

**Syncmold Enterprise Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2021 and 2020 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Syncmold Enterprise Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Syncmold Enterprise Corporation and its subsidiaries (collectively, the "Group") as of March 31, 2021 and 2020, the related consolidated statements of comprehensive income for the three months ended March 31, 2021 and 2020, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 11 to the consolidated financial statements, the financial statements of non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2021 and 2020, the combined total assets of these non-significant subsidiaries were NT\$4,001,747 thousand and NT\$3,636,804 thousand, respectively, representing 33.40% and 36.85%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$1,535,362 thousand and NT\$1,197,591 thousand, respectively, representing 27.17% and 29.42%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2021 and 2020, the amounts of combined comprehensive income of these subsidiaries were NT\$26,726 thousand and NT\$20,376 thousand, respectively, representing 29.53% and 25.33%, respectively, of the consolidated total comprehensive income. In addition, as disclosed in Note 12 to the consolidated financial statements, the amounts of investments accounted for using the equity method as of March 31, 2021 and 2020 were NT\$166,399 thousand and NT\$171,358 thousand, respectively; for the three months ended March 31, 2021 and 2020, the share of profit of associates of NT\$1,843 thousand and NT\$3,106

thousand, respectively, was calculated based on financial statements which have not been reviewed. The disclosure information in Note 29 about the aforementioned non-significant subsidiaries and associates was based on the unreviewed financial statements of the subsidiaries and associates for the same reporting periods as those of the Group.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and associates accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of March 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chih-Yuan Chen and Yao-Ling Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 5, 2021

Notice to Readers

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

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)		March 31, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	\$ 2,611,471	22	\$ 2,420,807	21	\$ 3,159,555	32
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	281,406	2	375,949	3	336,628	3
Financial assets at amortized cost - current (Notes 4, 8 and 26)	540,060	4	605,827	5	196,236	2
Notes receivable	372,637	3	392,958	3	351,682	4
Trade receivables, net (Notes 4 and 9)	3,110,349	26	3,616,529	31	2,421,361	25
Inventories (Notes 4 and 10)	1,259,407	11	967,154	8	736,930	7
Other current assets (Notes 4 and 25)	428,505	4	429,744	4	227,257	2
Total current assets	8,603,835	72	8,808,968	75	7,429,649	75
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	69,949	1	70,286	1	55,209	1
Investments accounted for using the equity method (Notes 4 and 12)	166,399	1	164,556	1	171,358	2
Property, plant and equipment (Notes 4, 13 and 26)	1,885,616	16	1,686,017	14	1,225,184	13
Right-of-use assets (Notes 4 and 14)	620,756	5	495,502	4	408,490	4
Goodwill (Notes 4 and 15)	324,597	3	324,597	3	324,597	3
Intangible assets (Notes 4 and 16)	33,973	-	34,250	-	24,322	-
Deferred tax assets (Notes 4 and 22)	86,530	1	79,720	1	69,245	1
Prepayments for land, property and equipment	137,604	1	66,967	1	21,519	-
Refundable deposits	41,999	-	37,202	-	34,572	-
Net defined benefit assets (Notes 4 and 19)	2,638	-	2,567	-	2,273	-
Prepayments for land use right	-	-	-	-	97,296	1
Other non-current assets (Note 4)	8,355	-	279	-	6,411	-
Total non-current assets	3,378,416	28	2,961,943	25	2,440,476	25
TOTAL	\$ 11,982,251	100	\$ 11,770,911	100	\$ 9,870,125	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 4, 17, 24 and 26)	\$ 1,876,528	16	\$ 1,867,695	16	\$ 1,432,250	15
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	2,444	-	-	-	-	-
Short-term bills payable (Notes 4 and 17)	-	-	29,981	-	-	-
Notes payable and trade payables	2,167,863	18	2,183,688	19	1,509,038	15
Other payables (Notes 18 and 25)	508,777	4	498,717	4	370,460	4
Current tax liabilities (Notes 4 and 22)	161,440	1	181,357	2	81,489	1
Lease liabilities - current (Notes 4 ,14 and 25)	170,530	2	133,785	1	124,201	1
Current portion of long-term borrowings (Notes 4, 17, 24 and 26)	16,162	-	16,909	-	-	-
Other current liabilities	17,322	-	17,314	-	29,440	-
Total current liabilities	4,921,066	41	4,929,446	42	3,546,878	36
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 4, 17, 24 and 26)	108,170	1	56,227	1	-	-
Deferred tax liabilities (Notes 4 and 22)	339,329	3	331,939	3	309,770	3
Lease liabilities - non-current (Notes 4 and 14)	242,075	2	170,268	1	203,985	2
Net defined benefit liabilities (Notes 4 and 19)	20,763	-	20,763	-	9,200	-
Guarantee deposits received	1,389	-	1,308	-	213	-
Other non-current liabilities	17,127	-	19,125	-	-	-
Total non-current liabilities	728,853	6	599,630	5	523,168	5
Total liabilities	5,649,919	47	5,529,076	47	4,070,046	41
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION						
Ordinary shares	1,237,242	10	1,237,242	10	1,237,242	13
Capital surplus	2,592,857	22	2,592,587	22	2,591,280	26
Retained earnings						
Legal reserve	904,665	8	904,665	8	810,515	8
Special reserve	634,020	5	634,020	5	431,506	5
Unappropriated earnings	1,292,169	11	1,165,528	10	1,186,625	12
Total retained earnings	2,830,854	24	2,704,213	23	2,428,646	25
Other equity						
Exchange differences on translating the financial statements of foreign operations	(672,198)	(6)	(639,134)	(5)	(687,645)	(7)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	4,447	-	3,519	-	(236)	-
Total other equity	(667,751)	(6)	(635,615)	(5)	(687,881)	(7)
Total equity attributable to owners of the Corporation	5,993,202	50	5,898,427	50	5,569,287	57
NON-CONTROLLING INTERESTS	339,130	3	343,138	3	230,792	2
Total equity	6,332,332	53	6,241,565	53	5,800,079	59
TOTAL	\$ 11,982,251	100	\$ 11,770,641	100	\$ 9,870,125	100

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

(With Deloitte & Touche auditors' review report dated May 5, 2021)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Note 4)	\$ 2,293,991	100	\$ 1,720,509	100
OPERATING COSTS (Notes 4, 10 and 21)	<u>1,827,316</u>	<u>80</u>	<u>1,292,995</u>	<u>75</u>
GROSS PROFIT	<u>466,675</u>	<u>20</u>	<u>427,514</u>	<u>25</u>
OPERATING EXPENSES (Notes 21 and 25)				
Selling and marketing expenses	68,107	3	55,248	3
General and administrative expenses	184,147	8	119,174	7
Research and development expenses	47,551	2	36,620	2
Expected credit loss (gain)	<u>539</u>	<u>-</u>	<u>(3,956)</u>	<u>-</u>
Total operating expenses	<u>300,344</u>	<u>13</u>	<u>207,086</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>166,331</u>	<u>7</u>	<u>220,428</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4 and 14)	2,840	-	7,067	-
Other gains and losses (Note 27)	(17,124)	(1)	790	-
Interest income	9,812	1	7,932	-
Net foreign exchange gain (Note 28)	2,433	-	19,364	1
Net gain (loss) on financial assets at fair value through profit or loss (Notes 4 and 7)	45,121	2	(25,089)	(1)
Share of profit of associates (Notes 4 and 12)	389	-	3,106	-
Interest expenses (Note 25)	<u>(8,181)</u>	<u>-</u>	<u>(7,451)</u>	<u>-</u>
Total non-operating income and expenses	<u>35,290</u>	<u>2</u>	<u>5,719</u>	<u>-</u>
PROFIT BEFORE INCOME TAX FROM OPERATIONS	201,621	9	226,147	13
INCOME TAX EXPENSE (Notes 4 and 22)	<u>76,588</u>	<u>4</u>	<u>90,385</u>	<u>5</u>
NET PROFIT FOR THE PERIOD	125,033	5	135,762	8

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SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Share of other comprehensive income of subsidiaries accounted for using the equity method	\$ 1,454	-	\$ -	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>(35,990)</u>	<u>(1)</u>	<u>(55,314)</u>	<u>(3)</u>
Other comprehensive loss for the period, net of income tax	<u>(34,536)</u>	<u>(1)</u>	<u>(55,314)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 90,497</u>	<u>4</u>	<u>\$ 80,448</u>	<u>5</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 126,115	5	\$ 132,774	8
Non-controlling interests	<u>(1,082)</u>	<u>-</u>	<u>2,988</u>	<u>-</u>
	<u>\$ 125,033</u>	<u>5</u>	<u>\$ 135,762</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 94,505	4	\$ 78,913	5
Non-controlling interests	<u>(4,008)</u>	<u>-</u>	<u>1,535</u>	<u>-</u>
	<u>\$ 90,497</u>	<u>4</u>	<u>\$ 80,448</u>	<u>5</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 1.02</u>		<u>\$ 1.07</u>	
Diluted	<u>\$ 1.01</u>		<u>\$ 1.06</u>	

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

(With Deloitte & Touche auditors' review report dated May 5, 2021)

