Celebration Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	147,710	147,710	-	100.00	261,717	(5,346)	(5,346)	(Note 2)
Gatech Technology Inc.	Gatech Holdings Ltd.	Samoa	General investment business	647,041	647,041	20,130	100.00	604,532	9,359	9,359	(Note 2)
Gatech Holdings Ltd.	Gatech International	Samoa	General investment business	657,284	657,284	20,268	100.00	604,507	9,360	9,360	(Note 2)

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

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

Note 3: Refer to Table 8 for related information on investees from mainland China.

Note 4: The profit and loss of investments between reinvested companies, investments accounted for using the equity method, and the equity of investee companies were all eliminated during the preparation of the consolidated financial statements, except for High Grade Tech Co., Ltd. and Corebio Technology Co., Ltd.

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of September 30, 2020	Accumulated Repatriation of Investment Income as of September 30, 2020
					Outward	Inward						
Fuzhou Fulfil Tech Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	\$ 41,411	Invested through Syncmold Enterprise (Samoa) Corp.	\$ 60,615 (US\$ 2,083 thousand)	\$ -	\$ -	\$ 60,615 (US\$ 2,083 thousand)	\$ 178,445	100.00	\$ 180,010 (Note 1)	\$ 1,013,320	\$ 1,971,932 (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	106,035	Invested through Syncmold Enterprise (Samoa) Corp.	39,460 (US\$ 1,356 thousand)	-	-	39,460 (US\$ 1,356 thousand)	6,130	100.00	8,156 (Note 2)	311,255	-
Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	56,510	Invested through Syncmold Enterprise (Samoa) Corp.	-	-	-	-	21,707	100.00	21,707 (Note 2)	233,995	23,338 (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	119,819	Invested through Forever Business Development Limited	-	-	-	-	37,033	100.00	38,572 (Note 2)	237,685	-
Suzhou Fulfil Electronics Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	17,684	Invested through Canford International Limited	-	-	-	-	277,490	100.00	277,490 (Note 1)	1,322,496	1,240,533 (US\$ 42,630 thousand)
Zhongshan Fulfil Tech Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	145,828	Invested through Fullking Development Limited	-	-	-	-	262,413	100.00	268,155 (Note 1)	972,184	1,218,010 (US\$ 41,856 thousand)
Kunshan Fulfil Tech Co., Ltd.	Manufacturing and assembling of laptops uses precise bearing, hardware and related accessories	223,931	Invested through Full Glary Holding Limited	174,600 (US\$ 6,000 thousand)	-	-	174,600 (US\$ 6,000 thousand)	37,100	100.00	37,075 (Note 2)	287,998	-
Chongqing Fulfil Tech Co., Ltd.	The processing, manufacturing, related imports and exports of all electronic, plastic and hardware parts	133,125	Invested through Full Celebration Limited	-	-	-	-	(4,609)	100.00	(4,609) (Note 2)	261,706	527,408 (US\$ 18,124 thousand)
Gatech (Suzhou) Inc.	Aluminum and magnesium alloy die caster	707,130	Invested through Gatech International	707,130 (US\$ 24,300 thousand)	-	-	707,130 (US\$ 24,300 thousand)	3,287	73.43	6,860 (Note 2)	603,188	-

(Continued)

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2020	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
\$1,103,094 (US\$37,907 thousand)	\$1,953,541 (US\$67,132 thousand)	\$3,495,690

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

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

Note 3: The profit and loss of investments between reinvested companies, investments accounted for using the equity method, and the equity of investee companies were all eliminated during the preparation of the consolidated financial statements.

(Concluded)

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details		Payment Terms	% of Total Sales or Asset (Note 3)
				Financial Statement Account	Price		
0	Syncmold Enterprise Corporation	Fujian Khuan Hua Precise Mold., Ltd.	1	Other receivables from related parties	\$ 11,103	Based on the contract between both parties	-
1	Zhongshan Fufil Tech Co., Ltd.	Syncmold Enterprise Corporation	2	Sale	1,177,866	No significant difference with non-related parties	17
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	604,270	No significant difference with non-related parties	6
2	Dongguan Kwan Huang Precision Mold Plastic Co., Ltd.	Zhongshan Fufil Tech Co., Ltd.	3	Sale	231,575	No significant difference with non-related parties	3
		Zhongshan Fufil Tech Co., Ltd.	3	Trade receivables from related parties	73,342	No significant difference with non-related parties	1
		Fuzhou Fufil Tech Co., Ltd.	3	Sale	58,382	No significant difference with non-related parties	1
		Suzhou Fufil Electronics Co., Ltd.	3	Sale	106,621	No significant difference with non-related parties	2
		Suzhou Fufil Electronics Co., Ltd.	3	Trade receivables from related parties	37,344	No significant difference with non-related parties	-
3	Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Fuzhou Fufil Tech Co., Ltd.	3	Sale	250,478	No significant difference with non-related parties	4
		Fuzhou Fufil Tech Co., Ltd.	3	Trade receivables from related parties	49,980	No significant difference with non-related parties	-
		Suzhou Fufil Electronics Co., Ltd.	3	Sale	149,026	No significant difference with non-related parties	2
		Suzhou Fufil Electronics Co., Ltd.	3	Trade receivables from related parties	49,193	No significant difference with non-related parties	-
		Zhongshan Fufil Tech Co., Ltd.	3	Sale	55,210	No significant difference with non-related parties	1
4	Grand Advance Inc.	Syncmold Enterprise Corporation	2	Other receivables from related parties - financing	291,000	Based on the contract between both parties	3
		Fullking Development Limited	3	Other receivables from related parties - financing	43,650	Based on the contract between both parties	-
5	Suzhou Fufil Electronics Co., Ltd.	Syncmold Enterprise Corporation	2	Trade receivables from related parties	463,173	No significant difference with non-related parties	4
		Syncmold Enterprise Corporation	2	Sale	937,559	No significant difference with non-related parties	13
6	Full Big Limited	Fullking Development Limited	3	Other receivables from related parties - financing	23,280	Based on the contract between both parties	-
7	Forever Business Development Limited	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	3	Trade receivables from related parties	21,689	No significant difference with non-related parties	-
8	Kunshan Fufil Tech Co., Ltd.	Suzhou Fufil Electronics Co., Ltd.	3	Trade receivables from related parties	132,605	No significant difference with non-related parties	1
		Suzhou Fufil Electronics Co., Ltd.	3	Sale	411,731	No significant difference with non-related parties	6
9	Chongqing Fufil Tech Co., Ltd.	Syncmold Enterprise Corporation	2	Trade receivables from related parties	49,173	No significant difference with non-related parties	-
		Syncmold Enterprise Corporation	2	Sale	88,382	No significant difference with non-related parties	1

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details		Payment Terms	% of Total Sales or Asset (Note 3)
				Financial Statement Account	Price		
10	Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	2	Sale	\$ 270,080	No significant difference with non-related parties	4
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	111,859	No significant difference with non-related parties	1
11	Syncmold Enterprise (Samoa) Corp.	Syncmold Enterprise Corporation	2	Other receivables from related parties - financing	43,650	Based on the contract between both parties	-
		Fujian Khuan Hua Precise Mold., Ltd.	3	Other receivables from related parties - dividend	42,929	Based on the contract between both parties	-

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

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

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

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

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

(Concluded)