

**Syncmold Enterprise Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2020 and 2019 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Syncmold Enterprise Corporation

### **Opinion**

We have audited the accompanying consolidated financial statements of Syncmold Enterprise Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of March 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies. 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 NO.34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of 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 (some) non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2020 and 2019, combined total assets of these non-significant subsidiaries were NT\$ 3,636,804 thousand and NT\$ 2,424,617 thousand, respectively, representing 36.85% and 28.39%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$ 1,197,591 thousand and NT\$ 874,403 thousand, respectively, representing 29.42% and 32.21%, respectively, of the consolidated total liabilities; for the three-month periods ended March 31, 2020 and 2019, the amounts of combined comprehensive income of these subsidiaries were NT\$ 20,376 thousand and NT\$ 2,802 thousand, respectively, representing 25.33% and 1.04%, respectively, of the consolidated total comprehensive income. Also, as stated in Note 12 to the consolidated financial statements, the investments accounted for using the equity method were NT\$ 171,358 thousand and NT\$ 153,379 thousand as of March 31, 2020 and 2019, respectively. The Group's share of profit of associates accounted for using the equity method was NT\$ 3,106 thousand and NT\$ 4,666 thousand for the three months ended March 31, 2020 and 2019, respectively, and these investment amounts as well as additional disclosures in Note 29 "Information on Investees" were based on the investees' unreviewed financial statements for the same reporting periods as those of the Company.

## Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the consolidated financial position of the Group as of March 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the three months then ended March 31, 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 audit resulting in this independent auditors’ report are Tung-Feng Lee and Chih-Yuan Chen.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 7, 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 audit such consolidated financial statements are those generally applied in the Republic of China.*

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

# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

MARCH 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2020 (Reviewed)		December 31, 2019 (Audited)		March 31, 2019 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Notes 4 and 6)	\$ 3,159,555	32	\$ 2,889,307	29	\$ 2,849,816	33
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	336,628	3	91,989	1	148,269	2
Financial assets at amortized cost - current(Notes 4 and 8)	196,236	2	173,894	2	46,132	1
Notes receivable	351,682	4	401,766	4	428,932	5
Trade receivables, net (Notes 4 and 9)	2,421,361	25	3,088,959	31	2,645,217	31
Inventories (Notes 4 and 10)	736,930	7	747,098	7	546,005	6
Other current assets (Notes 4 and 26)	227,257	2	258,484	2	207,602	2
Total current assets	<u>7,429,649</u>	<u>75</u>	<u>7,651,497</u>	<u>76</u>	<u>6,871,973</u>	<u>80</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	55,209	1	60,882	1	57,139	1
Investments accounted for using the equity method (Notes 4、12 and 27)	171,358	2	168,252	2	153,379	2
Property, plant and equipment (Notes 4、13 and 27)	1,225,184	13	1,225,581	12	547,444	7
Right-of-use assets (Notes 4 and 14)	408,490	4	436,868	5	434,207	5
Goodwill (Notes 4、5 and 15)	324,597	3	324,597	3	366,777	4
Intangible assets (Notes 4 and 16)	24,322	-	26,637	-	21,504	-
Deferred tax assets (Notes 4 and 23)	69,245	1	70,538	1	30,757	-
Prepayments for equipment	21,519	-	22,455	-	23,450	-
Refundable deposits	34,572	-	31,272	-	31,690	1
Defined benefit assets (Notes 4 and 20)	2,273	-	2,269	-	2,308	-
Long-term prepayments for leases	97,296	1	-	-	-	-
Other non-current assets (Notes 4 and 16)	6,411	-	4,662	-	-	-
Total non-current assets	<u>2,440,476</u>	<u>25</u>	<u>2,374,013</u>	<u>24</u>	<u>1,668,655</u>	<u>20</u>
<b>TOTAL</b>	<u>\$ 9,870,125</u>	<u>100</u>	<u>\$ 10,025,510</u>	<u>100</u>	<u>\$ 8,540,628</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 4、17 and 27)	\$ 1,432,250	15	\$ 1,006,982	10	\$ -	-
Notes payable and trade payables	1,509,038	15	1,959,612	20	1,592,978	19
Lease liabilities – current (Notes 4 and 14)	124,201	1	123,884	1	121,092	2
Other payables (Note 19 and 26)	370,460	4	405,651	4	373,839	4
Current tax liabilities (Notes 4 and 22)	81,489	1	113,470	2	90,945	1
Current portion of bonds payable	-	-	150,000	2	-	-
Other current liabilities	29,440	-	26,383	-	21,141	-
Total current liabilities	<u>3,546,878</u>	<u>36</u>	<u>3,786,437</u>	<u>38</u>	<u>2,199,995</u>	<u>26</u>
<b>NON-CURRENT LIABILITIES</b>						
Lease liabilities - non-current (Notes 4 and 14)	203,985	2	232,119	2	254,866	3
Deferred tax liabilities (Notes 4 and 23)	309,770	3	276,152	3	259,727	3
Provisions(Notes 4 and 20)	9,200	-	10,956	-	-	-
Guarantee deposits received	213	-	215	-	349	-
Total non-current liabilities	<u>523,168</u>	<u>5</u>	<u>519,442</u>	<u>5</u>	<u>514,942</u>	<u>6</u>
Total liabilities	<u>4,070,046</u>	<u>41</u>	<u>4,305,879</u>	<u>43</u>	<u>2,714,937</u>	<u>32</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION</b>						
Ordinary shares	<u>1,237,242</u>	<u>13</u>	<u>1,237,242</u>	<u>12</u>	<u>1,237,242</u>	<u>15</u>
Capital surplus	<u>2,591,280</u>	<u>26</u>	<u>2,591,280</u>	<u>26</u>	<u>2,591,280</u>	<u>30</u>
Retained earnings						
Legal reserve	810,515	8	810,515	8	721,519	8
Special reserve	431,506	5	431,506	4	376,649	4
Unappropriated earnings	<u>1,186,625</u>	<u>12</u>	<u>1,053,851</u>	<u>11</u>	<u>1,239,811</u>	<u>15</u>
Total retained earnings	<u>2,428,646</u>	<u>25</u>	<u>2,295,872</u>	<u>23</u>	<u>2,337,979</u>	<u>27</u>
Other equity						
Exchange differences on translating the financial statements of foreign operations	( 687,645)	( 7)	( 633,784)	( 6)	( 340,810)	( 4)
Share of other comprehensive income of subsidiaries accounted for using the equity method	( 236)	( -)	( 236)	( -)	-	-
Total other equity	<u>( 687,881)</u>	<u>( 7)</u>	<u>( 634,020)</u>	<u>( 6)</u>	<u>( 340,810)</u>	<u>( 4)</u>
Total equity attributable to owners of the Corporation	<u>5,569,287</u>	<u>57</u>	<u>5,490,374</u>	<u>55</u>	<u>5,825,691</u>	<u>68</u>
<b>NON-CONTROLLING INTERESTS</b>	<u>230,792</u>	<u>2</u>	<u>229,257</u>	<u>2</u>	<u>-</u>	<u>-</u>
Total equity	<u>5,800,079</u>	<u>59</u>	<u>5,719,631</u>	<u>57</u>	<u>5,825,691</u>	<u>68</u>
<b>TOTAL</b>	<u>\$ 9,870,125</u>	<u>100</u>	<u>\$ 10,025,510</u>	<u>100</u>	<u>\$ 8,540,628</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.  
(With Deloitte & Touche review report dated May 7, 2020)

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31, 2020		For the Three Months Ended March 31, 2019	
	Amount	%	Amount	%
	(Reviewed)		(Reviewed)	
OPERATING REVENUE (Notes 4)	\$ 1,720,509	100	\$ 2,006,876	100
OPERATING COSTS (Notes 4, 10 and 22)	<u>1,292,995</u>	<u>75</u>	<u>1,517,998</u>	<u>76</u>
GROSS PROFIT	<u>427,514</u>	<u>25</u>	<u>488,878</u>	<u>24</u>
OPERATING EXPENSES (Notes 22 and 26)				
Selling and marketing expenses	55,248	3	69,918	3
General and administrative expenses	119,174	7	124,234	6
Research and development expenses	36,620	2	36,341	2
Expected credit loss recognize(reversed) on trade receivables	( 3,956)	-	1,237	-
Total operating expenses	<u>207,086</u>	<u>12</u>	<u>231,730</u>	<u>11</u>
PROFIT FROM OPERATIONS	<u>220,428</u>	<u>13</u>	<u>257,148</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES				
Other gains and losses (Note 14)	7,857	-	3,076	-
Interest income	7,932	-	7,940	-
Net foreign exchange loss (Notes 28)	19,364	1	( 46,212)	(2)
Net gain on financial assets at fair value through profit or loss (Notes 4 and 7)	( 25,089)	(1)	28,969	2
Interest expenses	( 7,451)	-	( 3,318)	-
Share of profit of subsidiaries and associates (Notes 4 and 12)	<u>3,106</u>	<u>-</u>	<u>4,666</u>	<u>-</u>
Total non-operating income and expenses	<u>5,719</u>	<u>-</u>	<u>( 4,879)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	226,147	13	252,269	13
INCOME TAX EXPENSE (Notes 4 and 23)	<u>90,385</u>	<u>5</u>	<u>72,872</u>	<u>4</u>
NET PROFIT FOR THE YEAR	<u>135,762</u>	<u>8</u>	<u>179,397</u>	<u>9</u>