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Corporation (Notes 4 and 20)																
	Capital Surplus						Retained Earnings				Other Equity		Total Other Equity	Total	Non- controlling Interests (Notes 4 and 20)	Total Equity	
	Ordinary Shares	Issuance of Ordinary Shares	Difference Between the Consideration Paid and the Carrying Amount of the Subsidiaries' Net Assets During Actual Acquisition	Changes in Percentage of Ownership Interests in Subsidiaries	Consolidation Excess	Other	Total	Legal Reserve	Special Reserve	Unappropri- ated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations					Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehen- sive Income
BALANCE AT JANUARY 1, 2020	\$ 1,237,242	\$ 1,184,809	\$ 410,949	\$ 143,150	\$ 852,372	\$ -	\$ 2,591,280	\$ 810,515	\$ 431,506	\$ 1,053,851	\$ 2,295,872	\$ (633,784)	\$ (236)	\$ (634,020)	\$ 5,490,374	\$ 229,257	\$ 5,719,631
Net profit for the three months ended March 31, 2020	-	-	-	-	-	-	-	-	-	132,774	132,774	-	-	-	132,774	2,988	135,762
Other comprehensive loss for the three months ended March 31, 2020, net of income tax	-	-	-	-	-	-	-	-	-	-	-	(53,861)	-	(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)	-	(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)	\$ (687,881)	\$ 5,569,287	\$ 230,792	\$ 5,800,079
BALANCE AT JANUARY 1, 2021	\$ 1,237,242	\$ 1,184,809	\$ 412,470	\$ 143,150	\$ 852,372	\$ 56	\$ 2,592,857	\$ 904,665	\$ 634,020	\$ 1,165,528	\$ 2,704,213	\$ (639,134)	\$ 3,519	\$ (635,615)	\$ 5,898,697	\$ 343,138	\$ 6,241,835
Net profit (loss) for the three months ended March 31, 2021	-	-	-	-	-	-	-	-	-	126,115	126,115	-	-	-	126,115	(1,082)	125,033
Other comprehensive income (loss) for three months ended March 31, 2021, net of income tax	-	-	-	-	-	-	-	-	-	-	-	(33,064)	1,454	(31,610)	(31,610)	(2,926)	(34,536)
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	-	-	-	-	126,115	126,115	(33,064)	1,454	(31,610)	94,505	(4,008)	90,497
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	-	-	-	-	-	526	526	-	(526)	(526)	-	-	-
BALANCE AT MARCH 31, 2021	\$ 1,237,242	\$ 1,184,809	\$ 412,470	\$ 143,150	\$ 852,372	\$ 56	\$ 2,592,857	\$ 904,665	\$ 634,020	\$ 1,292,169	\$ 2,830,854	\$ (672,198)	\$ 4,447	\$ (667,751)	\$ 5,993,202	\$ 339,130	\$ 6,332,332

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

(With Deloitte & Touche auditors' review report dated May 5, 2021)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 201,621	\$ 226,147
Adjustments for:		
Depreciation expenses	94,605	69,879
Amortization expenses	4,572	3,329
Expected credit loss (gain)	539	(3,956)
Net loss (gain) on financial assets at fair value through profit or loss	(45,121)	25,089
Interest expenses	8,181	7,451
Interest income	(9,812)	(7,932)
Share of profit of associates	(389)	(3,106)
Gain on disposal of property, plant and equipment	(1,615)	(487)
Write-downs of inventories	20,445	1,684
Net gain on unrealized foreign currency exchange	(38,700)	(4,395)
Impairment loss on property, plant and equipment	573	-
Gain on lease modification	(9)	-
Changes in operating assets and liabilities		
Notes receivable	20,971	53,161
Trade receivables	578,399	692,515
Inventories	(309,531)	13,176
Other current assets	3,493	23,666
Notes payable and trade payables	(43,655)	(465,089)
Other payables	7,063	(36,753)
Other current liabilities	292	2,448
Net defined benefit assets and liabilities	(71)	(1,760)
Other non-current liabilities	(1,998)	-
Cash generated from operations	<u>489,853</u>	<u>595,067</u>
Interest paid	(7,250)	(7,441)
Income tax paid	<u>(99,362)</u>	<u>(101,481)</u>
Net cash generated from operating activities	<u>383,241</u>	<u>486,145</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	-	(22,174)
Proceeds from sale of financial assets at amortized cost	65,767	-
Purchase of financial assets at fair value through profit or loss	(109,415)	(384,475)
Proceeds from sale of financial assets at fair value through profit or loss	251,629	117,942
Payments for property, plant and equipment	(255,642)	(22,740)
Proceeds from disposal of property, plant and equipment	10,047	7,180
Increase in refundable deposits	(4,715)	(3,028)
Payments for intangible assets	(4,095)	(1,618)
Increase in non-current assets	(3,825)	-

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SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2021	2020
Increase in prepayments for land, property and equipment	\$ (85,817)	\$ (2,800)
Increase in prepayments for land use right	-	(97,296)
Interest received	<u>9,812</u>	<u>7,932</u>
Net cash used in investing activities	<u>(126,254)</u>	<u>(401,077)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	3,183	425,268
Repayments of bond payables	-	(150,000)
Decrease in short-term bills payable	(29,981)	-
Proceeds from long-term borrowings	51,196	-
Proceeds from guarantee deposits received	80	-
Refunds of guarantee deposits received	-	(8)
Repayment of the principal portion of lease liabilities	<u>(65,537)</u>	<u>(38,633)</u>
Net cash (used in) generated from financing activities	<u>(41,059)</u>	<u>236,627</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(25,264)</u>	<u>(51,447)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	190,664	270,248
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>2,420,807</u>	<u>2,889,307</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,611,471</u>	<u>\$ 3,159,555</u>

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

(With Deloitte & Touche auditors' review report dated May 5, 2021)

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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 to the Taiwan Stock Exchange (TWSE) and they were officially listed and started trading its shares on December 17, 2009.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by Corporation’s board of directors on May 5, 2021.

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

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

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

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

<u>New IFRSs</u>	<u>Effective Date Announced by IASB (Note 1)</u>
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Covid-19 - Related Rent Concessions	April 1, 2022 (Note 8)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendment to IFRS 16 “Covid-19 - Related Rent Concessions beyond June 30, 2021”	April 1, 2021 (Note 8)

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 6)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 7)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

(Concluded)

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

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

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

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

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

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 8: The Group applies the amendment from April 1, 2021 and recognizes the cumulative effect of retrospective application in retained earnings on January 1, 2021.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

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

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

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

See Note 11 and Tables 6 and 7 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2020.

1) Retirement benefits

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

2) Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

6. CASH AND CASH EQUIVALENTS

	March 31, 2021	December 31, 2020	March 31, 2020
Cash on hand	\$ 2,704	\$ 2,058	\$ 2,741
Checking accounts and demand deposits	2,239,073	2,188,915	2,559,811
Cash equivalents			
Time deposits with original maturities of less than 3 months	<u>369,694</u>	<u>229,834</u>	<u>597,003</u>
	<u>\$ 2,611,471</u>	<u>\$ 2,420,807</u>	<u>\$ 3,159,555</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Financial assets at fair value through profit or loss (FVTPL) - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets			
Foreign exchange forward contracts (a)	\$ 2,189	\$ 22,322	\$ -
Non-derivative financial assets			
Domestic listed shares	214,054	200,701	89,813
Mutual funds	<u>-</u>	<u>-</u>	<u>20,000</u>
	216,243	223,023	109,813
Hybrid financial assets			
Structured deposits (b)	<u>65,163</u>	<u>152,926</u>	<u>226,815</u>
	<u>\$ 281,406</u>	<u>\$ 375,949</u>	<u>\$ 336,628</u>

(Continued)

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic emerging market shares	\$ 17,491	\$ 15,619	\$ 10,686
Overseas unlisted shares	49,965	51,579	44,523
Private funds	<u>2,493</u>	<u>3,088</u>	<u>-</u>
	<u>\$ 69,949</u>	<u>\$ 70,286</u>	<u>\$ 55,209</u>

Financial liabilities at fair value through profit or loss (FVTPL) - current

Financial assets mandatorily classified as at FVTPL			
Derivative financial assets			
Foreign exchange forward contracts (a)	<u>\$ 2,444</u>	<u>\$ -</u>	<u>\$ -</u> (Concluded)

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

March 31, 2021

	Currency	Maturity Date	Notional Amount (In Thousands)
Sell	US\$/RMB	2021.04	US\$1,000/RMB6,760
Sell	US\$/RMB	2021.05	US\$1,000/RMB6,832
Sell	US\$/RMB	2021.06	US\$1,000/RMB6,670
Sell	US\$/RMB	2021.06	US\$1,000/RMB6,612
Sell	US\$/RMB	2021.06	US\$1,000/RMB6,597
Sell	US\$/RMB	2021.07	US\$1,000/RMB6,522
Sell	US\$/RMB	2021.07	US\$1,000/RMB6,537
Sell	US\$/RMB	2021.07	US\$1,000/RMB6,539
Sell	US\$/RMB	2021.08	US\$1,000/RMB6,553
Sell	US\$/RMB	2021.08	US\$1,000/RMB6,561
Sell	US\$/RMB	2021.08	US\$1,000/RMB6,562
Sell	US\$/RMB	2021.09	US\$1,000/RMB6,600

