



Syncmold Enterprise Corp.

2020 Annual Report

Notice to readers

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

Annual Report Website

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

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

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Syncmold Enterprise Corp

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I. Letter to Shareholders

Dear Shareholders and Ladies and Gentlemen,

Thank you for attending the Company's 2021 General Shareholders' Meeting.

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

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

2020 Business Overview:

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

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

I.1 2020 Operating Results:

1.1.1. Accomplishments in Implementation of Operation Plan

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

1.1.2. Implementation on Budget Plan :

Unit : NT\$ in thousands

Item	2020actual	2020 forecast	Achieving rate (%)
Operating income	9,663,341	9,885,082	97.76
Operating costs	7,122,648	7,373,486	96.60
Net operating margin	2,540,693	2,511,596	101.16
Operating expenses	1,009,001	1,071,974	94.13
Non-operating incomes and expenses	(34,171)	57,145	(59.80)
Profit before income tax	1,497,521	1,496,767	100.05

1.1.3 .Financial and Profitability Analysis :

(1) Financial Analysis

Item	2020	2019	Amount change	Percentage change
Interest incomes	35,901	26,755	9,146	34.18
Interest expenses	27,342	20,568	6,774	32.93

(2) Profitability

Item	2020	2019
Return on Assets (%)	9.11	10.28
Return on equity (%)	16.30	16.72
Operating Profit to Paid-in Capital (%)	123.80	103.29
Net Income before Tax to Paid-in Capital (%)	121.04	116.79
Net Profit Margin (%)	10.09	10.98
Earnings per share (NT\$)	7.81	7.61

1.1.4. Research & Development :

The Company continued to increase its expenditure on research and development and constantly expanded its development of new technologies in 2020, with more than 80 invention and utility model patents acquired. Most of them had to do with the sockets of LCD monitors, which clearly shows the leading position of the Company in monitor bearings and sockets. The Company's research and development are focused primarily on LCD monitor sockets, e-sports monitor sockets, AIO sockets, and TV sockets.

Besides continuing with the research and development of monitors, AIO, and TV sockets, the Company is devoted also to the R&D of other products and introduction of new technologies, such as the introduction of webcam life modules to meet the demand brought about by working-from-home business opportunities. In the future, the synergistic effects of merging with and acquiring GATETECH TECHNOLOGY INC. and LEOHAB ENTERPRISE CO., LTD. will help promote the magnesium alloy die

casting technology and the ability to manufacture and assemble small precision bearings and stamping mechanisms and opportunities to apply them, respectively, to products such as wearable devices, auto and notebook computer bearings, and fitness devices, among others.

1.2 2021 Annual summary of the business plan

1.2.1. Operating strategy:

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

1.2.2. Expected sales quantity :

The Company didn't prepare 2021 financial forecasts for the public, so there was no expected sale volume and its reference.

1.2.3. Important production and marketing policy :

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

1.2.4. Future corporate development strategy :

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

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

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

As a leading supplier of monitor sockets, the Company is capable of patented development of rotating sockets, possesses the technicality, productivity, and ability to deliver the products; all are superior to its counterparts. Over the past few years,

automated production lines have been proactively upgraded, too. Therefore, despite the excessive competition from counterparts, there are no major impacts yet.

The Company and its subsidiaries follow applicable regulatory requirements in respective operations. The regulatory setting does not pose significant impacts on the Company. For the operational environment as a whole, as far as the demand in the LCD monitor industry is concerned, given the diversification in the development of e-sports monitor models over the past few years and the selling prices getting more and more approachable, the growth momentum will continue in the coming years. As far as the LCD TV industry is concerned, on the other hand, brand owners have introduced OLED TVs and Mini LED back light TVs one after another. Reforms of the TV panel technology will inevitably bring about new growth niche for the LCD TV industry.

We are thankful for the support and trust that each of you as shareholders has towards the Company. We will work for the maximum rewards for you while adhering to the management beliefs in order to thank you for your long-term support.

Chairman
CEO

II. Introduction of the Company

2.1 Date of Incorporation

July 7th, 1979

Contact Information of Head Office, Branch Office, and Factory

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

2.2 Company History

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

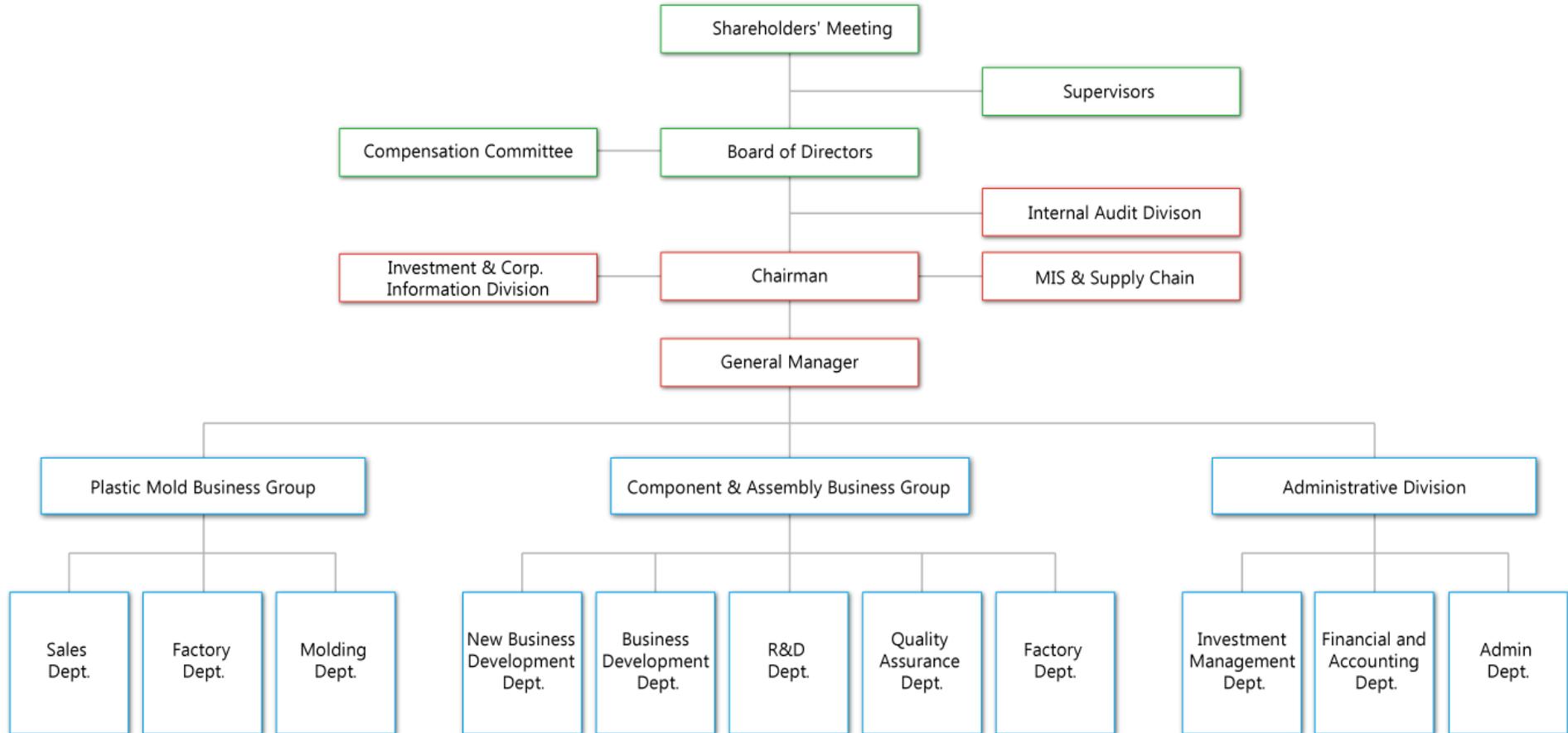
	Syncmold. After the 48.6% reinvestment.
May 2006	Reinvested Highgrade Tech Co, Ltd (51.4% ownership) for the design and sales of TV wall mount and projector ceiling mount products.
2006 June	Reinvested Tianjin Foqun Electronic Hardware Tech. Co., Ltd 100% ownership for the manufacture and sales of molds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

August 2013	Corporate bond to common share of NT\$ 17.188 million. Paid-in capital after the increase was NT\$ 1,485.92078 million.
December 2013	Corporate bond to common share of NT\$ 12.642million. Paid-in capital after the increase was NT\$ 1,498.56339 million.
June 2016	Syncmold Enterprise Co., Ltd. was founded, engaging in the sales of electronic components.
May 2017	Corporate bond to common share of NT\$ 35.25 million. Paid-in capital after the increase was NT\$ 1,533.81309 million.
June 2017	Corporate bond to common share of NT\$ 51.428 million. Paid-in capital after the increase was NT\$ 1,585.24088 million.
September 2017	Corporate bond to common share of NT\$ 30.130 million. Paid-in capital after the increase was NT\$ 1,615.37043 million.
December 2017	Corporate bond to common share of NT\$ 20.362 million. Paid-in capital after the increase was NT\$ 1,635.73231 million.
April 2018	Corporate bond to common share of NT\$ 13.923 million. Paid-in capital after the increase was NT\$ 1,648.65561 million.
September 2018	Capital reduction by cash of NT\$ 412.414 million. Paid-in capital after the reduction was NT\$ 1,237.24171 million.
November 2019	Invested in the equity of Gatetech Technology Inc. 72.81%, this company engages in manufacturing and selling aluminum-magnesium alloy die casting products.
December 2019	Investing in establishing the subsidiary in Vietnam of 100% equity, this company engages in manufacturing and selling LCD monitor stand, hinge products.
February, 2020	Invested in and set up the subsidiary in Malaysia holding 100% shares, whose scope of operation includes trading of electronic parts, imports and exports, customer support, and service center.
February, 2020	Invested in and set up the subsidiary in Singapore holding 100% shares, whose scope of operation includes trading of electronic parts, imports and exports, and design of electronic parts and products.
May 2020	Invested in and set up the subsidiary in Thailand holding 100% shares, whose scope of operation includes processing and manufacturing, trading, and related imports and exports of electronic parts.
December 2020	Invested in LEOHAB ENTERPRISE CO., LTD. holding 70% shares, whose scope of operation includes plastic injection molding and metal stamping and forming.

III. Corporate Governance Report

3.1 Organization

3.1.1 Organization Chart



3.1.2 Major Corporate Functions

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

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

3.2.1 Directors and Supervisors

3.2.1.1 Information on Directors and Supervisors

April 26, 2021

Title	Nationality or Place of Registration	Name	Gender	First Elected Date	Elected Date	Term	Shares held when elected		Current shareholding		Shares currently held by their spouses and minor children		Shares Held in the name of others		Main working (education) experience	Concurrent positions in the Company and other companies	Other heads, directors, or supervisors as spouse or kin within the second degree		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	Republic of China	Chiu-Lang, Chen	Male	1979.07.07	2020.06.18	3 year	5,508,211	4.45%	5,708,211	4.61%	93,022	0.08%	2,300,000	1.86%	Yang-Tze High School	Chairman and president of Syncmold Chairman of: -Enterprise(SAMOA) Corp -Full Big Limited -Forever Business Development Ltd. -Grand Advance Inc. -Fullking Development Ltd. -Canford International Ltd. -Full Glary Holding Ltd. -Full Celebration Ltd. -Syncmold Enterprise (USA) Corp., GatetechTechnology Inc., GATECH HOLDING LTD., GATECH INTERNATIONAL LTD. Director of Leohab Enterprise Co., LTD.	Director	Chien-Yuan, Chen.	Son
Director	Republic of China	Fortune Investment	NA	2020.06.18	2020.06.18	3 year	5,200,139	4.20%	5,200,139	4.20%	—	—	—	—	—	—	—	—	—

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

Director		Yen				year									Taiwan University Master of Laws, SMU, U.S.	Bank · Independent director of AAEON Technology Inc.			
Independent Director	Republic of China	Hui-Chin, Chiu	Male	2020.06.18	2020.06.18	3 year	—	—	—	—	—	—	—	—	Master of Industrial Engineering and Management, National Taipei University of Technology EMBA, National Taiwan University	—	—	—	—

(1-1)Major shareholders of institutional shareholders

April 26, 2021

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

3.2.1.2 Professional qualifications and independence analysis of directors and supervisors

Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria(Note)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Chiu-Lang, Chen	—	—	✓	—	—	—	—	—	✓	—	✓	✓	—	✓	✓	—
Fortune Investment Chien- Yuan, Chen.	—	—	✓	—	—	—	—	—	✓	✓	✓	✓	—	✓	—	—
Shu-Yen, Chuang	—	—	✓	✓	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Yung-Lu, Tsai	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Shih- Kuang, Tsai	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Da-Ho, Yen	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Hui-Chin, Chiu	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—

Note: Please tick the corresponding boxes that apply to the directors or supervisors during the two years prior to being elected or during the term of office.

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of the Company or any of its affiliates. Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.
5. Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company or who holds shares ranking in the top five holdings.
6. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution which has a financial or business relationship with the Company.

7. Not a professional individual who is an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof. These restrictions do not apply to any member of the remuneration committee who exercises powers pursuant to Article 7 of the “Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies whose Stock is Listed on the TWSE or Traded on the TPEX”.
8. Not having a marital relationship or a relative within the second degree of kinship to any other director of the Company.
9. Not being a person of any conditions defined in Article 30 of the Company Law.
10. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

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

April 26, 2021

Title	Nationality or Place of Registration	Name	Gender	Elected Date	Current shareholding		Shares currently held by their spouses and minor children		Shares Held in the name of others		Main working (education) experience	Concurrent positions in the Company and other companies	Spouse or relatives within two degrees who are managers			Management obtains employee stock option certificate
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman and President	Republic of China	Posen, Chiu	Male	2020.6.29	1,018,081	0.82%	93,022	0.08%	2,300,000	1.86%	Yang-Tze High School	Chairman and president of Syncmold Chairman of: -Enterprise(SAMOA) Corp -Full Big Limited -Forever Business Development Ltd. -Grand Advance Inc. -Fullking Development Ltd. -Canford International Ltd. -Full Glary Holding Ltd. -Full Celebration Ltd. -Syncmold Enterprise (USA) Corp., Gatetech Technology Inc., GATECH HOLDING LTD., GATECH INTERNATIONAL LTD. Director of Leohab Enterprise Co., LTD.	—	—	—	—
President Component Assembly BG	Republic of China	Tim, Weng	Male	2008.12.16	2,747,581	2.22%	—	—	—	—	Mechanical Engineering, Lee-Ming Institute of Technology Sales Manager, Kernan Technology Co., Ltd. Sales Manager, Cherng Jyieh Corp.	Director of Gatetech Tehnology Inc. Chairman of Leohab Enterprise Co., LTD.	—	—	—	—
V.P.	Republic of China	Connie, Hsu	Female	2006.6.1	2,888	0.00%	—	—	—	—	Accounting, National Taiwan University E.M.B.A., National Taiwan University	—	—	—	—	

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

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

Title	Nationality or Place of Registration	Name	Gender	Elected Date	Current shareholding		Shares currently held by their spouses and minor children		Shares held in the name of others		Shares held in the name of others	Concurrent positions in the Company and other companies	Spouse or relatives within two degrees who are managers			Management obtains employee stock option certificate
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Corporate governance supervisor & Executive Assistant of Chairman	Republic of China	YI-CHUN, HUANG	Male	2019.5.9	—	—	—	—	—	—	Accounting, Tamkang University Financial Officer, Unity Opto Technology co., Ltd. Financial Officer, Casing Macron Technology Co., Ltd.	Legal representative supervisor of TIGA GAMING INC. Legal representative director of High Grade Tech Co., Ltd.	—	—	—	
A.V.P.	Republic of China	Scott, Lu	Male	2020.1.1	—	—	—	—	—	—	Department of Industrial Management, National Taiwan University of Science and Technology Manager of Good Way Technology Co. Ltd.	—	—	—		
A.V.P. (Note 2)	Republic of China	Alvin, Chen	Male	2021.1.1	—	—	—	—	—	—	Geological Sciences, PhD, National Taiwan University Examiner, Intellectual Property Office	—	—	—		
Chief Audit Executive	Republic of China	Carrie, Wang	Female	2017.12.29	—	—	—	—	—	—	Accounting and Information, Chang Jung Christian University (CJCU) Auditor, UHY L&C Company, CPAs Internal Auditor, Yem Chio Co.Ltd. CPA (Accountant of higher examination) CIA (Certified Internal Auditor)	—	—	—		

Note 1: V.P Peter, Huang was inaugurated on November 1, 2020.

Note 2: A.V.P Alvin, Chen was inaugurated on January 1, 2021.

3.2.3. Remuneration paid to Directors and management team

3.2.3.1 Remunerations of Directors for 2020

unit : NT\$ in thousands

Title	Name	Remunerations of Directors (Note 1)								Ratio of Total Remuneration (A+B+C+D) to net income %		Relevant Remuneration Received by Directors who are Also Employees (Note 1)						Ratio of Total Compensation (A+B+C+D+E+F+G) to net income %		Compensation Paid to Directors from an Invested Company Other than the Company's subsidiary		
		Basic Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D)				Salary, bonuses and allowance (E)		Severance Pay (F)		Employee Compensation (G)						
		A	B	A	B	A	B	A	B	A	B	A	B	A		B		A	B			
															Cash	Stock	Cash	Stock				
Chairman	Chiu-Lang, Chen																					
Director	Tim, Weng																					
Director	Chien- Yuan, Chen.	-	-	-	-	6,800	6,800	260	306	0.72%	0.72%	3,530	11,300	-	-	4,400	-	4,400	-	1.52%	2.32%	N/A
Director	Chen-Tung, Chen																					
Director	Shu-Yen, Chuang																					
Independent Director	Yung-Lu, Tsai																					
Independent Director	Shih- Kuang, Tsai																					
Independent Director	Da-Ho, Yen	-	-	-	-	8,200	8,200	480	480	0.89%	0.89%	-	-	-	-	-	-	-	-	0.89%	0.89%	N/A
Independent Director	Hui-Chin, Chiu																					
Independent Director	Wen-Hung, Kao																					

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

2. In addition to above table, director remuneration for their services in the most recent year: NT\$ 130,000.

Note 1: The tenure of Directors Wen, Zu-Jin and Chen, Zhen-Dong, and Independent Director Kao, Wen-Hung expired on June 18, 2020.

Note 2: The tenure of Director Chen, Chien-Yuan and Independent Directors Yen, Da-Ho, Tsai, Shih-Kuang, and Chiu, Hui-Chin began on June 18, 2020.

Note 3: Column A represents the Company; Column B represents all companies in the consolidated financial statement.

Range of Remuneration

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

3.2.3.2 Remunerations of Supervisor for 2020

Unit : NT\$ in thousands

Title	Name	Supervisor Remuneration (Note)						Ratio of Total Compensation (A+B+C+D+E+F+G) to net income %		Compensation Paid to Directors from an Invested Company Other than the Company's subsidiary
		Base Compensation (A)		Bonus to Supervisors (B)		Allowances (C)		Syncmold	Consolidated subsidiaries	
		Syncmold	Consolidated subsidiaries	Syncmold	Consolidated subsidiaries	Syncmold	Consolidated subsidiaries			
Supervisor	Jui-Tai, Wu	—	—	3,000	3,000	60	73	0.31%	0.32%	N/A
Supervisor	Tung-Ping, Cheng									
Supervisor	Chin-Chang, Pao									

Range of remuneration

Range of Supervisor Remuneration	Name of supervisors	
	First three categories of remuneration (A+B+C)	
	Syncmold	Consolidated subsidiaries (D)
Under NT\$1,000,000	0	0
NT\$1,000,001 – NT\$2,000,000	Jui-Tai ,Wu Tung-Ping ,Cheng Chin-Chang ,Pao	Jui-Tai ,Wu Tung-Ping ,Cheng Chin-Chang ,Pao
NT\$2,000,001 – NT\$3,500,000	0	0
NT\$3,500,001 – NT\$5,000,000	0	0
NT\$5,000,001 – NT\$10,000,000	0	0
NT\$10,000,001 – NT\$15,000,000	0	0
NT\$15,000,001 – NT\$30,000,000	0	0
NT\$30,000,001 – NT\$50,000,000	0	0
Total	3	3

3.2.3.3 Remunerations of President and V.P. for 2020

Unit : NT\$ in thousands

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowance etc. (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's subsidiary
		A	B	A	B	A	B	A		B		A	B	
								Cash	Stock	Cash	Stock			
Chairman and President	Chen, Chiu-Lang	7,300	7,300	-	-	-	23,000	13,000	-	13,000	-	2.10%	4.44%	N/A
President	Posen, Chiu													
President Component Assembly BG	Tim, Weng													
V.P.	Connie, Hsu													
V.P.	Gray, Yan													
V.P.	Alex, Cheng													
V.P.	Daphne, Chang													
V.P.	Peter, Huang													

Note 1: For 2020, the pension set aside for the President and the Vice President(s) was NTD 279 thousand.

Note 2: President Chiu, Po-Sen resigned on June 19, 2020.

Note 3: Chairman: Chen, Chiu-Lang started to also serve as the President on June 29, 2020.

Note 4: Column A represents the Company; Column B represents all companies in the consolidated financial statement.

Range of remuneration

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

3.2.3.4 Remunerations of Managers and Range of Remuneration for 2020

Unit : NT% in thousands

	Title	Name	Stock	Cash	Total	Total remuneration to net income after tax (%)
Managers	President	Chiu-Lang, Chen	-	21,000	21,000	2.15%
	President Component Assembly BG	Tim, Weng				
	V.P.	Connie, Hsu				
	V.P.	Gray, Yan				
	V.P.	Alex, Cheng				
	V.P.	Daphne, Chang				
	V.P.	Peter, Huang				
	A.V.P.	Y.Y., Hsieh				
	A.V.P.	Daphne, Chang				
	A.V.P. (Note 1)	Cindy, Chang				
	A.V.P.	Randy, Lin				
	A.V.P.	Phillip, Cheng				
	corporate governance supervisor	Patrick, huang				
	Manager	Carrie, Wang				

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

Title	Ratio of 2020 total remuneration to net income for Directors, Supervisors, President and Vice Presidents (%)		Ratio of 2019 total remuneration to net income for Directors, Supervisors, President and Vice Presidents (%)	
	Syncmold	Consolidated subsidiaries	Syncmold	Consolidated subsidiaries
Directors	2.45%	3.21%	2.37%	3.12%
Supervisor	0.31%	0.32%	0.44%	0.45%
President & V.P.	2.08%	4.44%	1.48%	3.55%

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

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

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

3.3 Corporate Governance

3.3.1 Information on implementation of Board of Directors :

Eight meetings (A) were held by the Board of Directors in the most recent year (2020) with their attendance shown as follow :

Title	Name	Attendance in person (B)	By proxy	Attendance rate in person (%)【 B / A 】	Remarks
Chairman	Chen, Chiu-Lang	8	0	100	
Directors	Weng, Zu-Jin	2	0	100	Retired on June 18, 2020
Directors	Chen, Zhen-Dong	2	0	100	Retired on June 18, 2020
Directors	Chuang, Shu-Yen	8	0	100	
Directors	Chen, Chien-Yuan	6	0	100	Inaugurated on June 18, 2020
Independent Director	Tsai, Yung-Lu	8	0	100	
Independent Director	Kao, Wen-Hung	2	0	100	Retired on June 18, 2020
Independent Director	Yen, Da-Ho	6	0	100	Inaugurated on June 18, 2020
Independent Director	Tsai, Shih-Kuang	6	0	100	Inaugurated on June 18, 2020
Independent Director	Chiu, Hui-Chin	6	0	100	Inaugurated on June 18, 2020

Other noteworthy matters :

1. State the Board Meeting's date, session, proposal contents, all Independent directors' opinions and the company's actions in response to the opinions if any of the following occurred :

(1) Matters specified in Article 14.3 of Taiwan's Securities and Exchange Act:

Board of directors	Contents of the proposal and subsequent management	§14-3 of the Securities and Exchange Act Items	Objection or reservation of independent directors
2020 First, 3/13/2020	1. Revision of the Articles of Incorporation	✓	None
	2. Establishment of the Audit Committee Organic Rules	✓	None
	3. Revision of the Guidelines for Electing Board Directors and Supervisors	✓	None
	4. Revision of the Rules of Procedure for Shareholders' Meetings	✓	None
	5. Revision of the Procedures for the Acquisition or Disposal of Assets	✓	None
	6. Revision of the Operating Procedure for Lending to Others	✓	None
	7. Revision of the Operating Procedure for Endorsements/Guarantees	✓	None
	8. Ratification of Derivatives	✓	None
	9. Discussion of Lending of Funds	✓	None
	10. Limits of borrowings from Bank SinoPac and ratification of endorsements/guarantees to subsidiaries	✓	None

	11. Revision of the written internal control system	✓	None
	Opinions from independent directors: None.		
	How the Company handles opinions of all independent directors: None.		
	Decision made: The proposals were approved as is by all directors attending the meeting.		
2020 Second 5/7/2020	1. Support Letter to the subsidiary GATETECH TECHNOLOGY INC.	✓	None
	2. Line of credit from E.SUN Bank	✓	None
	3. Ratification of Derivatives	✓	None
	4. Discussion of Lending of Funds	✓	None
	5. Limits of borrowings from Taipei Fubon Commercial Bank Co., Ltd. and ratification of endorsements/guarantees to subsidiaries	✓	None
	Opinions from independent directors: None.		
	How the Company handles opinions of all independent directors: None.		
	Decision made: The proposals were approved as is by all directors attending the meeting.		
2020 Third 6/18/2020	1. Election of Chairman of the Company	✓	None
	Opinions from independent directors: None.		
	How the Company handles opinions of all independent directors: None.		
	Decision made: The proposals were approved as is by all directors attending the meeting.		
2020 Fourth 6/29/2020	1. Discussion of Lending of Funds	✓	None
	2. Ratification of Derivatives	✓	None
	3. Revision of the written internal control system	✓	None
	4. Line of credit from E.SUN Bank and ratification of endorsements/guarantees to subsidiaries	✓	None
	5. Revision of the Operating Procedure for Handling Major Internal Information to Prevent against Insider Trading	✓	None
	6. Revision of the Ethical Code of Conduct for Directors, Supervisors, and Managers	✓	None
	7. Revision of the Corporate Social Responsibility Best Practice Principles	✓	None
	8. Revision of the Corporate Governance Best-Practice Principles	✓	None
	9. Revision of the Ethical Corporate Management Best-Practice Principles	✓	None
	10. Revision of the Board of Directors Meeting Regulations	✓	None
	11. Revision of the Organic Rules of the Compensation and Remuneration Committee	✓	None
	Opinions from independent directors: None.		
	How the Company handles opinions of all independent directors: None.		
	Decision made: The proposals were approved as is by all directors attending the meeting.		
2020 Fifth 8/6/2020	1. Discussion of Lending of Funds	✓	None
	2. Ratification of line of credit from Chinatrust Commercial Bank	✓	None
	3. Revision of the written internal control system	✓	None
	4. Ratification of line of credit from Taishin International Bank	✓	None
	Opinions from independent directors: None.		
	How the Company handles opinions of all independent directors: None.		
Decision made: The proposals were approved as is by all directors attending the meeting.			
2020	1. Discussion of Lending of Funds	✓	None

Sixth 10/29/2020	2. Ratification of Derivatives	✓	None
	3. Discussion of the prohibited lending of funds and endorsements/guarantees involving subsidiaries	✓	None
	Opinions from independent directors: None.		
	How the Company handles opinions of all independent directors: None.		
	Decision made: The proposals were approved as is by all directors attending the meeting.		
2020 Seventh 12/2/2020	1. Endorsements/Guarantees to the subsidiary LEOHAB ENTERPRISE CO., LTD.	✓	None
	2. Endorsements/Guarantees to the subsidiary GATETECH TECHNOLOGY INC.	✓	None
	3. Discussion of Lending of Funds	✓	None
	4. Ratification of Derivatives	✓	None
	5. Ratification of line of credit from Chinatrust Commercial Bank	✓	None
	Opinions from independent directors: None.		
	How the Company handles opinions of all independent directors: None.		
	Decision made: The proposals were approved as is by all directors attending the meeting.		
2020 Eighth 12/28/2020	1. Line of credit from E.SUN Bank	✓	None
	2. Ratification of line of credit from HSBC Bank (Taiwan) Limited	✓	None
	3. Ratification of Derivatives	✓	None
	4. Independence assessment and delegation of CPAs	✓	None
	Opinions from independent directors: None.		
	How the Company handles opinions of all independent directors: None.		
	Decision made: The proposals were approved as is by all directors attending the meeting.		

(2) Opinions or records of independent director on other matters : None.

2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Date	Name of director	Contents of the proposal	Cause of recusal and voting
6/29/2020	Chen, Chiu-Lang	Delegation of President	For this proposal, except for Chairman Chen, Chiu-Lang, who was the candidate for President and excused himself due to conflict of interest and hence did not take part in the discussion and voting, all the other attending directors approved it. Independent directors were consulted and they also approved the proposal. It was approved unanimously.
12/2/2020	Chen, Chiu-Lang	Managers serving also managers of other for-profit businesses and lifting of the non-competition pledge obligations	For this proposal, except for Chairman Chen, Chiu-Lang, who excused himself due to conflict of interest and hence did not take part in the discussion and voting, all the other attending directors approved it. Independent directors were consulted and they also approved the proposal. It was approved unanimously.
12/2/2020	Chen, Chiu-Lang	Second distribution of the remuneration to managers and	For this proposal, except for Chairman Chen, Chiu-Lang, who excused himself due to conflict of interest and hence did not take part in the discussion and voting, all the

		employees for 2019	other attending directors approved it. Independent directors were consulted and they also approved the proposal. It was approved unanimously.
12/2/2020	Chen, Chiu-Lang	Three-festival gift money for managers for 2020	For this proposal, except for Chairman Chen, Chiu-Lang, who excused himself due to conflict of interest and hence did not take part in the discussion and voting, all the other attending directors approved it. Independent directors were consulted and they also approved the proposal. It was approved unanimously.

3. Goal and assessment on strengthen the function of the board in most recent year :

- (1) In order to establish a good corporate governance system and implement corporate culture and corporate social responsibility for integrity management, the company has established “Code of Corporate Governance” with reference to the relevant regulations by the Taiwan Stock Exchange Co., Ltd. and the Securities and Futures Trading Centre of the Republic of China. The Code of Corporate Integrity and the Code of Corporate Social Responsibility, which was approved by the Board of Directors on December 30, 2013, and a dedicated unit promotes the development and supervision of integrity management policies and prevention programs. The unit submits a report on the implementation of the Code of Corporate Social Responsibility and the implementation report of the Code of Corporate Integrity to the Board of Directors. The corporate governance team is responsible to report to the board of directors on the December 28, 2020 with the implementation of the 2020 Code of Corporate Social Responsibility and the Code of Corporate Integrity.
- (2) In accordance with the developing trend of international corporate governance, the Company set up “the standard procedure of handling requests from directors” on May 9, 2019 to improve the level of corporate governance.
- (3) The Company passed the “Regulations on the self evaluation or peer evaluation” on May 9, 2019 and completed the 2020 annual evaluation of the Board, Board members, and functional Committee based on the participation, profession, and continuous study of the directors and operation of the Remuneration Committee on Dec 28, 2020. According to the Board’s 2020 performance evaluation result, the overall operation of the Board is good.

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

The Committee met 5 times in total in 2020 (A). Its operational status is described as follows:

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

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

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

12. Preparation or revision of the internal control system as required by Article 14-1 of the Securities and Exchange Act.
13. Evaluation of the effectiveness of the internal control system.

14. Revision or amendment of the procedures for acquiring or disposing of assets, trading derivatives, lending funds to others, providing endorsements or guarantees to others, among other major financial operations as required by Article 36-1 of the Securities and Exchange Act.
15. Matters involving the interests of the Board directors.
16. Trading of major assets or derivatives.
17. Major lending of assets, endorsements, or guarantees.
18. Raising, issuance, or private placement of equity securities.
19. Delegation, dismissal of CPAs or their compensation.
20. Appointment or dismissal of the head of finance, accounting, or internal audit.
21. Annual Financial Statement and Semi-Annual Financial Statement.
22. Other important matters as specified by the Company or the competent authority.