(Continued)

# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31, 2020		For the Three Months Ended March 31, 2019	
	Amount (Reviewed)	%	Amount (Reviewed)	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(\$ 55,314)	( 3 )	\$ 90,696	4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 80,448</u>	<u>5</u>	<u>\$ 270,093</u>	<u>13</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 132,774	8	\$ 179,397	9
Non-controlling interests	<u>2,988</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 135,762</u>	<u>8</u>	<u>\$ 179,397</u>	<u>9</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 78,913	-	\$ 270,093	-
Non-controlling interests	<u>1,535</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 80,448</u>	<u>-</u>	<u>\$ 270,093</u>	<u>-</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 1.07</u>		<u>\$ 1.45</u>	
Diluted	<u>\$ 1.06</u>		<u>\$ 1.44</u>	

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

(With Deloitte & Touche review report dated May 7, 2020)

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	Capital Surplus (Notes 4 and 21)						Retained Earning (Note 20)				Other Equity(Notes 4 and 21)		Non-controlling Interests (Notes 4 and 21)	Total Equity		
	Share Capital (Note 21)	Advance Receipts for Ordinary Shares (Note 21)	Share Premium	Difference Between Actual Acquisition Price and Carrying Amount	Chang in Equity	Consolidation Excess	Total	Legal Reserve	Special Reserve	Retained Earnings		Differences on Translating the Financial Statements of Foreign Operation			Share of Other Comprehensive Income of Subsidiaries Accounted for Using Equity Method	Aggregate Amount
											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)	\$ -	\$ 5,555,598	\$ -	\$ 5,555,598
Net profit for the three months ended March 31, 2019	-	-	-	-	-	-	-	-	-	179,397	179,397	-	-	179,397	-	179,397
Other comprehensive income (loss) for three months ended March 31, 2019, net of income tax	-	-	-	-	-	-	-	-	-	-	-	90,696	-	90,696	-	90,696
Total comprehensive income (loss) for the three months ended March 31, 2019	-	-	-	-	-	-	-	-	-	179,397	179,397	90,696	-	270,093	-	270,093
BALANCE AT MARCH 31, 2019	\$ 1,237,242	\$ -	\$ 1,184,809	\$ 410,949	\$ 143,150	\$ 852,372	\$ 2,591,280	\$ 721,519	\$ 376,649	\$ 1,239,811	\$ 2,337,979	\$ (340,810)	\$ -	\$ 5,825,691	\$ -	\$ 5,825,691
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)	\$ 5,490,374	\$ 229,257	\$ 5,719,631
Net profit for the three months ended March 31, 2020	-	-	-	-	-	-	-	-	-	132,774	132,774	-	-	132,774	2,988	135,762
Other comprehensive income (loss) for three months ended March 31, 2020, net of income tax	-	-	-	-	-	-	-	-	-	-	-	(53,861)	-	(53,861)	(1,453)	(55,314)
Total comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	-	-	-	-	-	132,774	132,774	(53,861)	-	78,913	1,535	80,448
BALANCE AT MARCH 31, 2020	\$ 1,237,242	\$ -	\$ 1,184,809	\$ 410,949	\$ 143,150	\$ 852,372	\$ 2,591,280	\$ 810,515	\$ 431,506	\$ 1,186,625	\$ 2,428,646	\$ (687,645)	\$ (236)	\$ 5,569,287	\$ 230,792	\$ 5,800,079

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

(With Deloitte & Touche review report dated May 7, 2020)

# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31, 2020 (Reviewed)	For the Three Months Ended March 31, 2019 (Reviewed)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 226,147	\$ 252,269
Adjustments for:		
Depreciation expenses	69,879	58,863
Amortization expenses	3,329	2,990
Expected credit loss recognized(reversed) on trade receivables	(3,956)	1,237
Net gain on financial assets at fair value through (profit) or loss	25,089	(28,969)
Share of profit of associates	(3,106)	(4,666)
Interest expenses	7,451	3,318
Interest income	(7,932)	(7,940)
Loss(profit) on disposal of property, plant and equipment	(487)	374
Write-downs of inventories	1,684	4,915
Net loss(profit) on unrealized foreign currency exchange	(4,395)	9,059
Changes in operating assets and liabilities		
Notes receivable	53,161	5,776
Trade receivables	692,515	392,910
Inventories	13,176	23,214
Other current assets	23,666	2,913
Net defined benefit assets	(1,760)	(6)
Notes payable and trade payables	(465,089)	(189,109)
Other payables	(36,753)	(36,691)
Other current liabilities	<u>2,448</u>	<u>(4,004)</u>
Cash generated from operations	595,067	486,453
Interest paid	(7,441)	(3,318)
Income tax paid	<u>(101,481)</u>	<u>(127,841)</u>
Net cash generated from operating activities	<u>486,145</u>	<u>355,294</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through profit or loss	(384,475)	(93,361)
Disposal of financial assets at fair value through profit or loss	117,942	173,485
Acquisition of associates ventures	-	(25,000)
Payments of property, plant and equipment	(22,740)	(10,597)
Proceeds from disposal of property, plant and equipment	7,180	4,183
Decrease (increase) in refundable deposits	(3,028)	4,108
Payments of intangible assets	(1,618)	(2,335)
Proceeds from disposal of intangible assets	-	355
Decrease in other financial assets - current	-	-
Increase in prepayments for Leases	(2,800)	(7,674)
Interest received	(97,296)	-
Interest received	7,932	7,940
Acquisition of financial assets at amortized cost	<u>(22,174)</u>	<u>(46,145)</u>
Net cash generated from/(used in) investing activities	<u>(401,077)</u>	<u>4,959</u>

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# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

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	<b>For the Three Months Ended March 31, 2020 (Reviewed)</b>	<b>For the Three Months Ended March 31, 2019 (Reviewed)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	\$ 425,268	\$ -
Repayments of short-term borrowings	-	(230,000)
Repayments of bond payables	(150,000)	-
Proceeds from guarantee deposits received	-	4
Refunds of guarantee deposits received	(8)	-
Repayment of the principal portion of lease liabilities	<u>(38,633)</u>	<u>(38,378)</u>
Net cash used in financing activities	<u>(236,627)</u>	<u>(268,374)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>(51,447)</u>	<u>76,626</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	270,248	168,505
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>2,889,307</u>	<u>2,681,311</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 3,159,555</u>	<u>\$ 2,849,816</u>

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

(With Deloitte & Touche review report dated May 7, 2020)

(Concluded)

# SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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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 the Corporation’s board of directors on May 7, 2020.

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

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

The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC would not have any 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>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2021
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current ”	January 1, 2022

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

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

1. 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.

2. Basis of preparation

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

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

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

### 3. 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 Company 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 detailed information on subsidiaries (including percentages of ownership and main businesses).

### 4. Others significant accounting policies

Expect related accounting policies of less and following descriptions, also could refer summary of significant accounting policies in 2019.

#### 1. Retirement benefits

The pension cost during the interim period is based on the actuarial cost rate determined by the actuarial at the end of the previous year, calculated based on the beginning of the year and the end of the current period, and for the major market fluctuations in this period and adjustments for the major market fluctuations in this period, major plan amendments, liquidations or other major one-off items.

#### 2. Income Tax

Income tax expense is the sum of current income tax and deferred income tax. The income tax for the interim period is assessed on an annual basis, calculate the pre-tax profit before the period at the tax rate applicable to the expected total annual surplus.

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

The main sources of significant accounting judgments, estimates, and assumptions used in the consolidated financial statements are the same as the 108 annual financial report.