December 31, 2020

	Currency	Maturity Date	Notional Amount (In Thousands)
Sell	US\$/RMB	2021.01	US\$1,000/RMB6,528
Sell	US\$/RMB	2021.02	US\$1,000/RMB6,973
Sell	US\$/RMB	2021.02	US\$1,000/RMB6,854
Sell	US\$/RMB	2021.02	US\$1,000/RMB6,890
Sell	US\$/RMB	2021.02	US\$1,000/RMB6,891
Sell	US\$/RMB	2021.03	US\$1,000/RMB6,987
Sell	US\$/RMB	2021.03	US\$2,000/RMB13,882
Sell	US\$/RMB	2021.03	US\$2,000/RMB13,842
Sell	US\$/RMB	2021.03	US\$2,000/RMB13,682
Sell	US\$/RMB	2021.04	US\$1,000/RMB6,760
Sell	US\$/RMB	2021.05	US\$1,000/RMB6,832
Sell	US\$/RMB	2021.06	US\$1,000/RMB6,670
Sell	US\$/RMB	2021.06	US\$1,000/RMB6,612
Sell	US\$/RMB	2021.06	US\$1,000/RMB6,597

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

- b. The Group successively entered into 1-6 month structured time deposit contracts with bank for the three months ended March 31, 2021 and 2020. The structured time deposit contract includes an embedded derivative instrument which is not closely related to the host contract. The entire contract is assessed and mandatorily classified as at FVTPL since it contained a host that is an asset within the scope of IFRS 9.

8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 537,617	\$ 601,313	\$ 196,236
Time deposits pledged as collateral with original maturities of more than 3 months	1,893	3,964	-
Restricted deposit	<u>550</u>	<u>550</u>	<u>-</u>
	<u>\$ 540,060</u>	<u>\$ 605,827</u>	<u>\$ 196,236</u>

9. TRADE RECEIVABLES, NET

	March 31, 2021	December 31, 2020	March 31, 2020
At amortized cost			
Gross carrying amount	\$ 3,121,662	\$ 3,627,405	\$ 2,432,071
Less: Allowance for impairment loss	<u>(11,313)</u>	<u>(10,876)</u>	<u>(10,710)</u>
	<u>\$ 3,110,349</u>	<u>\$ 3,616,529</u>	<u>\$ 2,421,361</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, 2021

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	-	3.81%	18.04%	42.86%	100%	
Gross carrying amount	\$ 3,048,263	\$ 24,391	\$ 46,382	\$ 1,064	\$ 1,562	\$ 3,121,662
Loss allowance (Lifetime ECLs)	-	(930)	(8,365)	(456)	(1,562)	(11,313)
Amortized cost	<u>\$ 3,048,263</u>	<u>\$ 23,461</u>	<u>\$ 38,017</u>	<u>\$ 608</u>	<u>\$ -</u>	<u>\$ 3,110,349</u>

December 31, 2020

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	-	5.51%	14.83%	42.93%	100%	
Gross carrying amount	\$ 3,542,654	\$ 41,942	\$ 38,235	\$ 2,944	\$ 1,630	\$ 3,627,405
Loss allowance (Lifetime ECLs)	-	(2,313)	(5,669)	(1,264)	(1,630)	(10,876)
Amortized cost	<u>\$ 3,542,654</u>	<u>\$ 39,629</u>	<u>\$ 32,566</u>	<u>\$ 1,680</u>	<u>\$ -</u>	<u>\$ 3,616,529</u>

March 31, 2020

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
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 ECLs)	-	(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>

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

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	\$ 10,876	\$ 14,444
Add: Net remeasurement of loss allowance	539	-
Less: Reversal of loss allowance	-	(3,956)
Foreign exchange gains and losses	<u>(102)</u>	<u>222</u>
Balance at March 31	<u>\$ 11,313</u>	<u>\$ 10,710</u>

10. INVENTORIES

	March 31, 2021	December 31, 2020	March 31, 2020
Finished goods	\$ 404,928	\$ 327,374	\$ 239,947
Work in progress	340,502	234,759	185,475
Raw materials	<u>513,977</u>	<u>405,021</u>	<u>311,508</u>
	<u>\$ 1,259,407</u>	<u>\$ 967,154</u>	<u>\$ 736,930</u>

The cost of goods sold for the three months ended March 31, 2021 and 2020 included inventory write-downs of \$20,445 thousand and \$1,684 thousand, respectively.

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			March 31, 2021	December 31, 2020	March 31, 2020	
Syncmold Enterprise Corp.	Syncmold Enterprise (Samoa) Corp.	The trading and commercial related practices of all metal molds and plastic molds as well as the reinvestment of subsidiaries in mainland China.	100.00	100.00	100.00	Note 1
	Grand Advance Inc.	The trading, imports, exports and investments of electronic parts.	100.00	100.00	100.00	Note 1
	Syncmold Enterprise (USA) Corp.	The trading, imports and exports of electronic parts.	100.00	100.00	100.00	Note 2
	Gatetech Technology Inc.	Precision molding and magnesium alloy die caster manufacturing and transaction business	73.43	73.43	72.81	Note 4
	Syncmold Enterprise Vietnam Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 2
	Syncmold Enterprise (Malaysia) Sdn. Bhd.	The trading, imports and exports of electronic parts.	100.00	100.00	-	Note 5
	Syncmold Enterprise (Singapore) Pte. Ltd.	The trading, imports and exports of electronic parts.	100.00	100.00	-	Note 6
	Syncmold Enterprise (Thailand) Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business.	100.00	100.00	-	Note 7
	Leohab Enterprise Co., Ltd.	Precision hardware components manufacturing	70.00	70.00	-	Note 3
	Grand Advance Inc.	Canford International Limited	Import and export trade and investment business.	100.00	100.00	100.00
Fullking Development Limited		Import and export trade and investment business.	100.00	100.00	100.00	Note 2
Full Glary Holding Limited		Import and export trade and investment business.	100.00	100.00	100.00	Note 2

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			March 31, 2021	December 31, 2020	March 31, 2020	
Syncmold Enterprise (Samoa) Corp.	Full Big Limited	Reinvesting subsidiaries of mainland China and international business.	100.00	100.00	100.00	Note 2
	Forever Business Development Limited	Reinvesting subsidiaries of mainland China and international business.	100.00	100.00	100.00	Note 2
	Full Celebration Limited	Reinvesting subsidiaries of mainland China and international business.	100.00	100.00	100.00	Note 2
	Fuzhou Fulfil Tech Co., Ltd.	Electronic parts processing and manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 1
	Fujian Khuan Hua Precise Mold Co., Ltd.	Processing, manufacturing, trading and related import and export business of various metal molds, plastic molds and plastic injection molds.	100.00	100.00	100.00	Note 2
	Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Electronic parts processing and manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 2
Gatetech Technology Inc.	Gatech Holding Ltd.	General investment business	100.00	100.00	100.00	Note 2
Leohab Enterprise Co., Ltd.	Sweet International Group Ltd.	General investment business	100.00	100.00	-	Note 3
Forever Business Development Limited	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Processing, manufacturing, trading and related import and export business of various metal molds, plastic molds and plastic injection molds.	100.00	100.00	100.00	Note 2
Canford International Limited	Suzhou Fulfil Electronics Co., Ltd.	Electronic parts processing and manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 1
Fullking Development Limited	Zhongshan Fulfil Tech. Co., Ltd.	Electronic parts processing and manufacturing, trading and related import and export business.	100.00	100.00	100.00	Note 1
Full Glary Holding Limited	Kunshan Fulfil Tech Co., Ltd.	Manufacturing and assembling of laptop components such as precision bearing, hardware and related accessories.	100.00	100.00	100.00	Note 2
Full Celebration Limited	Chongqing Fulfil Tech Co., Ltd.	The processing, manufacturing, related imports and exports of all electronic, plastic and electronic parts.	100.00	100.00	100.00	Note 2
Gatech Holding Ltd.	Gatech International Ltd.	General investment business	100.00	100.00	100.00	Note 2
Gatech International Ltd.	Gatetech (Suzhou) Technology Co., Ltd.	Aluminum and magnesium alloy manufacturing and trading	100.00	100.00	100.00	Note 2
Sweet International Group Ltd.	Lucky King Holdings Ltd.	General investment business	100.00	100.00	-	Note 3
Lucky King Holdings Ltd.	Suzhou Leoho Electronics Co., Ltd.	Precision hardware components manufacturing	100.00	100.00	-	Note 3
	Commuwell Enterprise (Thailand) Co., Ltd.	Plastic shot and hardware components manufacturing	100.00	100.00	-	Note 3

(Concluded)

Note 1: Its financial statements for the three months ended March 31, 2021 and 2020 have been reviewed.

Note 2: As the subsidiary is not a major subsidiary, its financial statements for the three months ended March 31, 2021 and 2020 have not been reviewed.