Other noteworthy matters :

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

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

Date	Term	Contents of the proposal	Decision of the Audit Committee	How the Company addressed opinions from the Audit Committee
10/20/2020	Third	Strategic equity investment	It was approved by the Audit Committee unanimously	It was approved by all attending Board directors
10/20/2020	Third	Financial Statement for the third quarter of 2020	It was approved by the Audit Committee unanimously	It was approved by all attending Board directors
12/2/2020	Fourth	Lifting of the non-competition pledge obligations for the Company's managers serving as managers of other for-profit businesses	It was approved by the Audit Committee unanimously	It was approved by all attending Board directors
12/28/2020	Fifth	Independence assessment and delegation of CPAs	It was approved by the Audit Committee unanimously	It was approved by all attending Board directors

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

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

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

The communication among the independent directors, the head of internal audit, and the CPAs of 2020 is already disclosed on the website of the Company. For related information, refer to the website below. ([Http://www.syncmold.com.tw/syncmold2018/images_syncmold/directorate/2020 communications between independent directors and internal audit.pdf](http://www.syncmold.com.tw/syncmold2018/images_syncmold/directorate/2020%20communications%20between%20independent%20directors%20and%20internal%20audit.pdf))

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

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

Evaluation Item	Implementation Status			Deviating from the “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Description	
(4) Has the Company set internal standards to prohibit the use of undisclosed insider information to trade securities on the market?	V		(4) Syncmold worked out the “Management measures for handling internal significant information and preventing insider trading” to prohibit the use of undisclosed insider information to trade securities on the market and propagandize regularly to insiders and employees.	
<p>3、 Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board of Directors have diversified policies regulated and implemented substantively according to the composition of the members?</p>	V		<p>(1) The Company has established a "Code of Practice for Corporate Governance". The Company's "Code of Practice for Corporate Governance" Article 20 on the diversity of board members is listed as follows :</p> <p>The composition of the board of directors should be considered in a diversified manner, and appropriate diversification policies should be formulated for its own operation, operational type and development needs, including but not limited to the following two standards :</p> <p>1.Basic requirements and values: gender, age, nationality and culture, etc.</p>	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

	V	<p>2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.</p> <p>Board members should generally have the knowledge, skills and literacy necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the overall ability of the board of directors should be as follows :</p> <p>1. Operation judgement 2. Accounting and financial knowledge 3. Business management 4. Crisis dealing 5. Industry knowledge 6. International market view 7. Leadership 8. Decision-making</p> <p>Implementation on diversity of the board of directors:</p> <table border="1" data-bbox="1014 614 1709 928"> <thead> <tr> <th>Directors</th> <th>Core Item</th> <th>Gender</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>6</th> <th>7</th> <th>8</th> </tr> </thead> <tbody> <tr> <td>Chiu-Lang, Chen</td> <td></td> <td>Male</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> </tr> <tr> <td>Shu-Yen, Chuang</td> <td></td> <td>Female</td> <td>V</td> <td></td> <td>V</td> <td>V</td> <td>V</td> <td></td> <td>V</td> <td>V</td> </tr> <tr> <td>Fortune Investment Co.,Ltd.</td> <td></td> <td>Male</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> </tr> <tr> <td>Yung-Lu, Tsai</td> <td></td> <td>Male</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td></td> <td>V</td> <td>V</td> <td>V</td> </tr> <tr> <td>Tsai, Shih-Kuang</td> <td></td> <td>Male</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> </tr> <tr> <td>Yen, Da-Ho</td> <td></td> <td>Male</td> <td>V</td> <td></td> <td>V</td> <td>V</td> <td></td> <td>V</td> <td>V</td> <td>V</td> </tr> <tr> <td>Chiu, Hui-Chin</td> <td></td> <td>Male</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> </tr> </tbody> </table> <p style="text-align: center;">Diversity of the board of directors is on our website and MOPS.</p>	Directors	Core Item	Gender	1	2	3	4	5	6	7	8	Chiu-Lang, Chen		Male	V	V	V	V	V	V	V	V	Shu-Yen, Chuang		Female	V		V	V	V		V	V	Fortune Investment Co.,Ltd.		Male	V	V	V	V	V	V	V	V	Yung-Lu, Tsai		Male	V	V	V	V		V	V	V	Tsai, Shih-Kuang		Male	V	V	V	V	V	V	V	V	Yen, Da-Ho		Male	V		V	V		V	V	V	Chiu, Hui-Chin		Male	V	V	V	V	V	V	V	V	
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<p>(2) Does the Company, in addition to setting the Remuneration Committee and Audit Committee lawfully, have another functional committee set up voluntarily?</p>		<p>(2) The Company has set up Compensation and Remuneration Committee and the Audit Committee now.</p>	<p>(2) Assessment of the necessity for additional functional committees with reference to the business operation status and scale in the future.</p>																																																																																								

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

		<ol style="list-style-type: none"> 2. Awareness of the duties of a director; 3. Participation in the operation of the company. 4. Management of the internal relationship and communication. 5. The director's professionalism and continuing education. 6. Internal control. <p>The criteria for evaluating the performance of functional committees should cover, at a minimum, the following five aspects:</p> <ol style="list-style-type: none"> 1. Participation in the operation of the company. 2. Awareness of the duties of the functional committee. 3. Improvement of quality of decisions made by the functional committee. 4. Composition of the functional committee and election of its members. 5. Internal control. <p>The Company has completed relevant evaluation on the board of director's operation for the period from January 1, 2020 to December 31, 2020, including the self-evaluation questionnaire survey of 7 directors (including 4 independent directors) and the internal self-evaluation questionnaire survey of the board of directors.</p> <p>The statistical method for the performance evaluation is divided into two types: the board member self-evaluation and questionnaire and the internal self-evaluation questionnaire for board of directors. In the questionnaire, a higher score in an item means that the achievement rate for the item is higher. For an achievement rate above 90%, it is evaluated to be "Outstanding"; when the achievement rate is above 80%, it is evaluated to be "Successful"; for the rest of</p>	
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		<p>the rates, they are evaluated to be “Improvement Needed.” After the completion of the aforementioned evaluation score statistics, the 2020 board of director’s performance evaluation achievement rate of the Company was 90% and the evaluation result was “Outstanding.” In addition, the evaluation result was reported in the board of directors’ meeting dated December 28, 2020.</p> <p>The Company has passed the “directors, supervisors, functional committees, and managers’ remuneration management regulation” on Dec 27, 2019. According to the regulation, the Board has the right to determine the directors and supervisors’ remuneration based on two dimensions in the assessment of evaluation on the Board’s performance, “participation of the Company’s operation”, and “contribution value”.</p>	
<p>(4) Does the Company have the independence of the public accountant evaluated regularly?</p>		<p>(4) The Company evaluates the independence of public accountant according to the regulations of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and “The Norm of Professional Ethics for Certified Public Accountant No. 10”. Major evaluation items are as follow:</p> <ol style="list-style-type: none"> 1. Company shares, bond, or other instruments held by a shareholder in one’s own name and by a spouse, underage child, or in others’ name. 2. No capital loan in one’s own name and a spouse or in others’ name. 3. No business relation with the Company’s directors, supervisors, and managers that interfere with the independence on one’s own name and a spouse. 	<p>In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p>

		<p>4. Not served as the Company's directors, supervisors, managers, or a position that has significant effect on audit cases in one's own name within two years, and promise not served in the positions mentioned previously.</p> <p>5. None of one's family member served as the Company's directors, supervisors, managers, or a position that has significant effect on audit during the auditing period.</p> <p>6. Not a direct relative, affinity, second-degree relative of the Company's directors, supervisors, managers during the auditing period.</p> <p>Independent auditors (CPA), Tung-Feng Lee and Chih-Yuan Chen, of Deloitte Taiwan met all the evaluation and were appointed by the board of directors on December 28, 2020.</p>	
<p>4. Does the company set up a corporate governance unit or appoint personnel responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, handling work related to meetings of the board of directors and the shareholders' meetings, filing company registration and changes to company registration, and producing minutes of board meetings and shareholders' meetings)?</p>	<p>V</p>	<p>According to the resolution of the board of directors' meeting dated May 9, 2019, the Company established the corporate governance team, and the Special Assistant of the Chairman's Office, Yi-Chun Huang, was appointed to act as the corporate governance supervisor to protect the rights and interests of shareholders and to strengthen the functions of the board of directors.</p> <p>Special Assistant, Yi-Chun Huang, is already equipped with management work experience in financial and stock affairs for more than ten years, and his main responsibilities are to provide information and documents necessary for the directors and supervisors to perform duties, to assist the directors and supervisors in legal compliance and to handle matters related to the board of directors' meetings and shareholders'</p>	<p>In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p>

		<p>meetings according to the laws.</p> <p>2020 duty execution status is as follows:</p> <ol style="list-style-type: none"> 1. Assist independent directors and general directors to perform job duties, provide necessary documents and arrange the training for the directors. 2. Provide assistance to legal compliance of the board of directors' meeting and the shareholders' meeting procedure and resolution. 3. Prepare the board of directors' meeting agenda for informing the directors seven days prior to the convention of the meeting, convene meeting and provide meeting documents and data. In case where a proposal requires any director's recusal of conflict of interest, provide a notice in advance, and complete the meeting minutes for the board of directors' meeting within twenty days after the meeting. 4. Handle the shareholders' meeting date preliminary registration, prepare meeting notice, meeting handbook and meeting minutes within the statutory deadlines and handle the registration alternation matters for the amendment of the articles of incorporation or the election of directors. 	
<p>5、 Does the company establish a communication channel and build a designated section on its website for stakeholders (including but no limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?</p>	V	<p>The company maintains good relationships with investors, employees, customers, suppliers and other stakeholders, and has a stakeholder area on the company's website to deliver immediate and appropriate responses to issues raised by stakeholders and important corporate social responsibility issues in response to their concerns. (http :</p>	<p>In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p>

			//www.syncmold.com.tw/syncmold-2018/item_interested_person_2018.html	
6、 Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company commissioned a professional stock affairs service agent, CTBC Bank Stock Agent, to handle the Company’s stock service matters, and with the “Guidelines for Handling of Stock Affairs” stipulated to regulate the relevant operations.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
7、 Information disclosure (1) Does the Company have a website setup and the financial business and corporate governance information disclosed?	V		(1) The Company’s website (www.syncmold.com.tw) has the shareholder’s section setup to disclose financial information and corporate governance; also, to establish a communication channel for communicating to investors.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(2) Does the Company have adopted other information disclosure methods (such as, establishing an English website, designating responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company’s website, etc.)?	V		(2) In addition to setting up a website in both Chinese and English, the company has a spokesperson responsible for external communication. And a designated person is responsible for collecting company information to provide spokespersons and relevant business departments with answers to interested parties and authorities. Via MOPS, earnings call, the company's website and newspapers and magazines, etc., the company exposes financial information to the investing public.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

<p>(3) Does the Company file and disclose the annual financial reports within two months after the end of its accounting year, and disclose and file the financial reports of the first, second, and third quarters and monthly operation status in advance before the deadline?</p>		V	<p>(3) The Company did not file and disclose the 2020 financial reports within two months after the end of its accounting year.</p>	<p>It will be adjusted in accordance with the authority's regulations in the future.</p>
<p>8、 Are there any other important information(including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the continuing education of directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company's directors and supervisors) that are helpful in understanding the corporate governance operation of the Company?</p>		V	<p>(1) Employee rights and employee care: The company has set up special processing channel for various stakeholders. For example, the management department specializes in handling employee rights, and employee welfare committee is set up to care for the needs of employees. Holiday bonuses, travel, birthday allowance and labor festivals subsidies are provided each year. The system operates smoothly.。</p> <p>(2) Investor Relations: Establish a communication channel for the spokesperson and agency spokesperson system to respond to shareholders' questions.</p> <p>(3) Supplier Relationship: The company has always maintained a good relationship with its suppliers.</p>	<p>In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Evaluation Item	Implementation Status			Deviating from the “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Description	
			<p>(4) Rights of interested parties: The company respects and safeguards the legitimate rights and interests of stakeholders, and maintains good communication channels with customers, employees, suppliers, etc. The business dealings with related companies under the principle of fairness and reasonableness. Written specifications are set for the financial operations and the transfer of interests and unconventional transactions are prohibited. In accordance with the provisions of the competent authority, the company handles relevant information announcements in a timely manner to provide various company information.</p> <p>(5) Directors and Supervisor's training situation: The directors and Supervisors of the Company have professional capabilities in business, financial accounting and business management. Also, the Corporate Governance Act and related information are regularly updated and provided to the Directors and Supervisors for reference, and the Company will take the initiative to inform the Director and Supervisor if they have</p>	

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

The Company performed the self-assessment of corporate governance through the Corporate Governance Evaluation System established by the corporate governance center of the Taiwan Stock Exchange. The result of the seventh intake of the corporate governance review of 2020 was 6%-20%.

According to the findings of the 2020 corporate governance review, matters where improvement has been made by the Company include:

1. The rationale for continued nomination of independent directors who have served three terms in office to continue serving as independent director has been disclosed truthfully in the Market Observation Post System.
2. For recent shareholders' meetings of the Company, more than one-third of the directors (including the two independent directors) attended the general shareholders' meeting.
3. The Company has voluntarily set up more seats for independent directors than regulatory requirements.
4. For 2020, there were a total of three independent directors and all of them did not serve a term longer than 9 years.
5. The Company has set up a compliant Audit Committee.
6. The Company filed important English news concurrently in 2020.

Prioritized items for the Company in the future include:

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

3.3.4 Remuneration Committee

3.3.4.1 Remuneration Committee members

Identity	Terms Name	Over five years of experience and the following professional qualifications			Independence criteria								Serving as a Remuneration Committee member of another public company	Remarks
		University teaching in areas of commerce, law, finance, accounting or related corporate business	Working as a judge, attorney, lawyer, accountant or other positions that require professional certification	Work experience in commerce, law, finance, accounting or related corporate experiences	1	2	3	4	5	6	7	8		
Independent Director	Da-Ho ,Yen	—	✓	—	✓	✓	✓	✓	✓	✓	✓	✓	2	
Independent Director	Yung-Lu ,Tsai	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	—	
Independent Director	Shih-Kuang, Tsai	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	

Note: A “✓” is marked in the space beneath the respective column when a director or supervisor has met that condition during the two-year prior to election and during his or her period of service; the conditions are as follows:

- (1) Not employed by the Company or an affiliated business.
- (2) Not a director or supervisor of the Company or its affiliated company. This restriction does not apply to independent directors of subsidiaries in which the company or its parent company directly or indirectly holds over 50% of the shareholder voting rights.
- (3) company shares or being a top-10 natural person shareholder in one’s own name, held by a spouse or underage child, or held by nominee agreement.
- (4) Neither a spouse, second-degree relative, nor a fifth degree direct relative of the persons listed under the previous three items.
- (5) Neither a director, supervisor or employee of an institutional shareholder directly owning more than 5% of the company’s outstanding shares, nor one of the company’s top-five institutional shareholder.
- (6) Neither a director, supervisor, manager or shareholder holding more than a 5% stake in certain companies or institutions that have a financial or business relationship with the Company.
- (7) Not a professional who provides commercial, legal, financial, and accounting services or consulting to the Company or its affiliated companies, proprietor, partner, owner of a company or an institution, partner, director (executive), supervisor (executive), manager, and their spouses.³⁸
- (8) Standing does not match any of the scenarios described in Article 30 of the Company Law.

3.4.2 The responsibility of Remuneration Committee :

- A. Establish and regularly review the policies, systems, standards and structures of directors and managers for performance evaluation and compensation.
- B. Regularly evaluate and determine the salary remuneration of directors and managers.
- C. When the salary remuneration committee performs the functions, it shall be based on the following principles, but the supervisor remuneration proposal shall be submitted to the board of directors for discussion, and the supervisor salary remuneration shall be prescribed by the company's articles of incorporation or the resolution of the shareholders' meeting authorizing the board of directors to:
 - a. Managerial performance evaluation and compensation and remuneration shall take reference of the general criteria for the payment in the industry and take into consideration the legitimate correlation with personal performance, operational

- performance of the Company, and risks in the future.
- b. Directors and managers should not be led to engage in aggressive risk appetite for the pursuit of salary remuneration.
 - c. The ratio of dividends paid to the short-term performance of directors and timing of changes in salary compensation to senior managers should be determined by considering the industry characteristics and the nature of the company's business.
- D. The salary remuneration referred to in the preceding paragraph includes cash remuneration, stock options, dividend share, retirement benefits or resignation benefits, various allowances and other measures with substantial rewards shall be in accordance with the guidelines for the record of the annual report of the public company. The directors and managers are paid the same. When the board of directors advising remuneration committee, it should consider the amount of salary remuneration, the payment method and the company's future risks.
- E. The remuneration of the directors and managers of the subsidiaries shall be submitted to the board of directors of the company for discussion. After being advised by the remuneration committee, they are subject to the approval of the board of directors

3.4.3 Operation of remuneration committee

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

Title	Name	Actual attendance (B)	Actual attendance rate (%) (B/A)	Remarks
Convener	Da-Ho, Yen	2	100	Inaugurated on June 18, 2020
Member	Yung-Lu, Tsai	4	100	
Member	Shih-Kuang, Tsai	2	100	Inaugurated on June 18, 2020
Member	Wen-Hung, Kao	2	100	Retired on June 18, 2020
Member	Ming- Ju, Ren	2	100	Retired on June 18, 2020

Other noteworthy matters :

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

C. Dates, motions and resolutions of remuneration committee in 2020

Date	Proposal	Compensation Committee resolution	The opinions of the Compensation Committee
March 5, 2020	1. Review of the distribution of the remuneration to directors and supervisors and that to employees for 2019 of the Company as advised by the management.	All the attending members passed the resolution	All the attending directors passed the resolution
April 29, 2020	1. Review of the distribution of the remuneration to directors and supervisors for 2019 of the Company. 2. Review of the distribution of remuneration to managers and employees for 2019 of the Company.	All the attending members passed the resolution	All the attending directors passed the resolution
July 29, 2020	1. Review of the compensation for Chairman Mr. Chen, Chiu-Lang to also serve as the President as delegated by the Company's Board of Directors on June 29, 2020.	All the attending members passed the resolution	All the attending directors passed the resolution
November 23, 2020	1. Review of the distribution of remuneration to managers and employees for 2019 of the Company. 2. Review of the distribution of three-festival gift money to managers for 2020 of the Company. 3. Review of the promotion and salary raise for managers and for 2021 of the Company.	All the attending members passed the resolution	All the attending directors passed the resolution

3.3.5 Performance of Corporate Social Responsibility

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

Item	Implementation Status			Deviations from “Corporate Social Responsibility Best - Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			responsibility and takes charge of proposing and executing project on the policy, system, or management direction of the corporate social responsibility. An annual performance target and specific execution project and a regular meeting will be set up to review the executing performance on the compliance status of the corporate social responsibility and project execution. It will report the execution status to the Board annually, and the 2020 execution status was reported on Dec 28, 2020.	
3. Development of sustainable environment				
(1) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	V		(1) Environmental and safety and health management systems have been established and ISO14001, OHSAS 18001 and other certifications have been obtained.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(2) Is the Company committed to enhance the utilization efficiency of resources and use renewable materials that are with low impact on the environment?	V		(2) The company promotes the recycling of paper and promotes the recycling and reuse of waste resources and carries out paperless operations. The company's production process does not have a procedure for harmful substances, and the wastes of the production are receipted and recycled by professional manufacturers.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

<p>(3) Does the Company evaluate the existing and future potential risk and opportunity of climate change to the corporate, and adopt relative corresponding measures?</p>	<p>V</p>	<p>(3) Substantial Risk of Corporate Caused by Climate Change: Climate change will cause extreme weather, including increased frequency of typhoons (hurricanes), increase of annual average temperature, concentrated and short-time of rains and uneven rainfalls, such that the power consumption for air conditioning and office lighting demand of the Company is increased, leading to increase of power consumption cost.</p> <p>Opportunity to Corporate Due to Climate Change: In response to the low carbon economic demands of the governments, customers and international investment institutions, the Company seeks to contribute efforts to the greenhouse climate change and considers the sources of various aspects along with the implementation of green research, green factory, enhanced energy saving, water saving, reduction of production energy and environmental information disclosure etc., in light of continuously seeking the reduction of impacts of the Group on the environment.</p>	<p>In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>(4) Has the Company count the greenhouse gas emissions, water usage, and total weight of waste over the last two years, and formulate policy on energy saving, greenhouse gas reducing, water saving, or waste management?</p>		<p>(4) According to the self-accounting result, the emissions for Scope II in 2019 and 2018 were approximately below the carbon dioxide equivalent of 192,476 and 200,727 kg. The Company will continue to contribute efforts in the reduction of greenhouse gas emission. The domestic greenhouse gas emission of the</p>	<p>In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p>

			Company refers to the indirect emission type, and the emission source mainly comes from the power consumption demanded by the air conditioning and office lighting. Accordingly, energy saving method is adopted for the establishment of relevant policies in order to achieve the goal of reduction of greenhouse gas emission.	
4. Social issues				
(1) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?	V		(1) The Company respects and follows the internationally known human rights such as “Universal Declaration of Human Rights” and “Guiding Principles on Business and human rights” by the United Nations and precludes any behavior that infringes or violates human rights. All management regulations are in compliance with and comply with relevant government regulations and are committed to complying with international social responsibility regulations to ensure employee rights and interests.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(2) Does the Company set up and implement reasonable employee benefits (including remuneration, vacation, and other benefits), and reflect the operation performance or result on the employee remuneration?	V		(2) The Company has set up Committee of Employees' Welfare on 2004 to establish all benefit measures. The implementation is disclosed on the Company's website and page 95 of the annual report. Remuneration Committee was also set up to evaluate operation cost, profitability, consumer price index, fairness of the internal and external salary, and performance management, and use them and social responsibility as reference to allocate and adjust remuneration of all employees.	In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

<p>(3) Does the Company provide employee with a safe and healthy working environment, and provide safety and health education to employees regularly?</p> <p>(4) Does the Company have an effective career capacity development training program established for the employees?</p>	<p>V</p> <p>V</p>	<p>(3) The working environment complies with the relevant regulations of the government occupational safety and health and provides various safety and health education and training sessions according to the relevant regulations on occupational safety and health.</p> <p>(4) The company prepares annual employee education, training programs and special lectures every year, covering functional training, logical and innovative thinking and physical and mental development, to enhance the professional competence of employees, innovative thinking and balance physical and mental development.</p>	<p>In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p> <p>In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>(5) Does the Company have the relevant consumer protection policies and complaint procedures established in the sense of R&D, procurement, production, operations, and service processes?</p> <p>(6) Does the Company have a supplier management policy, and request its supplier to follow the related regulation on environmental protection, occupational safety, or labor human rights and its implementation?</p>	<p>V</p>	<p>(5) The company and its subsidiaries have established customer complaint procedures with a satisfaction-oriented quality system and set up stakeholder areas on the company's website to provide employees, customers, suppliers, government agencies, shareholders, investors an effective complaint channel for various stakeholders (http://www.syncmold.com.tw/syncmold-2018/item_interested_person_2018.html).</p> <p>(6) The Company has set up “Supplier Management Regulation” and ask the new suppliers to sign “environmental management substance guarantee”, and “supplier honest credit contract”, while providing “Content of harmful substances test report SGS”, “Product raw material chart” and other information to ensure its product is complied with</p>	<p>In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p> <p>In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p>

<p>5. Does the Company follow the international regulation when preparing the corporate social responsibility report or other report that disclose company information other than financial data? Does the report obtain a third party verification or assurance?</p>	<p>V</p>	<p>ROHS regulation before it can be listed as the qualified suppliers. Quality assurance department will conduct an annual evaluation plan on the qualified suppliers and perform audit in these suppliers to ensure the stable quality on the raw material. If the supplier does not pass the evaluation assessment and not improve after discussion and counseling, it will be disqualified.</p>	
<p>6. If the Company has the “Corporate Social Responsibility Best-Practice Principles” stipulated in accordance with the “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies,” please state its deviation : The relevant regulations on corporate social responsibility are set in the company's personnel, environmental protection, safety and health standards, in line with the requirements of the law.</p>	<p>V</p>	<p>The Company’s CRS report of 2019 was prepared in accordance with the “core” item in the Standards of Global Reporting Initiative (GRI) and the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports” Meanwhile, it is disclosed on the Company’s and the Market Observation Post System in September 2020 .</p>	<p>In compliance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>7. Other noteworthy information regarding to SCR :</p> <p>1.Environmental, health and safety :</p> <p>(1) The company has established an environmental, health and safety management system and obtained ISO14001, ISO9001 and other certifications. In 2020 and 2019, we continued to carry out internal education training on ISO9001 and ISO14001, enhance our colleagues' awareness of relevant laws and regulations, implement various systems formulated by the company, achieve product quality assurance, and achieve the goal of saving energy, protecting the environment, and protecting the global environment.</p> <p>(2) The Company was certified by IECQ QC 080000 (Hazardous Substance Process Management) for the first time in 2020. Both the use and production process of hazardous substances with special restrictions are thoroughly checked and evaluated as a commitment to protect all workers along the production line and product users and to reduce the impacts that products have on the environment and accordingly ensure environmental sustainability.</p>			

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

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

(5) In 2020, the office building was monitoring by energy-saving manufacturers using data and cloud services, it showed a 30% reduction of electricity consumption.

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

(1) Reasonable working hours :

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

(2) Diversity and equal opportunities :

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

(3) Health and safe workplace :

- (a) Regular environmental safety checks to avoid potential health and safety risks from work.
- (b) The company is committed to providing a safe and healthy working environment for employees. In terms of security and access control management, each office has an access control system at the entrance and exit and cooperates with the security personnel to carry out the relevant control operations. In the fire safety of the building, fire safety inspections and fire drills are regularly conducted every year. In terms of water safety of the building, regular inspections were carried out to clean the reservoir and the quality of drinking water for sampling inspection and announcement. Another implementation of the smoke-free workplace decree to plan outdoor smoking areas, the working environment is in line with government occupational safety and health related regulations.
- (c) The company sets up employee welfare committees, organizes various activities and provides various welfare measures to encourage staff morale and strengthen labor-management cooperation. The company regularly handles employee health checks. In July 2018, the employee conducts health checks. In addition to the basic inspection items that should be given according to law, the company increases the budget for health check items.
- (d) In 2017, the company established the "Measures for Employee Child Care Subsidy". In 2020, the number of qualified employees has reached 25 with the total of 33 children, totaling NT\$ 198,000 to reduce burden of employee.

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

(4) Freedom of association :

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

(5) Labor negotiation :

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

(6) Privacy protection :

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

3. Social welfare :

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

3.3.6 Implementation of corporate ethical management and measures taken:

Item	Implementation Status			Discretions with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
	Yes	No	Summary	
<p>1. Formation of ethical management policies and methods</p> <p>(1) Does the Company have the ethical management policy and method declared explicitly in the Articles of Incorporation and external documents; also, the commitment of the board of directors and the management to actively implement the operating policies?</p>	V		<p>(1) The Board has passed the “Integrity Operation Regulation” and “Ethical Behavior Principle” and appointed Mr. Huang Yi-Chung, the governance manager, in charge to plan and execute integrity operation policy and prevention. In order to ensure the implementation, the performance will be reported to the Board, and the 2020 execution performance was reported on Dec 28, 2020.</p>	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
<p>(2) Does the Company set up a disintegrated behavior risk assessment to analyze and evaluate any highly disintegrated behavior in its operation scope regularly while at least cover the prevent measures under Article 7 (2) in Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p>	V		<p>(2) The company has an "integrity operation procedure", which clearly stipulates that all employees shall not directly or indirectly provide or accept any unreasonable gifts, hospitality or other improper benefits and avoid employees sacrificing the company's rights and interests for personal gain. An effective accounting system and internal control system have been established and reviewed Quarterly to ensure that the design and implementation of the system continues to be effective.</p>	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

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

			their representatives, which are harmful to the interests of the company, are avoided during discussion and voting.	
(4) Does the Company have established effective accounting systems and internal control systems to make related audit plan to verify and prevent disintegrated behavior based on the assessment from internal audit department or by the commission CPAs?	V		(4) In order to implement the integrity management, the company has established an effective accounting system. The internal auditors regularly check the accounting system and the internal control system and make an audit report to the board of directors.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
(5) Does the Company have organized ethical management internal and external education and training programs on a regular basis?	V		(5) The company will regularly organize internal and external education training on integrity management. The higher management will convey the importance of integrity to its employees from time to time. In 2020, the company held internal and external education training on integrity management with a total of 127 people and 564 hours (including integrity management regulations, corporate governance practices, accounting systems and internal control).	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
3. The operation of the Company's Report System				
(1) Does the Company have a specific report and reward system stipulated, a convenient report channel established, and a responsible staff designated to handle the individual being reported?	V		(1) In order to establish the internal and external reporting pipelines and handling systems of the company, the company established regulation on "treatment for illegal and unethical or dishonesty" for the implementation of Code of Ethics and the Code of Business Conduct for the directors, supervisor and managers and ensure the legal rights of prosecutors.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

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

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

3.3.7 Query on corporate governance related policies

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

3.3.8 Other important information helpful in understanding the corporate governance operation

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

3.3.9 Implementation status of the internal control system:

3.3.9.1 The Company's 2020 Internal Control Declaration:

Syncmold Enterprise Corp.

Internal Control System Declaration

Date: March 16, 2021

For the Company's internal control system of 2020, it is hereby declared as follows according to self-assessment findings:

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

2020 (including its supervision and management of subsidiaries), including its awareness of the extent by which the operating effects and efficiency goals are fulfilled, reliability of reports, and compliance with relevant laws and regulations, are such that it is effective and capable of reasonably ensuring that the aforementioned goals can be achieved.

- VI. This declaration constitutes a major part of the Company's Annual Report and the Company's Prospectus that are made available to the public. If the aforesaid published contents are found to be false, or fraudulent in any way, the Company and its management shall be legally liable in accordance with Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. This declaration was approved at the meeting of the Company's Board of Directors on March 16, 2021 without dissenting opinions expressed by any of the 7 directors attending the meeting. All agreed on the contents of this Declaration. Please take note of it.

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

3.3.10 The fiscal year 2020, up to publication of annual report and internal personnel was punished in accordance with regulations, or the Company's punishment for internal personnel violated internal control system and regulations, its punishment results which probably caused important affection for shareholders' equity or securities shall be specified the content of punishment, main deficiencies and improvement: None

3.3.11 Important resolutions made by the Shareholders' Meeting and Board of Directors by the end of 2020 and the printing date of the annual report :

(1) Resolutions and Implementation of 2020 Shareholders' Meetings

Meeting Date	Summary	Resolutions	Implementation
June 18, 2020	1. Ratification of 2019 statements and reports	Voted and approved	
	2. Ratification of Distribution of 2019 Earnings It was decided that cash dividends worth NTD 556,758,769; that is, NTD 4.5 per share, would be distributed.	Voted and approved	July 21, 2020 was set to be the ex-dividend base date and cash dividends worth NTD 556,758,769 were completely distributed on August 13, 2020.
	3. Discussion of the revision of the Articles of Incorporation	Voted and approved	They are already announced on the Company's website and the post-revised version has been followed.
	4. Discussion of the revision of the Procedures for the Acquisition or Disposal of Assets	Voted and approved	They are already announced on the Company's website and the post-revised version has been followed.
	5. Discussion of the revision of the Operating Procedure for Lending to Others	Voted and approved	They are already announced on the Company's website and the post-revised version has been followed.
	6. Discussion of the revision of the Operating Procedure for Endorsements/Guarantees	Voted and approved	They are already announced on the Company's website and the post-revised version has been followed.
	7. Revision of the Guidelines for Electing Board Directors and Supervisors	Voted and approved	They are already announced on the Company's website and the post-revised version has been followed.

(2) Resolutions and Implementation of Board Meetings

Meeting Date	Summary	Resolutions
March 13, 2020	1. Revision of the Articles of Incorporation	Approved by all attending directors without objection.
	2. 2019 statements and reports	Approved by all attending directors without objection.
	3. Distribution of 2019 earnings	Approved by all attending directors without objection.
	4. Distribution of the remuneration to employees and that to directors and supervisors for 2019	Approved by all attending directors without objection.
	5. Establishment of the Audit Committee Organic Rules	Approved by all attending directors without objection.
	6. Revision of the Guidelines for Electing Board Directors and Supervisors	Approved by all attending directors without objection.
	5. Revision of the Procedures for the Acquisition or Disposal of Assets	Approved by all attending directors without objection.

	6. Revision of the Operating Procedure for Lending to Others	Approved by all attending directors without objection.
	7. Revision of the Operating Procedure for Endorsements/Guarantees	Approved by all attending directors without objection.
	8. 2019 Internal Control System Declaration	Approved by all attending directors without objection.
	9. Discussion of Lending of Funds	Approved by all attending directors without objection.
	10. Ratification of Derivatives	Approved by all attending directors without objection.
	11. Limits of borrowings from Bank SinoPac and ratification of endorsements/guarantees to subsidiaries	Approved by all attending directors without objection.
	12. Re-election of board directors	Approved by all attending directors without objection.
	13. Intended 2020 General Shareholders' Meeting	Approved by all attending directors without objection.
	14. Related matters of accepting proposals from shareholders prior to the 2020 General Shareholders' Meeting	Approved by all attending directors without objection.
Meeting Date	Summary	Resolutions
	15. Revision of the written internal control system	Approved by all attending directors without objection.
May 7, 2020	1. Review of the distribution of the remuneration to directors and supervisors for 2019 of the Company.	Approved by all attending directors without objection.
	2. Review of the distribution of remuneration to managers and employees for 2019 of the Company.	Approved by all attending directors without objection.
	3. Ratification of line of credit from Yuanta Bank	Approved by all attending directors without objection.
	4. Limits of borrowings from Taipei Fubon Commercial Bank Co., Ltd. and ratification of endorsements/guarantees to subsidiaries	Approved by all attending directors without objection.
	5. Discussion of Lending of Funds	Approved by all attending directors without objection.
	6. Ratification of Derivatives	Approved by all attending directors without objection.
	7. Line of credit from E.SUN Bank	Approved by all attending directors without objection.
June 18, 2020	1. Election of Chairman of the Company	Approved by all attending directors without objection.
June 29, 2020	1. Revision of the Organic Rules of the Compensation and Remuneration Committee	Approved by all attending directors without objection.
	2. Hiring of Compensation and Remuneration Committee members	Approved by all attending directors without objection.
	4. Limits of borrowings from E.SUN Bank and ratification of endorsements/guarantees to subsidiaries	Approved by all attending directors without objection.
	5. Revision of the Operating Procedure for Handling Major Internal Information to Prevent against Insider Trading	Approved by all attending directors without objection.
	6. Revision of the Ethical Code of Conduct for Directors, Supervisors, and Managers	Approved by all attending directors without objection.
	7. Revision of the Corporate Social Responsibility Best Practice Principles	Approved by all attending directors without objection.