### 6. CASH AND CASH EQUIVALENTS

	<b>March 31</b>	<b>December 31</b>	<b>March 31</b>
	<b>2020</b>	<b>2019</b>	<b>2019</b>
Cash on hand	\$2,741	\$2,509	\$3,807
Checking accounts and demand deposits	2,559,811	2,427,533	2,440,469
Cash equivalents			
Time deposits (with original maturities of less than 3 months)	<u>597,003</u>	<u>459,265</u>	<u>405,540</u>
	<u>\$3,159,555</u>	<u>\$2,889,307</u>	<u>\$2,849,816</u>

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

	<u>March 31 2020</u>	<u>December 31 2019</u>	<u>March 31 2019</u>
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic listed shares	\$ 89,813	\$ 39,800	\$ -
Mutual funds	<u>20,000</u>	<u>-</u>	<u>125,325</u>
	<u>109,813</u>	<u>39,800</u>	<u>125,325</u>
Mixed financial assets			
Structured deposit	226,815	52,189	22,944
	<u>\$ 336,628</u>	<u>\$ 91,989</u>	<u>\$ 148,269</u>
	<u>March 31 2020</u>	<u>December 31 2019</u>	<u>March 31 2019</u>

### Financial assets at FVTPL - non-current

Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic emerging market shares	\$ 10,686	\$ 10,271	\$ 15,413
Overseas unlisted shares	<u>44,523</u>	<u>50,611</u>	<u>41,726</u>
	<u>\$ 55,209</u>	<u>\$ 60,882</u>	<u>\$ 57,139</u>

The combined company successively signed a six-months structured time deposit contract with the bank for the three months ended March 31, 2020, and 2019. The structured time deposit includes an embedded derivative that is not closely related to the master contract, because of the main contract included in the hybrid contract is an asset within the scope of IFRS 9, therefore, the assessment of the overall hybrid contract should be mandatory to be measured at fair value through profit or loss.

## 8. FINANCIAL ASSETS MEASURED BY AMORITIZED COST

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
<u>Current</u>			
The original due date is more than 3 months			
Time deposit	<u>\$ 196,236</u>	<u>\$ 173,894</u>	<u>\$ 46,132</u>

## 9. TRADE RECEIVABLES, NET

	<u>March 31 2020</u>	<u>December 31 2019</u>	<u>March 31 2019</u>
At amortized cost			
Gross carrying amount	\$ 2,432,071	\$ 3,103,403	\$ 2,659,079
Less: Allowance for impairment loss	<u>( 10,710)</u>	<u>( 14,444)</u>	<u>( 13,862)</u>
	<u>\$ 2,421,361</u>	<u>\$ 3,088,959</u>	<u>\$ 2,645,217</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.

March 31, 2020

	<u>Not Past Due</u>	<u>Less than 30 Days</u>	<u>31 to 90 Days</u>	<u>91 to 180 Days</u>	<u>Over 180 Days</u>	<u>Total</u>
Expected credit loss rate	-	3.17%	16.38%	31.98%	96.70%	-
Gross carrying amount	\$ 2,325,353	\$ 62,158	\$ 40,605	\$ 2,683	\$ 1,272	\$ 2,432,071
Loss allowance (Lifetime ECL)	-	( 1,972)	( 6,650)	( 858)	( 1,230)	( 10,710)
Amortized cost	<u>\$ 2,325,353</u>	<u>\$ 60,186</u>	<u>\$ 33,955</u>	<u>\$ 1,825</u>	<u>\$ 42</u>	<u>\$ 2,421,361</u>

December 31, 2019

	<u>Not Past Due</u>	<u>Less than 30 Days</u>	<u>31 to 90 Days</u>	<u>91 to 180 Days</u>	<u>Over 180 Days</u>	<u>Total</u>
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 ECL)	-	( 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>

March 31, 2019

	<u>Not Past Due</u>	<u>Less than 30 Days</u>	<u>31 to 90 Days</u>	<u>91 to 180 Days</u>	<u>Over 180 Days</u>	<u>Total</u>
Expected credit loss rate	-	5.94%	18.95%	38.46%	72.81%	-
Gross carrying amount	\$ 2,579,934	\$ 22,043	\$ 50,530	\$ 5,270	\$ 1,302	\$ 2,659,079
Loss allowance (Lifetime ECL)	-	( 1,310)	( 9,577)	( 2,027)	( 948)	( 13,862)
Amortized cost	<u>\$ 2,579,934</u>	<u>\$ 20,733</u>	<u>\$ 40,953</u>	<u>\$ 3,243</u>	<u>\$ 354</u>	<u>\$ 2,645,217</u>

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

	<b>For the Three Months Ended March 31 2020</b>	<b>For the Three Months Ended March 31 2019</b>
Balance beginning January 1	\$ 14,444	\$ 13,253
Add: Net remeasurement of loss allowance	-	1,237
Less: Net remeasurement of loss allowance	( 3,956)	-
Foreign currency translation difference	<u>222</u>	<u>( 628)</u>
Balance at March 31	<u>\$ 10,710</u>	<u>\$ 13,862</u>

## 10. INVENTORIES

	<b>March 31 2020</b>	<b>December 31 2019</b>	<b>March 31 2019</b>
Finished goods	\$ 239,947	\$ 301,455	\$ 245,008
Work in progress	185,475	197,681	103,322
Raw materials	<u>311,508</u>	<u>247,962</u>	<u>197,675</u>
	<u>\$ 736,930</u>	<u>\$ 747,098</u>	<u>\$ 546,005</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31 2020, and the 2019, included Inventory write-downs of \$1,684 thousand and \$4,915 thousand.

## 11. SUBSIDIARIES

### Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			March 2020	December 2019	March 2019	
Syncmold Enterprise Corp.	Syncmold Enterprise (Samoa) Corp.	The commerce and commercial related practices of all metal molds and plastic molds as well as the reinvestment of subsidiaries in mainland China.	100	100	100	Note 1
	Grand Advnace Inc.	The commerce, imports, exports and investments of electronic parts.	100	100	100	Note 1
	Syncmold Enterprise (USA) Corp.	The commerce, imports and exports of electronic parts.	100	100	100	Note 2
	Gatetech Technology Inc.	Precision molding and magnesium alloy die caster manufacturing and transaction business	72.81	72.81	-	Note 2
	Syncmold Enterprise Vietnam Co., LTD.	Electronic parts processing manufacturing, trading and related import and export business.	100	-	-	Note 3
Grand Advnace Inc.	Canford International Limited	Import and export trade and investment career.	100	100	100	Note 2
	Fullking Development Limited	Import and export trade and investment career.	100	100	100	Note 2
	Full Glary Holding Limited	Import and export trade and investment career.	100	100	100	Note 2
Syncmold Enterprise (Samoa) Corp.	Full Big Limited	Reinvesting subsidiaries of mainland China and international business career.	100	100	100	Note 2

	Forever Business Development Limited	Reinvesting subsidiaries of mainland China and international business career.	100	100	100	Note 2
	Full Celebration Limited	Reinvesting subsidiaries of mainland China and international business career.	100	100	100	Note 2
	Fuzhou Fulfil Tech Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business.	100	100	100	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	100	100	Note 2
Gatetech Technology Inc.	Gatech Holding Ltd..	Investment career	100	100	-	Note 4
Full Big Limited	Shenzhen Fulfil Tech Co., Ltd.	The processing manufacturing, related imports and exports of all electronic, plastic and electronic parts.	-	-	100	Note 2 and 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	100	100	Note 2
Canford International Limited	Suzhou Fulfil Electronics Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business.	100	100	100	Note 1
Fullking Development Limited	Zhongshan Fulfil Tech Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business.	100	100	100	Note 1
Full Glary Holding Limited	Kunshan Fulfil Tech Co., Ltd.	Manufacturing and assembling of laptops uses precise bearing, hardware and related accessories.	100	100	100	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	100	100	Note 2
Gatech Holding Ltd	Gatech International Ltd.	Investment career	100	100	-	Note 4
Gatech International Ltd	Gatetech (Suzhou) Inc.	Processing, manufacturing, trading of aluminum alloy and magnesium alloy die casting and export business	100	100	-	Note 4

Note 1: The financial statements for the three months ended March 31 2020, and 2019 are reviewed by auditors.

Note 2: It is a non-significant subsidiary whose financial statements for the three months ended March 31 2020 and 2019 are not reviewed by auditors.

Note 3: Syncmold Enterprise Vietnam Co., LTD. was approved establishment on December 24, 2019, the Corporation has invested 302,344 thousand for 100% share.

Note 4: On November 29, 2019, the Corporation completed the acquisition of Gatetech Technology Inc. for a cash consideration of \$550,000 thousand; after the acquisition, the Corporation's percentage of ownership in Gatetech Technology Inc. was 72.81%. The financial statements

The information on the subsidiaries included in the consolidated financial statements for the three months ended March 31 2020 and 2019 in the table above was not based on the asset, liability and statement of comprehensive income of the subsidiaries reviewed by the auditors for the same periods as the following information.

	March 31 2020	March 31 2019
Total assets not reviewed by auditors	<u>\$ 3,636,804</u>	<u>\$ 2,424,617</u>

The percentage of consolidated total assets	<u>36.85%</u>	<u>28.39%</u>
	<u>\$ 1,197,591</u>	<u>\$ 874,403</u>
Total liabilities not reviewed by auditors	<u>29.42%</u>	<u>32.31%</u>
The percentage of total combined liabilities		
	<u>For the Three Months Ended March 31, 2020</u>	<u>For the Three Months Ended March 31, 2019</u>
Total consolidated profit and loss not reviewed by accountants	<u>\$ 20,376</u>	<u>\$ 2,802</u>
the percentage of total combined profit and loss	<u>25.33%</u>	<u>1.04%</u>

## 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>March 31 2020</u>	<u>December 31 2019</u>	<u>March 31 2019</u>
Associates that are not individually material			
Unlisted company			
High Grade Tech Co., Ltd.	\$ 126,926	\$ 121,500	\$ 129,456
CoreBio Technologies (CBT) Co., Ltd.	<u>44,432</u>	<u>46,752</u>	<u>23,923</u>
	<u>\$ 171,358</u>	<u>\$ 168,252</u>	<u>\$ 153,379</u>

The combined company acquired CoreBio Technologies Co., Ltd. in January 2019 for cash of 25,000 thousand, with a shareholding ratio of 23.83%, which has made a significant influence on the company.