Note 3: The subsidiary is not a major subsidiary. On November 30, 2020, the Corporation completed the acquisition of Leohab Enterprise Co., Ltd. for a cash consideration of \$232,677 thousand after the acquisition, the Corporations percentage of ownership in Leohab Enterprise Co., Ltd. was 70%. Its financial statements for the three months ended March 31, 2021 have not been reviewed.

Note 4: The subsidiary is not a major subsidiary. On April 21, 2020 and July 27, 2020, the Corporation acquired additional 0.17% and 0.45% ownerships in Gatetech Technology Inc. for a cash consideration of \$1,345 thousand and \$2,470 thousand, respectively. Except for 2020, its financial statements for the three months ended March 31, 2021 have been reviewed.

Note 5: The subsidiary is not a major subsidiary. The establishment of Syncmold Enterprise (Malaysia) Sdn. Bhd. was approved on February 10, 2020. As of June 10, 2020, the Corporation had invested \$3,639 thousand in exchange for 100% shareholding interest. Its financial statements for the three months ended March 31, 2021 and 2020 have not been reviewed.

Note 6: The subsidiary is not a major subsidiary. The establishment of Syncmold Enterprise (Singapore) Pte. Ltd. was approved on February 27, 2020. As of June 29, 2020, the Corporation had invested \$1,100 thousand in exchange for 100% shareholding interest. Its financial statements for the three months ended March 31, 2021 and 2020 have not been reviewed.

Note 7: The subsidiary is not a major subsidiary. The establishment of Syncmold Enterprise (Thailand) Co., Ltd. was approved on May 14, 2020. As of May 27, 2020, the Corporation had invested \$19,920 thousand in exchange for 100% shareholding interest. Its financial statements for the three months ended March 31, 2021 and 2020 have not been reviewed.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2021	December 31, 2020	March 31, 2020
Associates that are not individually material			
Unlisted company			
High Grade Tech Co., Ltd.	\$ 132,523	\$ 128,639	\$ 126,926
Corebio technologies Co., Ltd.	<u>33,876</u>	<u>35,917</u>	<u>44,432</u>
	<u>\$ 166,399</u>	<u>\$ 164,556</u>	<u>\$ 171,358</u>

Investments were accounted for using the equity method and the share of profit or loss for the three months ended March 31, 2021 and 2020 was calculated based on financial statements which have not been reviewed.

13. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Asset used by the Group</u>			
Freehold land	\$ 770,934	\$ 703,162	\$ 495,581
Buildings	443,192	439,242	313,356
Equipment	458,389	440,378	368,620
Transportation equipment	13,521	16,113	12,323
Office equipment	20,277	18,201	11,467
Other equipment	61,479	68,921	23,837
Property under construction	<u>117,824</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,885,616</u>	<u>\$ 1,686,017</u>	<u>\$ 1,225,184</u>

To expand its operations, Syncmold Enterprise Vietnam Co., Ltd. signed a contract for the self-construction of factory in December 2020. The total contract price amounted to VND263,000,000 thousand (excluding value-added tax), which was accounted for according to the completion progress. As of March 31, 2021, the construction was not yet completed and the unfinished work amounted to NT\$117,824 thousand (VND105,200,000 thousand).

Except for the aforementioned addition and recognized depreciation, the Group did not have significant disposal, or impairment of property, plant and equipment during the three months ended March 31, 2021 and 2020. The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Building	
Main building	5-60 years
Electromechanical power equipment	4-5 years
Equipment	1-23 years
Transportation equipment	5-10 years
Office equipment	3-10 years
Other equipment	1-20 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Carrying amounts</u>			
Lands	\$ 174,723	\$ 174,905	\$ 52,839
Buildings	444,132	318,942	355,168
Transportation equipment	<u>1,901</u>	<u>1,655</u>	<u>483</u>
	<u>\$ 620,756</u>	<u>\$ 495,502</u>	<u>\$ 408,490</u>
		For the Three Months Ended March 31	
		2021	2020
Additions to right-of-use assets		<u>\$ 177,138</u>	<u>\$ 12,903</u>
Depreciation charge for right-of-use assets			
Lands		\$ 901	\$ 151
Buildings		46,776	33,576
Transportation equipment		<u>290</u>	<u>93</u>
		<u>\$ 47,967</u>	<u>\$ 33,820</u>
Income from the subleasing of right-of-use assets (presented in other income)		<u>\$ -</u>	<u>\$ (4,917)</u>

Except for the recognized depreciation, the Group did not have any significant impairment of right-of-use assets during the three months ended March 31, 2021 and 2020.

b. Lease liabilities

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Carrying amounts</u>			
Current	<u>\$ 170,530</u>	<u>\$ 133,785</u>	<u>\$ 124,201</u>
Non-current	<u>\$ 242,075</u>	<u>\$ 170,268</u>	<u>\$ 203,985</u>

Range of discount rate for lease liabilities was as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Buildings	0.94%-4.90%	0.94%-4.90%	0.94%-4.90%
Transportation equipment	0.94%-4.55%	0.94%-1.69%	0.94%

c. Subleases

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

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

	March 31, 2021	December 31, 2020	March 31, 2020
Year 1	<u>\$ _____</u>	<u>\$ _____</u> -	<u>\$ 4,162</u>

d. Other lease information

	For the Three Months Ended March 31	
	2021	2020
Expenses relating to short-term leases	<u>\$ 8,539</u>	<u>\$ 4,025</u>
Total cash outflow for leases	<u>\$ (77,774)</u>	<u>\$ (46,404)</u>

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

15. GOODWILL

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Cost</u>			
Balance at January 1	<u>\$ 366,777</u>	<u>\$ 366,777</u>	<u>\$ 366,777</u>
Balance at end of period	<u>\$ 366,777</u>	<u>\$ 366,777</u>	<u>\$ 366,777</u>
<u>Accumulated impairment losses</u>			
Balance at January 1	<u>\$ (42,180)</u>	<u>\$ (42,180)</u>	<u>\$ (42,180)</u>
Balance at end of period	<u>\$ (42,180)</u>	<u>\$ (42,180)</u>	<u>\$ (42,180)</u>
Carrying amounts at end of period	<u>\$ 324,597</u>	<u>\$ 324,597</u>	<u>\$ 324,597</u>

16. INTANGIBLE ASSETS

	March 31, 2021	December 31, 2020	March 31, 2020
Trademarks	\$ 61	\$ 66	\$ -
Computer software	31,785	31,545	24,322
Patents	<u>2,127</u>	<u>2,639</u>	<u>-</u>
	<u>\$ 33,973</u>	<u>\$ 34,250</u>	<u>\$ 24,322</u>

Except for the recognized amortization, the Group did not have any significant additions, disposals or impairment of intangible assets during the three months ended March 31, 2021 and 2020. The above items of intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

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

17. BORROWINGS

a. Short-term borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Secured borrowings</u>			
Mortgage loans	\$ 474,000	\$ 484,000	\$ 280,000
Bank loans	5,804	8,895	-
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>1,396,724</u>	<u>1,374,800</u>	<u>1,152,250</u>
	<u>\$ 1,876,528</u>	<u>\$ 1,867,695</u>	<u>\$ 1,432,250</u>

The range of interest rates on bank loans was 0.67%-3.75%, 0.67%-3.75% and 0.90%-2.85% on March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

b. Short-term bills payable

	March 31, 2021	December 31, 2020	March 31, 2020
Commercial paper	\$ -	\$ 30,000	\$ -
Less: Unamortized discounts on bills payable	<u>-</u>	<u>(19)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 29,981</u>	<u>\$ -</u>

c. Long-term borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Secured borrowings</u>			
Mortgage loans	\$ 113,423	\$ 59,500	\$ -
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>10,909</u>	<u>13,636</u>	<u>-</u>
	124,332	73,136	-
Less: Current portions	<u>(16,162)</u>	<u>(16,909)</u>	<u>-</u>
	<u>\$ 108,170</u>	<u>\$ 56,227</u>	<u>\$ -</u>

18. OTHER PAYABLES

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Current</u>			
Other payables			
Payables for salaries or bonuses	\$ 263,372	\$ 280,535	\$ 243,502
Others	<u>245,405</u>	<u>218,182</u>	<u>126,958</u>
	<u>\$ 508,777</u>	<u>\$ 498,717</u>	<u>\$ 370,460</u>

19. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2021 and 2020, the pension expenses of defined benefit plans were \$116 thousand and \$119 thousand, respectively, and these were calculated based on the actuarially determined pension cost rate on December 31, 2020 and 2019, respectively.

20. EQUITY

a. Share capital

Ordinary shares

	March 31, 2021	December 31, 2020	March 31, 2020
Number of shares authorized (in thousands)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Amount of shares authorized	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>123,724</u>	<u>123,724</u>	<u>123,724</u>
Amount of shares issued	<u>\$ 1,237,242</u>	<u>\$ 1,237,242</u>	<u>\$ 1,237,242</u>

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

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

b. Capital surplus

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

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

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 21-b.