	8. Revision of the Corporate Governance Best-Practice Principles	Approved by all attending directors without objection.
	9. Revision of the Ethical Corporate Management Best-Practice Principles	Approved by all attending directors without objection.
	19. Revision of the Board of Directors Meeting Regulations	Approved by all attending directors without objection.
	11. Ratification of Derivatives	Approved by all attending directors without objection.
	12. Discussion of Lending of Funds	Approved by all attending directors without objection.
	13. Revision of the written internal control system	Approved by all attending directors without objection.
August 6, 2020	1. Ratification of line of credit from Chinatrust Commercial Bank	Approved by all attending directors without objection.
	2. Ratification of line of credit from Taishin International Bank	Approved by all attending directors without objection.
	3. Discussion of Lending of Funds	Approved by all attending directors without objection.
	4. Revision of the written internal control system	Approved by all attending directors without objection.
October 29, 2020	1. Strategic equity investment	Approved by all attending directors without objection.
	2. Discussion of Lending of Funds	Approved by all attending directors without objection.
	3. Ratification of Derivatives	Approved by all attending directors without objection.
	4. Discussion of the prohibited lending of funds and endorsements/guarantees involving subsidiaries	Approved by all attending directors without objection.
December 2, 2020	1. Endorsements/Guarantees to the subsidiary GATETECH TECHNOLOGY INC.	Approved by all attending directors without objection.
	2. Endorsements/Guarantees to the subsidiary LEOHAB ENTERPRISE CO., LTD.	Approved by all attending directors without objection.
	3. Second distribution of remuneration to managers and employees for 2019 of the Company	Approved by all attending directors without objection.
	4. Distribution of three-festival gift money to managers for 2020 of the Company	Approved by all attending directors without objection.
	5. Promotion and salary raise for managers for 2021 of the Company	Approved by all attending directors without objection.
	11. Discussion of Lending of Funds	Approved by all attending directors without objection.
	12. Ratification of line of credit from Chinatrust Commercial Bank	Approved by all attending directors without objection.
	13. Ratification of Derivatives	Approved by all attending directors without objection.
	14. Revision of the written internal control system	Approved by all attending directors without objection.
December 28, 2020	1. 2021 Business Budget	Approved by all attending directors without objection.
	2. 2021 Internal Audit Plan	Approved by all attending directors without objection.

		3. Line of credit from E.SUN Bank	Approved by all attending directors without objection.
		4. Ratification of line of credit from HSBC Bank (Taiwan) Limited	Approved by all attending directors without objection.
		13. Ratification of Derivatives	Approved by all attending directors without objection.
		6. Independence assessment and delegation of CPAs	Approved by all attending directors without objection.
March 2021	16,	1. 2020 statements and reports	Approved by all attending directors without objection.
		2. Distribution of 2020 earnings	Approved by all attending directors without objection.
		3. Distribution of the remuneration to directors and supervisors and that to employees for 2020 of the Company	Approved by all attending directors without objection.
		4. 2020 Internal Control System Declaration	Approved by all attending directors without objection.
		5. Lifting of the non-competition pledge obligations upon the newly elected directors	Approved by all attending directors without objection.
		6. Independence assessment and delegation of CPAs	Approved by all attending directors without objection.
		7. Discussion of Lending of Funds	Approved by all attending directors without objection.
		8. Ratification of Derivatives	Approved by all attending directors without objection.
		9. Limits of borrowings from Taipei Fubon Commercial Bank Co., Ltd. and ratification of endorsements/guarantees to subsidiaries	Approved by all attending directors without objection.
		10. Ratification of limits of borrowings from Bank SinoPac	Approved by all attending directors without objection.
		11. Intended 2021 General Shareholders' Meeting	Approved by all attending directors without objection.
		12. Related matters of accepting proposals from shareholders prior to the 2021 General Shareholders' Meeting	Approved by all attending directors without objection.
2021.05.05		1. Location authorization of 2021 regular shareholder meeting	Approved by all attending directors without objection.
		2. Audit for 2020 remuneration distribution of Directors and Supervisors	Approved by all attending directors without objection.
		3. Audit for 2020 remuneration distribution of managers and employees	Approved by all attending directors without objection.
		4. Reconfirmation on derivation products	Approved by all attending directors without objection.
		5. Discussion on loaning funds	Approved by all attending directors without objection.
		6. Credit line of E.Sun Commercial Bank Ltd.	Approved by all attending directors without objection.
		7. Loan amount of Taipei CTCB & recognition of endorsement guarantee	Approved by all attending directors without objection.
		8. Recognition for credit line of Yuanta Commercial Bank Company Ltd.	Approved by all attending directors without objection.
		9. The company guarantees the third unsecured conversion of CB.	Approved by all attending directors without objection.

	10. Syncmold Enterprise Vietnam Co., Ltd. investment plan revision	Approved by all attending directors without objection.
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3.3.12 The contents of the board resolutions regarding which independent directors have voiced opposing or qualified opinions on the record or in writing in the most recent year or up to the publication of the annual report: None

3.3.13 The resignation or dismissal of the Company's Chairman, President, Accounting Officer, Finance Officer, Internal Audit Director, Corporate Governance Supervisor and RD Supervisor in the most recent year or up to the publication of the annual report:

Position	Name	Date of inauguration	Date of dismissal	Reason for resignation or dismissal
President	Chiu, Po-Sen	December 13, 2008	June 19, 2020	Resigned

Note: The parties relating thereto include the chairman, president, accounting officer, finance officer, internal audit officer and R&D officer

3.4 Audit Fees

Range of Audit Fee

CPA Firm	Name of CPAs		Audit Period	Remark
Deloitte & Touche	Tung-Feng Lee	Chih-Yuan Chen	2020	

Monetary unit : NT\$ in thousands

Fee Range	Fees Items	Audit fee (Note)	Non-audit fee	Total
1	Under NT \$2,000,000		√	
2	NT\$2,000,001 ~ \$4,000,000			
3	NT\$4,000,001 ~ \$6,000,000			
4	NT\$6,000,001 ~ \$8,000,000	√		√
5	NT\$8,000,001 ~ \$10,000,000			
6	Over NT\$100,000,000			

Note : The audit fee includes Syncmold and its consolidated subsidiary.

3.4.1 Non-audit fee account for more than a quarter of audit fee : None

Unit : NT\$ in thousands

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fees					Audit Period	Remark
			System Design	Company Registration	Human Resource	Others	Subtotal	Audit Period	
Deloitte & Touche	Tung-Feng Lee	7,837	-	-	-	90	90	The year of 2020	1.The audit fee includes Syncmold, its consolidated subsidiary and the check list of non-supervisor, full-time employee 2.Other contents include the review of annual report and the direct deduction of business tax.
	Chih-Yuan Chen								

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

3.4.3 If the audit fee of current year is more than 15% less than the year before, please disclose the audit fee amount and ratio reduced and the root cause of the fee reduction: None.

3.5 Information For Change Of CPA: None.

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

3.7 Changes In The Shares Held And Pledged By Directors, Supervisors, Managers, And Major Shareholders Holding Over 10% Of Outstanding Shares In The Most Recent Year And Up To The Publication Of The Annual Report :

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

Unit : Share

Title	Name	2020		As of April 26,2021	
		Increase (decrease) of shareholding	Increase (decrease) of shares pledged	Increase (decrease) of shareholding	Increase (decrease) of shares pledged
Chairman	Chiu-Lang, Chen	200,000	0	200,000	0
Director(Note 1)	Fortune Investment Co., Ltd.	0	0	0	0
Director(Note 3)	Tim, Weng	0	0	0	0
Director(Note 3)	Chen-Tung, Chen	8,000 (26,000)	0	0	0
Director	Shu-Yen, Chuang	0	0	0	0
Independent Director	Yung-Lu, Tsai	0	0	0	0
Independent Director (Note 1)	Shih-Kuang, Tsai	0	0	0	0
Independent Director (Note 1)	Da-Ho, Yen	0	0	0	0
Independent Director (Note 1)	Hui-Chin, Chiu	0	0	0	0
Independent Director (Note 3)	Wen-Hung, Kao	0	0	0	0
Supervisor(Note 3)	Tung-Ping, Cheng	0	0	0	0
Supervisor(Note 3)	Chin-Chang, Pao	0	0	0	0
Supervisor(Note 3)	Jui-Tai, Wu	0	0	0	0
President(Note 4)	Posen, Chiu	0	0	0	0
V.P.	Connie, Hsu	0	0	0	0
V.P.	Gray, Yan	0	0	0	0
V.P.	Alex, Cheng	0	0	0	0
V.P.	Daphne, Chang	0	0	0	0
V.P. (Note 2)	Peter, Huang	0	0	0	0
A.V.P.	Y.Y., Hsieh	0	0	0	0
A.V.P.	Randy, Lin	0	0	0	0
A.V.P.	Phillip, Cheng	0	0	0	0
A.V.P.	Monty, Chen	0	0	0	0
A.V.P.	Toni, Kao	0	0	0	0
Corporate governance supervisor	Yi-Chun, Huang	0	0	0	0
A.V.P.	Scott, Lu	0	0	0	0
Manager	Carrie, Wang	0	0	0	0

Note 1 : Director Fortune Investment Co., Ltd. and Independent Director Shih-Kuang, Tsai, Da-Ho, Yen , Hui-Chin, Chiu was inaugurated on June 18, 2020 ◦

Note 2 : V.P Peter, Huang was inaugurated on November 1, 2020 ◦

Note 3 : Director Tim Weng, Chen-Tung, Chen , Independent Director Wen-Hung, Kao and Supervisor Chin-Chang, Pao , Jui-Tai, Wu was resigned on June 18, 2020 ◦

Note 2 : President Posen, Chiu was resigned on June 19, 2020 ◦

3.7.2 Equity transfer information : None

3.7.3 Equity pledge information : None

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

Information on relationships among the top ten shareholders

April 26, 2021

NAME	CURRENT SHAREHOLDING		SPOUSE'S/MINOR'S SHAREHOLDING		SHAREHOLDING BY NOMINEE ARRANGEMENT		NAME AND RELATIONSHIP BETWEEN THE COMPANY'S TOP TEN SHAREHOLDERS, OR SPOUSES OR RELATIVES WITHIN TWO DEGREES		REMARK
	Shares	(%)	Shares	(%)	Shares	(%)	Name	Relations	
Chiu-Lang, Chen	5,708,211	4.61%	93,022	0.08%	2,300,000	1.86%	Jianhong, Chen	first-degree relatives	
							Jianyuan, Chen	first-degree relatives	
Fortune Investment Co., Ltd. (Representative: Jian-yuan, Chen)	5,200,139	4.20%	-	-	-	-	Chiu-Lang, Chen	first-degree relatives	
	2,529,717	2.04%	-	-	-	-	Jian-hong, Chen	second-degree relatives	
Jian-yuan, Chen	2,529,717	2.04%	-	-	-	-	Chiu-Lang, Chen	first-degree relatives	
							Jianhong, Chen	second-degree relatives	
Jian-hong, Chen	2,939,750	2.38%	-	-	-	-	Chiu-Lang, Chen	first-degree relatives	
							Jianyuan, Chen	second-degree relatives	
Tim, Weng	2,747,581	2.22%	-	-	-	-	-	-	
Guan-zhen Investment Co., Ltd. (Representative: Jian-hong, Chen)	2,970,647	2.40%	-	-	-	-	Chiu-Lang, Chen	first-degree relatives	
	2,939,750	2.38%	-	-	-	-	Jianyuan, Chen	second-degree relatives	
Hongbo Investment Co., Ltd. (Representative: Chiu-Lang, Chen)	2,300,000	1.86%	-	-	-	-	Jian-hong, Chen	first-degree relatives	
	5,708,211	4.61%	-	-	-	-	Jian-yuan, Chen	first-degree relatives	
Zong-Ying, Dong	2,237,000	1.81%	-	-	-	-	-	-	
Standard Chartered Bank entrusted with the GMO Emerging Markets Fund	1,894,250	1.53%	-	-	-	-	-	-	
Shu-Yen, Chuang	1,918,684	1.55%	-	-	-	-	-	-	

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

As of April 26, 2021

Affiliated Companies (Note)	Ownership by the Company		Ownership by Directors, Supervisors, Managers and Entities Directly or Indirectly Controlled by the Company		Total Ownership	
	Shares	%	Shares	%	Shares	%
Syncmold Enterprise (Samoa) Corp.	3,545,584	100%	-	-	3,545,584	100%
Grand Advance Inc.	-	100%	-	-	-	100%
Syncmold Enterprise (USA) Corp.	-	100%	-	-	-	100%
Syncmold Enterprise Vietnam Co., Ltd.	-	100%	-	-	-	100%
Syncmold Enterprise (MALAYSIA) Sdn., Bhd.	-	100%	-	-	-	100%
Syncmold Enterprise (SINGAPORE) Pte., Ltd.	-	100%	-	-	-	100%
Syncmold Enterprise (THAILAND) Co., Ltd.	-	100%	-	-	-	100%
High Grade Tech Co., Ltd.	2,280,000	38%	-	-	2,280,000	38%
CANFORD INTERNATIONAL LIMITED	-	100%	-	-	-	100%
Fullking Development Limited	-	100%	-	-	-	100%
FULL GLARY HOLDING LIMITED	-	100%	-	-	-	100%
Full Big Limited	-	100%	-	-	-	100%
Forever Business Development Limited	-	100%	-	-	-	100%
Full Celebration Limited	-	100%	-	-	-	100%
Fuzhou Fulfil Tech Co., Ltd.	-	100%	-	-	-	100%
Fujian Khuan Hua Precise Mold., Ltd.	-	100%	-	-	-	100%
Fuqing Foqun Electronic Hardware Tech Co., Ltd.	-	100%	-	-	-	100%
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	-	100%	-	-	-	100%
Suzhou Fulfil Electronics Co., Ltd.	-	100%	-	-	-	100%
Zhongshan Fulfil Tech Co., Ltd.	-	100%	-	-	-	100%
Kunshan Fulfil Tech Co., Ltd.	-	100%	-	-	-	100%
Chongqing Fulfil Tech Co., Ltd.	-	100%	-	-	-	100%
CoreBio Technologies Co., Ltd.	5,200,000	38.29%	-	-	5,200,000	38.29%
Gatetech Technology Co., Ltd.	42,207,440	73.43%	-	-	42,207,440	73.43%
Gatech Holding Ltd.	-	73.43%	-	-	-	73.43%

Gatech International Ltd.	-	73.43%	-	-	-	73.43%
Gatech (Suzhou) Inc.	-	73.43%	-	-	-	73.43%
Leohab Enterprise Co., Ltd.	16,619,800	70.00%	-	-	16,619,800	70.00%
Sweet International Group Ltd.	-	70.00%	-	-	-	70.00%
Lucky King Holdings Ltd.	-	70.00%	-	-	-	70.00%
Commuwell Enterprise (Thailand) Co.,Ltd.	-	70.00%	-	-	-	70.00%
Suzhou Leoho Electronics Co., Ltd.	-	70.00%	-	-	-	70.00%

IV. CAPITAL OVERVIEW

4.1 Capital And Shares

4.1.1 Source of capital

4.1.1.1 Type of capital

April 26, 2021 ; Unit : Share

Type	Authorized Capital			Note
	Outstanding Shares (note)	Non-issued Shares	Total	
Registered Common Shares	123,724,171	76,275,829	200,000,000	1. Listed company stock 2. Retained warrants for subscription of 3,000,000 share

4.1.1.2 Formation of capital

April 26, 2021 ; Unit : 1000 Share; NT\$ in thousands

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

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

4.1.2 Shareholder Structure

April 26, 2021 ; Unit : People ; Share ; %

Shareholder Structure	Governments	Financial Institutions	Other Institutions	Individuals	Foreign Institutions & Individuals	Total
Quantity						
Members	0	4	191	22,427	138	18,734
Total Share Held	0	1,423,000	13,710,409	86,881,092	21,709,670	123,724,171
Shareholdings (%)	0%	1.15%	11.08%	70.22%	17.55%	100.00%

4.1.3 Distribution of common shares :

April 26, 2021 ; Unit : Share ; %

Shares	No. of Shareholders	Total Share Held	Shareholdings (%)
1-999	10,836	1,586,389	1.28
1,000-5,000	9,387	19,321,223	15.62
5,001-10,000	1,313	10,144,204	8.20
10,001-15,000	433	5,513,052	4.46
15,001-20,000	232	4,251,539	3.44
20,001-30,000	186	4,688,807	3.79
30,001-40,000	79	2,866,632	2.32
40,001-50,000	59	2,729,787	2.21
50,001-100,000	113	8,034,369	6.49
100,001-200,000	63	8,780,780	7.10
200,001-400,000	26	7,910,208	6.39
400,001-600,000	11	5,348,272	4.32
600,001-800,000	2	1,354,750	1.09
800,001-1,000,000	4	3,491,000	2.82
1,000,001 股以上	16	37,703,159	30.47
Total	22,760	123,724,171	100.00

4.1.4 List of Major Shareholders

April 26, 2021 ; Unit : Share ; %

Name of Major Shareholders	Share Held	Shareholdings (%)
Chiu-Lang, Chen	5,708,211	4.61
Fortune Investment Co., Ltd.	5,200,139	4.20
Guan-zhen Investment Co., Ltd.	2,970,647	2.40
Jian-yuan, Chen	2,939,750	2.38
Tim, Weng	2,747,581	2.22
Jian-hong, Chen	2,529,717	2.04
Hong-bo Investment Co., Ltd.	2,300,000	1.86
Zong-Ying, Dong	2,237,000	1.81
Shu-Yen, Chuang	1,918,684	1.55
Standard Chartered Bank entrusted with the GMO Emerging Markets Fund	1,894,250	1.53

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

unit : NT\$; Thousands shares ; %

Item	Year		2019	2020	As of March 31, 2021
Market Price Per Share	Highest		91.70	93.50	88.50
	Lowest		64.40	60.50	79.10
	Average		79.86	82.61	84.25
Book Value Per Share	Before distribution		44.38	47.68	48.44
	After distribution		39.88	42.68	—
Earnings per share	Weighted average shares		123,724	123,724	123,724
	Earnings per share	Before distribution	7.61	7.81	1.02
		After distribution	—	—	—
Dividends per share	Cash dividend (note 1)		4.50	5.00	—
	Stock dividends	Before distribution	—	—	—
		After distribution	—	—	—
	Accumulated unappropriated dividends		—	—	—
Investment return analyses	P/E ratio		10.49	10.58	—
	Price-dividend ratio		17.75	16.52	—
	Cash dividend yield		5.63%	6.05%	—

Note 1 : 2020 earnings distribution has not yet been approved by shareholders' meeting

Note 2 : Formulas for the table :

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

4.1.6 Dividend Policy and Execution Status

(1) Dividend Policy

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

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

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

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

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

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

The bonus for shareholders intended to be distributed for 2020 totaled NTD 618,620,855; that is, cash dividends worth NTD 5 per share would be issued.

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

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

4.1.8 Employee Compensation and Remuneration to Directors and Supervisors :

- (1) The percentage and range of employee compensation and remuneration to directors and supervisors on the articles of incorporation : Please referred to the above explanation of 6.(1).
- (2) The estimated basis for compensation for employees, directors and supervisors for the current period, calculation basis on the number of shares for employee's compensation and accounting treatment if the actual distribution amount differs from the estimated number :
 - a. The estimated remuneration to employees and that to directors and supervisors for 2020 were NTD 80,000 thousand and NTD 18,000 thousand, accounting for 8.21% and 1.85% of after-tax net profit.
 - b. The calculated basis of stocks for employee compensation : Non-applicable
 - c. If the actual distribution amount is different from the estimated number, it is regarded as an estimated change and is included in the current profit and loss.

(3) Status of compensation approval by Board of Directors

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

Unit : NT\$ in thousands

Item	2020 recorded amount	Estimated amount (note)	difference	reason	Status
Employee Compensation	80,847	80,000	(847)	Due to accounting practice.	If the actual distribution amount is different from the estimated number, it is regarded as 2021 annual expense.
Remuneration to Directors and Supervisors	17,747	18,000	253		

note : Approved by 2021 board of directors.

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

c. Considered the employee compensation, remuneration to directors and supervisors, the earnings per share is calculated as NT\$ 7.81 per share.

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

unit : NT\$ in thousands

Item	2019 recorded amount	Actual amount	Difference	Reason	Status
Employee Compensation	79,339	79,000	(339)	Due to accounting practice.	The difference is regarded as 2020 annual expense.
Remuneration to Directors and Supervisors	17,416	18,000	584		

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

4.2 Corporate Bond (including overseas corporate bond) : None

4.3 Preferred Stock : None

4.4 Issuance Of Global Depositary Receipts : None

4.5 Employee Stock Option :

4.5.1 Status of issuance of restricted employee warrant certificate

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

4.5.2 Status of Restricted Employee Stock

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

4.6 New Shares Issued For Merger Or Acquisitions :

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

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

4.7 Financing Plans And Implementation : None

V、 OPERATION HIGHLIGHTS

5.1 Business Activities

5.1.1 Business Scoop

(1) Major business operation of the Company

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

(2) Major products and business ratio of the Company

unit : NT\$ in thousands ; %

Major Product	2019 Net Sales	Percentage of total Net Purchases (%)	2020 Net Sales	Percentage of total Net Purchases (%)
Stand Products	8,058,052	93.89	9,222,383	95.43
Molds	524,292	6.11	440,958	4.57
Total Net Sales	8,582,344	100.00	9,663,341	100.00

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

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

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

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

(4) Plan for developing new products or services

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

5.1.2 Industry Outlook

(1) Industry status and development

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

A. Stand Products

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

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

B. Plastic Molding

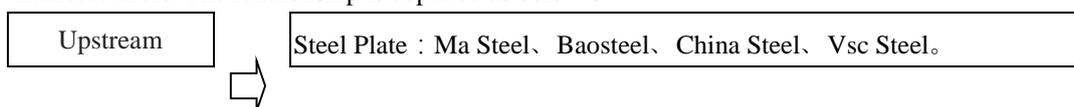
Mold is an indispensable tool for the mass production of products in the industry from metal, plastic, rubber, glass and other materials. To form a certain shape of the finished product through high temperature, high pressure or high impact process, everything rely on the mold to complete. According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

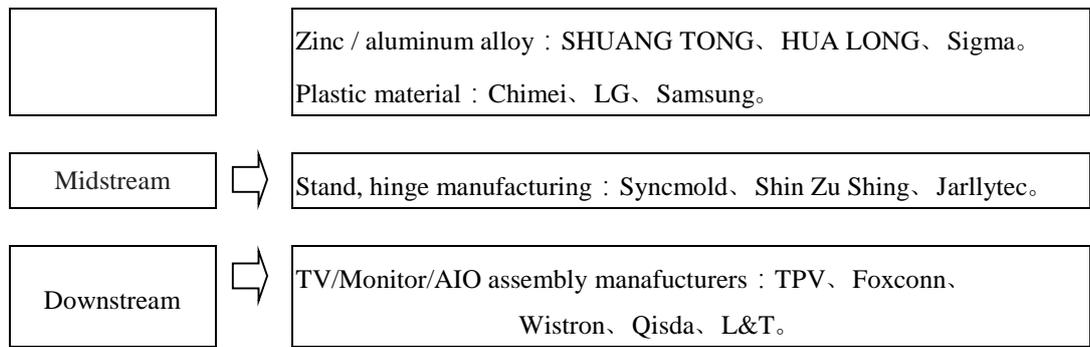
Taiwan's mold industry started later than Europe, the United States and Japan. The application of molds was mainly for electronic communication products. In 1998, the output value reached NT\$ 60.4 billion, the highest output value recorded. After that, due to the impact of the Asian financial turmoil,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

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

A. Stand Products

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

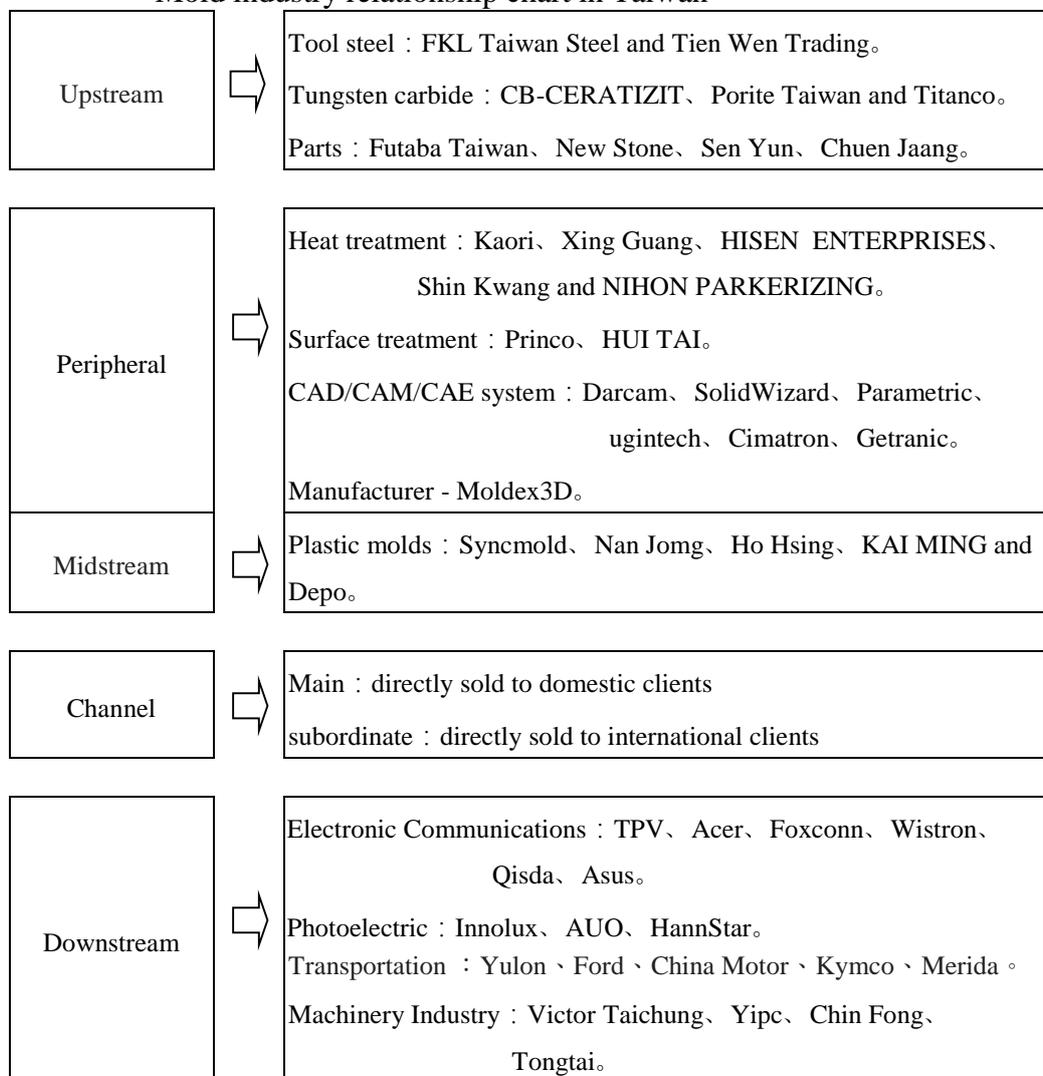




B.Molds

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

Mold industry relationship chart in Taiwan



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

(3) Developing trends in the products

A. Stand products

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

LCD monitor bases and pivotal products account for around 90% of the operating income of the Company, in which e-sports monitors account for around 19.4%. TrendForce data show that e-sports LCD monitors of 2019 primarily targeted curved gaming products. In 2020, the product line went diversified. Flat IPS products were expanded to accordingly drive growths in the sales of gaming products. In 2020, up to 18.4 million units were shipped, a growth of up to 105% from 2019. Meanwhile, with the increase in the supply of gaming panels, selling prices of e-sports monitors were becoming more approachable in favor of the popularity of products. Plus the stay-at-home economy and the demand brought about by remote commerce, the growing momentum will continue in the few years ahead. The shipment is estimated to reach 25 million units in 2021. In addition, some brands will further introduce high-end Mini LED models. The development of high-end products and market acceptance will be one of the highlights to be expected in the future, too.

As far as LCD TV sockets are concerned, the income accounts for around 12.7% of the Company's operating income. TrendForce data show that, thanks to the stay-at-home economy in the midst of the pandemic, as the market demand gradually recovered for the second half of 2020, the overall TV shipment bottomed out and peaked in October. At the end of the year, however, because of the shortage in the supply of electronic IC products from the upstream contractors, the shipment schedule was affected for brands in the fourth quarter, resulting in only 217 million units being shipped for TV brands in 2020, an annual decrease of 0.3%. In 2021, the Tokyo Olympics and the European Cup that were scheduled for 2020 and were postponed because of the pandemic are likely to be resumed despite the changeable and unpredictable pandemic, which is likely to push the demand for TVs to another peak. In addition, as prices of panels constantly climbed each month for the second half of 2020, profitability of mainstream 32 to 55" units gradually dropped. In order to make up for the profits lost of low-price products, some brand owners started to turn the demand for panels towards even larger sizes. The shipment of 65" and above grew up to 23.4%. Under the premise that prices of panels do not drop significantly in 2021, brands need to expedite their deployment for ultra-large products. It is expected that there will still be 30% of growth in the shipment of TVs of 65" and above in 2021. Therefore, TrendForce estimates that the global shipment of TVs in 2021 is likely to reach 223 million units, an annual growth of 2.8%.

AIO computer-related sockets are one of the major sources of the Company's revenue. Their income accounts for 9% of the operating income. As more and more emphasis has been placed on light and compact styles over the past few years, American brand owners started to research and develop AIO computers where the motherboard is installed in the socket. The socket is the computer and it goes with the selected monitor. The combination not only appears to be simple but also saves the room needed. In addition, the distant business opportunities triggered by the pandemic have driven manufacturers to

introduce the terminal equipment for video conferencing that combines the personal computer and monitor, which also adds new growth momentum to AIO computers. The future is promising.

B. Mold Products

However, Taiwan has difficulties in retaining land, increasing labor costs, and technical difficulties such as competition between the mainland and Southeast Asian countries. Since low-priced and simple plastic molds have lost competitive advantages in China, it is inevitable to develop high-precision, high-value-added molds. In the future, the mold industry will face the technical challenges for light, thin, precision and composite molding, molding integration and environmental protection and energy saving. Mold design/manufacturing technology will play a very important role. Under this trend, the development of human resources and technology is vital, which not only promotes another wave of industry transformation, but also makes the future development of the mold industry clear and visible.

(4) Competition on Products

A. Stand Products

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

B. Molds

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

5.1.3 Status on Skill and Development

(1) Business-related Technology

A. Stand Products

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

strength, and the Company considered buyer's demand of aesthetic shape and space saving to make products have more advantages of market competitiveness.

B. Molds

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

(2) Status on R&D

The Company primarily produces LCD monitor sockets, LCD TV sockets, and AIO computer sockets as well as plastic injection molding dies for the enclosures of various types of information products. Video conferencing and working from home have become a new routine in the midst of the pandemic. As such, positive growths in LCD monitors, LCD TVs, and AIO computers remain and there is still quite huge demand. The Company will continue to invest comparable resources to the research and development department in order to develop related patents and technologies.

A. R&D Expenses for the most recent year and as of March 31, 2020

2020		March 31, 2021	
Amount	% of Sales	Amount	% of Sales
175,753	1.82%	47,551	2.07%

The Company's research and development expenses for 2020 increased by 15% compared with the previous year. It is mainly used for research and development of LCD monitor stand, LCD TV stand, AIO computer stand, hinge products and research and development of automatization production and inspection.

In the year of 2021, it is estimated that the investment in research and development will account for 1.8 to 2.0% of revenue.

B. Results of R&D

The company's results of R&D in 2020 and 2019 are as followed :

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

5.1.4 Long-Term and Short-term Business Development Plan

(1) Short-term development plan

A. Production policy and R&D

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

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

5.2 Overview of Market, Production and Sales Market Analysis

5.2.1 Market analysis

(1) Sales and markets of main products and services

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

unit : NT\$ in thousands ; %

Region	Year	2020		2019	
		Amount	%	Amount	%
International Sales		9,327,293	96.52	8,560,428	99.74
Domestic Sales		336,048	3.48	21,916	0.26
Net operating revenue		9,663,341	100.00	8,582,344	100.00

(2) Market Share

A. Stand product

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

Statistics of professional institutions show that the shipment of LCD monitors around the world was about 137,900 thousand units in 2020. The Company accounted for a market share of around 28.7%, in which e-sports accounted for about 4.2%. The shipment of LCD TVs around the world was about 216,900 thousand units in 2020. The Company accounted for a market share of around 3.5%. The shipment AIO computers around the world was about 12,300 thousand units in 2020. The Company accounted for a market share of around 23.6%. It is expected in the several years ahead, the shipment of LCD monitors around the world will be around 140 million units. The stay-at-home drives the demand on the market as a whole to grow against all odds in the midst of the pandemic. Given the stressed supply of panels, however, the extent of increase in the overall shipment is limited despite the increased demand. In addition, applicable sizes of monitors will be obviously enlarged. At the end of 2020, LCD monitors of 23" and above already accounted for more than 70%. Plus the preference of consumers over lighter and smaller volumes and the demand for dazzling appearances, it is obvious that the demand for high-end monitor sockets is gradually climbing. LCD TVs and LCD monitors share similar developmental trends. Being larger, lighter, and thinner is the basic requirement for LCD TV sockets. Plus appearance treatment and special composition or unique style, LCD TV sockets have come to integrate with the living space. Mechanical design, appearance treatment, and industrial design are all required in order to meet the demand of international brand owners.