The investment in the equity method and the share of profit or loss of the combined company for the three months ended March 31, 2020 and 2019 is calculated based on the financial report not audited by the accountant.

## 13. PROPERTY, PLANT AND EQUIPMENT

	<u>March 31 2020</u>	<u>December 31 2019</u>	<u>March 31 2019</u>
Self-use			
Own land	\$ 495,581	\$ 484,451	\$ 65,187
Building	313,356	320,064	141,364
mechanical equipment	368,620	371,319	295,798
Transportation Equipment	12,323	13,326	8,930
Wealth instrument	11,467	12,345	13,434
other devices	23,837	24,076	22,731
	<u>\$ 1,225,184</u>	<u>\$ 1,225,581</u>	<u>\$ 547,444</u>

Except for the recognition of depreciation expenses, the real estate, plant and equipment of the combined company did not have any significant additions, disposals and impairments for the three months ended March 31, 2020 and 2019. The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	5-60 years
Electromechanical power equipment	4-5 years
Equipment	3-10 years
Transportation equipment	5-10 years
Office equipment	3-10 years
Other equipment	3-10 years

## 14 Lease Arrangement

a. Right of use assets

	March 31 2020	December 31 2019	March 31 2019
Use right asset book value			
Lord	\$ 52,839	\$ 53,158	\$ 8,032
Building	355,168	383,134	425,780
Transportation equipment	483	576	395
	<u>\$ 408,490</u>	<u>\$ 436,868</u>	<u>\$ 434,207</u>
	For the Three Months Ended March 31 2020		For the Three Months Ended March 31 2019
Increase in the right of use assets	<u>\$ 12,903</u>		<u>\$ 46,561</u>
Depreciation expense of the right to use assets			
Land	\$ 151		\$ 60
Building	33,576		34,544
Transportation Equipment	93		62
	<u>\$ 35,820</u>		<u>\$ 34,666</u>
Use rights asset sublease income (accounting for other benefits and losses)	<u>(\$ 4,917)</u>		<u>(\$ 4,460)</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2020 and 2019.

b. Lease liability

	March 31 2020	December 31 2019	March 31 2019
lease liability book value			
Current	<u>\$ 124,201</u>	<u>\$ 123,884</u>	<u>\$ 121,092</u>
Non current	<u>\$ 203,985</u>	<u>\$ 232,119</u>	<u>\$ 254,866</u>

The discount rate range for lease liabilities is as follows:

	March 31 2020	December 31 2019	March 31 2019
Building	0.94~4.90%	0.94~4.90%	0.94~4.90%
Transportation equipment	0.94%	0.94%	0.94%

c. Sublease

The combined company uses the operating lease to sublease the right to use the building, the lease period is 5 years, and there is a priority to lease. When the lessee exercises the right of renewal, the renter adjusts the rent according to the market rent.

The total amount of lease payments to be received in the future of operating lease sublease is as follows

	March 31 2019	December 31 2019	March 31 2019
First year	\$ 4,162	\$ 8,386	\$ 14,068
Second year	-	-	5,688
	<u>\$ 4,162</u>	<u>\$ 8,386</u>	<u>\$ 19,756</u>

d. Other Lease Information

	For the Three Months Ended March 31 2020	For the Three Months Ended March 31 2019
Short term lease fee	\$ 4,025	\$ 3,395
Total cash (outflow) from the lease	<u>(\$ 46,404)</u>	<u>(\$ 45,006)</u>

The consolidation company chooses to waive the recognition of leases for buildings that meet the short-term leases and does not recognize the related right-of-use assets and lease liabilities for such leases.

**15. GOODWILL**

	March 31 2020	December 31 2019	March 31 2019
<u>Cost</u>			
Balance at January 1	\$ 366,777	\$ 366,777	\$ 366,777
Balance at March 31	<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	-	( 42,180)	-
Balance at March 31	<u>(\$ 42,180)</u>	<u>(\$ 42,180)</u>	<u>\$ -</u>
Carrying amounts at March 31	<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.

As of 2019, the operations of some plastic molding departments ceased due to the expected increase in bargaining pressure, raw materials, and labor cost 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 thousand in 2019.

**16. INTANGIBLE ASSETS**

	March 31 2020	December 31 2019	March 31 2019
Computer software cost	<u>\$ 24,322</u>	<u>\$ 26,637</u>	<u>\$ 21,504</u>

Except recognizing amortization expenses, the intangible assets of the combined company did not have any significant additions, disciplinary actions and impairments during the three months ended March 31, 2020 and 2019. Amortization expenses are based on a straight-line basis for a period of 1 to 5 years of durability.

**17. BORROWINGS**

	March 31 2020	December 31 2019	March 31 2019
<u>Short-term borrowings</u>			
Unsecured borrowings - line of credit borrowings	\$1,152,250	\$ 726,982	\$ -
Secured borrowings - mortgage borrowings	<u>280,000</u>	<u>280,000</u>	<u>-</u>
	<u>\$1,432,250</u>	<u>\$1,006,982</u>	<u>\$ -</u>

The weighted average effective interest rates on bank loans were ranging from 0.90%-2.85% and 0.88%-2.80% during the three months ended March 31, 2020 and 2019, respectively.

## 18. BONDS PAYABLE

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

The Group issued a guaranteed ordinary corporate bond of \$150,000 thousand in December 2018 based on its book value, with a coupon rate of 1.45%, annual interest payment and a bond repayment due in December 2020, as well as an advanced repayment of bond in March 2020.

## 19. OTHER PAYABLES

	<u>March 31 2020</u>	<u>December 31 2019</u>	<u>March 31 2019</u>
Payables for salaries or bonuses	\$ 243,502	\$ 242,155	\$ 204,221
Others	<u>126,958</u>	<u>163,496</u>	<u>169,618</u>
	<u>\$ 370,460</u>	<u>\$ 405,651</u>	<u>\$ 373,839</u>

## 20. RETIREMENT BENEFIT PLANS

The pension expenses (interests) for the defined benefit plan recognized during the three months ended March 31, 2020 and 2019 are calculated based on the pension cost rate determined by actuarial calculations on December 31, 2019 and 2018, respectively. It is 119 thousand and (6) thousand.

## 21. EQUITY

### a. Share capital

#### Ordinary shares

	<u>March 31 2020</u>	<u>December 31 2019</u>	<u>March 31 2019</u>
Number of shares authorized (in thousands)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
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)			
Shares issued	<u>\$ 123,724</u>	<u>\$ 1,237,242</u>	<u>\$ 123,724</u>
Advance receipts for ordinary shares	<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 NT\$10, carry one vote per shares and right to dividends. The authorized shares include 3,000 thousand shares allocated for the exercise of employee stock options.

### b. Capital surplus

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.

The capital surplus generated from the stock option of the convertible bonds could not be used for other purposes.

### 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 ratios every year and propose such allocation ratio at the shareholder's meeting. For the distribution of bonuses to shareholders, cash dividends are preferred. Distribution of earnings may also be made in the form of stock dividends; provided that the ratio of cash dividends distributed is 5% to 100% of the total dividends distributed.