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

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

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

The appropriations of earnings for 2020 and 2019 which were approved in the shareholders' meeting on March 16, 2021 and board of directors' meeting on June 18, 2020, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2020	2019	2020	2019
Legal reserve	\$ 96,510	\$ 94,150		
Special reserve	1,595	202,514		
Cash dividends	618,621	556,759	\$5.00	\$4.50

The appropriations of earnings for 2020 are subject to the resolution of the shareholders in the shareholders' meeting to be held on June 24, 2021.

d. Special reserve

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1 and March 31	<u>\$ 634,020</u>	<u>\$ 431,506</u>

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

e. Non-controlling interests

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	\$ 343,138	\$ 229,257
Share of profit (loss) for the year	(1,082)	2,988
Other comprehensive income (loss) during the year		
Exchange differences on translating the financial statements of foreign operations	<u>(2,926)</u>	<u>(1,453)</u>
Balance at March 31	<u>\$ 339,130</u>	<u>\$ 230,792</u>

21. NET PROFIT

a. Employee benefits expense, depreciation and amortization

	For the Three Months Ended March 31					
	2021			2020		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Defined contribution plan	\$ 20,931	\$ 5,431	\$ 26,362	\$ 10,025	\$ 3,405	\$ 13,430
Defined benefit plan	70	46	116	84	35	119
Other employee benefits	<u>456,410</u>	<u>142,503</u>	<u>598,913</u>	<u>287,934</u>	<u>93,032</u>	<u>380,966</u>
	<u>\$ 477,411</u>	<u>\$ 147,980</u>	<u>\$ 625,391</u>	<u>\$ 298,034</u>	<u>\$ 96,472</u>	<u>\$ 394,515</u>
Depreciation	<u>\$ 60,093</u>	<u>\$ 34,512</u>	<u>\$ 94,605</u>	<u>\$ 44,754</u>	<u>\$ 25,125</u>	<u>\$ 69,879</u>
Amortization	<u>\$ 514</u>	<u>\$ 4,058</u>	<u>\$ 4,572</u>	<u>\$ 80</u>	<u>\$ 3,249</u>	<u>\$ 3,329</u>

b. Compensation of employees and remuneration of directors

According to the Corporation's Articles of Incorporation, the Corporation accrues compensation of employees and remuneration of directors at rates of no less than 3% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. The compensation of employees and the remuneration of directors and supervisors for the three months ended March 31, 2021 and 2020, respectively, are as follows:

Accrual rate

	For the Three Months Ended March 31	
	2021	2020
Compensation of employees	7.21%	6.56%
Remuneration of directors and supervisors	1.58%	1.44%

Amount

	For the Three Months Ended March 31	
	2021	2020
Compensation of employees	<u>\$ 10,990</u>	<u>\$ 11,023</u>
Remuneration of directors and supervisors	<u>\$ 2,413</u>	<u>\$ 2,420</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 compensation of employees and remuneration of directors for 2020 and 2019 that were resolved by the board of directors on March 16, 2021 and March 13, 2020, respectively, are as shown below:

Amount

	For the Year Ended December 31	
	2020	2019
	Cash	Cash
Compensation of employees	\$ 80,000	\$ 79,000
Remuneration of directors and supervisors	18,000	18,000

The Corporation held board of directors' meetings on March 16, 2021 and March 13, 2020 and the meetings resulted in the actual amounts of the compensation of employees and remuneration of directors and supervisors paid for 2020 and 2019 to differ from the amounts recognized in the consolidated financial statements. The adjustment for differences will be and was recognized in profit and loss for the years ended December 31, 2021 and 2020.

	For the Year Ended December 31			
	2020		2019	
	Compensation of Employees	Remuneration of Directors and Supervisors	Compensation of Employees	Remuneration of Directors and Supervisors
Amounts approved in the board of directors' meeting	<u>\$ 80,000</u>	<u>\$ 18,000</u>	<u>\$ 79,000</u>	<u>\$ 18,000</u>
Amounts recognized in the annual consolidated financial statements	<u>\$ 80,847</u>	<u>\$ 17,747</u>	<u>\$ 79,339</u>	<u>\$ 17,416</u>

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

22. 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	
	2021	2020
Current tax		
In respect of the current period	\$ 74,332	\$ 68,780
Deferred tax		
In respect of the current period	<u>2,256</u>	<u>21,605</u>
Income tax expense recognized in profit or loss	<u>\$ 76,588</u>	<u>\$ 90,385</u>

- b. Income tax assessments

The income tax returns of the Leohab Enterprise Co., Ltd. through 2017 have been assessed by the tax authorities.

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

23. EARNINGS PER SHARE

Net Profit for the Period

	For the Three Months Ended March 31	
	2021	2020
Earnings used in the computation of diluted earnings per share	<u>\$ 126,115</u>	<u>\$ 132,774</u>

Shares

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

	For the Three Months Ended March 31	
	2021	2020
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		
Compensation of employees	<u>887</u>	<u>1,017</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>\$ 124,611</u>	<u>\$ 124,741</u>

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

24. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy

March 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Foreign exchange				
forward contracts	\$ -	\$ 2,189	\$ -	\$ 2,189
Listed shares	214,054	-	-	214,054
Structured deposits	65,163	-	-	65,163
Emerging market shares	10,215	-	7,276	17,491
Overseas unlisted shares	-	-	49,965	49,965
Private funds	<u>-</u>	<u>-</u>	<u>2,493</u>	<u>2,493</u>
	<u>\$ 289,432</u>	<u>\$ 2,189</u>	<u>\$ 59,734</u>	<u>\$ 351,355</u>
Financial liabilities at FVTPL				
Foreign exchange				
forward contracts	<u>\$ -</u>	<u>\$ 2,444</u>	<u>\$ -</u>	<u>\$ 2,444</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Foreign exchange forward contracts	\$ -	\$ 22,322	\$ -	\$ 22,322
Listed shares	200,701	-	-	200,701
Structured deposits	152,926	-	-	152,926
Emerging market shares	6,708	-	8,911	15,619
Overseas unlisted shares	-	-	51,579	51,579
Private funds	<u>-</u>	<u>-</u>	<u>3,088</u>	<u>3,088</u>
	<u>\$ 360,335</u>	<u>\$ 22,322</u>	<u>\$ 63,578</u>	<u>\$ 446,235</u>

March 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 89,813	\$ -	\$ -	\$ 89,813
Mutual funds	20,000	-	-	20,000
Structured deposits	226,815	-	-	226,815
Emerging market shares	3,566	-	7,120	10,686
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>

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, 2021

	Financial Assets at FVTPL Equity Instruments
Balance at January 1, 2021	\$ 63,578
Recognized in profit or loss (included in net loss on fair value changes of financial assets at fair value through profit or loss)	<u>(3,844)</u>
Balance at March 31, 2021	<u>\$ 59,734</u>

For the three months ended March 31, 2020

	Financial Assets at FVTPL Equity Instruments
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)	<u>(5,766)</u>
Balance at March 31, 2020	<u>\$ 51,643</u>

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

<u>Financial Instrument</u>	<u>Valuation Technique and Inputs</u>
Foreign exchange forward contracts	Discounted cash flows Future cash flows are estimated based on observable forward exchange rates at the end of the year and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

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

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

b. Categories of financial instruments

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Financial assets</u>			
Mandatorily classified as at FVTPL	\$ 351,355	\$ 446,235	\$ 391,837
Financial assets at amortized cost (Note 1)	6,729,941	7,124,038	6,194,178
<u>Financial liabilities</u>			
Mandatorily classified as at FVTPL	2,444	-	-
Financial liabilities at amortized cost (Note 2)	4,415,517	4,373,990	3,068,459

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

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

c. Financial risk management objectives and policies

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

1) Market risk

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

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

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

a) Foreign currency risk

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

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

	For the Three Months Ended March 31	
	2020	2019
<u>USD impact</u>		
USD:NTD	\$ 6,471	\$ 6,010
USD:RMB	\$ (21,494)	\$ (18,926)
USD:VND	\$ (687)	\$ -
<u>RMB impact</u>		
RMB:NTD	\$ (820)	\$ (567)
RMB:USD	\$ (437)	\$ (8,174)

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:

	March 31, 2021	December 31, 2020	March 31, 2020
Fair value interest rate risk			
Financial assets	\$ 974,917	\$ 988,587	\$ 1,020,054
Financial liabilities	2,413,465	2,274,865	1,760,436
Cash flow interest rate risk			
Financial assets	2,234,930	2,185,789	2,557,460

Sensitivity analysis

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

If interest rates had been 100 basis point higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2021 and 2020 would have increased/decreased by \$5,587 thousand and \$6,394 thousand, respectively.

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

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 1% higher/lower, pre-tax profit for the three months ended March 31, 2021 and 2020 would have increased/decreased by \$2,815 thousand and \$1,650 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

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

2) Credit risk

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

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

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

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

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group had available unutilized short-term bank loan facilities set out in (b) below.