B. Molds

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

applications. Our product quality and technology have been affirmed by our clients

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

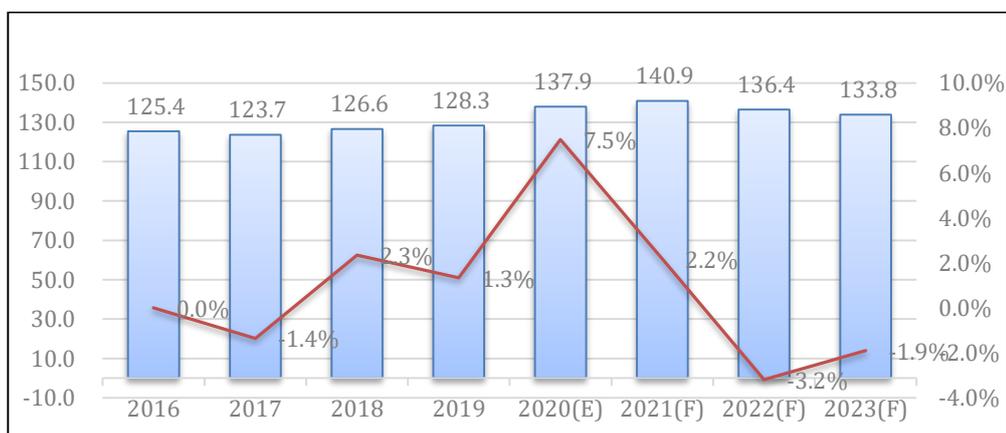
(3) Future Market Demand and Growth

A. Stand products

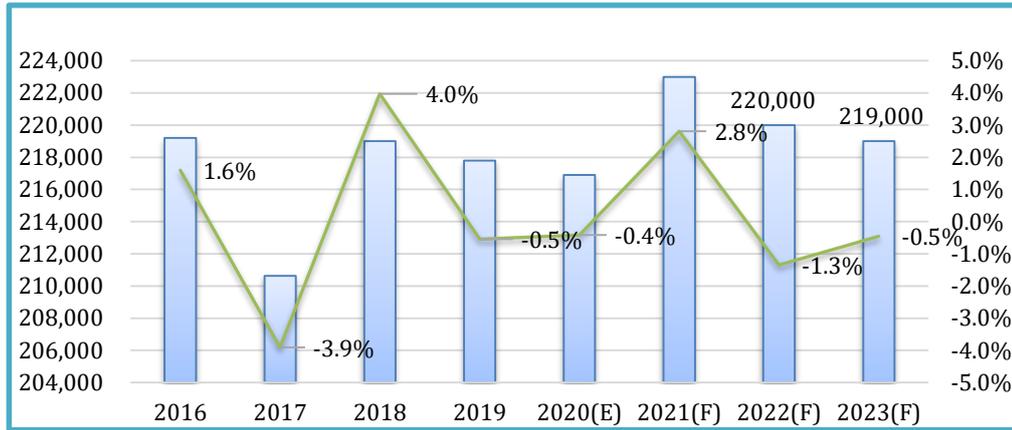
The stand and hinge products produced by the company are mainly used in LCD monitors, LCD TVs and AIO computers. The future development of LCD monitors, LCD TVs and AIO computers is as follows:

Statistics of professional institutions show that the shipment of LCD monitors around the world was about 137,900 thousand units in 2020 and is expected to reach 140,900 thousand units in 2021; that of TVs was 216,900 thousand units in 2020 and expected to reach 223,000 thousand units in 2021. Impacted by the pandemic, however, subsequent shipments of monitors and TVs are pending observation. The shipment of AIO computers around the world was 12,300 thousand units in 2020 and is expected to reach 12,400 thousand units in 2021. The demand on the market in 2020 was comparable to that in 2021. Based on the above statistics, it is estimated that the shipments of LCD monitors, LCD TVs, and AIO computers around the world in the future will be about 140 million units, 223 million units, and 12.4 million sets. The demand on the market will appear to be steady. Therefore, without new applications, despite the unlikely significant growth for the display industry, it will not shrink much, either; the demand will remain steady.

Estimated Global LCD Monitor Shipment (in million unit)



Estimated Global LCD TV Shipment (in thousands)



Estimated Global AIO Computer Shipment (in million)



source : Wits View

B. Molds

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

unit : NT\$ in hundred
million

Item (Year)	Output Value A	Export Value B	Import Value C	Domestic Demand D=A-B+C	Demand Growth E	Export Ration F=B/A	Ratio of Dependence on Import G=C/D	Self- Sufficiency Rate H=1-G
2001	394.1	184.8	49.3	258.6	-25.50%	46.89%	19.06%	80.94%
2002	425.6	183.1	37.1	279.6	8.12%	43.02%	13.27%	86.73%
2003	501.0	192.4	35.4	344.0	23.03%	38.40%	10.29%	89.71%
2004	567.7	200.6	58.8	425.9	23.81%	35.34%	13.81%	86.19%
2005	550.0	202.1	40.8	388.7	-8.73%	36.75%	10.50%	89.50%
2006	550.4	191.5	44.3	403.2	3.73%	34.79%	10.99%	89.01%
2007	566.6	185.9	60.9	441.6	9.52%	32.81%	13.79%	86.21%
2008	495.6	191.2	55.7	360.1	-18.46%	38.58%	15.47%	84.53%
2009	386.2	125.7	24.0	184.5	-48.7%	32.55%	13.0%	87%
2010	458.4	143.8	29.9	344.5	86.7%	31.37%	8.68%	91.32%
2011	469.3	149.1	28.1	348.3	1.10%	31.78%	8.1%	91.9%
2012	468.2	155.6	32.4	345.0	-0.95%	33.23%	9.39%	90.61%
2013	456.4	146.7	26.4	336.1	-2.6%	32.14%	7.85%	92.15%
2014	470.3	168.5	29.2	331.0	-1.5%	35.83%	8.82%	91.18%
2015	487.1	156.1	28.2	359.2	8.5%	32.05%	7.85%	92.15%
2016	449.1	150.0	25.9	325.0	-9.5%	33.4%	7.97%	92.03%
2017	437.9	149.9	25.7	313.7	-3.4%	34.2%	8.19%	91.81%
2018	455.0	145.4	30.8	340.4	8.5%	32.0%	9.04%	90.96%
2019	421.0	129.8	26.8	318.0	-6.6%	30.8%	8.42%	91.58%
2020	401.0	95.9	25.8	330.9	-4.75%	23.92%	7.80%	92.20%

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

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

(4) Competitive Niche

A. Solid Technical Experience and Development Integration

The company is the earliest professional manufacturer of LCD monitor stand and hinge products. We have the most patents and technologies, specializing in the development of stands and hinge products with high structural strength and multi-axis steering. The world's major LCD monitors and LCD TVs brands are clients of the company. The company is the leading manufacturer of LCD display stand.

In terms of plastic injection molds, the company's molds are mainly used in LCD monitors or LCD TV shells and some of the molds supplied group's need for stand products.

Through the combination of plastic molds, plastic injection molding, stand and hinge products, the company can complete the process from drawing design to proofing, certification to mass production in the shortest time. To showcase the new product to the public in a timely manner, we can complete the prompt delivery of the entire stand.

B. Provide Services Near the Clients

The Company currently actively makes the global deployment for production bases to decrease product supply chain risk, and provide overall services for the customers around the world.

C. Timely Delivery in Line with Client Policy

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

(5) Advantages, Disadvantages and Countermeasures of Developing Prospects

A. Advantages

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

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

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

The Company integrated the group's resources, increased the scope of product sale to expand the Company's scale and diversify operation risk through the policies of strategical investment, merger and acquisition. This was exactly the strategy followed by the Company in 2019 and in 2020, respectively, with its investments in GATETECH TECHNOLOGY INC. and LEOHAB ENTERPRISE CO., LTD.

(C) Stable orders from international brands

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

(D) Raise automatization ratio, research and development

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

B. Disadvantages and Countermeasures

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

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

Countermeasures :

The company absorbs the cost at the initial price increase of the raw material or reduces the material cost by purchasing in large quantities. When the raw materials rise to a long-term trend and exceed the company's affordable range, the company negotiates a reasonable increase to reflect the

cost of the raw materials. For parts or appearances that require a large amount of demand or high added value, the company is committed to providing customers with a more complete service.

(B) Higher labor cost and insufficient manpower

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

Countermeasures :

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

(C) Price competition by peers and intense market competition

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

Countermeasures :

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

5.2.2 Function and Production Process of Products

(1) Important function of the products

A. Stand products

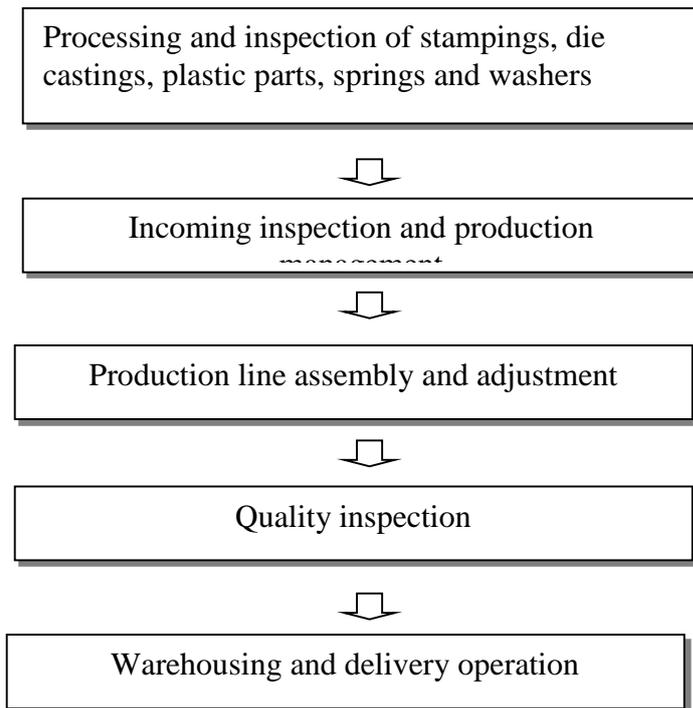
The company's stand and hinge products are mainly used in LCD monitor, LCD TV and AIO computer as an important component to support the display and assist its rotation (steering). In addition to the basic structural strength to support and connect the LCD display, it is also design for multi-steering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

B. Molds

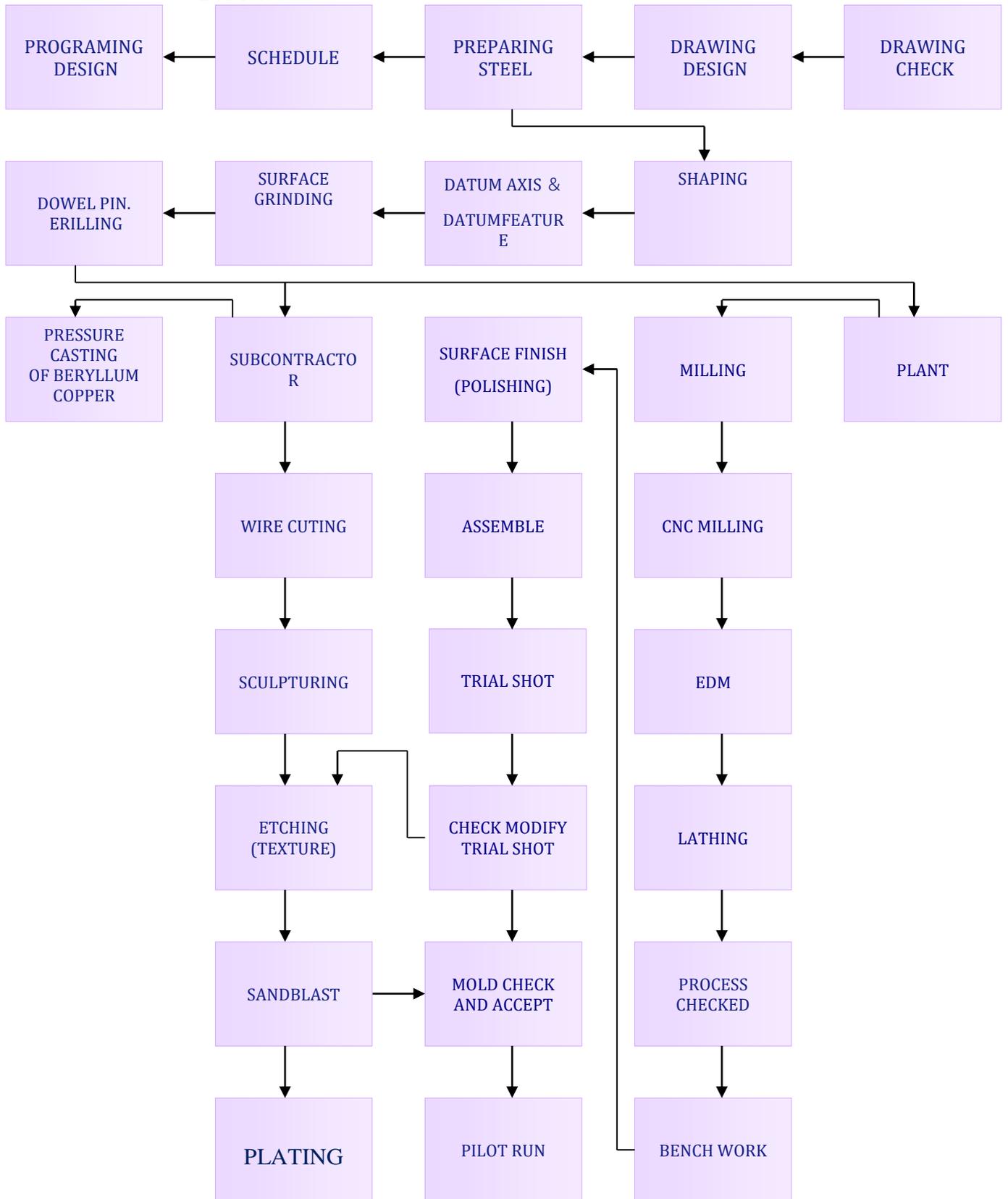
The company produces plastic injection molds for the outer shell or components of LCD monitors, LCD TVs and other products.

(2) Production Process

A. Stand products



B. Molds



(3) Supply of Main Raw Materials

(A) Stand products

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

(B) Molds

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

(4) List of Major Supplier and Clients

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

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

unit : NT\$ in thousands ; %

Year	2019				2020				2021 Q1				
	Rank	Name	Amount	Ratio to Annual Net Sales (%)	Relationship with the issuer	Name	Amount	Ratio to Annual Net Sales (%)	Relationship with the issuer	Name	Amount	Ratio to Annual Net Sales (%)	Relationship with the issuer
	1	Company A	2,315,820	26.98	None	Company A	2,497,956	25.85	None	Company B	370,101	16.13	None
	2	Company B	1,299,662	15.14	None	Company B	1,393,966	14.43	None	Company A	330,055	14.39	None
	3	Company C	1,135,567	13.23	None	Company C	1,055,015	10.92	None	Company C	246,884	10.76	None
		Other	3,831,295	44.65	-	Other	4,716,404	48.80	-	Other	1,346,951	58.72	-
		Net Sales	8,582,344	100.00		Net Sales	9,663,341	100.00		Net Sales	2,293,991	100.00	

There are no major changes in the major clients ranking.

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

Unit : thousand units / NT\$ in thousands

Output Main Products	Year	2020			2019		
		Production capacity	Production Quantity (1000 PCS)	Production Value	Production capacity	Production Quantity (1000 PCS)	Production Value
Stand Products (1000 PCS)		—	52,877	7,031,553	—	52,732	6,557,291

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

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

unit : 1000unit / NT\$ in thousands

Shipment & Sales Main Products	Year	2020				2019			
		Domestic Sales		Export Sales		Domestic Sales		Export Sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Stand Products (1000 PCS)		162	47,338	52,019	8,346,069	93	35,898	43,866	7,966,501

5.3 Information About Of Employee

Unit : People ; %

Item		Year		
		2019	2020	As of March 31,2021
No. of Employee	Direct Staff	0	5	7
	Indirect Staff	111	143	146
	R&D Staff	93	109	108
	Total	204	257	261
Average age		39.11	39.34	39.75
Average seniority		6.1	5.6	5.7
Academy Ratio (%)	Master and above	10.78%	10.51%	11.11%
	College	80.88%	77.43%	75.86%
	Senior High School and Below	8.34%	12.06%	13.03%

5.4 Expenditures On Environment Protection

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

5.5 Employee/Employer Relation

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

(1) Welfare measures for employees

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

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

(b) Emergency relief funds for employees faced accidents

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

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

(e) Regular health check and medical consultation

(f) Holiday bonus or gifts

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

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

(2) Career Development and Training for Employees

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

(3) Retirement System:

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

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

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

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

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

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

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

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

5.6 Important Contracts and Agreements: None.

VI、 Financial Information

6.1 Five-Year Financial Summary

6.1.1 Condensed Balance Sheet and comprehensive Income Statement

(1) Condensed Consolidated Balance Sheet - IFRS

unit : NT\$ in thousands

Item	Year	Financial Data within the last 5 years					Financial data up to March 31, 2021 (Note 2)
		2016	2017	2018	2019	2020	
Current asset		7,782,701	7,314,607	7,167,417	7,651,497	8,808,968	8,603,835
Investments using equity method		95,063	102,665	123,713	168,252	164,556	166,399
Property, plant, and equipment		611,792	557,808	543,858	1,225,581	1,686,017	1,885,616
Intangible assets		25,283	21,489	22,308	26,637	34,250	33,973
Other assets		529,933	587,947	537,206	953,543	1,077,120	1,292,428
Total assets		9,058,687	8,584,516	8,394,502	10,025,510	11,770,911	11,982,251
Current liability	Before distribution	2,493,540	2,452,088	2,598,926	3,786,437	4,929,446	4,921,066
	After distribution	3,373,540	3,276,916	3,403,133	4,343,196	(Note 1)	(Note 1)
Noncurrent liabilities		984,486	161,828	239,978	519,442	599,630	728,853
Total liabilities	Before distribution	3,478,026	2,613,916	2,838,904	4,305,879	5,529,076	5,649,919
	After distribution	4,358,026	3,438,744	3,643,111	4,862,638	(Note 1)	(Note 1)
Shareholder's equity attributable to parent company		5,580,661	5,970,600	5,555,598	5,490,374	5,898,697	5,993,202
Capital stock		1,498,564	1,635,733	1,237,242	1,237,242	1,237,242	1,237,242
Certificate of Entitlement to New Shares form Convertible Bond (Subscribed Stock)		35,250	13,923	—	—	—	—
Additional paid-in capital		2,094,403	2,591,280	2,591,280	2,591,280	2,592,857	2,592,857
Retained earnings	Before distribution	2,116,980	2,106,313	2,158,582	2,295,872	2,704,213	2,830,854
	After distribution	1,236,980	1,281,485	1,354,375	1,739,113	(Note 1)	(Note 1)
Other equity		(164,536)	(376,649)	(431,506)	(634,020)	(635,615)	(667,751)
Treasury stock		—	—	—	—	—	—
Non-controlling equity		—	—	—	229,257	343,138	339,130
Total equity	Before distribution	5,580,661	5,970,600	5,555,598	5,719,631	6,241,835	6,332,332
	After distribution	4,700,661	5,145,772	4,751,391	5,162,872	(Note 1)	(Note 1)

Note 1 : The proposal for the distribution of the 2020 earnings is yet to be resolved in the shareholders' meeting.

Note 2 : The 2021Q1 financial data were reviewed by the CPA.

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

unit : NT\$ in thousands

Item	Year	Financial Data within the last 5 years				
		2016	2017	2018	2019	2020
Current assets		1,628,556	2,418,339	1,724,346	1,574,884	1,728,616
Investments using equity method		5,915,794	4,752,813	5,245,364	6,145,911	6,885,352
Property, plant, and equipment		114,952	109,205	112,477	118,158	152,098
Intangible assets		18,751	16,041	13,191	17,159	15,593
Other assets		435,306	438,288	429,953	412,084	440,867
Total assets		8,113,359	7,734,686	7,525,331	8,268,196	9,222,526
Current liabilities	Before distribution	1,551,908	1,603,994	1,729,426	2,486,460	3,056,845
	After distribution	2,431,908	2,428,822	2,533,633	3,043,219	(Note 1)
Noncurrent liabilities		980,790	160,092	240,307	291,362	266,984
Total liabilities	Before distribution	2,532,698	1,764,086	1,969,733	2,777,822	3,323,829
	After distribution	3,412,698	2,588,914	2,773,940	3,334,581	(Note 1)
Shareholder's equity attributable to parent company		5,580,661	5,970,600	5,555,598	5,490,374	5,898,697
Capital stock		1,498,564	1,635,733	1,237,242	1,237,242	1,237,242
Certificate of Entitlement to New Shares form Convertible Bond (Subscribed Stock)		35,250	13,923	—	—	—
Additional paid-in capital		2,094,403	2,591,280	2,591,280	2,591,280	2,592,857
Retained earnings	Before distribution	2,116,980	2,106,313	2,158,582	2,295,872	2,704,213
	After distribution	1,236,980	1,281,485	1,354,375	1,739,113	(Note 1)
Other equity		(164,536)	(376,649)	(431,506)	(634,020)	(635,615)
Treasury stock		—	—	—	—	—
Non-controlling equity		—	—	—	—	—
Total equity	Before distribution	5,580,661	5,970,600	5,555,598	5,490,374	5,898,697
	After distribution	4,700,661	5,145,772	4,751,391	4,933,615	(Note 1)

Note 1 : The proposal for the distribution of the 2020 earnings is yet to be resolved in the shareholders' meeting.

(3) Condensed Consolidated Income Statement - IFRS

unit : NT\$ in thousands

Item	Year	Financial Data within the last 5 years					Financial data up to March 31, 2021 (Note 1)
		2016	2017	2018	2019	2020	
Operating income		9,138,485	8,870,758	8,808,885	8,582,344	9,663,341	2,293,991
Gross profit		2,166,883	2,053,546	2,034,141	2,265,039	2,540,693	466,675
Operating profit		1,182,074	1,234,450	1,147,221	1,277,995	1,531,692	166,331
Non-Operating income and expense		182,365	(12,906)	218,327	166,995	(34,171)	35,290
Net income before tax		1,364,439	1,221,544	1,365,548	1,444,990	1,497,521	201,621
Net income of continuing operations		909,263	869,440	889,961	942,595	974,682	125,033
Discontinuing operation loss		—	—	—	—	—	—
Net income		909,263	869,440	889,961	942,595	974,682	125,033
Other comprehensive profit and loss (net)		(449,348)	(212,220)	(54,642)	(203,522)	48	(34,536)
Total current comprehensive profit		459,915	657,220	835,319	739,073	974,730	90,497
Net income attributable to parent company's shareholders		909,263	869,440	889,961	941,542	965,738	126,115
Net income attributable to non-controlling equity		—	—	—	1,053	8,944	(1,082)
Total comprehensive profit and loss attributable to parent company's shareholders		459,915	657,220	835,319	738,983	963,505	94,505
Total comprehensive profit and loss attributable to non-controlling equity		—	—	—	90	11,225	(4,008)
Earnings per share		6.06	5.42	5.88	7.61	7.81	1.02

Note 1 : The 2021Q1 financial data were reviewed by the CPA.

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

unit : NT\$ in thousands

Item	Year	Financial Data within the last 5 years				
		2016	2017	2018	2019	2020
Operating income		3,070,409	3,554,107	3,338,567	3,706,674	3,931,114
Gross profit		529,754	545,264	475,750	550,327	517,748
Operating profit		213,170	208,375	82,774	117,630	100,739
Non-Operating income and expense		819,181	774,618	981,723	995,052	1,029,646
Net income before tax		1,032,351	983,056	1,064,497	1,112,682	1,130,385
Net income of continuing operations		909,263	869,440	889,961	941,542	965,738
Discontinuing operation loss		—	—	—	—	—
Net income		909,263	869,440	889,961	941,542	965,738
Other comprehensive profit and loss (net)		(449,348)	(212,220)	(54,642)	(202,559)	(2,233)
Total current comprehensive profit		459,915	657,220	835,319	738,983	963,505
Net income attributable to parent company's shareholders		909,263	869,440	889,961	941,542	965,738
Net income attributable to non-controlling equity		—	—	—	—	—
Total comprehensive profit and loss attributable to parent company's shareholders		459,915	657,220	835,319	738,983	963,505
Total comprehensive profit and loss attributable to non-controlling equity		—	—	—	—	—
Earnings per share		6.06	5.42	5.88	7.61	7.81

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

Year	Name of CPA Firm	Name of CPAs	Auditor's opinions
2016	Deloitte & Touche	Tung-Feng Lee and Jing-Ren Chang	unqualified opinion
2017	Deloitte & Touche	Tung-Feng Lee and Chih-Yuan Chen	unqualified opinion
2018	Deloitte & Touche	Tung-Feng Lee and Chih-Yuan Chen	unqualified opinion
2019	Deloitte & Touche	Tung-Feng Lee and Chih-Yuan Chen	unqualified opinion
2020	Deloitte & Touche	Tung-Feng Lee and Chih-Yuan Chen	unqualified opinion

6.2 Financial Ratio Analysis for Recent Five Years

6.2.1 Consolidated Financial Analysis within the last few years - IFRS

Analysis item		Year	Financial analysis within the last 5 years (Note 1)					Financial data up to March 31, 2021 (Note 2)
		2016	2017	2018	2019	2020		
Financial structure	Debt to assets ratio (%)	40.03	38.39	30.45	33.82	42.95	41.24	
	Long term funds to property, plant, and equipment ratio (%)	944.48	1,073.10	1,099.38	1,065.64	509.07	516.11	
Solvency	Current ratio (%)	306.80	312.67	298.30	275.78	202.08	209.47	
	Quick ratio (%)	276.55	282.32	269.84	246.47	177.59	184.64	
	Interest coverage ratio (times)	71.70	110.34	330.61	1,668.34	71.25	31.35	
Operating ability	Receivables turnover (times)	2.21	2.44	2.76	2.72	2.46	2.20	
	Accounts receivable collecting days	165.15	149.59	132.24	134.19	148.37	165.90	
	Inventory turnover (times)	11.15	10.76	11.02	11.25	8.47	5.99	
	Payables turnover (times)	3.56	3.65	3.59	3.74	3.38	2.98	
	Average sales day for inventory	32.74	33.92	33.12	32.44	43.09	60.93	
	Property, plant, and property turnover (times)	13.23	14.94	15.90	16.20	7.00	5.62	
	Total asset turnover (times)	1.01	1.01	1.03	1.05	0.86	0.70	
Profitability	Return on Assets (%)	8.34	9.99	9.89	10.49	10.38	5.64	
	Return on equity (%)	14.16	16.26	15.05	15.44	16.72	9.43	
	Ratio of net income before tax to paid-in capital (%)	82.45	91.05	74.68	110.37	116.79	73.11	
	Profit margin (%)	8.35	9.95	9.80	10.10	10.98	7.89	
	Earnings per share (NT\$) (Note 3)	5.28	6.06	5.42	5.88	7.61	1.07	
Cash flow (note 4)	Cash flow ratio (%)	43.04	62.10	42.17	16.95	29.75	13.71	
	Cash Flow Adequacy Ratio (%)	86.21	128.32	122.33	119.97	116.61	123.00	
	Cash Flow Re-investment Ratio (%)	6.33	13.18	2.47	-	4.96	7.34	
Leverage	Operating leverage	1.12	1.10	1.09	1.10	1.20	1.33	
	Financial leverage	1.02	1.01	1.00	1.00	1.02	1.03	

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

1. Interest protection multiples decreased mainly because of the increase of NTD 6,774 thousand from 2019 in the interest expenditure of 2020; the interest protection multiples hence dropped compared to those in 2019.
2. The ratio of long-term capital to property, plant, and equipment and the property, plant, and equipment turnover ratio dropped mainly because of the increase of NTD 460,436 thousand in the net fixed assets of 2020; the ratio of long-term capital to property, plant, and equipment hence dropped.
3. The cash flow ratio and the cash re-investment ratio dropped mainly because of the decrease of NTD 569,343 thousand in accounts receivable of 2020, which led to a decrease of NTD 563,357 thousand in net cash in-flows of operating activities in 2020 from 2019; the cash flow ratio and the cash re-investment ratio hence dropped.

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

Analysis Item		Year	Financial analysis within the last 5 years (Note 1)				
		2016	2017	2018	2019	2020	
Financial Structure	Debt to assets ratio (%)	31.22	22.81	26.17	33.60	36.04	
	Long term funds to property, plant, and equipment ratio (%)	5,707.99	5,613.93	5,152.97	4,893.22	4,053.76	
Solvency	Current ratio (%)	104.94	150.77	99.71	63.34	56.55	
	Quick ratio (%)	103.94	149.61	97.88	62.13	55.93	
	Interest coverage ratio (times)	85.01	265.83	1,300.75	894.00	116.74	
Operating ability	Receivables turnover (times)	3.70	3.47	3.21	3.42	3.73	
	Accounts receivable collecting days	98.59	105.14	113.75	106.06	97.93	
	Inventory turnover (times)	146.94	172.92	117.38	113.14	161.94	
	Payables turnover (times)	3.69	2.76	2.77	2.97	2.80	
	Average sales day for inventory	2.48	2.11	3.11	3.22	2.25	
	Property, plant, and property turnover (times)	26.71	32.55	29.68	31.37	25.85	
	Total asset turnover (times)	0.38	0.46	0.44	0.45	0.43	
Profitability	Return on Assets (%)	11.69	11.01	11.67	11.94	11.14	
	Return on equity (%)	16.26	15.05	15.44	17.05	16.96	
	Ratio of net income before tax to paid-in capital (%)	68.89	60.10	86.04	89.93	91.36	
	Profit margin (%)	29.61	24.46	26.66	25.40	24.57	
	Earnings per share (NT\$) (Note 3)	6.06	5.42	5.88	7.61	7.81	
Cash flow (Note 4)	Cash flow ratio (%)	23.09	2.09	-	5.62	5.87	
	Cash Flow Adequacy Ratio (%)	8.67	7.75	2.17	13.44	13.57	
	Cash Flow Re-investment Ratio (%)	-	-	-	-	-	
Leverage	Operating leverage	1.07	1.09	1.21	1.20	1.33	
	Financial leverage	1.06	1.02	1.01	1.01	1.11	
<p>Reasons for variations in the financial ratios from consolidated financial statements within the last two years : (variations less than 20% can be exempted for analysis)</p> <ol style="list-style-type: none"> 1. The inventory turnover increased and the mean sales days dropped mainly because of the increase of NTD 224,440 thousand in the sales income of 2020, which led to an increase of NTD 257,019 thousand from 2019. 2. Interest protection multiples decreased mainly because of the increase of NTD 8,521 thousand from 2019 in the interest expenditure of 2020; the interest protection multiples hence dropped from 2019. 							

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

Note 2 : The 2019Q1 financial data were reviewed by the CPA.

Note 3 : Retrospective adjustment for earnings per share.

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

Note 5 : Formulas

1.Capital Structure Analysis

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

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

2.Liquidity Analysis

(1)Current Ratio = Current Assets / Current Liabilities

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

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

3.Operating Performance Analysis

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

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

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

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

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

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

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

4. Profitability Analysis

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

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

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

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

5. Cash Flow Analysis

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

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

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

6. Leverage Analysis

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

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

6.3 The Audit Committee's Review Report

Audit Committee's Review Report

The Board of Directors prepared and submitted the 2020 Business Report, Financial Statements, Consolidated Financial Statement, and Proposal on Distribution of Earnings. The Financial Statements, in particular, were completely audited by CPA Li, Dong-Feng and CPA Chen, Chih-Yuan of Deloitte Taiwan and this Audit Report was issued.

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

Your review and approval are cordially requested.

To

Syncmold Enterprise Corp. 2021 General Shareholders' Meeting

Convener of Audit Committee: Tsai, Yong-Lu

March. 16th, 2020

- 6.4 Financial Report (Consolidated): Please refer to page 123 to page 201.
- 6.5 Financial Report (Stand-Alone): Please refer to page 202 to page 279.
- 6.6 Impact Of The Financial Distress Occurred To The Company And Affiliates
Inrecent Years Until The Annual Report Being Published : None.