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

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

The appropriations of earnings for 2019 and 2018 which were approved in the shareholders' meetings on June 20, 2019 and holding a board of directors March 14, 2019, respectively, were as follows:

	<b>Appropriation of Earnings For the Year Ended December 31</b>		<b>Dividends Per Share (NT\$) For the Year Ended 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

The appropriation of earnings for 2019 are subject to the resolution of the shareholders in the shareholders' meeting to be held on June 18, 2020.

d. Special reserve

	<b>For the Three Months End March 31</b>	
	<b>2020</b>	<b>2019</b>
Balance at December 31 and March 31	\$ 431,506	\$ 376,649

On the initial application of the IFRSs, the net increase arising from the retained earnings was not enough for the special reserve appropriation; thus, the Group appropriated a special reserve at the amount of \$230,916 thousand. Additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRSs. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and is thereafter, distributed.

e. Non-controlling interests

	<b>For the Three Months End March 31, 2020</b>
Balance at January 1	\$ 229,257
	2,988
Other comprehensive income (loss)	
Exchange differences on translating the financial statements of foreign entities	(1,453)
Balance at March 31	<u>\$ 230,792</u>

**22. NET PROFIT**

Net profit comprises:

a. Depreciation, amortization and employee benefits expense:

	For the Three Months Ended March 31 2020			For the Three Months Ended March 31 2019		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Defined contribution plan	\$ 10,025	\$ 3,405	\$ 13,430	\$ 10,225	\$ 3,842	\$ 14,067
Defined benefit plan	84	35	119	-	(6)	(6)
Other employee benefits	<u>287,934</u>	<u>93,032</u>	<u>380,966</u>	<u>235,810</u>	<u>93,607</u>	<u>329,417</u>
	<u>\$ 298,043</u>	<u>\$ 96,472</u>	<u>\$ 394,515</u>	<u>\$ 246,035</u>	<u>\$ 97,443</u>	<u>\$ 343,478</u>
Depreciation	<u>\$ 44,754</u>	<u>\$ 25,125</u>	<u>\$ 69,879</u>	<u>\$ 36,199</u>	<u>\$ 22,664</u>	<u>\$ 58,863</u>
Amortization	<u>\$ 80</u>	<u>\$ 3,249</u>	<u>\$ 3,329</u>	<u>\$ 66</u>	<u>\$ 2,924</u>	<u>\$ 2,990</u>

b. Employees' compensation and remuneration of directors and supervisors

According to the Articles of Incorporation of the Corporation, the Corporation accrued employees' compensation and remuneration of directors and supervisors 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 years ended December 31, 2020 and 2019, which were approved by the Corporation's board of directors from the three months ended March 31, 2020 and 2019, respectively, are as follows:

Accrual rate

	For the Three Months Ended March 31	
	2020	2019
Employees' compensation	6.56%	6.56%
Remuneration of directors and supervisors	1.44%	1.44%

Amount

	For the Three Months Ended March 31	
	2020 Cash	2019 Cash
Employees' compensation	\$ 11,023	\$ 14,650
Remuneration of directors and supervisors	<u>2,420</u>	<u>3,216</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 and supervisors for 2019 and 2018 resolved by the board of directors on March 13, 2020 and March 14 2019, respectively, were as below:

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

The Corporation held a board of directors' meeting on March 13, 2020 and March 14 2019 and the meeting 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 differences were adjusted to profit and loss for the year ended December 31, 2019 and 2018.

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

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Corporation's board of directors in 2020 and 2019 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

### 23. INCOME TAXES

#### a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended March 31	For the Three Months Ended March 31
	2020	2019
Current tax		
In respect of the current period	\$ 68,780	\$ 54,119
Deferred tax		
In respect of the current period	<u>21,605</u>	<u>18,753</u>
Income tax expense recognized in profit or loss	\$ <u>90,385</u>	\$ <u>72,872</u>

#### (二) Income tax assessments

The income tax returns of the Corporation through 2018, except 2016 have been assessed by the tax authorities.  
The income tax returns of the Gatetech Technology Inc. through 2018 have been assessed by the tax authorities.  
The income tax returns of its subsidiaries in mainland China through 2018 have been assessed by the tax authorities.

### 24. EARNINGS PER SHARE

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

#### Current Net Profit

	For the Three Months Ended March 31	
	2020	2019
Earnings used in the computation of diluted earnings per share	\$ <u>132,774</u>	\$ <u>179,397</u>

## Shares

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

	<b>For the Three Months Ended March 31</b>	
	<b>2020</b>	<b>2019</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	123,724	123,724
Effect of potentially dilutive ordinary shares		
Employees' compensation	<u>1,017</u>	<u>943</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>124,741</u>	<u>124,667</u>

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

## 25. FINANCIAL INSTRUMENTS

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

#### March 31, 2020

None.

#### December 31, 2019

None.

#### March 31, 2019

None.

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

#### 1) Fair value hierarchy

#### March 31, 2020

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Domestic listed shares	\$ 89,813	\$ -	\$ -	\$ 89,813
Emerging market shares	3,566	-	7,120	10,686
Mutual funds	20,000	-	-	20,000
Structured deposits	226,815	-	-	226,815
Overseas unlisted shares	<u>-</u>	<u>-</u>	<u>44,523</u>	<u>44,523</u>
	<u>\$ 340,194</u>	<u>\$ -</u>	<u>\$ 51,643</u>	<u>\$ 391,837</u>

December 31, 2019

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

March 31, 2019

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Emerging market shares	\$ -	\$ -	\$ 15,413	\$ 15,413
Mutual funds	125,325	-	-	125,325
Structured deposits	22,944	-	-	22,944
Overseas unlisted shares	-	-	41,726	41,726
	<u>\$ 148,269</u>	<u>\$ -</u>	<u>\$ 57,139</u>	<u>\$ 205,408</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 three months ended March 31, 2020

	<u>Financial Assets at FVTPL Equity Instruments</u>
Balance at January 1, 2020	\$ 57,409
Recognized in profit or loss (included in net gain on fair value changes of financial assets at fair value through profit or loss)	( 5,766)
Balance at March 31, 2020	<u>\$ 51,643</u>

For the three months ended March 31, 2019

	<u>Financial Assets at FVTPL Equity Instruments</u>
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)	(442)
Purchase	<u>3,482</u>
Balance at March 31, 2019	<u>\$ 57,139</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.

c. Categories of financial instruments

	<u>March 31</u> <u>2020</u>	<u>December 31</u> <u>2019</u>	<u>March 31</u> <u>2019</u>
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 391,837	\$ 152,871	\$ 205,408
Financial assets at amortized cost (1)	6,194,178	6,621,835	6,041,769
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	3,068,459	3,280,305	1,762,945

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

(2) The balances include financial liabilities at amortized cost, which comprise short-term loans, notes payable and trade payables, other payables, and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, financial assets that are measured at fair value through profit or loss, measured at amortized cost, financial instruments held for trading, equity investments, trade receivables and trade payables. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

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

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

a) Foreign currency risk

Several subsidiaries of the Corporation have foreign currency sales and purchases, which exposes the Group to foreign currency risk. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 28.

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 individual functional currency against the relevant foreign currencies. If the loss of financial assets is measured at fair value through profit or loss as a contract used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A negative number below indicates a decrease in pre-tax profit associated with the New Taiwan dollar strengthening 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be positive.

	<u>For the three months ended</u> <u>March 31</u>	
	<u>2020</u>	<u>2019</u>
<u>USD impact</u>		
USD:NTD	<u>\$ 6,010</u>	<u>\$ 2,830</u>
USD:RMB	<u>\$ (18,926)</u>	<u>\$ (28,036)</u>

### RMB impact

RMB:NTD	\$ ( 567)	\$ ( 681)
RMB:USD	\$ ( 8,174)	\$ ( 5,865)

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:

	<u>March 31</u> <u>2020</u>	<u>December 31</u> <u>2019</u>	<u>March 31</u> <u>2019</u>
Fair value interest rate risk			
Financial assets	\$ 1,020,054	\$ 685,348	\$ 451,672
Financial liabilities	1,760,436	1,512,985	375,958
Cash flow interest rate risk			
Financial assets	2,557,460	2,424,021	2,460,606

### Sensitivity analysis

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

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit form for the three months ended March 31, 2020 and 2019 would decrease/increase by \$6,394 thousand and \$6,152 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate deposits.

### c) Other price risk

The Group was exposed to equity price risk through its investments in domestic listed shares, domestic emerging market shares, mutual funds and overseas unlisted shares. 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 three months ended March 31, 2020 and 2019 would have increased/decreased by \$1,650 thousand and \$1,825 thousand, as a result of the changes in fair value of financial assets at FVTPL.

### 2) Credit risk

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

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

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

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

### 3) Liquidity risk

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

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

#### a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

#### March 31, 2020

Further information on the analysis of the lease liability breakdown is as follows:

	<u>On Demand or Less than 1 Month</u>	<u>1-3 Months</u>	<u>3 Months to 1 Year</u>	<u>1-5 Years</u>	<u>Over 5 Years</u>
Non-interest bearing liabilities	\$ 488,789	\$ 732,750	\$ 413,928	\$ 413,928	\$ -
Lease liability	12,888	19,177	103,711	103,711	217,938
Fixed interest rate liabilities	<u>79,113</u>	<u>835,788</u>	<u>517,878</u>	<u>517,878</u>	<u>-</u>
	<u>\$ 580,790</u>	<u>\$ 1,587,715</u>	<u>\$1,035,516</u>	<u>\$1,035,516</u>	<u>\$ 217,938</u>

#### December 31, 2019

	<u>On Demand or Less than 1 Month</u>	<u>1-3 Months</u>	<u>3 Months to 1 Year</u>	<u>1-5 Years</u>
Non-interest bearing liabilities	\$ 483,052	\$1,003,735	\$ 636,183	\$ -
Lease liability	12,669	27,777	95,681	249,343
Fixed interest rate liabilities	<u>150,138</u>	<u>656,982</u>	<u>350,000</u>	<u>-</u>
	<u>\$ 645,859</u>	<u>\$1,688,494</u>	<u>\$1,081,864</u>	<u>\$ 249,343</u>