Financing facilities

	March 31, 2021	December 31, 2020	March 31, 2020
Unsecured bank overdraft facilities, reviewed annually and payable on demand			
Amount used	\$ 1,407,633	\$ 1,388,436	\$ 1,152,250
Amount unused	<u>2,468,853</u>	<u>1,930,200</u>	<u>927,750</u>
	<u>\$ 3,876,486</u>	<u>\$ 3,318,636</u>	<u>\$ 2,080,000</u>
Secured bank overdraft facilities			
Amount used	\$ 593,227	\$ 552,395	\$ 280,000
Amount unused	<u>137,566</u>	<u>169,493</u>	<u>120,000</u>
	<u>\$ 730,793</u>	<u>\$ 721,888</u>	<u>\$ 400,000</u>

25. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and category

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

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

b. Operating expenses

<u>Related Party Category</u>	<u>For the Three Months Ended March 31</u>	
	2021	2020
Associate	\$ <u>-</u>	\$ <u>4</u>

c. Lease agreements

<u>Related Party Category</u>	<u>For the Three Months Ended March 31</u>	
	2021	2020
<u>Lease liabilities</u>		
Related party in substance	\$ 1,325	\$ 2,758
The legal representative of the Corporation's director	<u>724</u>	<u>1,508</u>
	<u>\$ 2,049</u>	<u>\$ 4,266</u>
<u>Interest expense</u>		
Related party in substance	\$ 4	\$ -
The legal representative of the Corporation's director	<u>2</u>	<u>-</u>
	<u>\$ 6</u>	<u>\$ -</u>
<u>Lease expense</u>		
Related party in substance	\$ -	\$ 226
The legal representative of the Corporation's director	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 226</u>

Lease expenses included expenses relating to short-term leases.

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

d. Prepayments

Line Item	Related Party Category	March 31, 2021	December 31, 2020	March 31, 2020
Prepaid expense (including other current assets)	Related party in substance	\$ -	\$ -	\$ 77

e. Loans to related parties (excluding borrowings from related parties)

Line Item	Related Party Category	March 31, 2021	December 31, 2020	March 31, 2020
Others payables	Associate	\$ -	\$ -	\$ 4

f. Compensation of key management personnel

Related Party Category	For the Three Months Ended March 31	
	2021	2020
Short-term employee benefits	\$ 14,914	\$ 12,097
Post-employment benefits	<u>79</u>	<u>70</u>
	<u>\$ 14,993</u>	<u>\$ 12,167</u>

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

26. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	March 31, 2021	December 31, 2020	March 31, 2020
Financial assets at amortized cost - current	\$ 1,893	\$ 3,964	\$ -
Property, plant and equipment	<u>835,227</u>	<u>706,058</u>	<u>503,807</u>
	<u>\$ 837,120</u>	<u>\$ 710,022</u>	<u>\$ 503,807</u>

27. SIGNIFICANT LOSSES ON DISASTER

A fire broke out in the premises of Suzhou Fulfil Electronics Co., Ltd. on January 20, 2021, which caused damage to some of the plant, machinery, equipment and inventories. The Corporation has property insurance and public liability insurance for the aforementioned plant, machinery, equipment and inventories. The estimated cost of damage in the amount of NT\$17,833 thousand was recognized in other gains and losses.

28. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

March 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 36,775	28.535 (USD:NTD)	\$ 1,049,375
USD	80,772	6.5713 (USD:RMB)	2,304,829
USD	2,409	25,558 (USD:VND)	68,741
RMB	28,698	4.3440 (RMB:NTD)	124,664
RMB	10,052	0.1522 (RMB:USD)	43,666
THB	6,043	0.9149 (THB:NTD)	5,529
Non-monetary items			
Financial assets at FVTPL - non-current			
USD	1,751	28.535 (USD:NTD)	49,965
<u>Financial liabilities</u>			
Monetary items			
USD	59,452	28.535 (USD:NTD)	1,696,463
USD	5,446	6.5713 (USD:RMB)	155,402
RMB	9,829	4.3440(RMB:NTD)	42,697
THB	719	0.9149 (THB:NTD)	658

December 31, 2020

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 45,597	28.480 (USD:NTD)	\$ 1,298,603
USD	89,596	6.5423 (USD:RMB)	2,551,694
USD	4,686	25,689 (USD:VND)	133,457
RMB	64,678	4.3770 (RMB:NTD)	283,096
RMB	10,167	0.1537 (RMB:USD)	44,501
THB	5,874	0.9556 (THB:NTD)	5,613
Non-monetary items			
Financial assets at FVTPL - non-current			
USD	1,342	28.480 (USD:NTD)	51,579
<u>Financial liabilities</u>			
Monetary items			
USD	69,530	28.480 (USD:NTD)	1,980,214
USD	4,083	6.5423 (USD:RMB)	116,284
RMB	8,095	6.5423(RMB:NTD)	35,432

March 31, 2020

	Foreign Currency	Exchange Rate	Carrying Amount
<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
Non-monetary items			
Financial assets at FVTPL - non-current			
USD	1,500	30.225 (USD:NTD)	44,523
<u>Financial liabilities</u>			
Monetary items			
USD	53,601	30.225 (USD:NTD)	1,620,090
USD	2,037	7.0851 (USD:RMB)	61,568

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

For the Three Months Ended March 31				
2021			2020	
Foreign Currency	Exchange Rate	Net Foreign Exchange Losses	Exchange Rate	Net Foreign Exchange Gains
NTD	1 (NTD:NTD)	\$ (3,573)	1 (NTD:NTD)	\$ (3,587)
USD	28.535 (USD:NTD)	(312)	30.225 (USD:NTD)	(12,792)
RMB	4.344 (RMB:NTD)	5,813	4.255 (RMB:NTD)	34,421
VND	0.00112 (VND:NTD)	51	0.00116 (VND:NTD)	1,322
THD	0.9149 (THD:NTD)	449	- (THD:NTD)	-
SGD	21.21 (SGD:NTD)	<u>5</u>	- (SGD:NTD)	<u>-</u>
		<u>\$ 2,433</u>		<u>\$ 19,364</u>

29. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)

- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
 - 9) Trading in derivative instruments (Table 7)
 - 10) Intercompany relationships and significant intercompany transactions (Table 8)
- b. Information about significant investees (Table 6)
- c. Information on investments in mainland China:
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 7)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Tables 1, 2, 4, 5 and 8)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (None)

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.

No operating segments have ceased operation during the year.

a. Segment revenue and results

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

	Income		Loss	
	2021	2020	2021	2020
Equipment - electronic parts	\$ 2,192,987	\$ 1,624,106	\$ 332,755	\$ 322,270
- plastic molding	101,004	96,403	17,723	17,332
Revenue from continuing operations	\$ 2,293,991	\$ 1,720,509	350,478	339,602
Other income			2,840	7,067
Other gains and losses			(17,124)	790
Interest income			9,812	7,932
Net foreign exchange gain			2,433	19,364
Net gain (loss) on financial assets at fair value through profit or loss			45,121	(25,089)
Share of profit of associates			389	3,106
Interest expenses			(8,181)	(7,451)
General and administrative expenses			(184,147)	(119,174)
Income before tax			\$ 201,621	\$ 226,147

The above segment revenue and results were generated from the transactions with external customers. There were no inter-segment transactions for the three months ended March 31, 2021 and 2020.

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

b. Segment total assets

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(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	\$ -	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,397,281 (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	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,397,281 (40% of the net worth of the Corporation)
		Syncmold Enterprise Vietnam Co., Ltd.	Other receivables from related parties	Yes	250,000	250,000	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,397,281 (40% of the net worth of the Corporation)
		Gatetech Technology Inc.	Other receivables from related parties	Yes	200,000	200,000	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,397,281 (40% of the net worth of the Corporation)
		Leohab Enterprise Co., Ltd.	Other receivables from related parties	Yes	300,000	300,000	-	1.55	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,397,281 (40% of the net worth of the Corporation)
1	Syncmold Enterprise (Samoa) Corp.	Fujian Khuan Hua Precise Mold Co., Ltd.	Other receivables from related parties	Yes	57,070	57,070	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
		Forever Business Development Limited	Other receivables from related parties	Yes	85,605	85,605	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
		Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	85,605	85,605	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	214,013	214,013	42,803	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
2	Grand Advance Inc.	Zhongshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	85,605	85,605	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
		Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	85,605	85,605	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
		Syncmold Enterprise (Samoa) Corp.	Other receivables from related parties	Yes	85,605	85,605	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	85,605	85,605	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
		Full Big Limited	Other receivables from related parties	Yes	85,605	85,605	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
		Fuzhou Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	85,605	85,605	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	85,605	85,605	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
		Syncmold Enterprise (USA) Corp.	Other receivables from related parties	Yes	25,682	25,682	11,414	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
		Fullking Development Limited	Other receivables from related parties	Yes	128,408	128,408	42,803	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
		Syncmold Enterprise Corporation	Other receivables from related parties	Yes	413,758	413,758	256,815	0.00	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
3	Full Big Limited	Fulking Development Limited	Other receivables from related parties	Yes	\$ 22,828	\$ 22,828	\$ 22,828	0.00	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
4	Fuzhou Fulfil Tech Co., Ltd.	Fujian Khuan Hua Precise Mold Co., Ltd.	Other receivables from related parties	Yes	69,478	69,478	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
		Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Other receivables from related parties	Yes	69,478	69,478	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	69,478	69,478	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
5	Suzhou Fulfil Electronics Co., Ltd.	Kunshan Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	39,082	39,082	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
6	Zhongshan Fulfil Tech. Co., Ltd.	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Other receivables from related parties	Yes	34,739	34,739	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
		Chongqing Fulfil Tech Co., Ltd.	Other receivables from related parties	Yes	34,739	34,739	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)
		Suzhou Fulfil Electronics Co., Ltd.	Other receivables from related parties	Yes	34,739	34,739	-	-	Short-term financing	-	Operating capital	-	-	-	\$1,198,640 (20% of the net worth of the Corporation)	\$2,996,601 (50% of the net worth of the Corporation)

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

Note 2: The highest balance, ending balance, and the actual amount borrowed were calculated based on the exchange rate at the end of March 2021.