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

7.1 Review and Analysis of Financial Conditions

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

unit : NT\$ in thousands

Item	Year	2019	2020	Differences	
				amount	%
Cash and cash equivalents		2,889,307	2,420,807	(468,500)	(16.21)
Current Financial Assets at Fair Value through Profit or Loss		91,989	375,949	283,960	308.69
Notes receivable		401,766	605,827	431,933	248.39
Accounts receivables (Net)		3,088,959	392,958	(8,808)	(2.19)
Inventory (Net)		747,098	3,616,529	527,570	17.08
Current assets		7,651,497	967,154	220,056	29.45
Other Current assets		258,484	429,744	171,260	66.26
Investment under equity method		168,252	8,808,968	1,157,471	15.13
Property, plant, and equipment		1,225,581	164,556	(3,696)	(2.20)
Goodwill		324,597	1,686,017	460,436	37.57
Prepayments for equipment		22,455	324,597	-	-
Total assets		10,025,510	66,967	44,512	198.23
Current liabilities		3,786,437	11,770,911	1,745,401	17.41
Noncurrent liabilities		519,442	4,929,446	1,143,009	30.19
Total liabilities		4,305,879	599,630	80,188	15.44
Capital stock		1,237,242	5,529,076	1,223,197	28.41
Additional paid-in capital		2,591,280	1,237,242	-	-
Retained earnings		2,295,872	2,592,857	1,577	0.06
Other equity		(634,020)	2,704,213	408,341	17.79
Equity attributable to owners		5,490,374	(635,615)	(1,595)	(0.25)
NON-CONTROLLING INTERESTS		229,257	5,898,697	408,323	149.67
Total equity		5,719,631	343,138	113,881	49.67

Analysis and description will be given only if the increase/decrease in ratio reaches 10% and amount reaches one percent of total asset in the current year :

- Cash and cash equivalents decreased and financial assets at fair value through gains or losses - current increased mainly because of the non-derivative financial assets worth NTD 200,000 thousand acquired in cash in 2020.
- Net accounts receivable increased primarily because of the acquisition of LEOHAB ENTERPRISE CO., LTD. in 2020, which contributed to an increase of NTD 227,330 thousand, the accounts receivable from LEOHAB ENTERPRISE CO., LTD. in consolidated assets.
- Net inventories increased primarily because of the increase in market demand at the end of 2020, which contributed to an increase of NTD 197,642 thousand in inventories.
- Property, plant, and equipment increased primarily because of the acquisition of LEOHAB ENTERPRISE CO., LTD. in 2020, which contributed to an increase of NTD 309,009 thousand, the fixed assets from LEOHAB ENTERPRISE CO., LTD. in consolidated assets.
- Current liabilities increased primarily because of the demand for capital brought about by the investment in LEOHAB ENTERPRISE CO., LTD. and the construction of facilities in Vietnam, which contributed to an increase of NTD 487,818 thousand in short-term borrowings. In addition, current liabilities of LEOHAB ENTERPRISE CO., LTD. worth NTD 343,799 thousand were added to the consolidated liabilities.

6. Non-controlling interests increased because of non-controlling shares generated from the acquisition of 70% of the shares of LEOHAB ENTERPRISE CO., LTD. in 2020.

7.2 Review and Analysis of Financial Performances

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

Comparison Analysis of Operating Results

unit : NT\$ in thousands

Item	Year	2019	2020	Amount change	Percentage change (%)
Operating income		8,582,344	9,663,341	1,080,997	12.60
Operating cost		6,317,305	7,122,648	805,343	12.75
Gross profit		2,265,039	2,540,693	275,654	12.17
Operating expense		987,044	1,009,001	21,957	2.22
Operating profit		1,277,995	1,531,692	253,697	19.85
Non-operating income and expense		166,995	(34,171)	(201,166)	(120.46)
Net income before tax		1,444,990	1,497,521	52,531	3.64
Income tax expense		502,395	522,839	20,444	4.07
Net income		942,595	974,682	32,087	3.40
other comprehensive profit and loss		(203,522)	48	203,570	100.02
total comprehensive net income		739,073	974,730	235,657	31.89
Analysis and description will be given only if the increase/decrease in ratio reaches 20%:					
1. Non-operating income and expenditure decreased because of the foreign exchange losses worth NTD 153,494 thousand in 2020.					
2. Other combined gains and losses increased because of the reduced difference from the conversion of financial statements from overseas operating entities affected by changes in exchange rate.					

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

The Company did not prepare the 2021 Financial Forecast. It is our belief that the lives of people will still be under the impacts of the pandemic in 2021. Demand for remote commerce and stay-at-home economy remains. Meanwhile, brand owners will begin to replenish their inventories upon gradual recovery from the pandemic. The future is promising yet caution is required. The Company expects that the revenue of 2021 will remain the same as that of 2020 or show a slight growth.

7.3 Review and Analysis of Cash Flow

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

7.3.1 Analysis of changes in cash flow in recent year (2020) - consolidated financial statements

Cash balance – beginning	Annual net cash flow from operating activities	Annual net cash flow from other activities	Impacts by exchange rate	Cash balance	Contingency plans for insufficient cash	
					Investment Plan	Financial Plan
2,889,307	562,766	(1,146,363)	115,097	2,420,807	-	651,539

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

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

(3) Net cash out-flows of fund-raising activities are mainly the results of paying off corporate bonds and issuance of cash dividends.

7.3.2 Analysis of Cash Liquidity for the coming year (2021)

Cash balance in the beginning of the year	Net cash flow from operating activities throughout the year	Annual net cash flow	Cash balance at the end of the year	Remedial measures for insufficient cash	
				Investment Plan	Financial Plan
2,420,807	16,254	(174,571)	2,262,490	-	-

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

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

On the basis of the consolidated statement, the 70% shares obtained by the Company and its subsidiaries of LEOHAB ENTERPRISE CO., LTD. was worth about NTD 230 million in 2020, accounting for 0.54% of net sales value and without major impacts on the Company's finance.

7.5 Investment Policies in Recent Years

7.5.1 The most recent annual investment policy

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

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

The Company recognized investment income from each of its subsidiaries overseas in 2020, which was worth NTD 924,709 thousand mainly because of the overall profitable sales of the subsidiary in Mainland China that was re-invested in despite the rampage of the pandemic globally due to contribution from remote commerce, improved production efficiency, and the centralized procurement strategy that helps minimize fluctuations of raw materials and supplies in addition to reinforced control over operating expenditure.

7.5.3 The investment plan for the next year

In the past, the Company focused on China for re-investments as the latter was the Company's primary production center. Impacted by the China-US trade war, however, protectionism is taking prominence around the world in trade. It is no longer applicable to export to areas around the world from China, the only production base. For enhanced supply chain risk management, the Company invested in the subsidiary in Vietnam of 2019. In 2020, overseas production sites in Thailand and offices in Malaysia and Singapore were added while at the same time expansion of production in Taiwan continued. The demand for diversified management was evaluated to cope with changes in the global situation. Related re-investment decisions are based on applicable operating requirements of the Company and are made through the Board of Directors or by the Chairman.

7.6 Sources of Risks and Evaluations

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

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

A. Impact :

Unit : NT\$ in thousands ; %

Item / Year	2020	2021 Q1
Interest Expense(A)	27,342	8,181
Income before tax(B)	1,497,521	201,621
(A)/ (B)	1.83%	4.06%

The company's interest expenses mostly due to short-term bank loans. When comparing the loan conditions and interest rates of the banks in the market, banks with the best terms and interest rates are the priority lenders. The interest expenses of 2020 and 2021Q1 account for 1.82% and 4.06%. The change has no significant impact on the company's profit.

B. Future corresponding measures :

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

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

A. Impact :

Unit : NT\$ in thousands ; %

Item/year	2020	2021 Q1
Exchange gains and losses (A)	(153,494)	2,433
Operating income(B)	9,663,341	2,293,991
Income before tax(C)	1,497,521	201,621
(A)/ (B)	(1.59%)	0.11%
(A)/ (C)	(10.25%)	1.21%

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

The ratio of exchange gains or losses in operating revenue for 2020 for this Company is (1.59%), the ratio of exchange gains or losses in income before tax is (10.25%); 1Q21 exchange gain to operating revenue is 0.11% , to income before tax is 1.21% . For 2020, the exchange rate of the USD to RMB has depreciation significantly, thus we have a higher exchange losse. However, 1Q21 faced a increased of USD to RMB the ratio of exchange gain to operating revenue. The Company will continue to monitor the long-term and short-term trends of the exchange rate and enhance risk management regarding exchange rates to lower the effect of exchange rate fluctuation on profit.

B. Future corresponding measures :

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

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

The company always pays close attention to market prices fluctuations and maintains a good interaction with suppliers and customers. Although the raw material prices have risen due to inflation, the company reflected part of the cost in the new model price and absorbed some ourselves, also, we required suppliers to reduce the price increase. Thus, inflation does not have a significant impact on the company.

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

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

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

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

In 2020, the Company invested NTD 175,753 thousand as its research and development expenditure, which accounts for around 1.82% of the revenue. Besides R&D and improvement of LCD monitors and LCD TV screen sockets, quite some efforts are devoted also to the improvement of the automation production technology and patents of multiple products were obtained in 2020, demonstrating benefits of the R&D unit. It is expected that around NTD 206,460 thousand will be invested in as R&D expenditure in 2021 to help continue with the development of new products and technologies and to enhance the competitive advantages of the Company.

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

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

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

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

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

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

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

The Company obtained the equity of 70.00% from Leohab Enterprise Inc. with cash 0.23 billion at the end of the fiscal year 2020, expected that future reinvestment industry will make the group expand new application scope, increase the application scope of the products, drive future revenue growth energy. The strategical investment of the Company was cautiously evaluated, important capital expenditure was also reported to Board of Directors for deliberation, and has been considered investment risk and countermeasures.

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

In order to expand the production base in Southeast Asia, the company's board of directors passed a resolution on May 5, 2021 to increase the capital of the Vietnamese subsidiary by another US\$15 million and has been considered investment returns and possible risk.

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

(1) risks of concentrated procurement

Non-applicable as the company does have concentrated procurement.

(2) risks of concentrated sales

Non-applicable as the company does have concentrated procurement.

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

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

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

(1) Ongoing Litigation or non-litigation which will impact shareholder equity or stock price in the most recent two years and till the printing date of annual report : None.

(2) Ongoing Litigation or non-litigation of directors, supervisors, managers, major shareholders holding over 10% of outstanding shares and affiliates which will impact shareholder equity or stock price in the most recent two years and till the printing date of annual report : None.

(3) The circumstances of the Article 157 of Securities Exchange Act and the current situation of the company treatment related to directors, supervisors, managers, major shareholders holding over 10% of outstanding shares in the last two years and the end of the annual report : None.

7.6.13 Other potential risks and corresponding measure :

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

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

In 2020 and before the printing date of the annual report, the company did not find any major cyber-attack or incidents that will adversely affect business and operation. The company has not been involved in any legal cases or regulatory investigations related to this.

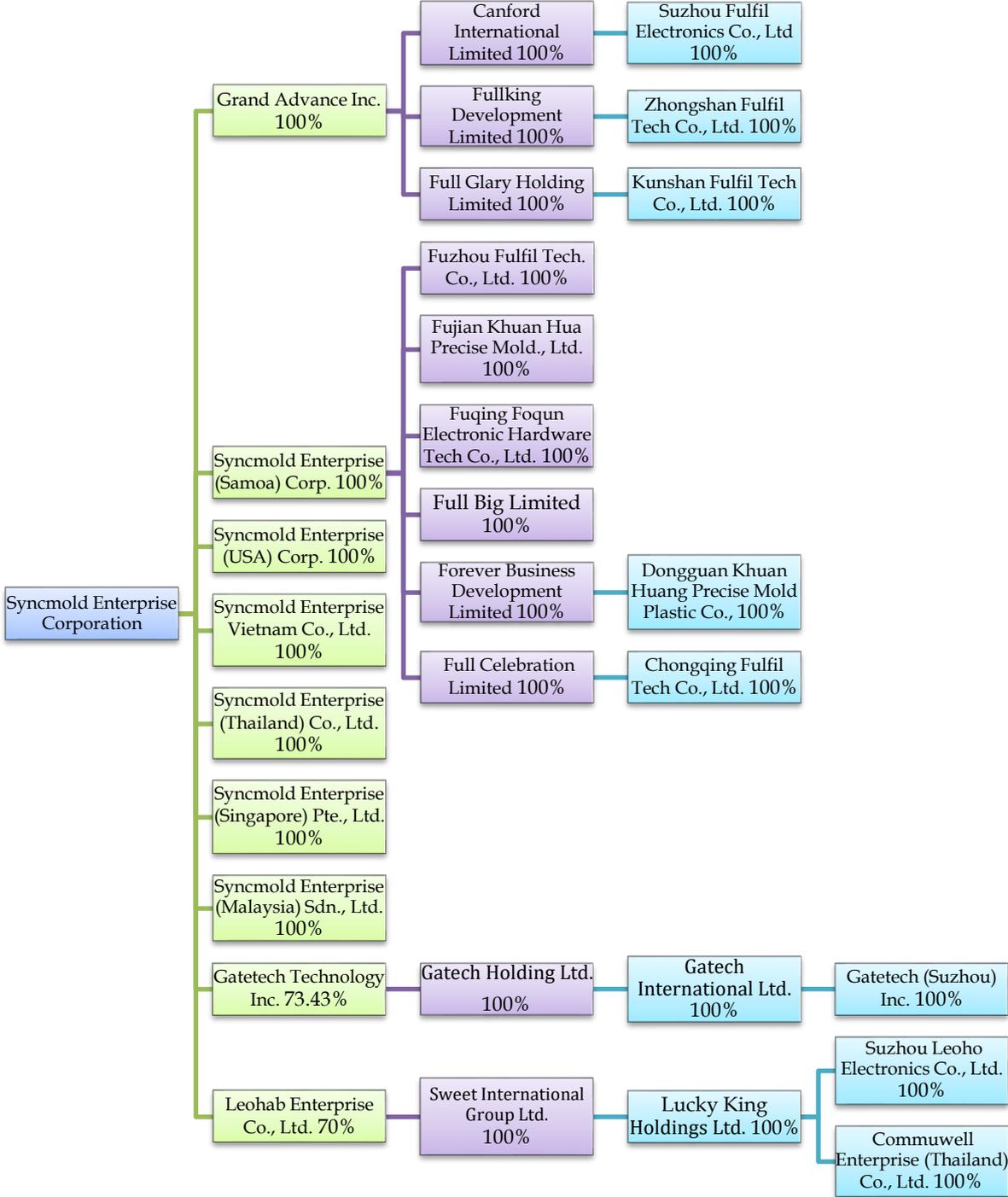
7.7 Others : None.

VIII, SPECIAL DISCLOSURE

8.1 Affiliated Companies

8.1.1 Affiliates Consolidated Financial Statement

(1) Organization Chart (December 31, 2020)



(2) Information on subsidiaries (December 31, 2020)

Unit : NT\$ in thousands

Name of subsidiaries	Established Date	Address	Paid-In Capital	Main Operating or Production item
Syncmold Enterprise (USA) Corp.	2016/06/27	691 S MILPITAS BLVD, STE 212, MILPITAS, CA 95035	30	Electronic parts trading, import and export trade and investment business
Syncmold Enterprise (Samoa) Corp.	2005/01/10	Level 2,lotemau Centre Building,Vaea Street,Apia, Samoa	106,297	Reinvestment in Chinese subsidiaries and international trade business
Fujian Khuan Hua Precise Mold., Ltd.	2003/07/15	Hongzhi Road, Hongkuan Industrial Village, Yangxia Town, Fuqing City, Fujian Province, P.R.Chin	106,640	Processing, manufacturing, trading of various metal molds and plastic molds and related import and export business
Fuzhou Fulfil Tech Co., Ltd.	2002/05/29	FuYu N. Road, Gaolun Villane, Hong Lu Town, Fu Qing City, Fujan Province, P.R.Chin	41,647	Electronic parts manufacturing, trading and related import and export business
Fuqing Foqun Electronic Hardware Tech Co., Ltd.	2006/04/25	No. 396 Shangting Village, Yangxia Street, Fuqing City, Fuzhou City, Fujian Province	56,833	Electronic parts manufacturing, trading and related import and export business
Full Big Limited	2006/01/03	Level 2,lotemau Centre Building,Vaea Street,Apia, Samoa	15,131	Reinvestment in Chinese subsidiaries and international trade business
Forever Business Development Limited	2007/04/03	Portcullis Trust Net Chambers, P.O. Box 1225, Apia. Samoa	119,920	Reinvestment in Chinese subsidiaries and international trade business
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	2008/01/04	Area 3, Jinhe Management Zone, Zhangmutou Town, Dongguan City, Guangdong Province, P.R.China	120,503	Processing and manufacturing of various types of plastic molds and plastic injection parts and related import and export business
Grand Advance Inc.	2002/01/10	Level 2,lotemau Centre Building,Vaea Street,Apia, Samoa	202,230	Electronic parts trading, import and export business and investment business
Fullking Development Limited	2008/06/20	Room 706, Haleson Building, 1 Jubilee St., Central, Hong Kong	149,900	Electronic parts trading, import and export business and investment business
Zhongshan Fulfil Tech Co., Ltd.	2008/11/14	No.18, Shabian Road, Huoju Development, Zone Zhongshan City, GuangDong, P.R.Chin	146,661	Electronic parts manufacturing, trading and related import and export business
CANFORD INTERNATIONAL LIMITED	2002/01/10	Level 2,lotemau Centre Building,Vaea Street,Apia, Samoa	14,990	Import and export trade and investment business
Suzhou Fulfil Electronics Co., Ltd.	2002/03/01	NO.1201. FuYuan Road, XiangChengEconomic Developing District, SuZhou City, JiangSu Province, P.R.China	17,785	Electronic parts manufacturing, trading and related import and export business
FULL GLARY HOLDING LIMITED	2009/09/09	Room 706, Haleson Building, 1 Jubilee St., Central, Hong Kong	242,838	Electronic parts trading, import and export business and investment business
Kunshan Fulfil Tech Co., Ltd.	2010/03/04	#257 FUIL Road, Zhang Pu Town, KunShan City, JiangSu Province, P.R.Chin	225,210	Processing, manufacturing, trading of precision hardware and accessories and related import and export business
Full Celebration Limited	2012/04/03	Le Sanalele Complex, Grand Floor,Vaea Street, Saleufi, P.O. Box 1868, Apia. Samoa	149,900	Reinvestment in Chinese subsidiaries and international trade business
Chongqing Fulfil Tech Co., Ltd.	2012/06/11	No. 1/2 Cooperative, Shihe Village, Qinggang Sub-district, Bishan District, Chongqing Province, P.R.Chin	133,885	Processing and manufacturing of various electronic plastic hardware and other related import and export business

Gatetech Technology Inc.	1988/05/20	No. 1-1, Datong 1st Rd., Guanyin Dist., Taoyuan City 328, Taiwan (R.O.C.)	574,803	Processing and manufacturing service for aluminum alloy and magnesium alloy die casting
Gatetech Holdings Ltd.	2002/01/22	Le sanalele Complex, Gold-In Chambers, Vaea Street, Apia, Samoa.	603,509	General trade and investment
Gatetech International Ltd.	2002/01/22	Le sanalele Complex, Gold-In Chambers, Vaea Street, Apia, Samoa.	607,648	Import and export trade and investment business
Gatetech (Suzhou) Inc.	2002/06/27	No. 130 yanshan west road, chengxiang town, taicang city	728,514	Processing, manufacturing, trading of aluminum alloy and magnesium alloy die casting and export business
Leohab Enterprise Co., Ltd	1980/06/12	No.14, Gongyequ 24th Rd., Nantun Dist., Taichung City 408, Taiwan	237,424	Precision hardware components manufacturing
Sweet International Group Ltd.	2002/01/02	Intershore Chambers, P.O. Box 4342, Road Town, Tortola, British Virgin Islands.	280,368	General investment business
Lucky King Holdings Ltd.	2002/01/25	3rd Floor, Ebene Esplanade, 24 Cybercity Ebebe Mauritius.	280,368	General investment business
Suzhou Leoho Electronics Co., Ltd.	2002/02/05	No. 2500, Zhongshan North Road, Songling Town, Wujiang Economic Development Zone, Suzhou City, Jiangsu Province	201,755	Precision hardware components manufacturing
Commuwell Enterprise (Thailand) Co.,Ltd.	2002/01/22	78/19M005.TAKAM,BANGPAGONG,CHACHOE NGSAO, 24130,THAILAND	129,006	Plastic injection and hardware parts manufacturing

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

(4) Description of business relations :

A. The overall industry coverage by affiliates :

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

B. Relationship between affiliates and division of cooperation :

- (A) The company manufactures and sells high-precision molds, and also undertakes orders from the America and Europe, and transfer the orders to mainland subsidiaries for manufacture and deliver directly to the customers, and Taiwan's parent company Syncmold Enterprise Corporation integrates purchases of raw material and collect fees for processing for subsidiaries Forever Business Development Limited, Fujian Khuan Hua Precise Mold., Ltd. and Zhongshan Fulfil Tech Co., Ltd..
- (B) The Company engages in import and export in the United States through Syncmold Enterprise (USA) Corp..
- (C) The Company invests in Full Celebration Limited (and indirectly invests in Chongqing Fulfil Tech Co., Ltd.) and Fuzhou Fulfil Tech Co., Ltd. through Syncmold Enterprise (Samoa) Corp., some export orders of Chongqing Fulfil Tech Co., Ltd. and Fuzhou Fulfil Tech Co., Ltd. are undertaken by this Company.
- (D) The Company invests in CANFORD INTERNATIONAL LIMITED (and indirectly invests in Suzhou Fulfil Electronics Co., Ltd.) and Fullking Development Limited (and indirectly invests in Zhongshan Fulfil Tech Co., Ltd.) through Grand Advance Inc., some export orders of Suzhou Fulfil Electronics Co., Ltd. and Zhongshan Fulfil Tech Co., Ltd. are undertaken by this Company.

(5) Information on Affiliates' Director, Supervisor and President (December 31, 2020)

Unit : NT\$ in thousands ; Share ; %

Company Name	Title	Name or Representative	Shareholding	
			Share Original Investment Amount	%
Syncmold Enterprise (USA) Corp.	Director	Syncmold Enterprise Corporation(Representative: Zi Xiang,Liao)	32	100%
Syncmold Enterprise Vietnam Co., Ltd.	Director	Syncmold Enterprise Corporation(Representative: Wen Hua, Yang)	302,444	100%
Syncmold Enterprise (MALAYSIA) Sdn., Bhd.	Director	Syncmold Enterprise Corporation(Representative: Zi Xiang,Liao , Wen Hua, Yang)	3,639	100%
Syncmold Enterprise (SINGAPORE) Pte., Ltd.	Director	Syncmold Enterprise Corporation(Representative: Zi Xiang,Liao)	1,100	100%
Syncmold Enterprise (THAILAND) Co., Ltd.	Director	Syncmold Enterprise Corporation(Representative: Zi Xiang,Liao)	19,920	100%
Syncmold Enterprise (Samoa) Corp.	Director	Syncmold Enterprise Corporation(Representative: Chiu-Lang,Chen)	3,545,584 Share 110,598	100%
Fujian Khuan Hua Precise Mold., Ltd.	Director	Syncmold Enterprise (Samoa) Corp. (Representative: Wen Hua, Yang)	108,311	100%
	Supervisor	Syncmold Enterprise (Samoa) Corp. (Representative: Zi Xiang,Liao)		
	President	Wen Hua, Yang	-	-
Fuzhou Fulfil Tech Co., Ltd.	Director	Syncmold Enterprise (Samoa) Corp. (Representative: Wen Hua, Yang)	42,300	100%
	Supervisor	Syncmold Enterprise (Samoa) Corp. (Representative: Zi Xiang,Liao)		
	President	Alex,Cheng		
Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Director	Syncmold Enterprise (Samoa) Corp. (Representative: Wen Hua, Yang)	57,723	100%
	Supervisor	Syncmold Enterprise (Samoa) Corp. (Representative: Zi Xiang,Liao)		
	President	Fang Sheng,Liu	-	-
Full Big Limited	Director	Syncmold Enterprise (Samoa) Corp. (Representative: Chiu-Lang,Chen)	16,643	100%
Forever Business Development Limited	Director	Syncmold Enterprise (Samoa) Corp. (Representative: Chiu-Lang,Chen)	125,957	100%
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Director	Forever Business Development Limited (Representative: Zi Xiang,Liao)	122,391	100%
	Supervisor	Forever Business Development Limited(Representative: Wen Hua, Yang)		
Grand Advance Inc.	Director	Syncmold Enterprise Corporation (Representative: Chiu-Lang,Chen)	506,240	100%
Fullking Development Limited	Director	Grand Advance Inc. (Representative: Chiu-Lang,Chen)	160,175	100%
Zhongshan Fulfil Tech Co., Ltd.	Director	Fullking Development Limited (Representative: Chiu-Lang,Chen)	148,959	100%
CANFORD INTERNATIONAL LIMITED	Director	Grand Advance Inc. (Representative: Chiu-Lang,Chen)	119,342	100%
Suzhou Fulfil Electronics Co., Ltd.	Director	CANFORD INTERNATIONAL LIMITED (Representative: Zi Xiang,Liao)	18,064	100%
	Supervisor	CANFORD INTERNATIONAL LIMITED (Representative: Wen Hua, Yang)		
	President	Zi Xiang,Liao	-	-
FULL GLARY HOLDING	Director	Grand Advance Inc. (Representative: Chiu-Lang,Chen)	259,720	100%

LIMITED				
Kunshan Fulfil Tech Co., Ltd.	Director	FULL GLARY HOLDING LIMITED (Representative: Zi Xiang,Liao)	228,740	100%
	Supervisor	FULL GLARY HOLDING LIMITED (Representative: Wen Hua, Yang)		
Full Celebration Limited	Director	Syncmold Enterprise (Samoa) Corp. (Representative: Chiu-Lang,Chen)	147,710	100%
Chongqing Fulfil Tech Co., Ltd.	Director	Full Celebration Limited (Representative: Wen Hua, Yang)	135,983	100%
	Supervisor	Full Celebration Limited (Representative: Zi Xiang,Liao)		
	President	Wen Hua, Yang	-	-
Gatetech Technology Inc.	Director	Syncmold Enterprise Corp. (Representative: Chiu-Lang,Chen)	553,815	73.43%
	Supervisor	Dong-Ping, Jheng , Sheng-Le, Lin		
Gatetech Holdings Ltd.	Director	Syncmold Enterprise Corp. (Representative: Chiu-Lang,Chen)	647,041	73.43%
Gatetech International Ltd.	Director	Syncmold Enterprise Corp. (Representative: Chiu-Lang,Chen)	657,284	73.43%
Gatetech (Suzhou) Inc.	Director	Zi Xiang, Liao	692,064	73.43%
	Supervisor	Wen Hua, Yang		
Leohab Enterprise Co., Ltd	Director	Syncmold Enterprise Corp. (Representative: Tim, Weng)	232,677	70.00%
	Supervisor	Full Celebration Limited (Representative: Geng-Bin, Liao , Rui-Tai, Wu)		
	President	Yu-Kai, Lin		
Sweet International Group Ltd.	Director	Zi Xiang, Liao	280,368	70.00%
Lucky King Holdings Ltd.	Director	Zi Xiang, Liao	280,368	70.00%
Suzhou Leoho Electronics Co., Ltd.	Director	Zi Xiang, Liao	201,755	70.00%
	Supervisor	Wen Hua, Yang		
Commuwell Enterprise (Thailand) Co., Ltd.	Director	Zi Xiang, Liao , Wen Hua, Yang	113,236	70.00%
	Supervisor	Meng-Wei, Lin		

(6) Operating Overview of Affiliates

Unit : NT\$ in thousands

Company Name	Paid-In Capital	Total Asset	Total Liability	Equity	Operating Revenue	Operating Profit	Net Income (After-tax)	Earnings per share (NT\$) (After-tax)
Syncmold Enterprise (USA) Corp.	28	15,479	18,002	(2,522)	17,581	(237)	(218)	-
Syncmold Enterprise (Samoa) Corp.	100,978	2,540,251	-	2,540,251	-	5,816	276,919	2.74
Fujian Khuan Hua Precise Mold., Ltd.	108,311	561,816	247,591	314,225	503,448	19,656	(854)	-
Fuzhou Fulfil Tech Co., Ltd.	42,300	1,456,810	378,307	1,078,503	1,662,090	297,062	221,651	-
Fuqing Foqun Electronic Hardware Tech Co., Ltd.	57,723	474,313	229,659	244,654	673,424	33,514	27,308	-
Full Big Limited	14,374	235,578	-	235,578	-	-	2,886	-
Forever Business Development Limited	113,920	338,583	-	338,583	-	1,539	51,037	-
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	122,391	462,797	210,527	252,270	581,506	59,988	46,472	-
Grand Advance Inc.	192,111	3,051,009	25,684	3,025,325	-	(59,436)	649,350	-
Fullking Development Limited	142,400	1,047,544	65,504	982,040	-	5,741	317,168	-
Zhongshan Fulfil Tech Co., Ltd.	148,959	1,838,463	791,922	1,046,542	2,345,061	460,232	315,671	-
CANFORD INTERNATIONAL LIMITED	14,240	1,415,691	-	1,415,691	-	-	338,527	-
Suzhou Fulfil Electronics Co., Ltd.	18,064	2,470,625	1,054,951	1,415,674	3,770,047	513,896	341,807	-
FULL GLARY HOLDING LIMITED	230,688	312,018	-	312,018	-	(25)	54,807	-
Kunshan Fulfil Tech Co., Ltd.	228,740	548,609	236,592	312,017	588,610	72,326	54,834	-
Full Celebration Limited	142,400	248,069	-	248,069	-	-	(24,570)	-
Chongqing Fulfil Tech Co., Ltd.	135,983	442,965	194,907	248,058	518,469	(15,668)	(23,822)	-
Gatetech Technology Inc.	574,804	1,128,983	550,231	578,752	362,959	32,260	25,545	0.44
Gatetech Holdings Ltd.	573,313	626,918	-	626,918	-	-	17,027	-
Gatetech International Ltd.	577,246	626,894	-	626,894	-	-	17,028	-
Gatetech (Suzhou) Inc.	692,064	732,438	106,836	625,602	392,467	7,675	8,909	-
Syncmold Enterprise Vietnam Co., Ltd.	284,800	262,460	20,019	242,441	3,399	(13,885)	(15,941)	-
Syncmold Enterprise (MALAYSIA) Sdn., Bhd.	3,395	1,904	22	1,882	-	(1,512)	(1,501)	-

Syncmold Enterprise (SINGAPORE) Pte., Ltd.	1,078	1,342	749	593	1,283	(463)	(477)	-
Syncmold Enterprise (THAILAND) Co., Ltd.	20,050	35,493	20,251	15,242	-	(4,669)	(4,757)	-
Leohab Enterprise Co., Ltd	237,424	774,243	517,440	256,803	264,987	391	25,577	1.08
Sweet International Group Ltd.	280,368	505,170	-	505,170	-	-	4,199	-
Lucky King Holdings Ltd.	280,368	505,170	-	505,170	-	-	4,199	-
Suzhou Leoho Electronics Co., Ltd.	201,755	405,990	77,498	328,492	322,137	47,004	21,766	-
Commuwell Enterprise (Thailand) Co., Ltd.	129,006	252,675	67,182	185,493	232,358	22,736	17,274	-

Note 1 : Converting the foreign currency of each subsidiary into Taiwan dollar at the exchange rate of December 31, 2020.

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

3. Statement of Affiliates : None.

8.2 Private Placement Securities In The Latest Year : None.

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

8.4 Other Supplementary Information : None.

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

**Syncmold Enterprise Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2020 and 2019 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies that are required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2020 are all the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with the International Financial Reporting Standards No. 10, “Consolidated Financial Statements”. In addition, relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Syncmold Enterprise Corporation and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

SYNCMOLD ENTERPRISE CORPORATION

March 16, 2021

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Syncmold Enterprise Corporation

Opinion

We have audited the accompanying consolidated financial statements of Syncmold Enterprise Corporation (the "Corporation") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the report of other auditors (refer to the other matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the report of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Group's consolidated financial statements for the year ended December 31, 2020 is stated as follows:

Occurrence of Sales Revenue

The sales revenue of the Group is mainly generated from the sales of monitor hinge products. Most of the sales were highly concentrated on major customers, which revenue accounted for 51.20% of total sales revenue in 2020. Due to the high frequency and significant amounts of transactions with major customers, the occurrence of sales revenue was deemed as a key audit matter for the year ended December 31, 2020. Refer to Note 4 to the consolidated financial statements for the related revenue recognition policies.

In response to this key audit matter, our main audit procedures performed in the assessment of the recognition of sales revenue of the Group were as follows:

1. We understood and assessed the operating effectiveness of design and implementation of the relevant internal controls.
2. We performed detailed verification tests on the selected samples of sales revenue, and checked transaction vouchers and future sales returns and discounts of major customers to confirm the occurrence of sales revenue.

Other Matter

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

We have also audited the parent company only financial statements of Syncmold Enterprise Corporation as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified opinion with other matter paragraph.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 16, 2021

Notice to Readers

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

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

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

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

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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

(Continued)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

	2020		2019	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (572)	-	\$ (380)	-
Share of other comprehensive income of subsidiaries accounted for using the equity method	3,519	-	(2,577)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(57)	-	11	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>(2,842)</u>	<u>-</u>	<u>(200,576)</u>	<u>(2)</u>
Other comprehensive income (loss) for the year	<u>48</u>	<u>-</u>	<u>(203,522)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR				
	<u>\$ 974,730</u>	<u>10</u>	<u>\$ 739,073</u>	<u>9</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 965,738	10	\$ 941,542	11
Non-controlling interests	<u>8,944</u>	<u>-</u>	<u>1,053</u>	<u>-</u>
	<u>\$ 974,682</u>	<u>10</u>	<u>\$ 942,595</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 963,505	10	\$ 738,983	9
Non-controlling interests	<u>11,225</u>	<u>-</u>	<u>90</u>	<u>-</u>
	<u>\$ 974,730</u>	<u>10</u>	<u>\$ 739,073</u>	<u>9</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 7.81</u>		<u>\$ 7.61</u>	
Diluted	<u>\$ 7.73</u>		<u>\$ 7.55</u>	

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

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

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

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

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

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

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

(Continued)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

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

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

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

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on March 16, 2021.