March 31, 2019

	<u>On Demand or Less than 1 Month</u>	<u>1-3 Months</u>	<u>3 Months to 1 Year</u>	<u>1-5 Years</u>	<u>Over 5 Years</u>
Non-interest bearing liabilities	\$ 567,047	\$ 668,704	\$ 526,845	\$ -	\$ -
Lease liability	<u>11,829</u>	<u>31,182</u>	<u>93,100</u>	<u>259,759</u>	<u>5,491</u>
	<u>\$ 578,876</u>	<u>\$ 699,886</u>	<u>\$ 619,945</u>	<u>\$ 259,759</u>	<u>\$ 5,491</u>

The amounts included above for floating rate non-derivative financial liabilities are subject to change if changes in floating rates differ from those estimates of floating rates as determined at the end of the reporting period.

b) Financing facilities

	<u>March 31 2020</u>	<u>December 31 2019</u>	<u>March 31 2019</u>
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 1,152,250	\$ 726,982	\$ -
Amount unused	<u>927,750</u>	<u>1,323,018</u>	<u>1,500,000</u>
	<u>\$ 2,080,000</u>	<u>\$ 2,050,000</u>	<u>\$ 1,500,000</u>
Secured bank overdraft facilities:			
Amount used	\$ 280,000	\$ 260,000	\$ -
Amount unused	<u>120,000</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 Corporation and its subsidiaries, which are related parties of the Corporation, 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.	Associate
Chen Chien Hung	Related party in substance
Chen Chien Yuan	Related party in substance

b. Operating expenses

<u>Related Party Category/Name</u>	<u>For the three months ended March 31</u>	
	<u>2020</u>	<u>2019</u>
Associate	<u>\$ 4</u>	<u>\$ -</u>

c. Lease Agreement

<b>Related Party Category/Name</b>	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2020</b>	<b>2019</b>
<u>Lease expense</u>		
Related party in substance	\$ <u>792</u>	\$ <u>798</u>

Lease expenses included expenses relating to short-term leases.

For the lease contracts with other related parties, the rental amounts are negotiated based on market prices and payment is made based on general terms and conditions.

d. Prepayments

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>March 31 2020</b>	<b>December 31 2019</b>	<b>March 31 2019</b>
Prepaid expense (including other current assets)	Related party in substance	\$ <u>77</u>	\$ <u>76</u>	\$ <u>79</u>

e. Loans Related Parties (Not Included borrowing from related parties)

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>March 31 2020</b>	<b>December 31 2019</b>	<b>March 31 2019</b>
Others Payables	Associate	\$ <u>4</u>	\$ <u>-</u>	\$ <u>-</u>

The amount of payables that are in circulation is not guaranteed and will be paid in cash.

f. Compensation of key management personnel

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2020</b>	<b>2019</b>
Short-term employee benefits	\$ 12,097	\$ 10,184
Post-employment benefits	<u>70</u>	<u>57</u>
	\$ <u>12,167</u>	\$ <u>10,871</u>

The remuneration of directors and key executives was determined by the remuneration committee 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:

	<b>March 31 2020</b>	<b>December 31 2019</b>	<b>March 31 2019</b>
Investments accounted for using the equity method	\$ -	\$ 317,694	\$ -
Property, plant and equipment	<u>503,807</u>	<u>529,385</u>	<u>-</u>
	\$ <u>503,807</u>	\$ <u>847,079</u>	\$ <u>-</u>

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

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

March 31, 2020

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
Monetary items			
USD	\$ 33,718	30.225 (USD:NTD)	\$ 1,019,127
USD	64,654	7.0851 (USD:RMB)	1,954,167
RMB	12,610	4.255 (RMB:NTD)	53,656
RMB	192,107	0.1411 (RMB:USD)	817,415

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
Non-monetary items			
Financial assets at FVTPL- non-current			
USD	1,500	30.225 (USD:NTD)	44,523

Financial liabilities

Monetary items			
USD	53,601	30.225 (USD:NTD)	1,620,090
USD	2,037	7.0851 (USD:RMB)	61,568

December 31, 2019

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
Monetary items			
USD	\$ 41,587	29.980 (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

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
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

March 31, 2019

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
Monetary items			
USD	\$ 37,134	30.82 (USD:NTD)	\$ 1,144,470
USD	107,629	6.7335 (USD:RMB)	3,317,126
RMB	14,867	4.58 (RMB:NTD)	68,091
RMB	128,053	0.1485 (RMB:USD)	586,483
Non-monetary items			
Financial assets at FVTPL-current			
USD	4,000	30.82 (USD:NTD)	125,325
Financial assets at FVTPL- current			
RMB	5,000	4.58 (RMB:NTD)	22,944
Non-monetary items			
Financial assets at FVTPL- non-current			
USD	1,500	30.82 (USD:NTD)	41,726
<u>Financial liabilities</u>			
Monetary items			
USD	46,316	30.82 (USD:NTD)	1,427,459
USD	16,663	6.7335 (USD:RMB)	513,554

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

	<u>For the three months ended March 31</u>			
	<u>2020</u>		<u>2019</u>	
<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Net Foreign Exchange Gains (Losses)</u>	<u>Exchange Rate</u>	<u>Net Foreign Exchange Gains (Losses)</u>
NTD	1 (NTD:NTD)	\$ (3,587)	1 (NTD:NTD)	\$ (6,044)
USD	30.225 (USD:NTD)	(12,792)	30.82 (USD:NTD)	11,072
RMB	4.255 (RMB:NTD)	34,421	4.58 (RMB:NTD)	(63,328)
VND	0.00116 (VND:NTD)	1,322	0.00116 (VND:NTD)	-
		<u>\$ 19,364</u>		<u>(\$ 46,212)</u>

## 29. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None 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) Information on investees (Table 9)
- 11) Intercompany relationships and significant intercompany transactions (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 financing of funds.
  - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

### 30. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were electronic equipment and molding.

No operating segments were closed during the year.

a. Segment revenue and results

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

	<b>Income</b>		<b>Loss</b>	
	<b>For the three months ended March 31</b>		<b>For the three months ended March 31</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Equipment - electronic parts	\$ 1,624,106	\$ 1,861,397	\$ 322,270	\$ 372,029
- plastic molding	<u>96,403</u>	<u>145,497</u>	<u>17,332</u>	<u>9,353</u>
Revenue from continuing operations	<u>\$ 1,720,509</u>	<u>\$ 2,006,876</u>	339,602	381,382
Share of profit of associates			3,106	4,666
Impairment loss recognized on financial assets			7,932	7,940
Interest income			19,364	( 46,212)
Net foreign exchange gain (loss)				
Net gain on financial assets at fair value through profit or loss			( 25,089)	28,969
Interest expenses			(7,451)	(3,318)
Other gains and losses			7,857	3,076
General and administrative expenses			<u>(119,174)</u>	<u>(124,234)</u>
Income before tax			<u>\$ 226,147</u>	<u>\$ 252,269</u>

The above segment revenues and results were generated from the transactions with external customers. There were no inter-segment transactions from the three months ended March 31, 2020 and 2019.

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, share of profit of associates, interest income, exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets

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

TABLE 1

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	Syncmold Enterprise Corporation	Syncmold Enterprise (Samoa) Corp.	Other receivables from related parties	Yes	\$ 100,000	\$ 100,000	\$ -	-	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (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	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
		Gatetech Technology Inc.	Other receivables from related parties	Yes	200,000	200,000	1,500	1.16%	Short-term financing		Operating capital					
1	Syncmold Enterprise (Samoa) Corp.	Fujian Khuan Hua Precise Mold., Ltd.	Other receivables from related parties	Yes	60,450	60,450	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
		Forever Business Development Limited	Other receivables from related parties	Yes	90,675	90,675	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	151,125	151,125	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
		Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	90,675	90,675	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
2	Grand Advance Inc.	Full Big Limited	Other receivables from related parties	Yes	90,675	90,675	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
		Syncmold Enterprise (USA) Corp.	Other receivables from related parties	Yes	15,113	15,113	12,090	0	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
		Syncmold Enterprise (Samoa) Corp.	Other receivables from related parties	Yes	90,675	90,675	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
		Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	90,675	90,675	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	392,925	392,925	347,588	0	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
		Fulking Development Limited	Other receivables from related parties	Yes	136,013	136,013	45,338	0	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	211,575	211,575	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	211,575	211,575	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
		Fuzhou Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	211,575	211,575	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
		Zhongshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	211,575	211,575	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
3	Fuzhou Fulfil Tech. Co., Ltd.	Fuqing Foqun Electronic Hardware Tech Co., Ltd	Other receivables from related parties	Yes	68,256	68,256	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	68,256	68,256	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
		Fujian Khuan Hua Precise Mold., Ltd.	Other receivables from related parties	Yes	68,256	68,256	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
4	Full Big Limited	Grand Advance Inc.	Other receivables from related parties	Yes	18,135	18,492	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
		Fulking Development Limited	Other receivables from related parties	Yes	42,315	42,315	24,180	0	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
5	Zhongshan Fulfil Tech Co., Ltd.	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	34,128	34,128	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	34,128	34,128	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	34,128	34,128	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)
6	Suzhou Fulfil Electronics Co., Ltd.	Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	38,394	38,394	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,113,857 (20% of the net worth of the Corporation)	\$2,227,715 (40% of the net worth of the Corporation)

(Continued)

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 three months ended of 2020.