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

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(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	\$1,797,961 (30% of the net worth of the Corporation)	\$ 57,070 (US\$ 2,000 thousand)	\$ -	\$ -	0.00	\$2,996,601 (50% of the net worth of the Corporation)	Y	N	N	
		Fullking Development Limited	Subsidiary	\$1,797,961 (30% of the net worth of the Corporation)	(US\$ 285,350 10,000 thousand)	-	-	0.00	\$2,996,601 (50% of the net worth of the Corporation)	Y	N	N	
		Gatetech Technology Inc.	Subsidiary	\$1,797,961 (30% of the net worth of the Corporation)	50,000	50,000	-	-	0.83	\$2,996,601 (50% of the net worth of the Corporation)	Y	N	N
		Leohab Enterprise Co., Ltd.	Subsidiary	\$1,797,961 (30% of the net worth of the Corporation)	186,338 (US\$ 2,500 thousand)	186,338 (US\$ 2,500 thousand)	71,538	-	3.11	\$2,996,601 (50% of the net worth of the Corporation)	Y	N	N
		Syncmold Enterprise Vietnam Co., Ltd.	Subsidiary	\$1,797,961 (30% of the net worth of the Corporation)	285,350 (US\$ 10,000 thousand)	285,350 (US\$ 10,000 thousand)	-	-	4.76	\$2,996,601 (50% of the net worth of the Corporation)	Y	N	N
		Forever Business Development Limited	Subsidiary	\$1,797,961 (30% of the net worth of the Corporation)	627,770 (US\$ 22,000 thousand)	342,420 (US\$ 12,000 thousand)	-	-	5.71	\$2,996,601 (50% of the net worth of the Corporation)	Y	N	N
1	Leohab Enterprise Co., Ltd.	Commuwell Enterprise (Thailand) Co., Ltd	Subsidiary	\$128,402 (50% of the net worth of Leohab Enterprise Co., Ltd.)	(THB 89,833 98,189 thousand)	(THB 89,833 98,189 thousand)	3,660	-	1.52	\$256,803 (100% of the net worth of Leohab Enterprise Co., Ltd.)	N	N	N

Note 1: The co-financing amount of endorsement and guarantees by Forever Business Development Limited, Gatetech Technology Inc and Leohab Enterprise Co., Ltd. to bank D is \$442,420 thousand.

Note 2: The financing amount of endorsement and guarantees by Leohab Enterprise Co., Ltd to bank C is \$30,000 thousand.

Note 3: The financing amount of endorsement and guarantees by Leohab Enterprise Co., Ltd to bank B is \$35,000 thousand.

Note 4: The co-financing amount of endorsement and guarantees by Syncmold Enterprise Vietnam Co., Ltd to bank E is \$285,000 thousand.

Note 5: The co-financing amount of endorsement and guarantees by Commuwell Enterprise (Thailand) Co., Ltd. and Leohab Enterprise Co., Ltd. to bank A is \$161,171 thousand.

Note 6: The Corporation co-financed most of the endorsement and guarantee amounts, and the Corporation's total balance for endorsements and guarantees is \$864,108 thousand. The Corporation and its subsidiaries' total amount for endorsements and guarantees is \$953,941 thousand.

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2021

(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, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Syncmold Enterprise Corporation	<u>Shares</u>							
	Gigastone Corporation	-	Financial assets at FVTPL - non-current	847,011	\$ 10,215	1.66	\$ 10,215	(Notes 2 and 6)
	Tiga Gaming Inc.	-	Financial assets at FVTPL - non-current	1,332,132	7,276	5.06	7,276	(Notes 3 and 6)
	Foxfortune Technology Limited	-	Financial assets at FVTPL - non-current	1,000,000	37,945	5.80	37,945	(Notes 4 and 6)
	Hercules BioVenture, L.P.	-	Financial assets at FVTPL - non-current	342,105	12,020	2.63	12,020	(Notes 4 and 6)
	Winmate Inc.	-	Financial assets at FVTPL - current	1,038,000	81,898	1.44	81,898	(Notes 2 and 6)
	Auras Technology Co., Ltd.	-	Financial assets at FVTPL - current	200,000	44,000	0.23	44,000	(Notes 2 and 6)
	Co-Tech Development Corp.	-	Financial assets at FVTPL - current	1,163,000	88,156	0.46	88,156	(Notes 2 and 6)
		<u>Private funds</u>						
	China Development of Healthcare Venture of Limited Partnership		Financial assets at FVTPL - non-current	5,017,715	2,493	0.96	2,493	(Notes 4 and 6)
	<u>Structured commodity</u>							
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Peoples' profit 171 and 172 from E.SUN Bank	-	Financial assets at FVTPL - current	-	65,163	-	65,163	(Notes 5 and 6)

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

Note 2: The shares are calculated at the strike price as of March 31, 2021

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

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

Note 5: The structured commodity is calculated at its contract worth as of March 31, 2021.

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

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(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 Fulfil Tech. Co., Ltd. Fuzhou Fulfil Tech Co., Ltd.	Subsidiary Subsidiary	Purchase	\$ 336,561	56	Note 1	\$ -	-	\$ (486,356)	49	
			Purchase	103,234	17	Note 1	-	-	(133,047)	13	
Suzhou Fulfil Electronics Co., Ltd.	Kunshan Fulfil Tech Co., Ltd.	Indirect subsidiary	Purchase	109,346	19	Note 1	-	-	(81,270)	11	
Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(336,561)	50	Note 1	-	-	486,356	47	
Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(103,234)	25	Note 1	-	-	133,047	31	
Kunshan Fulfil Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary	Sales	(109,346)	100	Note 1	-	-	81,270	100	

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

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

MARCH 31, 2021

(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	\$ 256,815 (Note 1)	-	\$ -	-	\$ -	\$ -
Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	133,047	-	-	-	29,095	-
Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation	Parent company	486,356	-	-	-	178,085	-
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	262,888	-	-	-	139,785	-
Suzhou Leoho Electronics Co., Ltd.	Leohab Enterprise Co., Ltd.	Indirect subsidiary	157,711	-	-	-	7,808	-

Note 1: Financing.

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(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, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2021	March 31, 2020	Number of Shares	%	Carrying Amount			
Syncmold Enterprise Corporation	Syncmold Enterprise (Samoa) Corp.	Samoa	Trading and related import and export businesses of metal molds and plastic molds as well as the reinvestment of subsidiaries in mainland China	\$ 110,598	\$ 110,598	3,546	100.00	\$ 2,558,123	\$ 32,619	\$ 30,902	(Note 1)
	Grand Advance Inc.	Samoa	Trading, import and export and investment in electronic parts	506,240	506,240	-	100.00	3,082,218	72,828	73,327	(Note 1)
	Syncmold Enterprise (USA) Corp.	USA	Trading, import and export in electronic parts	32	32	-	100.00	(2,639)	(113)	(113)	(Note 2)
	High Grade Tech Co., Ltd.	Taiwan	The design and sale of television hangers and related import and export businesses	36,075	36,075	2,280	38.00	132,523	6,396	2,430	(Note 2)
	Corebio Technologies Co., Ltd.	Taiwan	Medical technology and precision instrument wholesale and retail	52,000	52,000	5,200	38.29	33,876	(5,331)	(2,041)	(Note 2)
	Leohab Enterprise Co., Ltd.	Taiwan	Precision hardware components manufacturing	232,677	232,677	16,620	70.00	252,406	7,967	5,223	(Note 2)
	Gatetech Technology Inc.	Taiwan	Precise molding and magnesium alloy die caster manufacturing and transaction business	553,815	553,815	42,207	73.43	635,697	(9,742)	(7,110)	(Note 1)
	Syncmold Enterprise Vietnam Co., Ltd.	Vietnam	Trading, import and export and investment in electronic parts	302,444	302,444	-	100.00	236,200	(8,350)	(8,350)	(Note 2)
	Syncmold Enterprise (Malaysia) Sdn. Bhd.	Malaysia	Trading, import and export in electronic parts, customer support and service center	3,639	3,639	-	100.00	1,083	(746)	(746)	(Note 2)
	Syncmold Enterprise (Singapore) Pte. Ltd.	Singapore	Trading, import and export in electronic parts, electronic components and parts design	1,100	1,100	-	100.00	893	312	312	(Note 2)
Syncmold Enterprise (Thailand) Co., Ltd.	Thailand	Trading, import and export and investment in electronic parts	19,920	19,920	-	100.00	11,917	(2,759)	(2,759)	(Note 2)	
Grand Advance Inc.	Canford International Limited	Samoa	Import and export trade and investment business	119,342	119,342	-	100.00	1,397,740	(10,623)	(10,623)	(Note 2)
	Fullking Development Limited	Hong Kong	Import and export trade and investment business	160,175	160,175	-	100.00	1,077,017	101,188	101,168	(Note 2)
	Full Glary Holding Limited	Hong Kong	Import and export trade and investment business	259,720	259,720	-	100.00	308,413	(1,643)	(457)	(Note 2)
Syncmold Enterprise (Samoa) Corp.	Full Big Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	16,643	16,643	-	100.00	236,185	151	151	(Note 2)
	Forever Business Development Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	125,957	125,957	-	100.00	338,949	4,265	4,250	(Note 2)
	Full Celebration Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	147,710	147,710	-	100.00	232,160	(14,746)	(14,746)	(Note 2)
Gatetech Technology Inc.	Gatech Holdings Ltd.	Samoa	General investment business	647,041	647,041	20,130	100.00	621,995	(245)	(245)	(Note 2)
Gatech Holdings Ltd.	Gatech International Ltd.	Samoa	General investment business	657,284	657,284	20,268	100.00	627,334	(245)	(245)	(Note 2)
Leohab Enterprise Co., Ltd.	Sweet International Group Ltd.	British Virgin Islands	General investment business	280,368	280,368	-	100.00	515,537	15,104	17,587	(Note 2)
Sweet International Group Ltd.	Lucky King Holdings Ltd.	Mauritius	General investment business	280,368	280,368	-	100.00	510,585	15,104	15,104	(Note 2)
Lucky King Holdings Ltd.	Commuwell Enterprise (Thailand) Co., Ltd.	Thailand	Plastic shot and hardware components manufacturing	113,236	113,236	-	100.00	181,318	11,730	11,730	(Note 2)