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

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

The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies:

There was no significant impact from the application of the aforementioned amended standards and interpretations in 2020.

- b. The IFRSs endorsed by the FSC for application starting from 2021

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform - Phase 2”	January 1, 2021
Amendment to IFRS 16 “Covid-19 - Related Rent Concessions”	June 1, 2020

As of the date the consolidated financial statements were authorized for issue, the Group continues assessing other possible impacts that the application of the aforementioned amendments and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers will have on the Group’s financial position and financial performance and will disclose these other impacts when the assessment is completed.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
“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
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 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)

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 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.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS as endorsed and issued into effect by the FSC.

b. Basis of preparation

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

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

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

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

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

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

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

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

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at fair value. Other types of non-controlling interests are measured at fair value.

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gains on bargain purchases. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. The measurement period does not exceed 1 year from the acquisition date.

f. Foreign currencies

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange difference on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting the consolidated financial statements, the functional currencies of the Group and the group entities in the Group (including subsidiaries in other countries that use currencies which are different from the currency of the Group) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

g. Inventories

Inventories consist of raw materials, supplies, work in progress and finished goods and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

h. Investments in associates

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

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

Profits and losses resulting from upstream transactions and downstream transactions are recognized only in the Group's consolidated financial statements only to the extent of interests in the associates that are not related to the Group.

i. Property, plant and equipment

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

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

k. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

l. Impairment of property, plant and equipment, right-of-use asset and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 28.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost (including cash, notes receivable, trade receivables, other receivables, other receivables from related parties and refundable deposits) are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (i.e. ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

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

The repurchase of the Group's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Group's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

4) Ordinary corporate bonds

The Group issued corporate bonds payable at initial recognition measured at fair value minus transaction costs, the difference between redemption values is recognized as the premium and discount of bonds payable, and as the addition and deduction of bonds payable; the effective interest method is subsequently adopted to recognize net profit/loss for the year based on the amortized costs during the bond circulation period as the adjustment of financial costs.

n. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of electronic components and molding products. Sales of electronic components and molding products are recognized as revenue when the goods are delivered via the modes of transportation as stated in the agreements with customers, e.g. FOB shipping or FOB destination modes because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. Goods are sold at fixed prices as stated in the agreements with customers.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Revenue from the rendering of services

Service income is recognized when services are provided.

3) Licensing revenue

Royalty revenue is recognized when the technique remains functional without updates and technical supports. When the customer uses the intellectual property for mass production, the price is decided based on production, sales or other methods, and revenue is recognized according to royalty arrangements.

o. Leasing

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

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments that depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

p. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized as a reduction of the related costs on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

r. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period it occurs and is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carry forwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The 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

	<u>December 31</u>	
	2020	2019
Cash on hand	\$ 2,058	\$ 2,509
Checking accounts and demand deposits	2,188,915	2,427,533
Cash equivalents		
Time deposits (with original maturities of less than 3 months)	<u>229,834</u>	<u>459,265</u>
	<u>\$ 2,420,807</u>	<u>\$ 2,889,307</u>

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

	<u>December 31</u>	
	2020	2019
Bank balance	0.001%-0.38%	0.001%-2.5%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	2020	2019
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets		
Foreign exchange forward contract (a)	\$ 22,322	\$ -
Non-derivative financial assets		
Domestic listed shares	200,701	\$ 39,800
Hybrid financial assets		
Structured deposits(b)	<u>152,926</u>	<u>52,189</u>
	<u>\$ 375,949</u>	<u>\$ 91,989</u>

(Continued)

	December 31	
	2020	2019
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic emerging market shares	\$ 15,619	\$ 10,271
Overseas unlisted shares	51,579	50,611
Private funds	<u>3,088</u>	<u>-</u>
	<u>\$ 70,286</u>	<u>\$ 60,882</u>
		(Concluded)

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

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 a one to 1-6 months structured time deposit contracts with bank in 2020 and 2019. The structured time deposit contract includes an embedded derivative instrument which is not closely related to the host contract. The entire contract is assessed and mandatorily classified as at FVTPL since it contained a host that is an asset within the scope of IFRS 9.

8. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Current</u>		
Time deposits with original maturities of more than 3 months	\$ 601,313	\$ 173,894
Time deposits pledged as collateral with original maturities of more than 3 months	3,964	-
Reserve account	<u>550</u>	<u>-</u>
	<u>\$ 605,827</u>	<u>\$ 173,894</u>

The interest rates for time deposits with original maturities of more than 3 months were 2.015% -3.8% and 3.5% -4.15% per annum as of December 31, 2020 and 2019, respectively.

The interest rate for time deposits pledged as collateral with original maturities of more than 3 months was 0.35% -0.75% per annum as of December 31, 2020.

See Note 30 for detailed information on financial assets at amortized cost pledged as collateral.

9. TRADE RECEIVABLES, NET

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
At amortized cost		
Gross carrying amount	\$ 3,627,405	\$ 3,103,403
Less: Allowance for impairment loss	<u>(10,876)</u>	<u>(14,444)</u>
	<u>\$ 3,616,529</u>	<u>\$ 3,088,959</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 by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

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

December 31, 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)	<u>-</u>	<u>(2,313)</u>	<u>(5,669)</u>	<u>(1,264)</u>	<u>(1,630)</u>	<u>(10,876)</u>
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>

December 31, 2019

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

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

	2020	2019
Balance at January 1	\$ 14,444	\$ 13,253
Add: Acquisitions through business combinations	1,466	17
Add: Net remeasurement of loss allowance (reversal of loss allowance)	(5,338)	1,559
Foreign exchange gains and losses	<u>304</u>	<u>(385)</u>
Balance at December 31	<u>\$ 10,876</u>	<u>\$ 14,444</u>

10. INVENTORIES

	December 31	
	2020	2019
Finished goods	\$ 327,374	\$ 301,455
Work in progress	234,759	197,681
Raw materials	<u>405,021</u>	<u>247,962</u>
	<u>\$ 967,154</u>	<u>\$ 747,098</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2020 and 2019 was \$7,122,599 thousand and \$6,317,305 thousand, respectively. The cost of goods sold included inventory write-downs reversed (recognized) of \$44,940 thousand and \$(37,854) thousand. The reversals of previous write-downs resulted from selling of slow moving inventories.

11. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)	
			December 31	
			2020	2019
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	100
	Grand Advance Inc.	The trading, imports, exports and investments of electronic parts.	100	100
	Syncmold Enterprise (USA) Corp.	The trading, imports and exports of electronic parts.	100	100
	Gatech Technology Inc.	Precision molding and magnesium alloy die caster manufacturing and transaction business	73.43 (Note 2)	72.81 (Note 2)
	Syncmold Enterprise Vietnam Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business.	100 (Note 3)	-
	Syncmold Enterprise (Malaysia) Sdn., Bhd.	The trading, imports and exports of electronic parts.	100 (Note 4)	-
	Syncmold Enterprise (Singapore) Pte., Ltd.	The trading, imports and exports of electronic parts.	100 (Note 5)	-
	Syncmold Enterprise (Thailand) Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business.	100 (Note 6)	-
	Leohab Enterprise Co., Ltd.	Precision hardware components manufacturing	70 (Note 1)	-
	Grand Advance Inc.	Canford International Limited	Import and export trade and investment.	100
Fullking Development Limited		Import and export trade and investment.	100	100
Full Glary Holding Limited		Import and export trade and investment.	100	100
Syncmold Enterprise (Samoa) Corp.	Full Big Limited	Reinvesting subsidiaries of mainland China and international business.	100	100
	Forever Business Development Limited	Reinvesting subsidiaries of mainland China and international business.	100	100
	Full Celebration Limited	Reinvesting subsidiaries of mainland China and international business.	100	100
	Fuzhou Fulfil Tech Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business.	100	100
	Fujian Khuan Hua Precise Mold., Ltd.	Processing, manufacturing, trading and related import and export business of various metal molds, plastic molds and plastic injection molds.	100	100
	Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business.	100	100
Gatech Technology Inc.	Gatech Holding Ltd.	General investment business	100	100
Leohab Enterprise Co., Ltd.	Sweet International Group Ltd.	General investment business	100 (Note 1)	-
Forever Business Development Limited	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Processing, manufacturing, trading and related import and export business of various metal molds, plastic molds and plastic injection molds.	100	100

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)	
			December 31	
			2020	2019
Canford International Limited	Suzhou Fulfil Electronics Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business.	100	100
Fullking Development Limited	Zhongshan Fulfil Tech Co., Ltd.	Electronic parts processing manufacturing, trading and related import and export business.	100	100
Full Glary Holding Limited	Kunshan Fulfil Tech Co., Ltd.	Manufacturing and assembling of laptop components such as precision bearing, hardware and related accessories.	100	100
Full Celebration Limited	Chongqing Fulfil Tech Co., Ltd.	The processing, manufacturing, related imports and exports of all electronic, plastic and electronic parts.	100	100
Gatech Holding Ltd.	Gatech International Ltd.	General investment business	100	100
Gatech International Ltd.	Gatech (Suzhou) Inc,	Aluminum and magnesium alloy manufacturing and trading	100	100
Sweet International Group Ltd.	Lucky King Holdings Ltd.	General investment business	100 (Note 1)	-
Lucky King Holdings Ltd.	Suzou Leoho Electronics Co., Ltd.	Precision hardware components manufacturing	100 (Note 1)	-
	Commuwell Enterprise (Thailand) Co., Ltd.	Plastic shot and hardware components manufacturing	100 (Note 1)	-

(Concluded)

Note 1: 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% See Note 25 for detailed information on the acquisition of Leohab Enterprise Co., Ltd.

Note 2: On November 29, 2019, the Corporation completed the acquisition of Gatech Technology Inc. for a cash consideration of \$550,000 thousand; after the acquisition, the Corporation's percentage of ownership in Gatech Technology Inc. was 72.81%. On April 21, 2020 and July 27, 2020, the Corporation acquired additional 0.17% and 0.45% ownerships in Gatech Technology Inc. for a cash consideration of \$1,345 thousand and \$2,470 thousand, respectively, which increased the Corporation's percentage of ownership to 73.43%. Refer to Notes 25 and 26 for detailed information on the acquisition of Gatech Technology Inc. and non-controlling interests.

Note 3: The establishment of Syncmold Enterprise Vietnam Co., Ltd. was approved on December 24, 2019. As of March 19, 2020, the Corporation had invested \$302,344 thousand in exchange for 100% shareholding interest.

Note 4: The establishment of Syncmold Enterprise (Malaysia) Sdn., Bhd. was approved on February 10, 2020. As of June 10, 2020, the Corporation had invested \$3,639 thousand in exchange for 100% shareholding interest.

Note 5: The establishment of Syncmold Enterprise (Singapore) Pte., Ltd. was approved on February 27, 2020. As of June 29, 2020, the Corporation had invested \$1,100 thousand in exchange for 100% shareholding interest.

Note 6: 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.

Information on the subsidiaries included in the consolidated financial statements for the years ended December 31, 2020 and 2019 in the table above was based on the financial statements of the subsidiaries audited by the auditors for the same periods.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>December 31</u>	
	2020	2019
Associates that are not individually material		
Unlisted company		
High Grade Tech Co., Ltd.	\$ 128,639	\$ 121,500
Corebio technologies Co., Ltd.	<u>35,917</u>	<u>46,752</u>
	<u>\$ 164,556</u>	<u>\$ 168,252</u>
 Aggregate information of associates that are not individually material		
	<u>December 31</u>	
	2020	2019
The Group's share of:		
Net profit of the year	<u>\$ 4,185</u>	<u>\$ 3,939</u>
Other comprehensive income	<u>\$ 3,519</u>	<u>\$ -</u>

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

The shares of profit or loss of associates accounted for using the equity method in 2020 and 2019 were calculated based on the associates' financial statements which have been audited for the same periods.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Equipment	Transportation Equipment	Office Equipment	Other Equipment	Total
<u>Cost</u>							
Balance at January 1, 2020	\$ 484,451	\$ 641,034	\$ 1,119,133	\$ 32,396	\$ 41,780	\$ 84,415	\$ 2,403,209
Additions	-	29,310	88,129	3,681	8,522	13,662	141,301
Disposals	-	(36,684)	(65,199)	(1,212)	(6,201)	(2,205)	(111,501)
Acquisitions through business combinations	218,709	237,954	301,736	4,832	6,769	162,098	932,098
Transfer from prepayments for equipments	-	-	35,998	-	-	1,592	37,590
Reclassifications	-	2,141	(1,984)	-	(2,113)	148	(2,160)
Effect of foreign currency exchange differences	<u>2</u>	<u>9,530</u>	<u>17,296</u>	<u>1,372</u>	<u>1,561</u>	<u>1,733</u>	<u>31,494</u>
Balance at December 31, 2020	<u>\$ 703,102</u>	<u>\$ 883,285</u>	<u>\$ 1,497,074</u>	<u>\$ 41,069</u>	<u>\$ 50,318</u>	<u>\$ 261,443</u>	<u>\$ 3,436,351</u>

(Continued)

	Freehold Land	Buildings	Equipment	Transportation Equipment	Office Equipment	Other Equipment	Total
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2020	\$ -	\$ 320,970	\$ 747,814	\$ 19,070	\$ 29,435	\$ 60,339	\$ 1,177,628
Disposals	-	(36,409)	(45,966)	(1,090)	(5,771)	(2,017)	(91,253)
Depreciation expenses	-	45,002	80,623	3,097	4,480	7,481	140,683
Impairment losses recognized	-	-	2,528	-	-	-	2,528
Acquisitions through business combinations	-	111,373	261,440	3,599	5,015	126,209	507,636
Reclassified as held for sale	-	1,494	2,425	-	(1,469)	-	2,450
Effect of foreign currency exchange differences	-	1,613	7,832	280	427	510	10,662
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ 434,043</u>	<u>\$ 1,056,696</u>	<u>\$ 24,956</u>	<u>\$ 32,117</u>	<u>\$ 192,522</u>	<u>\$ 1,750,334</u>
Carrying amounts at December 31, 2020	<u>\$ -</u>	<u>\$ 439,242</u>	<u>\$ 440,378</u>	<u>\$ 16,113</u>	<u>\$ 18,201</u>	<u>\$ 68,921</u>	<u>\$ 1,686,017</u>
<u>Cost</u>							
Balance at January 1, 2019	\$ 65,187	\$ 330,490	\$ 650,462	\$ 24,862	\$ 42,371	\$ 58,119	\$ 1,171,491
Additions	-	6,028	74,784	2,970	4,781	4,428	92,991
Disposals	-	(37,294)	(109,417)	(3,243)	(5,308)	(9,051)	(164,313)
Acquisitions through business combinations	419,264	353,919	514,778	8,750	1,769	26,911	1,325,391
Reclassified as held for sale	-	(2,112)	8,431	-	(237)	(1,107)	4,975
Effect of foreign currency exchange differences	-	(9,997)	(19,905)	(943)	(1,596)	5,115	(27,326)
Balance at December 31, 2019	<u>\$ 484,451</u>	<u>\$ 641,034</u>	<u>\$ 1,119,133</u>	<u>\$ 32,396</u>	<u>\$ 41,780</u>	<u>\$ 84,415</u>	<u>\$ 2,403,209</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2019	\$ -	\$ 188,292	\$ 360,290	\$ 15,581	\$ 28,714	\$ 34,756	\$ 627,633
Disposals	-	(35,051)	(95,551)	(2,921)	(3,949)	(8,584)	(146,056)
Depreciation expenses	-	13,827	60,789	2,390	4,766	13,884	95,656
Acquisitions through business combinations	-	159,201	432,134	4,587	1,022	22,745	619,689
Reclassified as held for sale	-	-	3,089	-	(18)	(1,207)	1,864
Effect of foreign currency exchange differences	-	(5,299)	(12,937)	(567)	(1,100)	(1,255)	(21,158)
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ 320,970</u>	<u>\$ 747,814</u>	<u>\$ 19,070</u>	<u>\$ 29,435</u>	<u>\$ 60,339</u>	<u>\$ 1,177,628</u>
Carrying amounts at December 31, 2019	<u>\$ 484,451</u>	<u>\$ 320,064</u>	<u>\$ 371,319</u>	<u>\$ 13,326</u>	<u>\$ 12,345</u>	<u>\$ 24,076</u>	<u>\$ 1,225,581</u>

(Concluded)

The Group expects that future cash inflows of some machinery and equipment will decrease, resulting in recoverable amount lower than the carrying amount and, therefore, recognized an impairment loss of \$2,528 thousand in 2020. The impairment loss was recorded under other gains and losses in the consolidated statements of comprehensive income.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

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

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2020	2019
<u>Carrying amounts</u>		
Lands	\$ 174,905	\$ 53,158
Buildings	318,942	383,134
Transportation equipment	<u>1,655</u>	<u>576</u>
	<u>\$ 495,502</u>	<u>\$ 436,868</u>
	For the Year Ended December 31	
	2020	2019
Additions to right-of-use assets	<u>\$ 238,238</u>	<u>\$ 142,982</u>
Acquisition through business combinations	<u>\$ 27,123</u>	<u>\$ 45,918</u>
Depreciation charge for right-of-use assets		
Lands	\$ 3,025	\$ 268
Buildings	157,493	144,387
Transportation equipment	<u>450</u>	<u>249</u>
	<u>\$ 160,968</u>	<u>\$ 144,904</u>
Income from the subleasing of right-of-use assets (presented in other income)	<u>\$ (9,806)</u>	<u>\$ (17,485)</u>

b. Lease liabilities

	December 31	
	2020	2019
<u>Carrying amounts</u>		
Current	<u>\$ 133,785</u>	<u>\$ 123,884</u>
Non-current	<u>\$ 170,268</u>	<u>\$ 232,119</u>

Range of discount rate for lease liabilities was as follows:

	December 31	
	2020	2019
Buildings	0.94%-4.90%	0.94%-4.90%
Transportation equipment	0.94%-1.69%	0.94%

c. Subleases

Sublease of right-of-use assets

The Group subleases its right-of-use assets for buildings under operating leases with lease terms of 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:

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Year 1	<u>\$ -</u>	<u>\$ 8,386</u>

d. Other lease information

	<u>For the Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Expenses relating to short-term leases	<u>\$ 22,469</u>	<u>\$ 14,696</u>
Total cash outflow for leases	<u>\$ (282,344)</u>	<u>\$ (158,201)</u>

The Group leases certain buildings 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

	<u>For the Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Cost</u>		
Balance at January 1	<u>\$ 366,777</u>	<u>\$ 366,777</u>
Balance at December 31	<u>\$ 366,777</u>	<u>\$ 366,777</u>
Balance at January 1	\$ (42,180)	\$ -
Impairment losses recognized	<u>-</u>	<u>(42,180)</u>
Balance at December 31	<u>\$ (42,180)</u>	<u>\$ (42,180)</u>
Carrying amounts at December 31	<u>\$ 324,597</u>	<u>\$ 324,597</u>

The Group acquired FulFil Tech Co., Ltd. on June 27, 2007 and recognized goodwill of \$366,777 thousand relating to molding department and electronic components department. The goodwill is mainly arising from the expected benefit from sales growth of electronic components and molding products, and the potential of developing new electronic models.

As of December 31, 2019, the operations of some plastic molding departments ceased due to the expected increase in bargaining pressure, raw materials, and labor cost of molded plastic products, as well as intra-group rearrangements and adjustments. Since the estimated recoverable amount of plastic molding department was lower than its carrying amount, an impairment loss on goodwill of \$42,180 thousand was recognized in 2019.

The recoverable amount of plastic molding department was determined based on a value in use calculation that used the cash flow projections in the financial budgets approved by management covering a 5-year period; the discount rate was 13.20% and 12.96% in 2020 and 2019, respectively. Other key assumptions included budgeted revenue and budgeted gross margin. Such assumptions were based on the past performance of the cash-generating unit and management's expectations of future market development.

16. INTANGIBLE ASSETS

	Trademarks Cost	Computer Software Cost	Patents Cost	Total
<u>Cost</u>				
Balance at January 1, 2020	\$ -	\$ 48,046	\$ -	\$ 48,046
Additions	-	17,385	-	17,385
Acquisitions through business combinations	181	2,289	5,887	22,890
Disposals	-	(9,446)	-	(9,446)
Reclassifications	-	(505)	505	-
Effect of foreign currency exchange differences	-	44	-	44
Balance at December 31, 2020	<u>\$ 181</u>	<u>\$ 72,346</u>	<u>\$ 6,392</u>	<u>\$ 78,919</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2020	\$ -	\$ 21,409	\$ -	\$ 21,409
Acquisitions through business combinations	113	14,655	3,606	18,374
Amortization expenses	2	13,991	41	14,034
Disposals	-	(9,446)	-	(9,446)
Effect of foreign currency exchange differences	-	192	106	298
Balance at December 31, 2020	<u>\$ 115</u>	<u>\$ 40,801</u>	<u>\$ 3,753</u>	<u>\$ 44,669</u>
Carrying amount at December 31, 2020	<u>\$ 66</u>	<u>\$ 31,545</u>	<u>\$ 2,639</u>	<u>\$ 34,250</u>
<u>Cost</u>				
Balance at January 1, 2019	\$ -	\$ 46,394	\$ -	\$ 46,394
Additions	-	18,681	-	18,681
Disposals	-	570	-	570
Acquisitions through business combinations	-	(16,901)	-	(16,901)
Effect of foreign currency exchange differences	-	(698)	-	(698)
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ 48,046</u>	<u>\$ -</u>	<u>\$ 48,046</u>

(Continued)

	Trademarks Cost	Computer Software Cost	Patents Cost	Total
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2019	\$ -	\$ 24,086	\$ -	\$ 24,086
Acquisitions through business combinations	-	(16,090)	-	(16,090)
Amortization expenses	-	112	-	112
Disposals	-	14,435	-	14,435
Effect of foreign currency exchange differences	-	(323)	-	(323)
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ 21,409</u>	<u>\$ -</u>	<u>\$ 21,409</u>
Carrying amount at December 31, 2019	<u>\$ -</u>	<u>\$ 26,637</u>	<u>\$ -</u>	<u>\$ 26,637</u> (Concluded)

The above items of intangible assets are amortized on a straight-line basis their estimated useful lives as follows:

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

17. BORROWINGS

a. Short-term borrowings

	<u>December 31</u>	
	2020	2019
<u>Secured borrowings</u>		
Mortgage loans	\$ 484,000	\$ 280,000
Bank loans	8,895	-
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u>1,374,800</u>	<u>726,982</u>
	<u>\$ 1,867,695</u>	<u>\$ 1,006,982</u>

The weighted average effective interest rates on bank loans were ranging from 0.67%-3.75% and 0.88%-2.80% per annum as of December 31, 2020 and 2019, respectively.

b. Short-term bills payable

	<u>December 31</u>	
	2020	2019
Commercial paper	\$ 30,000	\$ -
Less: Unamortized discounts on bills payable	<u>(19)</u>	<u>-</u>
	<u>\$ 29,981</u>	<u>\$ -</u>

Outstanding short-term bills payable were as follows:

December 31, 2020

Issuer	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
<u>Commercial papers</u>						
Mega Bills Finance Co., Ltd.	\$ 30,000	\$ 19	\$ 29,981	1.05%	None	\$ -

c. Long-term borrowings

	<u>December 31</u>	
	2020	2019
<u>Secured borrowings</u>		
Mortgage loans	\$ 59,500	\$ -
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u>13,636</u>	<u>-</u>
	73,136	-
Less: Current portions	<u>(16,909)</u>	<u>-</u>
	<u>\$ 56,227</u>	<u>\$ -</u>

The Group's property, plant and equipment and financial assets at amortized cost were provided as collateral for long-term borrowings (refer to Note 30). The effective interest rate on long-term borrowings was 1.70%-1.995% on December 31, 2020.

18. BONDS PAYABLE

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

Due to funding needs, the Group issued a guaranteed ordinary corporate bond of \$150,000 thousand in December 2016 based on its book value, with a coupon rate of 1.59%, annual interest payments and a bond repayment due in December 2018. The Group issued a guaranteed ordinary corporate bond of \$150,000 thousand in December 2018 based on its book value, with a coupon rate of 1.45%, annual interest payments and a bond repayment due in December 2020, as well as an advanced repayment of bond in March 2020.

19. OTHER PAYABLES

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Current</u>		
Payables for salaries or bonuses	\$ 280,535	\$ 242,155
Others	<u>218,182</u>	<u>175,135</u>
	<u>\$ 498,717</u>	<u>\$ 417,290</u>

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Group of the Group adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

The subsidiaries operate a defined contribution retirement benefit plan for all qualifying employees of its subsidiaries in China. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. Where employees leave the plan prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

b. Defined benefit plans

The defined benefit plans adopted by the Group of the Group in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Group contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2020	2019
Present value of defined benefit obligation	\$ 60,291	\$ 42,157
Fair value of plan assets	<u>(42,095)</u>	<u>(33,470)</u>
Net defined benefit liabilities (assets)	<u>\$ 18,196</u>	<u>\$ 8,687</u>

The net defined benefit liabilities (assets) were \$20,763 thousand and \$(2,567) thousand recognized in the consolidated balance sheets for the year ended December 31, 2020.

Movements in net defined benefit assets were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance at January 1, 2019	<u>\$ 21,666</u>	<u>\$ (23,968)</u>	<u>\$ (2,302)</u>
Acquisition through business combinations	<u>21,241</u>	<u>(10,352)</u>	<u>10,889</u>
Service cost			
Current service cost	111	-	111
Net interest expense (income)	<u>462</u>	<u>(361)</u>	<u>101</u>
Recognized in profit or loss	<u>573</u>	<u>(361)</u>	<u>212</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,218)	(1,218)
Actuarial (gain) loss			
Changes in demographic assumptions	52	-	52
Changes in financial assumptions	985	-	985
Experience adjustments	<u>561</u>	<u>-</u>	<u>561</u>
Recognized in other comprehensive income	<u>1,598</u>	<u>(1,218)</u>	<u>380</u>
Contributions from the employer	<u>-</u>	<u>(492)</u>	<u>(492)</u>
Benefits paid	<u>(2,921)</u>	<u>2,921</u>	<u>-</u>
Balance at December 31, 2019	<u>42,157</u>	<u>(33,470)</u>	<u>8,687</u>
Acquisition through business combinations	<u>15,996</u>	<u>(4,973)</u>	<u>11,023</u>
Service cost			
Current service cost	62	-	62
Net interest expense (income)	<u>336</u>	<u>(244)</u>	<u>92</u>
Recognized in profit or loss	<u>398</u>	<u>(244)</u>	<u>154</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,168)	(1,168)
Actuarial (gain) loss			
Changes in demographic assumptions	4	-	4
Changes in financial assumptions	1,283	-	1,283
Experience adjustments	<u>453</u>	<u>-</u>	<u>453</u>
Recognized in other comprehensive income	<u>1,740</u>	<u>(1,168)</u>	<u>572</u>
Contributions from the employer	<u>-</u>	<u>(2,240)</u>	<u>(2,240)</u>
Balance at December 31, 2020	<u>\$ 60,291</u>	<u>\$ (42,095)</u>	<u>\$ 18,196</u>

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2020	2019
Discount rate	0.300%-0.800%	0.625%-1.000%
Expected rate(s) of salary increase	1.000%-2.000%	1.000%-1.500%
Mortality rate	According to the fifth experience life table of the insurance industry in Taiwan	According to the fifth experience life table of the insurance industry in Taiwan
Turnover rate	0%-8%	0%-10%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2020	2019
Discount rate(s)		
25% increase	<u>\$ (1,206)</u>	<u>\$ (952)</u>
25% decrease	<u>\$ 1,253</u>	<u>\$ 991</u>
Expected rate(s) of salary increase		
25% increase	<u>\$ 1,239</u>	<u>\$ 986</u>
25% decrease	<u>\$ (1,198)</u>	<u>\$ (952)</u>

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2020	2019
Expected contributions to the plans for the next year	<u>\$ 659</u>	<u>\$ 493</u>
Average duration of the defined benefit obligation	7.6 - 13.3 years	8.3-14.1 years

- c. Commuwell Enterprise (Thailand) Co., Ltd. calculates the pension of Thai employees on the basis of seniority, in accordance with section 118/1 of the Labour Protection Act (No. 6).

21. EQUITY

- a. Share capital

Ordinary shares

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

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

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

- b. Capital surplus

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

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

- c. Retained earnings and dividends policy

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

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

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

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

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

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

The appropriation of earnings for 2020 had been proposed by the Corporation's board of directors on March 16, 2021. The appropriation and dividends per share were as follows:

	<u>Appropriation of Earnings</u>	<u>Dividends Per Share (NT\$)</u>
Legal reserve	\$ 96,150	
Special reserve	1,595	
Cash dividends	618,621	\$5.00

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

d. Special reserve

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Balance at January 1	\$ 431,506	\$ 376,649
Appropriated special reserve		
Exchange differences on translating the financial statements of foreign operations	<u>202,514</u>	<u>54,857</u>
Balance at December 31	<u>\$ 634,020</u>	<u>\$ 431,506</u>

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

e. Non-controlling interests

	For the Year Ended December 31,	
	2020	2019
Balance at January 1	\$ 229,257	\$ -
Share in profit for the year	8,944	1,053
Other comprehensive income (loss) during the year		
Exchange differences on translating the financial statements of foreign entities	2,508	(875)
Remeasurement of defined benefit plans	(227)	(88)
Non-controlling interests arising from acquisition of subsidiaries (Note 25)	107,998	229,257
Changes in ownership interests in subsidiaries (Note 26)	<u>(5,342)</u>	<u>-</u>
Balance at December 31	<u>\$ 343,138</u>	<u>\$ 229,257</u>

22. NET PROFIT

Net profit comprises:

a. Other income

	For the Year Ended December 31,	
	2020	2019
Dividends	\$ 6,229	\$ -
Rental income	9,896	17,485
Subsidy income	24,033	22,250
Others	<u>2,505</u>	<u>4,456</u>
	<u>\$ 42,663</u>	<u>\$ 44,191</u>

b. Other gains and losses

	For the Year Ended December 31,	
	2020	2019
Loss on disposal of losses plant and equipment	\$ (1,038)	\$ (6,870)
Others	<u>(8,726)</u>	<u>(1,850)</u>
	<u>\$ (9,764)</u>	<u>\$ (8,720)</u>

c. Depreciation, amortization and employee benefits expense:

	2020			2019		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Defined contribution plan	\$ 31,836	\$ 12,443	\$ 44,279	\$ 54,134	\$ 15,794	\$ 69,928
Defined benefit plan	286	(132)	154	9	(13)	(4)
Other employee benefits	<u>1,398,941</u>	<u>467,048</u>	<u>1,865,989</u>	<u>1,126,802</u>	<u>405,235</u>	<u>1,532,037</u>
	<u>\$ 1,431,063</u>	<u>\$ 479,359</u>	<u>\$ 1,910,422</u>	<u>\$ 1,180,945</u>	<u>\$ 421,016</u>	<u>\$ 1,601,961</u>
Depreciation	<u>\$ 191,195</u>	<u>\$ 110,456</u>	<u>\$ 301,651</u>	<u>\$ 149,803</u>	<u>\$ 90,757</u>	<u>\$ 240,560</u>
Amortization	<u>\$ 396</u>	<u>\$ 13,638</u>	<u>\$ 14,034</u>	<u>\$ 1,401</u>	<u>\$ 13,034</u>	<u>\$ 14,435</u>

d. Employees' compensation and remuneration of directors and supervisors

According to the Corporation's Articles of Incorporation, the Corporation accrued employees' compensation and remuneration of directors and supervisors at rates of no less than 3% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. The employees' compensation and the remuneration of directors and supervisors for the years ended December 31, 2020 and 2019, which were approved by the Corporation's board of directors on March 16, 2021 and March 13, 2020, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2020	2019
Employees' compensation	6.58%	6.56%
Remuneration of directors and supervisors	1.44%	1.44%

Amount

	For the Year Ended December 31	
	2020	2019
	Cash	Cash
Employees' compensation	\$ 80,847	\$ 79,339
Remuneration of directors and supervisors	17,747	17,416

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

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

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

Information on the employees’ compensation and remuneration of directors and supervisors resolved by the Corporation’s board of directors in 2021 and 2020 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

23. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2020	2019
Current tax		
In respect of the current period	\$ 520,072	\$ 458,147
Income tax on unappropriated earnings	4,404	-
Adjustments for prior periods	<u>4,522</u>	<u>7,937</u>
	<u>528,998</u>	<u>466,084</u>
Deferred tax		
In respect of the current period	(6,702)	36,311
Adjustments to deferred tax attributable to changes in tax rates and laws	<u>543</u>	<u>-</u>
	<u>(6,159)</u>	<u>36,311</u>
Income tax expense recognized in profit or loss	<u>\$ 522,839</u>	<u>\$ 502,395</u>

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

	For the Year Ended December 31	
	2020	2019
Profit before tax	<u>\$ 1,497,521</u>	<u>\$ 1,444,990</u>
Income tax expense calculated at the statutory rate	\$ 572,440	\$ 549,073
Permanent differences	(60,355)	(60,289)
Unrecognized deductible temporary differences	(6,205)	5,021
Unrecognized loss carry-forwards	7,490	653
Income tax on unappropriated earnings	4,404	-
Adjustments for prior years’ tax	<u>5,065</u>	<u>7,937</u>
Income tax expense recognized in profit or loss	<u>\$ 522,839</u>	<u>\$ 502,395</u>

b. Current tax assets and liabilities

	December 31	
	2020	2019
Current tax assets		
Tax refund receivable (included other current assets)	<u>\$ 8,474</u>	<u>\$ 3,309</u>
Current tax liabilities		
Income tax payable	<u>\$ 181,357</u>	<u>\$ 113,470</u>

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

For the year ended December 31, 2020

Deferred Tax Assets	Opening Balance	Acquisitions through Business Combinations	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences						
Allowance loss for exceeding limits	\$ 3,678	\$ 15	\$ (1,267)	\$ -	\$ (32)	\$ 2,394
Allowance for inventory valuation and obsolescence losses	18,680	7,992	(4,379)	-	45	22,338
Others	4,761	6,402	2,219	-	93	13,475
Loss carryforwards	<u>43,419</u>	<u>6,073</u>	<u>(7,992)</u>	<u>-</u>	<u>13</u>	<u>41,513</u>
	<u>\$ 70,538</u>	<u>\$ 20,482</u>	<u>\$ (11,419)</u>	<u>\$ -</u>	<u>\$ 119</u>	<u>\$ 79,720</u>

Deferred Tax Liabilities	Opening Balance	Acquisitions through Business Combinations	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences						
Gain on investments accounted for using the equity method	\$ 267,035	\$ 39,341	\$ (22,248)	\$ -	\$ -	\$ 284,128
Unrealized exchange gains	6,425	1,461	(387)	-	(13)	7,486
Land value income tax	-	22,171	-	-	-	22,171
Others	<u>2,692</u>	<u>10,345</u>	<u>5,057</u>	<u>57</u>	<u>3</u>	<u>18,154</u>
	<u>\$ 276,152</u>	<u>\$ 73,318</u>	<u>\$ (17,578)</u>	<u>\$ 57</u>	<u>\$ (10)</u>	<u>\$ 331,939</u>

For the year ended December 31, 2019

Deferred Tax Assets	Opening Balance	Acquisitions through Business Combinations	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences						
Allowance loss for exceeding limits	\$ 3,501	\$ -	\$ 323	\$ -	\$ (146)	\$ 3,678
Allowance for inventory valuation and obsolescence losses	11,097	-	8,367	-	(784)	18,680
Impairment loss recognized on financial assets measured at cost	5,021	-	(5,021)	-	-	-
Others	6,506	-	(1,573)	-	(172)	4,761
Loss carryforwards	<u>831</u>	<u>44,483</u>	<u>(1,862)</u>	<u>-</u>	<u>(33)</u>	<u>43,419</u>
	<u>\$ 26,956</u>	<u>\$ 44,483</u>	<u>\$ 234</u>	<u>\$ -</u>	<u>\$ (1,135)</u>	<u>\$ 70,538</u>

Deferred Tax Liabilities	Opening Balance	Acquisitions through Business Combinations	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences						
Investments accounted for using the equity method	\$ 234,334	\$ -	\$ 32,701	\$ -	\$ -	\$ 267,035
Unrealized exchange gains	4,636	-	1,797	-	(8)	6,425
Others	<u>664</u>	<u>-</u>	<u>2,047</u>	<u>(11)</u>	<u>(8)</u>	<u>2,692</u>
	<u>\$ 239,634</u>	<u>\$ -</u>	<u>\$ 36,545</u>	<u>\$ (11)</u>	<u>\$ (16)</u>	<u>\$ 276,152</u>

- d. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2020	2019
Deductible temporary differences	\$ 246,192	\$ 172,802
Loss carryforwards	<u>136,996</u>	<u>215,933</u>
	<u>\$ 383,188</u>	<u>\$ 388,735</u>

The unrecognized deductible temporary differences are goodwill amortization, excess loss allowance, impairment loss on financial assets measured at cost, and loss on investments accounted for using the equity method.