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

(Concluded)

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE THREE MONTHS ENDED MARCH 31, 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	Syncmold Enterprise (Samoa) Corp.	Subsidiary	\$1,670,786 (Net worth of the corporation 30%)	\$ 60,450 (US\$ 2,000 thousand)	\$ 60,450 (US\$ 2,000 thousand)	\$ -	\$ -	1.1	\$2,784,644 (Net worth of the corporation 50%)	Y	-	-
		Full Big Limited	Subsidiary	\$1,670,786 (Net worth of the corporation 30%)	664,950 (US\$ 22,000 thousand)	362,700 (US\$ 12,000 thousand)	-	-	6.51	\$2,784,644 (Net worth of the corporation 50%)	Y	-	-
		Forever Business Development Limited	Subsidiary	\$1,670,786 (Net worth of the corporation 30%)	664,950 (US\$ 22,000 thousand)	664,950 (US\$ 22,000 thousand)	-	-	11.94	\$2,784,644 (Net worth of the corporation 50%)	Y	-	-
		Fullking Development Limited	Subsidiary	\$1,670,786 (Net worth of the corporation 30%)	664,950 (US\$ 22,000 thousand)	664,950 (US\$ 22,000 thousand)	-	-	11.94	\$2,784,644 (Net worth of the corporation 50%)	Y	-	-
		Full Celebration Limited	Subsidiary	\$1,670,786 (Net worth of the corporation 30%)	-	-	-	-	-	\$2,784,644 (Net worth of the corporation 50%)	Y	-	-

Note 1: The co-financing amount of endorsement and guarantees by Syncmold Enterprise (Samoa) Corp. to bank A is \$60,450 thousand.

Note 2: The co-financing amount of endorsement and guarantees by Full Big Limited, Fullking Development Limited and Full Celebration Limited to bank B is \$720,900 thousand.

Note 3: The co-financing amount of endorsement and guarantees by Full Big Limited, Forever Business Development Limited and Fullking Development Limited to bank C is \$523,280 thousand.

Note 4: The Corporation co-financed most of the endorsement and guarantee amounts; the Corporation's total balance for endorsements and guarantees is \$1,083,600 thousand, and the Group's total amount for endorsements and guarantees is \$1,083,600 thousand.

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

FOR THE THREE MONTHS ENDED MARCH 31, 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	March 31, 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	\$ 3,566	1.66	\$ 3,566	(Note 2 and 5)
	Tiga Gaming Inc.	-	Financial assets at FVTPL - non-current	1,332,132	7,120	5.06	7,120	(Note 5)
	Foxfortune Technology Limited	-	Financial assets at FVTPL - non-current	-	28,750	5.80	28,750	(Note 5)
	Hercules BioVenture, L.P.	-	Financial assets at FVTPL - non-current	-	15,773	2.25	15,773	(Note 5)
	Advanced Wireless Semiconductor Company	-	Financial assets at FVTPL - current	421,198	32,811	0.28	32,811	(Note 2 and 5)
	Largan Precision Co., Ltd.	-	Financial assets at FVTPL - current	9,000	34,470	-	34,470	(Note 2 and 5)
	Global Mixed-mode Technology Inc.	-	Financial assets at FVTPL - current	222,000	22,532	-	22,532	(Note 2 and 5)
		<u>Mutual fund</u>						
	Yuanta Taiwan High-yield Leading Company Fund	-	Financial assets at FVTPL - current	2,000,000	20,000	-	20,000	(Notes 4 and 5)
Fujian Khuan Hua Precise Mold., Ltd.	Structured commodity Xiamen Bank Structured deposit commodity		Financial assets at FVTPL - current	5,000,000	21,354		21,354	(Notes 3 and 5)
Chongqing Fulfil Tech Co., Ltd.	Regular structured deposit from Bank of Communications		Financial assets at FVTPL - current	10,000,000	42,662		42,662	(Notes 3 and 5)
Zhongshan Fulfil Tech Co., Ltd.	Monthly profit 20010144		Financial assets at FVTPL - current	20,000,000	86,002		86,002	(Notes 3 and 5)
Kunshan Fulfil Tech Co., Ltd.	ICBC structured deposit commodity		Financial assets at FVTPL - current	18,000,000	76,797		76,797	(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 March 31, 2020.

Note 3: The structured commodity is calculated at its contract worth as of March 31, 2020.

Note 4: The mutual fund is calculated at its net worth as of March 31, 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 THREE MONTHS ENDED MARCH 31, 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	Number of Shares	Amount
Syncmold Enterprise Corporation	Stock  Syncmold Enterprise Vietnam Co., LTD	Financial assets at FVTPL -current	Investments accounted for using the equity method	Subsidiary	-	\$ -	-	\$ 302,444	-	\$ -	\$ -	\$ - (Note 1)	-	\$ 270,971 (Note 2)

Note 1: The ending balance included unrealized adjustment for using the equity method.

Note 2: The amount is calculated from beginning Balance adjustment of investment gain 705 thousands and other comprehensive income lost 32,178 thousands.

Note 3: 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 THREE MONTHS ENDED MARCH 31, 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	\$ 292,048	47	Note 1	\$ -	-	\$ (449,675)	(48)	
	Suzhou Fulfil Electronics Co., Ltd.	Subsidiary	Purchase	204,150	23	Note 1	-	-	(323,332)	(34)	
Zhongshan Fufil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(292,048)	(76)	Note 1	-	-	499,675	75	
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(204,150)	(33)	Note 1	-	-	323,332	29	

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

Note 2: The transactions in the table above have been eliminated in 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  
FOR THE THREE MONTHS ENDED MARCH 31, 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	\$ 347,588 (Note 1)	-	\$ -	-	\$ -	\$ -
Syncmold Enterprise Corporation	Gatetech Technology Inc.	Subsidiary	150,091	-	-	-	100,060	-
Zhongshan Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	449,675	-	-	-	128,813	-
Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	103,636	-	-	-	279,975	-
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	323,332	-	-	-	107,551	-
Full Celebration Limited	Chongqing Fulfil Tech Co., Ltd.	Subsidiary	102,384 (Note 2)	-	-	-	-	-
Fullking Development Limited	Zhongshan Fulfil Tech Co., Ltd.	Subsidiary	192,236 (Note 2)	-	-	-	-	-
Syncmold Enterprise (Samoa) Corp.	Fuzhou Fulfil Tech Co., Ltd.	Subsidiary	264,492 (Note 2)	-	-	-	-	-
Canford International Limited	Suzhou Fulfil Electronics Co., Ltd.	Subsidiary	213,300 (Note 2)	-	-	-	-	-

Note 1: Financing.

Note 2: Dividends receivable.

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

**SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTEEES  
FOR THE THREE MONTHS ENDED MARCH 31, 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2020	March 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	\$ 2,658,038	\$ 50,943	\$ 50,943	(Note 1)
	Grand Advance Inc.	Samoa	Trading, import and export and investment in electronic parts	506,240	506,240	-	100	2,870,990	132,110	132,110	(Note 1)
	Syncmold Enterprise (USA) Corp.	USA	Trading and import and export of electronic parts	32	32	-	100	(2,468)	(11)	(11)	(Note 2)
	High Grade Tech Co., Ltd.	Taipei	The design and sale of television hangers and related import and export businesses	36,075	36,075	2,280	38	126,926	14,279	5,426	(Note 2)
	CoreBio Technologies Co., Ltd.	Taipei	Medical equipment and precision instrument manufacturing, wholesale and retail	52,000	52,000	5,200	38.56	44,432	(6,059)	(2,320)	(Note 2)
	Gatetech Technology Inc.	Taipei	Precise molding and magnesium alloy die caster manufacturing and transaction business	550,000	550,000	41,849	72.81	618,021	10,989	8,001	(Note 2)
	Syncmold Enterprise Vietnam Co., LTD	Vietnam	Trading, import and export and manufacturing in electronic parts	302,444	-	-	100	270,971	705	705	(Note 2)
Grand Advance Inc.	Canford International Limited	Samoa	Import and export trade and investment business	119,342	119,342	-	100	1,318,664	60,530	60,530	(Note 2)
	Fullking Development Limited	Hong Kong	Import and export trade and investment business	160,175	160,175	-	100	908,338	76,110	76,110	(Note 2)
	Full Glary Holding Limited	Hong Kong	Import and export trade and investment business	259,720	259,720	-	100	252,370	2,152	2,152	(Note 2)
Syncmold Enterprise (Samoa) Corp.	Full Big Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	16,643	16,643	-	100	248,249	1,163	1,163	(Note 2)
	Forever Business Development Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	125,957	125,957	-	100	285,269	(1,522)	(1,522)	(Note 2)
	Full Celebration Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	147,710	147,710	-	100	372,798	2,867	2,867	(Note 2)
Gatetech Technology Inc.	Gatech Holding Ltd.	Samoa	General investment business	647,041	647,041	20,130	100	588,399	(5,628)	(5,628)	(Note 2)
Gatech Holding Ltd.	Gatech International	Samoa	General investment business	657,284	657,284	20,268	100	588,374	(5,628)	(5,628)	(Note 2)

Note 1: Calculated based on the reviewed financial statements of the investee company and the Group'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: Please refer to Table 8 for related information of investees from mainland China.