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

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

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

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2021	Accumulated Repatriation of Investment Income as of March 31, 2021
					Outward	Inward						
Fuzhou Fulfil Tech Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	\$ 42,083	Invested through Syncmold Enterprise (Samoa) Corp.	\$ 59,438 (US\$ 2,083 thousand)	\$ -	\$ -	\$ 59,438 (US\$ 2,083 thousand)	\$ 34,170	100.00	\$ 34,170 (Note 1)	\$ 1,106,861	\$ 1,933,646 (US\$ 67,764 thousand)
Fujian Khuan Hua Precise Mold Co., Ltd.	Processing, manufacturing, trading and related import and export business of various metal molds, plastic molds and plastic injection molds	107,754	Invested through Syncmold Enterprise (Samoa) Corp.	38,693 (US\$ 1,356 thousand)	-	-	38,693 (US\$ 1,356 thousand)	(632)	100.00	(632) (Note 2)	310,238	-
Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	57,426	Invested through Syncmold Enterprise (Samoa) Corp.	-	-	-	-	7,523	100.00	7,523 (Note 2)	250,603	22,885 (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	121,762	Invested through Forever Business Development Limited	-	-	-	-	3,932	100.00	3,932 (Note 2)	254,894	-
Suzhou Fulfil Electronics Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	17,971	Invested through Canford International Limited	-	-	-	-	(10,623)	100.00	(10,623) (Note 1)	1,397,722	1,216,447 (US\$ 42,630 thousand)
Zhongshan Fulfil Tech. Co., Ltd.	Electronic parts processing and manufacturing. Trading and related import and export business	148,193	Invested through Fullking Development Limited	-	-	-	-	101,188	100.00	101,188 (Note 1)	1,141,669	1,194,361 (US\$ 41,856 thousand)
Kunshan Fulfil Tech Co., Ltd.	Manufacturing and assembling of laptops uses precise bearing, hardware and related accessories	227,563	Invested through Full Glary Holding Limited	171,210 (US\$ 6,000 thousand)	-	-	171,210 (US\$ 6,000 thousand)	(1,643)	100.00	(1,643) (Note 2)	308,784	-
Chongqing Fulfil Tech Co., Ltd.	The processing, manufacturing, related imports and exports of all electronic, plastic and hardware parts	135,284	Invested through Full Celebration Limited	-	-	-	-	(14,746)	100.00	(14,746) (Note 2)	232,148	517,168 (US\$ 18,124 thousand)
Gatetech (Suzhou) Technology Co., Ltd.	Aluminum and magnesium alloy die caster	693,401	Invested through Gatech International	693,401 (US\$ 24,300 thousand)	-	-	693,401 (US\$ 24,300 thousand)	(2,339)	73.43	(1,717) (Note 2)	626,040	-
Suzhou Leoho Electronics Co., Ltd.	Precision hardware components manufacturing	201,717	Invested through Lucky King Holdings Ltd.	127,780 (US\$ 4,478 thousand)	-	-	127,780 (US\$ 4,478 thousand)	3,373	70.00	2,361 (Note 2)	329,267	-

(Continued)

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2021	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
\$1,303,336 (US\$45,675 thousand)	\$2,209,836 (US\$77,443 thousand)	\$3,799,399

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

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

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

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2021

(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		
1	Zhongshan Fulfil Tech. Co., Ltd.	Syncmold Enterprise Corporation Syncmold Enterprise Corporation	2 2	Sale	\$ 336,561	No significant difference with non-related parties	15
				Trade receivables from related parties	486,356	No significant difference with non-related parties	4
2	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Syncmold Enterprise Corporation Zhongshan Fulfil Tech. Co., Ltd. Zhongshan Fulfil Tech. Co., Ltd. Fuzhou Fulfil Tech Co., Ltd. Suzhou Fulfil Electronics Co., Ltd. Suzhou Fulfil Electronics Co., Ltd.	2 3 3 3 3 3	Trade receivables from related parties	11,336	No significant difference with non-related parties	-
				Sale	62,231	No significant difference with non-related parties	3
				Trade receivables from related parties	40,186	No significant difference with non-related parties	-
				Sale	19,275	No significant difference with non-related parties	1
				Sale	53,373	No significant difference with non-related parties	2
				Trade receivables from related parties	47,143	No significant difference with non-related parties	-
3	Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation Syncmold Enterprise Corporation	2 2	Sale	103,234	No significant difference with non-related parties	5
				Trade receivables from related parties	133,047	No significant difference with non-related parties	1
4	Fuqing Fuqun Electronic Hardware Tech Co., Ltd.	Fuzhou Fulfil Tech Co., Ltd. Fuzhou Fulfil Tech Co., Ltd. Suzhou Fulfil Electronics Co., Ltd. Suzhou Fulfil Electronics Co., Ltd. Zhongshan Fulfil Tech. Co., Ltd. Zhongshan Fulfil Tech. Co., Ltd.	3 3 3 3 3 3	Sale	93,864	No significant difference with non-related parties	4
				Trade receivables from related parties	29,777	No significant difference with non-related parties	-
				Sale	42,373	No significant difference with non-related parties	2
				Trade receivables from related parties	28,824	No significant difference with non-related parties	-
				Sale	41,289	No significant difference with non-related parties	2
				Trade receivables from related parties	26,827	No significant difference with non-related parties	-
5	Grand Advance Inc.	Syncmold Enterprise Corporation Fullking Development Limited	2 3	Other receivables from related parties - financing	256,815	Based on the contract between both parties	2
				Other receivables from related parties - financing	42,803	Based on the contract between both parties	-
6	Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation Syncmold Enterprise Corporation	2 2	Sale	92,818	No significant difference with non-related parties	4
				Trade receivables from related parties	262,888	No significant difference with non-related parties	2
7	Full Big Limited	Fullking Development Limited	3	Other receivables from related parties - financing	22,828	Based on the contract between both parties	-
8	Forever Business Development Limited	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	3	Trade receivables from related parties	15,595	No significant difference with non-related parties	-
9	Kunshan Fulfil Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd. Suzhou Fulfil Electronics Co., Ltd.	3 3	Sale	109,346	No significant difference with non-related parties	5
				Trade receivables from related parties	81,270	No significant difference with non-related parties	1

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details		Payment Terms	% of Total Sales or Asset (Note 3)
				Financial Statement Account	Price		
10	Suzhou Leoho Electronics Co., Ltd.	Leoho Enterprise Co., Ltd.	3	Trade receivables from related parties	\$ 157,711	No significant difference with non-related parties	1
11	Chongqing Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	2	Sale	48,026	No significant difference with non-related parties	2
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	71,405	No significant difference with non-related parties	1
		Suzhou Fulfil Electronics Co., Ltd.	3	Sale	32,485	No significant difference with non-related parties	1
		Suzhou Fulfil Electronics Co., Ltd.	3	Trade receivables from related parties	32,388	No significant difference with non-related parties	-
12	Syncmold Enterprise (Samoa) Corp.	Syncmold Enterprise Corporation	2	Other receivables from related parties - financing	42,803	Based on the contract between both parties	-
		Fujian Khuan Hua Precise Mold Co., Ltd.	3	Other receivables from related parties - dividends	43,626	Based on the contract between both parties	-

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

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

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

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

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

(Concluded)