- e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2020 comprised:

Unused Amount	Expiry Year
\$ 6,288	2022
40,892	2023
44,201	2024
21,082	2025
11,149	2026
<u>13,384</u>	2029
<u>\$ 136,996</u>	

- f. Income tax assessments

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

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

24. EARNINGS PER SHARE

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

Net Profit for the Year

	For the Year Ended December 31	
	2020	2019
Earnings used in the computation of diluted earnings per share	<u>\$ 965,738</u>	<u>\$ 941,542</u>

Shares

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

	For the Year Ended December 31	
	2020	2019
Weighted average number of ordinary shares used in the computation of basic earnings per share	123,724	123,724
Effect of potentially dilutive ordinary shares		
Employees' compensation	<u>1,133</u>	<u>1,061</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>124,857</u>	<u>124,785</u>

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

25. BUSINESS COMBINATIONS

2020

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Leohab Enterprise Co., Ltd. and subsidiaries	Precision hardware component manufacturing and plastic ejection	November 30, 2020	70	<u>\$ 232,677</u>

Leohab Enterprise Co., Ltd. and subsidiaries was acquired in order to further enhance the Group's supply chain integration.

b. Consideration transferred

	Leohab Enterprise Co., Ltd. and Subsidiaries
Cash	<u>\$ 232,677</u>

c. Assets acquired and liabilities assumed at the date of acquisition

	Leohab Enterprise Co., Ltd. and Subsidiaries
Current assets	
Cash and cash equivalents	\$ 125,564
Trade and other receivables	227,318
Inventories	49,510
Other current assets	7,798
Non-current assets	
Property, plant and equipment	424,462
Right-of-use assets	27,123
Intangible assets	4,516
Deferred tax assets	20,482
Other non-current assets	752
Current liabilities	
Short-term borrowings	(209,174)
Trade and notes payables	(72,002)
Other payables	(63,057)
Current tax liabilities	(14,644)
Lease liabilities	(695)
Current Portions of long-term borrowings	(710)
Other current liabilities	(1,362)
Non-current liabilities	
Long-term borrowings	(73,556)
Deferred tax liabilities	(62,188)
Net defined benefit liabilities	(11,023)
Other non-current liabilities	<u>(19,116)</u>
	<u>\$ 359,998</u>

d. Gain from bargain purchase recognized on acquisitions

	Leohab Enterprise Co., Ltd. and Subsidiaries
Consideration transferred	\$ 232,677
Plus: Non-controlling interests (30% in Leohab Enterprise Co., Ltd.)	107,998
Less: Fair value of identifiable net assets acquired	<u>(359,998)</u>
Gain from bargain purchase recognized on acquisitions	<u>\$ 19,323</u>

The gain from bargain purchase recognized in the acquisitions of Leohab Enterprise Co., Ltd. and subsidiaries is generated from the differences between consideration transferred and the acquisition of fair value of identifiable net assets acquired, which was recognized as net profit/loss for the year.

e. Net cash outflow on the acquisition of subsidiaries

	Leohab Enterprise Co., Ltd. and Subsidiaries
Consideration paid in cash	\$ 232,677
Less: Cash and cash equivalent balances acquired	<u>(125,564)</u>
	<u>\$ 107,113</u>

f. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates, which are included in the consolidated statements of comprehensive income, are as follows:

	Leohab Enterprise Co., Ltd. and Subsidiaries
Revenue	<u>\$ 51,837</u>
Profit	<u>\$ 3,689</u>

Had these business combinations been in effect at the beginning of the financial year, the Group's revenue would have been \$10,239,213 thousand, and the profit would have been \$996,570 thousand for the year ended December 31, 2020. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2020, nor is it intended to be a projection of future results.

2019

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Gatech Technology Inc. and subsidiaries	Metal casting and selling of aluminum alloy and magnesium alloy	November 29, 2019	72.81	<u>\$ 550,000</u>

Gatech Technology Inc. and subsidiaries was acquired in order to further enhance the Group's supply chain integration.

b. Consideration transferred

**Gatech
Technology Inc.
and
Subsidiaries**

Cash	<u>\$ 550,000</u>
------	-------------------

c. Assets acquired and liabilities assumed at the date of acquisition

**Gatech
Technology Inc.
and
Subsidiaries**

Current assets	
Cash and cash equivalents	\$ 303,475
Trade and other receivables	224,959
Inventories	110,504
Other current assets	18,959
Non-current assets	
Property, plant and equipment	705,702
Right-of-use assets	45,198
Intangible assets	458
Prepayments for equipment	1,907
Deferred tax assets	44,483
Other non-current assets	6,374
Current liabilities	
Short-term borrowings	(330,000)
Trade and notes payables	(81,592)
Other payables	(44,545)
Other current liabilities	(2,877)
Non-current liabilities	
Bonds payable	(150,000)
Net defined benefit liabilities	<u>(10,889)</u>
	<u>\$ 842,836</u>

d. Gain from bargain purchase recognized on acquisitions

**Gatech
Technology Inc.
and
Subsidiaries**

Consideration transferred	\$ 550,000
Plus: Non-controlling interests (27.19% in Gatech Technology Inc.)	229,167
Less: Fair value of identifiable net assets acquired	<u>(842,836)</u>
Gain from bargain purchase recognized on acquisitions	<u>\$ 63,669</u>

The gain from bargain purchase recognized in the acquisitions of Gatech Technology Inc. and subsidiaries is generated from the differences between consideration transferred and the acquisition of fair value of identifiable net assets acquired, which was recognized as net profit/loss for the year.

e. Net cash outflow on the acquisition of subsidiaries

	Gatech Technology Inc. and Subsidiaries
Consideration paid in cash	\$ 550,000
Less: Cash and cash equivalent balances acquired	<u>(303,475)</u>
	<u>\$ 246,525</u>

f. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates, which are included in the consolidated statements of comprehensive income, are as follows:

	Gatech Technology Inc. and Subsidiaries
Revenue	<u>\$ 78,740</u>
Profit	<u>\$ 3,872</u>

Had these business combinations been in effect at the beginning of the financial year, the Group's revenue would have been \$9,203,029 thousand, and the profit would have been \$953,982 thousand for the year ended December 31, 2019. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2019, nor is it intended to be a projection of future results.

26. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On April 21, 2020 and July 27, 2020, the Corporation subscribed for additional new shares of Gatech Technology Inc. at 0.17% and 0.45% from its existing ownership percentage for a cash consideration of \$1,345 thousand and \$2,470 thousand, respectively, and increased the Corporation's percentage of ownership from 72.81% to 73.43%.

The above transactions were accounted for as equity transactions, since the Corporation did not cease to have control over these subsidiaries.

	Gatech Technology Inc.
Consideration paid	\$ (3,815)
The proportionate share of carrying amount of the net assets of the subsidiary transferred to non-controlling interests	5,342
Exchange differences on translating the financial statements of foreign operations	<u>(6)</u>
Difference recognized from equity transactions	<u>\$ 1,521</u>
<u>Adjustment of difference recognized from equity transactions</u>	
Capital surplus-difference between actual acquisition of subsidiary's equity prices and carrying amount	<u>\$ 1,521</u>

27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stockholders through the optimization of the debt and equity balance.

The strategy for managing the capital structure of the Group is based on the scale of the business, the future growth of the industry and the blueprints of the products' development. The Group calculates trading fund and cash based on its production capacity in order to have a long-term and completed plan. The Group takes into account product competition to estimate the products' contribution, operating profit margin and cash flow. It also considers the business cycle and the product's' life cycle and risks when deciding the appropriate capital structure.

Key management personnel of the Group review the capital structure on a regular basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Generally, the Group uses a cautious risk management strategy.

28. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy

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>

December 31, 2019

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

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 year ended December 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)	5,588
Purchases	5,018
Refund of capital reduction	<u>(4,437)</u>
Balance at December 31, 2020	<u>\$ 63,578</u>

For the year ended December 31, 2019

	Financial Assets at FVTPL Equity Instruments
Balance at January 1, 2019	\$ 54,099
Recognized in profit or loss (included in net gain on fair value changes of financial assets at fair value through profit or loss)	3,301
Purchases	3,482
Transfers out of Level 3	<u>(3,473)</u>
Balance at December 31, 2019	<u>\$ 57,409</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 and private funds are measured using the asset approach.

b. Categories of financial instruments

	<u>December 31</u>	
	2020	2019
<u>Financial assets</u>		
Mandatorily classified as at FVTPL	\$ 446,235	\$ 152,871
Financial assets at amortized cost (1)	7,124,038	6,621,835
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (2)	4,373,990	3,291,944

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized costs, notes receivable, trade receivables, other receivables, and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes payable and trade payables, other payables, bonds payable, long-term borrowings, and guarantee deposits received.

c. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, financial assets mandatorily classified as at FVTPL, financial assets at amortized costs, equity investment, trade receivables, trade payables, accounts payable, bonds payable, short-term borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

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

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

a) Foreign currency risk

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

Sensitivity analysis

The Group is mainly exposed to the USD and RMB.

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

	2020	2019
<u>USD impact</u>		
USD:NTD	<u>\$ 6,816</u>	<u>\$ 3,367</u>
USD:RMB	<u>\$ (24,354)</u>	<u>\$ (30,719)</u>
USD:VND	<u>\$ (1,335)</u>	<u>\$ -</u>
<u>RMB impact</u>		
RMB:NTD	<u>\$ (2,477)</u>	<u>\$ (1,953)</u>
RMB:USD	<u>\$ (445)</u>	<u>\$ (950)</u>

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:

	December 31	
	2020	2019
Fair value interest rate risk		
Financial assets	\$ 988,587	\$ 685,348
Financial liabilities	2,274,865	1,512,984
Cash flow interest rate risk		
Financial assets	2,185,789	2,424,021

Sensitivity analysis

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

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2020 and 2019 would have decreased/increased by \$21,858 thousand and \$24,240 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate deposits.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2020 and 2019 would have increased/decreased by \$2,679 thousand and \$1,007 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

2) Credit risk

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

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

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

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

3) Liquidity risk

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

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

Financing facilities

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	\$ 1,388,436	\$ 1,006,982
Amount unused	<u>1,930,200</u>	<u>1,443,018</u>
	<u>\$ 3,318,636</u>	<u>\$ 2,450,000</u>
Secured bank overdraft facilities, review annually and payable on demand:		
Amount used	\$ 552,395	\$ -
Amount unused	<u>169,493</u>	<u>-</u>
	<u>\$ 721,888</u>	<u>\$ -</u>

29. 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	The legal representative of the Corporation's director (Note)
Kuan Chen Investment Co., Inc.	Related party in substance (director is the first-degree relative of the Corporation's director)

Note: Since June 2020, related party in substance has been changed to the legal representative of the Corporation's director.

b. Operating expense

Related Party Category/Name	For the Year Ended December 31	
	2020	2019
Associate	\$ <u>7</u>	\$ <u>-</u>

c. Property, plant and equipment

Related Party Category/Name	December 31	
	2020	2019
Related party in substance	\$ <u>550</u>	\$ <u>-</u>

d. Lease agreements

Related Party Category	For the Year Ended December 31	
	2020	2019
<u>Lease assets acquired</u>		
Related party in substance	\$ 2,879	\$ -
The legal representative of the Corporation's director	<u>1,574</u>	<u>-</u>
	\$ <u>4,453</u>	\$ <u>-</u>

Line Item	December 31	
	2020	2019
<u>Lease liabilities</u>		
Related party in substance	\$ 1,685	\$ 374
The legal representative of the Corporation's director	<u>921</u>	<u>-</u>
	\$ <u>2,606</u>	\$ <u>374</u>

Related Party Category	For the Year Ended December 31	
	2020	2019
<u>Interest expense</u>		
Related party in substance	\$ 19	\$ 13
The legal representative of the Corporation's director	<u>6</u>	<u>-</u>
	\$ <u>25</u>	\$ <u>13</u>

<u>Lease expense</u>		
Related party in substance	\$ 458	\$ 946
The legal representative of the Corporation's director	<u>297</u>	<u>-</u>
	\$ <u>755</u>	\$ <u>946</u>

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

e. Prepayments

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

f. Compensation of key management personnel

	For the Year Ended December 31	
	2020	2019
Short-term employee benefits	\$ 59,549	\$ 48,408
Post-employment benefits	<u>279</u>	<u>253</u>
	<u>\$ 59,828</u>	<u>\$ 48,661</u>

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

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	December 31	
	2020	2019
Financial assets at amortized cost - current	\$ 4,514	\$ -
Investments accounted for using the equity method	-	317,694
Property, plant and equipment	<u>706,058</u>	<u>529,385</u>
	<u>\$ 710,572</u>	<u>\$ 847,079</u>

31. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

A fire broke out in the premises of Suzhou Fuhongqi Electronics Co., Ltd. on January 20, 2021, which caused damage to some of the plant, machinery, equipment and inventories. The Corporation has property and public liability insurance for the plant, machinery, equipment and inventory, but the cause of the accident is still under investigation. As of March 16, 2021, the Corporation had negotiated with insurance companies to settle the claim and assessed the damage.

32. OTHER ITEMS

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

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 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

Financial liabilities

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

December 31, 2019

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 41,587	29.980 (USD:NTD)	\$ 1,246,778
USD	106,932	6.9762 (USD:RMB)	3,205,821
RMB	45,357	4.305 (RMB:NTD)	195,262
RMB	22,072	4.143 (RMB:USD)	95,020
Non-monetary items			
Financial assets at FVTPL - non-current			
USD	1,500	29.980 (USD:NTD)	50,611

Financial liabilities

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

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

Foreign Currency	For the Year Ended December 31			
	2020		2019	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ 27,444	1 (NTD:NTD)	\$ 8,740
USD	28.480 (USD:NTD)	(9,026)	29.980 (USD:NTD)	733
RMB	4.3770 (RMB:NTD)	(169,930)	4.305 (RMB:NTD)	49,642
VND	0.00111 (VND:NTD)	(1,967)	- (VND:NTD)	-
THB	0.9556 (THB:NTD)	(1)	- (THB:NTD)	-
SGD	21.56 (SGD:NTD)	(14)	- (SGD:NTD)	-
		<u>\$ (153,494)</u>		<u>\$ 59,115</u>

34. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

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

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 8)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Tables 1, 2, 5, 6 and 9):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- c. Information of major shareholders with ownership of 5% or greater showing the name of shareholders, the number of shares owned and percentage of ownership of each shareholder (None)

35. SEGMENT INFORMATION

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

No operating segments were closed during the year.

a. Segment revenue and results

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

	Income		Loss	
	2020	2019	2020	2019
Equipment - electronic parts	\$ 9,222,383	\$ 8,058,052	\$ 1,985,317	\$ 1,723,443
- plastic molding	440,958	524,292	130,866	80,900
Revenue from continuing operations	\$ 9,663,341	\$ 8,582,344	2,116,183	1,804,343
Interest income			35,901	26,755
Gain from bargain purchase - acquisitions of subsidiaries			19,323	63,669
Other income			42,663	44,191
Other gains and losses			(9,764)	(8,720)
Net foreign exchange (loss) gain			(153,494)	59,115
Net gain on financial assets at fair value through profit or loss			54,357	40,794
Share of profit of associates			4,185	3,939
Interest expenses			(27,342)	(20,568)
Impairment loss on goodwill			-	(42,180)
General and administrative expenses			(584,491)	(526,348)
Income before tax			\$ 1,497,521	\$ 1,444,990

The above segment revenue and results were generated from the transactions with external customers. There were no inter-segment transactions in 2020 and 2019.

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

b. Segment total assets

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

c. Other segment information

	Depreciation and Amortization	
	2020	2019
Plastic molding department	\$ 54,331	\$ 56,768
Electronic parts department	261,354	198,227
	\$ 315,685	\$ 254,995

d. Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	For the Year Ended December 31	
	2020	2019
Display hinges	\$ 9,222,383	\$ 8,058,052
Molding equipment	<u>440,958</u>	<u>524,292</u>
	<u>\$ 9,663,341</u>	<u>\$ 8,582,344</u>

e. Geographical information

The Group operates in three principal geographical areas - Samoa, USA, China and Taiwan.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	For the Year Ended December 31	
	2020	2019
China	\$ 5,676,649	\$ 5,154,081
Taiwan	3,943,924	3,386,230
Other	<u>42,768</u>	<u>42,033</u>
	<u>\$ 9,663,341</u>	<u>\$ 8,582,344</u>

f. Information about major customers

Revenue in 2020 and 2019 were \$9,663,341 thousand and \$8,582,344 thousand, respectively and each single customer contributing 10% or more to the Group's revenue was as follows:

Client Code	For the Year Ended December 31			
	2020		2019	
	Sales	% of Revenue	Sales	% of Revenue
A	\$ 2,497,956	25.85	\$ 2,315,820	26.98
B	1,393,966	14.43	1,299,662	15.14
C	1,055,015	10.92	1,135,567	13.23

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

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

(Continued)

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

(Continued)

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

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

Note 2: The highest balance, ending balance, and the actual amount borrowed were calculated based on the exchange rate at the end of 2020.

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Syncmold Enterprise Corporation	Syncmold Enterprise (Samoa) Corp.	Subsidiary	\$1,769,609 (30% of the net worth of the Corporation)	\$ 56,960 (US\$ 2,000 thousand)	\$ 56,960 (US\$ 2,000 thousand) (Notes 1 and 5)	\$ -	\$ -	0.97	\$2,949,349 (50% of the net worth of the Corporation)	Y	-	-
		Full Big Limited	Subsidiary	\$1,769,609 (30% of the net worth of the Corporation)	626,560 (US\$ 22,000 thousand)	-	-	-	-	\$2,949,349 (50% of the net worth of the Corporation)	Y	-	-
		Forever Business Development Limited	Subsidiary	\$1,769,609 (30% of the net worth of the Corporation)	626,560 (US\$ 22,000 thousand)	626,560 (US\$ 22,000 thousand) (Notes 2, 3 and 5)	570	-	10.62	\$2,949,349 (50% of the net worth of the Corporation)	Y	-	-
		Fullking Development Limited	Subsidiary	\$1,769,609 (30% of the net worth of the Corporation)	626,560 (US\$ 22,000 thousand)	284,800 (US\$ 10,000 thousand) (Notes 3 and 5)	-	-	4.83	\$2,949,349 (50% of the net worth of the Corporation)	Y	-	-
		Full Celebration Limited	Subsidiary	\$1,769,609 (Net worth of the corporation 30%)	-	-	-	-	-	\$2,949,349 (Net worth of the corporation 50%)	Y	-	-
1	Leohab Enterprise Co., Ltd.	Commuwell Enterprise (Thailand) Co., Ltd.	Subsidiary	\$128,399 (50% of the net worth of Leohab Enterprise Co., Ltd.)	102,249 (THB 107,000 thousand)	64,025 (THB 67,000 thousand) (Notes 4 and 5)	3,822	-	1.09	\$256,797 (100% of the net worth of Leohab Enterprise Co., Ltd.)	N	-	-

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

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

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

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

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2020

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Syncmold Enterprise Corporation	<u>Stock</u>							
	Gigastone Corporation	-	Financial assets at FVTPL - non-current	847,011	\$ 6,708	1.66	\$ 6,708	(Notes 2 and 6)
	Tiga Gaming Inc.	-	Financial assets at FVTPL - non-current	1,332,132	8,911	5.06	8,911	(Notes 3 and 6)
	Foxfortune Technology Limited	-	Financial assets at FVTPL - non-current	1,000,000	39,425	5.80	39,425	(Notes 4 and 6)
	Hercules BioVenture, L.P.	-	Financial assets at FVTPL - non-current	184,210	12,154	2.63	12,154	(Notes 4 and 6)
	Largan Precision Co., Ltd.	-	Financial assets at FVTPL - current	9,000	28,755	0.01	28,755	(Notes 2 and 6)
	Winmate Inc.	-	Financial assets at FVTPL - current	1,038,000	77,954	1.44	77,954	(Notes 2 and 6)
	Advanced Wireless Semiconductor Company	-	Financial assets at FVTPL - current	379,198	51,192	0.25	51,192	(Notes 2 and 6)
	Auras Technology Co., Ltd.	-	Financial assets at FVTPL - current	200,000	42,800	0.23	42,800	(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	3,088	0.96	3,088	(Notes 4 and 6)
	<u>Structured deposit</u>							
Dongguan Khuan Huang Precise Mold Plastic Co.,	Peoples' profit 140 and 146 from E.SUN Bank	-	Financial assets at FVTPL - current	-	65,508	-	65,508	(Notes 5 and 6)
Kunshan Fulfil Tech Co., Ltd.	Monthly profit 20120390 from Fubon Bank	-	Financial assets at FVTPL - current	-	43,648	-	43,648	(Notes 5 and 6)
Gatech (Suzhou) Inc.	Monthly profit 20120398 from Fubon Bank	-	Financial assets at FVTPL - current	-	43,770	-	43,770	(Notes 5 and 6)

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

Note 2: The shares are calculated at the strike price as of December 31, 2020.

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

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

Note 5: The structured commodity is calculated at its contract worth as of December 31, 2020.

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

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal	Shares	Amount
Syncmold Enterprise Corporation	Stock Syncmold Enterprise Vietnam Co., Ltd.	Investments accounted for using the equity method	Syncmold Enterprise Vietnam Co., Ltd.	Subsidiary	-	\$ -	-	\$ 302,444	-	\$ -	\$ -	\$ - (Note)	-	\$ 242,441 (Note)

Note: The amount in the end of period includes the adjustments using the equity method, which are original investment for \$302,444 thousand, and adjustment to investment losses recognized by ownership percentage of \$(15,941) thousand and other comprehensive income of \$(44,062) thousand.

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Syncmold Enterprise Corporation	Zhongshan Fufil Tech Co., Ltd.	Subsidiary	Purchase	\$ 1,505,534	44	Note 1	\$ -	-	\$ (518,441)	53	
	Suzhou Fufil Electronics Co., Ltd.	Subsidiary	Purchase	1,365,186	40	Note 1	-	-	(560,484)	45	
	Fuzhou Fufil Tech Co., Ltd.	Subsidiary	Purchase	340,741	10	Note 1	-	-	(79,865)	6	
Suzhou Fufil Electronics Co., Ltd.	Kunshan Fufil Tech Co., Ltd.	Indirect subsidiary	Purchase	587,473	20	Note 1	-	-	(138,333)	17	
	Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Indirect subsidiary	Purchase	213,733	7	Note 1	-	-	(53,508)	6	
	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Indirect subsidiary	Purchase	157,004	5	Note 1	-	-	(42,885)	5	
Fuzhou Fufil Tech Co., Ltd.	Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Indirect subsidiary	Purchase	360,996	29	Note 1	-	-	(68,497)	15	
Zhongshan Fufil Tech Co., Ltd.	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Indirect subsidiary	Purchase	307,287	18	Note 1	-	-	(64,510)	11	
	Syncmold Enterprise Corporation	Parent company	Sales	(1,505,534)	64	Note 1	-	-	518,441	53	
Kunshan Fufil Tech Co., Ltd.	Suzhou Fufil Electronics Co., Ltd.	Indirect subsidiary	Sales	(587,473)	100	Note 1	-	-	138,333	100	
Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Fuzhou Fufil Tech Co., Ltd.	Indirect subsidiary	Sales	(360,996)	54	Note 1	-	-	68,497	44	
	Suzhou Fufil Electronics Co., Ltd.	Indirect subsidiary	Sales	(213,733)	32	Note 1	-	-	53,508	34	
Suzhou Fufil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(1,365,186)	36	Note 1	-	-	560,484	32	
Fuzhou Fufil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(340,741)	21	Note 1	-	-	79,865	17	
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Suzhou Fufil Electronics Co., Ltd.	Indirect subsidiary	Sales	(157,004)	27	Note 1	-	-	42,885	34	
	Zhongshan Fufil Tech Co., Ltd.	Indirect subsidiary	Sales	(307,287)	53	Note 1	-	-	64,510	51	

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

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

DECEMBER 31, 2020

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

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Grand Advance Inc.	Syncmold Enterprise Corporation	Parent company	\$ 284,800 (Note 1)	-	\$ -	-	\$ 284,800	\$ -
Zhongshan Fufil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	518,441	-	-	-	258,320	-
Suzhou Fufil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	560,484	-	-	-	287,414	-
Kunshan Fufil Tech Co., Ltd.	Suzhou Fufil Electronics Co., Ltd.	Indirect subsidiary	138,333	-	-	-	132,077	-
Suzhou Leoho Electronics Co., Ltd.	Leohab Enterprise Co., Ltd.	Indirect subsidiary	166,545	-	-	-	23,667	-

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 YEAR ENDED DECEMBER 31, 2020
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
Syncmold Enterprise Corporation	Syncmold Enterprise (Samoa) Corp.	Samoa	Trading and related import and export businesses of metal molds and plastic molds as well as the reinvestment of subsidiaries in mainland China	\$ 110,598	\$ 110,598	3,546	100.00	\$ 2,537,652	\$ 276,919	\$ 274,294	(Note 1)
	Grand Advance Inc.	Samoa	Trading, import and export and investment in electronic parts	506,240	506,240	-	100.00	3,023,481	649,350	647,505	(Note 1)
	Syncmold Enterprise (USA) Corp.	USA	Trading, import and export in electronic parts	32	32	-	100.00	(2,522)	(218)	(218)	(Note 1)
	High Grade Tech Co., Ltd.	Taiwan	The design and sale of television hangers and related import and export businesses	36,075	36,075	2,280	38.00	128,639	39,527	15,020	(Note 1)
	Corebio Technologies Co., Ltd.	Taiwan	Medical technology and precision instrument wholesale and retail	52,000	52,000	5,200	38.29	35,917	(28,296)	(10,835)	(Note 1)
	Leohab Enterprise Co., Ltd.	Taiwan	Precision hardware components manufacturing	232,677	-	16,620	70.00	253,967	3,689	2,464	(Note 1)
	Gatech Technology Inc.	Taiwan	Precise molding and magnesium alloy die caster manufacturing and transaction business	553,815	550,000	42,207	73.43	645,537	25,545	19,155	
	Syncmold Enterprise Vietnam Co., Ltd.	Vietnam	Trading, import and export and investment in electronic parts	302,444	-	-	100.00	242,441	(15,941)	(15,941)	
	Syncmold Enterprise (Malaysia) Sdn., Ltd.	Malaysia	Trading, import and export in electronic parts, customer support and service center	3,639	-	-	100.00	1,882	(1,501)	(1,501)	
	Syncmold Enterprise (Singapore) Pte., Ltd.	Singapore	Trading, import and export in electronic parts, electronic components and parts design	1,100	-	-	100.00	593	(477)	(477)	
Syncmold Enterprise (Thailand) Co., Ltd.	Thailand	Trading, import and export and investment in electronic parts	19,920	-	-	100.00	15,243	(4,757)	(4,757)		
Grand Advance Inc.	Canford International Limited	Samoa	Import and export trade and investment business	119,342	119,342	-	100.00	1,415,412	338,527	338,527	(Note 1)
	Fullking Development Limited	Hong Kong	Import and export trade and investment business	160,175	160,175	-	100.00	982,035	317,168	317,163	(Note 1)
	Full Glary Holding Limited	Hong Kong	Import and export trade and investment business	259,720	259,720	-	100.00	310,456	54,807	53,198	(Note 1)
Syncmold Enterprise (Samoa) Corp.	Full Big Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	16,643	16,643	-	100.00	235,578	2,886	2,886	(Note 1)
	Forever Business Development Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	125,957	125,957	-	100.00	335,845	51,037	48,271	(Note 1)
	Full Celebration Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	147,710	147,710	-	100.00	248,069	(24,570)	(24,570)	(Note 1)
Gatech Technology Inc.	Gatech Holding Ltd.	Samoa	General investment business	647,041	647,041	20,130	100.00	626,918	17,027	17,027	(Note 1)
Gatech Holdings Ltd.	Gatech International	Samoa	General investment business	657,284	657,284	20,268	100.00	626,894	17,028	17,028	(Note 1)
Leohab Enterprise Co., Ltd.	Sweet International Group Ltd.	British Virgin Islands	General investment business	280,368	280,368	-	100.00	505,170	4,199	4,199	
Sweet International Group Ltd.	Lucky King Holdings Ltd.	Merisis	General investment business	280,368	280,368	-	100.00	505,170	4,199	4,199	
Lucky King Holdings Ltd.	Commuwell Enterprise (Thailand) Co., Ltd.	Thailand	Plastic shot and hardware components manufacturing	113,236	113,236	-	100.00	177,504	4,092	4,092	

(Continued)

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

Note 2: Refer to Table 8 for related information on investees from mainland China.

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, except for High Grade Tech Co., Ltd. and Corebio Technology Co., Ltd.