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

## SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2018	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2020	Accumulated Repatriation of Investment Income as of March 31, 2020
					Outward	Inward						
Fuzhou Fulfil Tech. Co., Ltd.	Electronic parts processing manufacturing. Trading and related import and export business	\$ 41,342	Invest through Syncmold Enterprise (Samoa) Corp.	\$ 64,198 (US\$ 2,083 thousand)	\$ -	\$ -	\$ 62,959 (US\$ 2,083 thousand)	\$ 44,712	100	\$ 46,057 (Note1)	\$ 876,867	\$ 1,783,154 (US\$ 58,996 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	105,859	Invest through Syncmold Enterprise (Samoa) Corp.	41,792 (US\$ 1,356 thousand)	-	-	40,985 (US\$ 1,356 thousand)	3,945	100	4,677 (Note2)	307,162	-
Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Electronic parts processing manufacturing. Trading and related import and export business	56,416	Invest through Syncmold Enterprise (Samoa) Corp.	-	-	-	-	3,367	100	2,228 (Note2)	214,044	24,240 (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	119,620	Invest through Forever Business Development Limited	-	-	-	-	467	100	(1,748) (Note2)	198,796	-
Suzhou Fulfil Electronics Co., Ltd.	Electronic parts processing manufacturing. Trading and related import and export business	17,655	Invest through Canford International Limited	-	-	-	-	63,886	100	63,886 (Note1)	1,105,348	1,075,224 (US\$ 35,574 thousand)
Zhongshan Fufil Tech Co., Ltd.	Electronic parts processing manufacturing. Trading and related import and export business	145,587	Invest through Fullking Development Limited	-	-	-	-	77,164	100	79,211 (Note1)	780,560	1,070,146 (US\$ 35,460 thousand)
Kunshan Fulfil Tech Co., Ltd.	Manufacturing and assembling of laptops uses precise bearing, hardware and related accessories	223,561	Invest through Full Glary Holding Limited	181,350 (US\$ 6,000 thousand)	-	-	181,350 (US\$ 6,000 thousand)	3,048	100	2,158 (Note2)	252,369	-
Chongqing Fulfil Tech Co., Ltd.	The processing, manufacturing, related imports and exports of all electronic, plastic and hardware parts	132,905	Invest through Full Celebration Limited	-	-	-	-	4,480	100	4,480 (Note2)	270,402	444,519 (US\$ 14,707 thousand)
Gatetech(Suzhou) Inc.	Aluminum and magnesium alloy die caster	734,468	Invested through Gatetech International	734,468 (US\$ 24,300 thousand)	-	-	734,468 (US\$ 24,300 thousand)	(5,639)	72.81	(5,639) (Note2)	587,004	-

(Continued)

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2020	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
\$1,145,739 (US\$ 37,907 thousand)	\$2,029,065 (US\$67,132 thousand)	\$3,480,047

Note 1: Calculated based on the reviewed 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 Corporation's shareholding ratio.

Note 3: The profit and loss of investments in between reinvested companies, investments accounted for using the equity method, and the net 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 THREE MONTHS ENDED MARCH 31, 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	Fuzhou Fulfil Tech Co., Ltd.	1	Trade receivables from related parties	\$ 12,664	Based on the contract between both parties	-
		Fuzhou Fulfil Tech Co., Ltd.	1	Other operating revenue - royalty revenue	12,760	Based on the contract between both parties	1
		Suzhou Fulfil Electronics Co., Ltd.	1	Other operating revenue - royalty revenue	20,322	Based on the contract between both parties	1
		Zhongshan Fufil Tech Co., Ltd.	1	Other operating revenue - royalty revenue	14,549	Based on the contract between both parties	1
		Gatetech Technology Inc.	1	Other receivables from related parties	150,091	Based on the contract between both parties	2
		Zhongshan Fufil Tech Co., Ltd.	1	Other operating revenue - royalty revenue	15,008	Based on the contract between both parties	-
		Suzhou Fulfil Electronics Co., Ltd.	1	Other receivables from related parties	20,159	Based on the contract between both parties	-
1	Zhongshan Fufil Tech Co., Ltd.	Syncmold Enterprise Corporation	2	Trade receivables from related parties	449,675	No significant difference with non-related parties	5
		Syncmold Enterprise Corporation	2	Sales	292,048	No significant difference with non-related parties	17
2	Dongguan Kwan Huang Precision Mold Plastic Co., Ltd.	Zhongshan Fufil Tech Co., Ltd.	3	Trade receivables from related parties	33,248	No significant difference with non-related parties	-
		Fuzhou Fulfil Tech Co., Ltd.	3	Sales	14,496	No significant difference with non-related parties	1
		Suzhou Fulfil Electronics Co., Ltd.	3	Trade receivables from related parties	17,288	No significant difference with non-related parties	-
		Suzhou Fulfil Electronics Co., Ltd.	3	Sales	34,275	No significant difference with non-related parties	1
		Zhongshan Fufil Tech Co., Ltd.	3	Sales	23,346	No significant difference with non-related parties	3
3	Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	2	Trade receivables from related parties	103,636	No significant difference with non-related parties	1
		Syncmold Enterprise Corporation	2	Sales	72,613	No significant difference with non-related parties	4
4	Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Fuzhou Fulfil Tech Co., Ltd.	3	Trade receivables from related parties	34,062	No significant difference with non-related parties	-
		Fuzhou Fulfil Tech Co., Ltd.	3	Sales	57,780	No significant difference with non-related parties	3
		Suzhou Fulfil Electronics Co., Ltd.	3	Trade receivables from related parties	18,775	No significant difference with non-related parties	-
		Suzhou Fulfil Electronics Co., Ltd.	3	Sales	30,641	No significant difference with non-related parties	2
		Zhongshan Fufil Tech Co., Ltd.	3	Trade receivables from related parties	13,769	No significant difference with non-related parties	1
		Zhongshan Fufil Tech Co., Ltd.	3	Sales	21,134	No significant difference with non-related parties	1
5	Grand Advance Inc.	Syncmold Enterprise Corporation	2	Other receivables from related parties	347,588	Based on the contract between both parties	4
		Fullking Development Limited	3	Other receivables from related parties	45,338	Based on the contract between both parties	1
6	Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	2	Trade receivables from related parties	323,332	No significant difference with non-related parties	3
		Syncmold Enterprise Corporation	2	Sales	204,150	No significant difference with non-related parties	12
7	Full Big Limited	Fullking Development Limited	3	Other receivables from related parties	24,180	Based on the contract between both parties	-
8	Forever Business Development Limited	Dongguan Kwan Huang Precision Mold Plastic Co., Ltd.	3	Other receivables from related parties	31,999	No significant difference with non-related parties	-
9	Fujian Khuan Hua Precise Mold., Ltd.	Fuzhou Fulfil Tech Co., Ltd.	3	Trade receivables from related parties	13,663	No significant difference with non-related parties	-

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details		Payment Terms	% of Total Sales or Asset (Note 3)
				Financial Statement Account	Price		
10	Kunshan Fulfil Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd. Suzhou Fulfil Electronics Co., Ltd.	3 3	Trade receivables from related parties	77,816	No significant difference with non-related parties	1
				Sales	87,800	No significant difference with non-related parties	5
11	Canford International Limited	Suzhou Fulfil Electronics Co., Ltd.	3	Other receivables from related parties	213,300	Based on the contract between both parties	2
12	Chongqing Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation Syncmold Enterprise Corporation	2 2	Trade receivables from related parties	53,542	No significant difference with non-related parties	2
				Sales	28,462	No significant difference with non-related parties	1
13	Syncmold Enterprise (Samoa) Corp.	Fuzhou Fulfil Tech Co., Ltd. Fujian Khuan Hua Precise Mold., Ltd.	3 3	Other receivables from related parties	264,492	Based on the contract between both parties	3
				Other receivables from related parties	42,858	Based on the contract between both parties	0
14	Full Celebration Limited	Chongqing Fulfil Tech Co., Ltd.	3	Trade receivables from related parties	102,384	No significant difference with non-related parties	1
15	Fullking Development Limited	Zhongshan Fufil Tech Co., Ltd.	3	Other receivables from related parties	196,236	Based on the contract between both parties	2

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)