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

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

(Continued)

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

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

Note 2: The profit and loss of investments between reinvested companies, investments accounted for using the equity method, and the equity of investee companies were all eliminated during the preparation of the consolidated financial statements

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details		Payment Terms	% of Total Sales or Asset (Note 3)
				Financial Statement Account	Price		
0	Syncmold Enterprise Corporation	Gatech (Suzhou) Inc. Fujian Khuan Hua Precise Mold., Ltd.	1 1	Other receivables from related parties	\$ 14,518	Based on the contract between both parties	-
				Other receivables from related parties	12,582	Based on the contract between both parties	-
1	Zhongshan Fufil Tech Co., Ltd.	Syncmold Enterprise Corporation Syncmold Enterprise Corporation	2 2	Sales	1,505,534	No significant difference with non-related parties	15
				Trade receivables from related parties	518,441	No significant difference with non-related parties	4
2	Dongguan Kwan Huang Precision Mold Plastic Co., Ltd.	Zhongshan Fufil Tech Co., Ltd.	3	Sales	307,287	No significant difference with non-related parties	3
		Zhongshan Fufil Tech Co., Ltd.	3	Trade receivables from related parties	64,510	No significant difference with non-related parties	1
		Fuzhou Fufil Tech Co., Ltd.	3	Sales	80,401	No significant difference with non-related parties	1
		Suzhou Fufil Electronics Co., Ltd.	3	Sales	157,004	No significant difference with non-related parties	2
		Suzhou Fufil Electronics Co., Ltd.	3	Trade receivables from related parties	42,885	No significant difference with non-related parties	-
3	Fuzhou Fufil Tech Co., Ltd.	Syncmold Enterprise Corporation Syncmold Enterprise Corporation	2 2	Accounts receivable from related parties	79,865	No significant difference with non-related parties	1
				Sales	340,741	No significant difference with non-related parties	4
4	Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Fuzhou Fufil Tech Co., Ltd.	3	Sales	360,996	No significant difference with non-related parties	4
		Fuzhou Fufil Tech Co., Ltd.	3	Trade receivables from related parties	68,497	No significant difference with non-related parties	1
		Suzhou Fufil Electronics Co., Ltd.	3	Sales	213,733	No significant difference with non-related parties	2
		Suzhou Fufil Electronics Co., Ltd.	3	Trade receivables from related parties	53,508	No significant difference with non-related parties	-
		Zhongshan Fufil Tech Co., Ltd.	3	Sales	98,747	No significant difference with non-related parties	1
		Zhongshan Fufil Tech Co., Ltd.	3	Trade receivables from related parties	34,448	No significant difference with non-related parties	1
5	Grand Advance Inc.	Syncmold Enterprise Corporation Fullking Development Limited	2 3	Other receivables from related parties	284,800	Based on the contract between both parties	2
				Other receivables from related parties	42,720	Based on the contract between both parties	-
6	Suzhou Fufil Electronics Co., Ltd.	Syncmold Enterprise Corporation Syncmold Enterprise Corporation	2 2	Trade receivables from related parties	560,484	No significant difference with non-related parties	5
				Sales	1,365,186	No significant difference with non-related parties	14
7	Full Big Limited	Fullking Development Limited	3	Other receivables from related parties	22,784	Based on the contract between both parties	-
8	Forever Business Development Limited	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	3	Other receivables from related parties	17,158	No significant difference with non-related parties	-
9	Kunshan Fufil Tech Co., Ltd.	Suzhou Fufil Electronics Co., Ltd. Suzhou Fufil Electronics Co., Ltd.	3 3	Trade receivables from related parties	138,333	No significant difference with non-related parties	1
				Sales	587,473	No significant difference with non-related parties	6

(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	Chongqing Fulfil Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	3	Trade receivables from related parties	\$ 29,397	No significant difference with non-related parties	-
		Syncmold Enterprise Corporation	2	Sales	60,036	No significant difference with non-related parties	-
		Syncmold Enterprise Corporation	2	Trade receivables from related parties	134,057	No significant difference with non-related parties	1
11	Syncmold Enterprise (Samoa) Corp.	Fujian Khuan Hua Precise Mold., Ltd.	3	Other receivables from related parties	43,851	Based on the contract between both parties	-
		Syncmold Enterprise Corporation	3	Other receivables from related parties	42,720	Based on the contract between both parties	-
12	Fujian Khuan Hua Precise Mold Ltd.	Suzhou Fulfil Electronics Co., Ltd.	3	Trade receivables from related parties	22,134	No significant difference with non-related parties	-
13	Suzhou Leoho Electronics Co., Ltd.	Leoho Electronics Co., Ltd.	3	Trade receivables from related parties	166,545	Based on the contract between both parties	1

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)

Syncmold Enterprise Corporation

**Financial Statements for the
Years Ended December 31, 2020 and 2019 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Syncmold Enterprise Corporation

Opinion

We have audited the accompanying financial statements of Syncmold Enterprise Corporation (the "Corporation"), which comprise the balance sheets as of December 31, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, based on our audits and the report of other auditors (refer to the other matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Corporation's financial statements for the year ended December 31, 2020 is stated as follows:

Occurrence of Sales Revenue

The sales revenue of the Corporation is mainly generated from the sales of monitor hinge products. Most of the sales were highly concentrated on major customers, which revenue accounted for 63.54% of total sales revenue in 2020. Due to the high frequency and significant amounts of transactions with major customers, the occurrence of sales revenue was deemed as a key audit matter for the year ended December 31, 2020. Refer to Note 4 to the financial statements for the related revenue recognition policies.

In response to this key audit matter, our main audit procedures performed in the assessment of the recognition of sales revenue of the Corporation were as follows:

1. We understood the design and implementation of internal controls and assessed the operating effectiveness of relevant controls.
2. We performed detailed verification tests on the selected samples of sales revenue, and checked transaction vouchers and future sales returns and discounts of major customers to confirm the occurrence of sales revenue.

Other Matter

We did not audit the financial statements of associates accounted for using the equity method, these were instead audited by other auditors. Our opinion, insofar as it relates to the amounts included for associates accounted for using the equity method, is based solely on the report of other auditors. As of December 31, 2020 and 2019, the amounts of investments accounted for using the equity method were NT\$418,523 thousand and NT\$168,252 thousand, respectively, which accounted for 4.54% and 2.03% of the Corporation's total assets, respectively. For the years ended December 31, 2020 and 2019, share of profit of associates accounted for using the equity method amounted to NT\$9,671 thousand and NT\$3,939 thousand, respectively, which accounted for 1.00% and 0.53% of the Corporation's total comprehensive income, respectively.

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

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

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 16, 2021

Notice to Readers

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

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

SYNCMOLD ENTERPRISE CORPORATION

BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

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

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

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

SYNCMOLD ENTERPRISE CORPORATION

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

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

(Continued)

SYNCMOLD ENTERPRISE CORPORATION

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

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

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

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

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION

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

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

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

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

SYNCMOLD ENTERPRISE CORPORATION

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

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

(Continued)

SYNCMOLD ENTERPRISE CORPORATION

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

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

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

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

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Corporation’s board of directors on March 16, 2021.

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

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

The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Corporation’s accounting policies:

- b. The IFRSs endorsed by the FSC for application starting from 2021

New IFRSs	Effective Date Announced by the IASB
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform - Phase 2”	January 1, 2021
Amendment to IFRS 16 “Covid-19 - Related Rent Concessions”	June 1, 2020

As of the date the financial statements were authorized for issue, the Corporation continues assessing other possible impacts that the application of the aforementioned amendments and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers will have on the Corporation’s financial position and financial performance and will disclose these other impacts when the assessment is completed.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
“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
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 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)

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 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.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Corporation does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at fair value. Other types of non-controlling interests are measured at fair value.

Where the consideration the Corporation transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gains on bargain purchases. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. The measurement period does not exceed 1 year from the acquisition date.

e. Foreign currencies

In preparing the Corporation's financial statements, transactions in currencies other than the Corporation's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting the financial statements, the functional currencies of the Corporation (including subsidiaries in other countries that use currencies which are different from the currency of the Corporation) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

f. Inventories

Inventories consist of raw materials, finished goods and products and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investments in subsidiaries

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

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

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

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

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

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

h. Investments in associates

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

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

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the associates. The Corporation also recognizes the changes in the Corporation's share of the equity of associates.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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

i. Property, plant and equipment

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

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Corporation's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

k. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

1. Impairment of property, plant and equipment, right-of-use asset, intangible assets other than goodwill

At the end of each reporting period, the Corporation reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 24.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost (including cash, notes receivable, trade receivables, other receivables, other receivables from related parties and refundable deposits) are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

The Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Corporation always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Corporation recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

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

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

n. Revenue recognition

The Corporation identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of electronic components and molding products. Sales of electronic components and molding products are recognized as revenue when the goods are delivered via the modes of transportation as stated in the agreements with customers, e.g. FOB shipping or FOB destination modes because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. Goods are sold at fixed prices as stated in the agreements with customers.

The Corporation does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Revenue from the rendering of services

Service income is recognized when services are provided.

3) Licensing revenue

Royalty revenue is recognized when the technique remains functional without updates and technical supports. When the customer uses the intellectual property for mass production, the price is decided based on production, sales or other methods, and revenue is recognized according to royalty arrangements.

o. Leasing

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

1) The Corporation as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Corporation as lessee

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments that depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Corporation uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

p. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Corporation's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Corporation considers the 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

	<u>December 31</u>	
	2020	2019
Cash on hand	\$ 921	\$ 836
Checking accounts and demand deposits	<u>437,526</u>	<u>307,372</u>
	<u>\$ 438,447</u>	<u>\$ 308,208</u>

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

	<u>December 31</u>	
	2020	2019
Bank balance	0.001%-2%	0.001%-0.35%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	2020	2019
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets		
Foreign exchange forward contracts	\$ 19,871	\$ -
Non-derivative financial assets		
Domestic listed shares	<u>200,701</u>	<u>39,800</u>
	<u>\$ 220,572</u>	<u>\$ 39,800</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic emerging market shares	\$ 15,619	\$ 10,271
Overseas unlisted shares	51,579	50,611
Private funds	<u>3,088</u>	<u>-</u>
	<u>\$ 70,286</u>	<u>\$ 60,882</u>

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

December 31, 2020

	Currency	Maturity Date	Notional Amount (In Thousands)
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 Corporation entered into foreign exchange forward contracts to manage exposures due to exchange rate fluctuations of foreign currency denominated assets and liabilities

8. TRADE RECEIVABLES, NET

	<u>December 31</u>	
	2020	2019
At amortized cost		
Gross carrying amount	\$ 767,341	\$ 886,639
Less: Allowance for impairment loss	<u>(710)</u>	<u>(109)</u>
	<u>\$ 766,631</u>	<u>\$ 886,530</u>

The average credit period of sales of goods was 90-120 days. No interest was charged on trade receivables. Credit rating information is obtained from independent rating agencies where available or, if not available, the Corporation uses other publicly available financial information or its own trading records to rate its major customers. The Corporation's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

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

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

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

December 31, 2020

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	-	-	20.00%	-	-	
Gross carrying amount	\$ 763,791	\$ -	\$ 3,550	\$ -	\$ -	\$ 767,341
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>(710)</u>	<u>-</u>	<u>-</u>	<u>(710)</u>
Amortized cost	<u>\$ 763,791</u>	<u>\$ -</u>	<u>\$ 2,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 766,631</u>

December 31, 2019

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	-	-	-	44.49%	-	
Gross carrying amount	\$ 886,394	\$ -	\$ -	\$ 245	\$ -	\$ 886,639
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(109)</u>	<u>-</u>	<u>(109)</u>
Amortized cost	<u>\$ 886,394</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136</u>	<u>\$ -</u>	<u>\$ 886,530</u>

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

	For the Year Ended December 31	
	2020	2019
Balance at January 1	\$ 109	\$ 50
Add: Net remeasurement of loss allowance	<u>601</u>	<u>59</u>
Balance at December 31	<u>\$ 710</u>	<u>\$ 109</u>

9. INVENTORIES

	December 31	
	2020	2019
Products	\$ 11,010	\$ 24,897
Raw materials	4,742	833
Finished goods	<u>86</u>	<u>-</u>
	<u>\$ 15,838</u>	<u>\$ 25,730</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2020 and 2019 was \$3,413,317 thousand and \$3,156,347 thousand, respectively. The cost of goods sold in 2019 included reversal of inventory write-down of \$1,900 thousand and inventory write-down of \$1,638 thousand. The reversals of previous write-downs resulted from selling of slow moving inventories.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2020	2019
Investments in subsidiaries	\$ 6,720,796	\$ 5,977,659
Investments in associates	<u>164,556</u>	<u>168,252</u>
	<u>\$ 6,885,352</u>	<u>\$ 6,145,911</u>

a. Investments in subsidiaries

	December 31	
	2020	2019
Grand Advance Inc.	\$ 3,023,481	\$ 2,749,104
Syncmold Enterprise (Samoa) Corp.	2,537,652	2,614,645
Syncmold Enterprise (USA) Corp.	(2,522)	(2,437)
Gatech Technology Inc.	645,537	613,910
Syncmold Enterprise Vietnam Co., Ltd.	242,441	-
Syncmold Enterprise (Malaysia) Sdn., Bhd	1,882	-
Syncmold Enterprise (Singapore) Pte., Ltd.	593	-
Syncmold Enterprise (Thailand) Co., Ltd.	15,243	-
Leohab Enterprise Co., Ltd.	<u>253,967</u>	<u>-</u>
	6,718,274	5,975,222
Add: Credit balance of investments reclassified to non-current liabilities	<u>2,522</u>	<u>2,437</u>
	<u>\$ 6,720,796</u>	<u>\$ 5,977,659</u>

Name of Subsidiaries	Proportion of Ownership and Voting Rights	
	December 31	
	2020	2019
Grand Advance Inc.	100.00%	100.00%
Syncmold Enterprise (Samoa) Corp.	100.00%	100.00%
Syncmold Enterprise (USA) Corp.	100.00%	100.00%
Gatech Technology Inc.	73.43%	72.81%
Syncmold Enterprise Vietnam Co., Ltd.	100.00%	-
Syncmold Enterprise (Malaysia) Sdn., Bhd	100.00%	-
Syncmold Enterprise (Singapore) Pte., Ltd.	100.00%	-
Syncmold Enterprise (Thailand) Co., Ltd.	100.00%	-
Leohab Enterprise Co., Ltd.	70.00%	-

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 Corporation's percentage of ownership in Leohab Enterprise Co., Ltd. was 70% and the Corporation had substantial control over Leohab Enterprise Co., Ltd. and listed it as a subsidiary. The acquisition was measured at fair value and the Corporation recognized a gain from bargain purchase of \$19,323 thousand.

On November 29, 2019, the Corporation completed the acquisition of Gatech Technology Inc. for a cash consideration of \$550,000 thousand; after the acquisition, the Corporation's percentage of ownership in Gatech Technology Inc. was 72.81% and the Corporation had substantial control over Gatech Technology Inc. and listed it as a subsidiary. On April 21, 2020 and July 27, 2020, the Corporation acquired additional 0.17% and 0.45% ownerships in Gatech Technology Inc. for a cash consideration of \$1,345 thousand and \$2,470 thousand, respectively, which increased the Corporation's percentage of ownership to 73.43%.

The establishment of Syncmold Enterprise Vietnam Co., Ltd. was approved on December 24, 2019. As of March 19, 2020, the Corporation had invested \$302,344 thousand in exchange for 100% shareholding interest.

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.

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.

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.

The Corporation continued to support Syncmold Enterprise (USA) Corp. and recognized investment loss based on the proportion of the Corporation's ownership. The credit balances of long-term equity investment transferred to other liabilities were \$2,522 thousand and \$2,437 thousand on December 31, 2020 and 2019, respectively.

See Note 25 of financial statements for more information about the acquisition of Gatech Technology Inc. and Leohab Enterprise Co., Ltd. by the Corporation.

For details of the investments in subsidiaries indirectly held by the Corporation, refer to Note 28.

The share of profit or loss of subsidiaries accounted for using the equity method in 2020 and 2019 was calculated based on the subsidiaries' financial statements which have been audited for the same periods.

b. Investments in associates

	December 31	
	2020	2019
Associates that are not individually material		
Unlisted companies		
High Grade Tech Co., Ltd.	\$ 128,639	\$ 121,500
Corebio Technologies Co., Ltd.	<u>35,917</u>	<u>46,752</u>
	<u>\$ 164,556</u>	<u>\$ 168,252</u>

Aggregate information of associates that are not individually material:

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
The Corporation's share of:		
Net profit of the year	<u>\$ 4,185</u>	<u>\$ 3,939</u>
Other comprehensive income	<u>\$ 3,519</u>	<u>\$ -</u>

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

The share of profit or loss and other comprehensive income of associates accounted for using the equity method in 2020 and 2019 was calculated based on the associates' financial statements which have been audited for the same periods.

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Equipment	Transportation Equipment	Office Equipment	Total
<u>Cost</u>						
Balance at January 1, 2020	\$ 65,187	\$ 67,264	\$ 18,483	\$ 875	\$ 5,015	\$ 156,824
Additions	-	16,057	22,384	550	4,321	43,312
Transfer from prepayments for equipment	-	-	494	-	-	494
Disposals	<u>-</u>	<u>(16,936)</u>	<u>(1,250)</u>	<u>-</u>	<u>(1,356)</u>	<u>(19,542)</u>
Balance at December 31, 2020	<u>\$ 65,187</u>	<u>\$ 66,385</u>	<u>\$ 40,111</u>	<u>\$ 1,425</u>	<u>\$ 7,980</u>	<u>\$ 181,088</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2020	\$ -	\$ 32,722	\$ 2,788	\$ 640	\$ 2,516	\$ 38,666
Depreciation expenses	-	3,077	4,994	172	1,365	9,608
Disposals	<u>-</u>	<u>(16,936)</u>	<u>(992)</u>	<u>-</u>	<u>(1,356)</u>	<u>(19,284)</u>
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ 18,863</u>	<u>\$ 6,790</u>	<u>\$ 812</u>	<u>\$ 2,525</u>	<u>\$ 28,990</u>
Carrying amounts at December 31, 2020	<u>\$ 65,187</u>	<u>\$ 47,522</u>	<u>\$ 33,321</u>	<u>\$ 613</u>	<u>\$ 5,455</u>	<u>\$ 152,098</u>
<u>Cost</u>						
Balance at January 1, 2019	\$ 65,187	\$ 67,264	\$ 10,792	\$ 875	\$ 5,013	\$ 149,131
Additions	-	-	12,017	-	1,226	13,243
Disposals	<u>-</u>	<u>-</u>	<u>(4,326)</u>	<u>-</u>	<u>(1,224)</u>	<u>(5,550)</u>
Balance at December 31, 2019	<u>\$ 65,187</u>	<u>\$ 67,264</u>	<u>\$ 18,483</u>	<u>\$ 875</u>	<u>\$ 5,015</u>	<u>\$ 156,824</u>

(Continued)

	Freehold Land	Buildings	Equipment	Transportation Equipment	Office Equipment	Total
Accumulated depreciation and impairment						
Balance at January 1, 2019	\$ -	\$ 30,976	\$ 2,505	\$ 515	\$ 2,658	\$ 36,654
Disposals	-	-	(4,326)	-	(1,224)	(5,550)
Depreciation expenses	-	1,746	4,609	125	1,082	7,562
Balance at December 31, 2019	\$ -	\$ 32,722	\$ 2,788	\$ 640	\$ 2,516	\$ 38,666
Carrying amounts at December 31, 2019	\$ 65,187	\$ 34,542	\$ 15,695	\$ 235	\$ 2,499	\$ 118,158

(Concluded)

No impairment assessment was performed for the years ended December 31, 2020 and 2019 as there was no indication of impairment.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	45 years
Electromechanical devices	4-5 years
Equipment	3-10 years
Transportation equipment	5-10 years
Office equipment	3-8 years

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2020	2019
<u>Carrying amounts</u>		
Buildings	\$ 22,307	\$ 20,790
Transportation equipment	1,284	576
	<u>\$ 23,591</u>	<u>\$ 21,366</u>
	For the Year Ended December 31	
	2020	2019
Additions to right-of-use assets	<u>\$ 15,463</u>	<u>\$ 21,351</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 12,285	\$ 3,867
Transportation equipment	424	249
	<u>\$ 12,709</u>	<u>\$ 4,116</u>

b. Lease liabilities

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Carrying amounts</u>		
Current	\$ <u>13,175</u>	\$ <u>8,180</u>
Non-current	\$ <u>10,397</u>	\$ <u>13,188</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Buildings	0.94%	0.94%
Transportation equipment	0.94%	0.94%

c. Other lease information

	<u>For the Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Expenses relating to short-term leases	\$ <u>367</u>	\$ <u>1,544</u>
Total cash outflow for leases	\$ <u>(13,336)</u>	\$ <u>(5,686)</u>

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

13. GOODWILL

	<u>For the Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Cost</u>		
Balance at January 1	\$ <u>366,777</u>	\$ <u>366,777</u>
Balance at December 31	\$ <u>366,777</u>	\$ <u>366,777</u>
Balance at January 1	\$ (42,180)	\$ -
Impairment losses recognized	<u>-</u>	<u>(42,180)</u>
Balance at December 31	\$ <u>(42,180)</u>	\$ <u>(42,180)</u>
Carrying amounts at December 31	\$ <u>324,597</u>	\$ <u>324,597</u>

The Corporation acquired FulFil Tech Co., Ltd. on June 27, 2007 and recognized goodwill of \$366,777 thousand relating to molding department and electronic components department. The goodwill is mainly arising from the expected benefit from sales growth of electronic components and molding products, and the potential of developing new electronic models

As of December 31, 2019, the operations of some plastic molding departments ceased due to the expected increase in bargaining pressure, raw materials, and labor cost of molded plastic products, as well as intra-group rearrangements and adjustments. Since the estimated recoverable amount of plastic molding department was lower than its carrying amount, an impairment loss on goodwill of \$42,180 thousand was recognized in 2019.

The recoverable amount of plastic molding department was determined based on a value in use calculation that used the cash flow projections in the financial budgets approved by management covering a 5-year period; the discount rate was 13.20% and 12.96% in 2020 and 2019, respectively. Other key assumptions included budgeted revenue and budgeted gross margin. Such assumptions were based on the past performance of the cash-generating unit and management's expectations of future market development.

14. INTANGIBLE ASSETS

	Computer Software Cost
<u>Cost</u>	
Balance at January 1, 2020	\$ 30,610
Additions	9,722
Disposals	<u>(7,441)</u>
Balance at December 31, 2020	<u>\$ 32,891</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2020	\$ (13,451)
Amortization expenses	(11,288)
Disposals	<u>7,441</u>
Balance at December 31, 2020	<u>\$ (17,298)</u>
Carrying amount at December 31, 2020	<u>\$ 15,593</u>
<u>Cost</u>	
Balance at January 1, 2019	\$ 30,531
Additions	15,413
Disposals	<u>(15,334)</u>
Balance at December 31, 2019	<u>\$ 30,610</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2019	\$ (17,340)
Amortization expenses	(11,445)
Disposals	<u>15,334</u>
Balance at December 31, 2019	<u>\$ (13,451)</u>
Carrying amount at December 31, 2019	<u>\$ 17,159</u>

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

15. BORROWINGS

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Short-term borrowings</u>		
Unsecured borrowings - line of credit borrowings	<u>\$ 1,214,800</u>	<u>\$ 726,982</u>

The weighted average effective interest rates on bank loans were 0.67%-0.77% and 0.88%-2.80% per annum as of December 31, 2020 and 2019, respectively.

16. OTHER PAYABLES

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Payables for salaries or bonuses	\$ 111,758	\$ 120,212
Payables for procurement	3,314	6,569
Others	<u>52,513</u>	<u>66,966</u>
	<u>\$ 167,585</u>	<u>\$ 193,747</u>

17. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plans adopted by the Corporation in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Corporation contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Corporation has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Corporation's defined benefit plans were as follows:

	December 31	
	2020	2019
Present value of defined benefit obligation	\$ 23,501	\$ 22,787
Fair value of plan assets	<u>(26,068)</u>	<u>(25,056)</u>
Net defined benefit assets	<u>\$ (2,567)</u>	<u>\$ (2,269)</u>

Movements in net defined benefit assets were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance at January 1, 2019	\$ 21,666	\$ (23,968)	\$ (2,302)
Service cost			
Current service cost	-	-	-
Net interest expense (income)	<u>217</u>	<u>(240)</u>	<u>(23)</u>
Recognized in profit or loss	<u>217</u>	<u>(240)</u>	<u>(23)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(848)	(848)
Actuarial (gain) loss			
Changes in demographic assumptions	52	-	52
Changes in financial assumptions	691	-	691
Experience adjustments	<u>161</u>	<u>-</u>	<u>161</u>
Recognized in other comprehensive income	<u>904</u>	<u>(848)</u>	<u>56</u>
Balance at December 31, 2019	<u>22,787</u>	<u>(25,056)</u>	<u>(2,269)</u>
Service cost			
Current service cost	-	-	-
Net interest expense (income)	<u>142</u>	<u>(157)</u>	<u>(15)</u>
Recognized in profit or loss	<u>142</u>	<u>(157)</u>	<u>(15)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(855)	(855)
Actuarial (gain) loss			
Changes in demographic assumptions	4	-	4
Changes in financial assumptions	441	-	441
Experience adjustments	<u>127</u>	<u>-</u>	<u>127</u>
Recognized in other comprehensive income	<u>572</u>	<u>(855)</u>	<u>(283)</u>
Balance at December 31, 2020	<u>\$ 23,501</u>	<u>\$ (26,068)</u>	<u>\$ (2,567)</u>

Through the defined benefit plans under the Labor Standards Law, the Corporation is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2020	2019
Discount rate	0.375%	0.625%
Expected rate(s) of salary increase	1.500%	1.500%
Mortality rate	According to the fifth experience life table of the insurance industry in Taiwan	According to the fifth experience life table of the insurance industry in Taiwan
Turnover rate	0%-7.5%	0%-10%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2020	2019
Discount rate(s)		
25% increase	<u>\$ (441)</u>	<u>\$ (465)</u>
25% decrease	<u>\$ 458</u>	<u>\$ 484</u>
Expected rate(s) of salary increase		
25% increase	<u>\$ 445</u>	<u>\$ 471</u>
25% decrease	<u>\$ (430)</u>	<u>\$ (455)</u>

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2020	2019
Expected contributions to the plans for the next year	<u>\$ -</u>	<u>\$ -</u>
Average duration of the defined benefit obligation	7.6 years	8.3 years

18. EQUITY

a. Share capital

Ordinary shares

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

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

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

b. Capital surplus

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

Capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from equity transactions may be used to offset deficits.

Capital surplus generates from the convertible corporate bond due to the exercise of share options could not be used in any other purpose.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors after the amendment, refer to employees' compensation and remuneration of directors and supervisors in Note 19-c.

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

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

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

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

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

The appropriation of earnings for 2019 had been proposed by the Corporation’s board of directors on March 16, 2021. The appropriation and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 96,510	
Special reserve	1,595	
Cash dividends	618,621	\$5.00

The appropriation of earnings for 2020 is subject to the resolution of the shareholders in the shareholders’ meeting to be held on June 24, 2021.

d. Special reserve

	December 31	
	2020	2019
Beginning at January 1	\$ 431,506	\$ 376,649
Appropriated special reserves		
Exchange differences on translating the financial statements of foreign operations	<u>202,514</u>	<u>54,857</u>
Balance at December 31	<u>\$ 634,020</u>	<u>\$ 431,506</u>

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

19. NET PROFIT

Net profit comprises:

a. Other income

	For the Year Ended December 31	
	2020	2019
Consulting income	\$ 14,518	\$ -
Dividends	6,229	-
Others	<u>477</u>	<u>1,653</u>
	<u>\$ 21,224</u>	<u>\$ 1,653</u>

b. Depreciation, amortization and employee benefits expense

	2020			2019		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salaries expenses	\$ 4,741	\$ 229,708	\$ 234,449	\$ -	\$ 206,383	\$ 206,383
Labor insurance expenses	509	17,589	18,098	-	15,458	15,458
Pension expenses						
Defined contribution plan	309	8,921	9,230	-	7,576	7,576
Defined benefit plan	-	(15)	(15)	-	(23)	(23)
Director's remuneration	-	15,287	15,287	-	13,956	13,956
Other employee benefits	<u>329</u>	<u>9,645</u>	<u>9,974</u>	<u>-</u>	<u>8,005</u>	<u>8,005</u>
	<u>\$ 5,888</u>	<u>\$ 281,135</u>	<u>\$ 287,023</u>	<u>\$ -</u>	<u>\$ 251,355</u>	<u>\$ 251,355</u>
Depreciation	<u>\$ 5,708</u>	<u>\$ 16,609</u>	<u>\$ 22,317</u>	<u>\$ 123</u>	<u>\$ 11,555</u>	<u>\$ 11,678</u>
Amortization	<u>\$ -</u>	<u>\$ 11,288</u>	<u>\$ 11,288</u>	<u>\$ -</u>	<u>\$ 11,445</u>	<u>\$ 11,445</u>

As of December 31, 2020 and 2019, the Corporation had 268 and 208 employees, respectively, which included 6 directors and 4 directors not concurrently serving as employees, respectively. The average employee benefits expenses were \$1,092 thousand and \$1,164 thousand, respectively. The average employees' salaries were \$895 thousand and \$1,049 thousand, respectively. The average adjustment of employee salary was (15%) which the calculation standard was the same as employee benefits expense.

The remuneration of directors and supervisors shall be allocated in accordance with the Articles of Incorporation and shall be paid by remuneration committee upon the resolution of the board of directors and reported in the shareholders' meeting. The remuneration is based on the content of work, education, expertise and other standards, and the Corporation's operating conditions. Employees' performance and other factors such as salary increases or bonuses, and remuneration of managers are determined by compensation committee subject to the approval from the board of directors.

c. Employees' compensation and remuneration of directors and supervisors

According to the Articles of Incorporation of the Corporation, the Corporation accrues employees' compensation and remuneration of directors and supervisors at rates of no less than 3% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. The employees' compensation and the remuneration of directors and supervisors for the years ended December 31, 2020 and 2019, which were approved by the Corporation's board of directors on March 16, 2021 and March 13, 2020, respectively, are as follows:

Accrual rate

	<u>For the Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Employees' compensation	6.58%	6.56%
Remuneration of directors and supervisors	1.44%	1.44%

Amount

	<u>For the Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>
	<u>Cash</u>	<u>Cash</u>
Employees' compensation	\$ 80,847	\$ 79,339
Remuneration of directors and supervisors	17,747	17,416

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

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

	<u>For the Year Ended December 31</u>			
	<u>2020</u>		<u>2019</u>	
	<u>Employees' Compensation</u>	<u>Remuneration of Directors and Supervisors</u>	<u>Employees' Compensation</u>	<u>Remuneration of Directors and Supervisors</u>
Amounts approved in the board of directors' meeting	<u>\$ 79,000</u>	<u>\$ 18,000</u>	<u>\$ 76,000</u>	<u>\$ 17,000</u>
Amounts recognized in the annual financial statements	<u>\$ 79,339</u>	<u>\$ 17,416</u>	<u>\$ 75,903</u>	<u>\$ 16,662</u>

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

20. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2020	2019
Current tax		
In respect of the current period	\$ 180,475	\$ 117,571
Income tax on unappropriated earnings	4,404	-
Adjustments for prior periods	<u>1,242</u>	<u>10,520</u>
	<u>186,121</u>	<u>128,091</u>
Deferred tax		
In respect of the current period	(22,017)	43,049
Adjustments to deferred tax attributable to changes in tax rates and laws	<u>543</u>	<u>-</u>
Income tax expense recognized in profit or loss	<u>\$ 164,647</u>	<u>\$ 171,140</u>

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

	For the Year Ended December 31	
	2020	2019
Profit before tax	<u>\$ 1,130,385</u>	<u>\$ 1,112,682</u>
Income tax expense calculated at the statutory rate	\$ 226,077	\$ 222,537
Nondeductible expenses in determining taxable income	(67,619)	(66,938)
Unrecognized deductible temporary differences	-	5,021
Income tax on unappropriated earnings	4,404	-
Adjustments for prior years' tax	<u>1,785</u>	<u>10,520</u>
Income tax expense recognized in profit or loss	<u>\$ 164,647</u>	<u>\$ 171,140</u>

b. Current tax assets and liabilities

	December 31	
	2020	2019
Current tax assets		
Tax refund receivable	<u>\$ 8,474</u>	<u>\$ 3,309</u>
Current tax liabilities		
Income tax payable	<u>\$ 98,120</u>	<u>\$ 18,796</u>

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

For the year ended December 31, 2020

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen- sive Income	Closing Balance
Temporary differences				
Allowance for exceeding limit	\$ 159	\$ 288	\$ -	\$ 447
Allowance for inventory valuation and obsolescence losses	58	-	-	58
Others	<u>543</u>	<u>(543)</u>	<u>-</u>	<u>-</u>
	<u>\$ 760</u>	<u>\$ (255)</u>	<u>\$ -</u>	<u>\$ 505</u>

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen- sive Income	Closing Balance
Temporary differences				
Gain on investments accounted for using the equity method	\$ 267,035	\$ (26,714)	\$ -	\$ 240,321
Defined benefit obligations	454	3	57	514
Unrealized exchange gains	6,206	(73)	-	6,133
Financial assets at FVTPL	<u>2,042</u>	<u>5,055</u>	<u>-</u>	<u>7,097</u>
	<u>\$ 275,737</u>	<u>\$ (21,729)</u>	<u>\$ 57</u>	<u>\$ 254,065</u>

For the year ended December 31, 2019

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen- sive Income	Closing Balance
Temporary differences				
Allowance for exceeding limit	\$ 201	\$ (42)	\$ -	\$ 159
Allowance for inventory valuation and obsolescence losses	439	(381)	-	58
Impairment loss recognized on financial assets measured at cost	5,021	(5,021)	-	-
Others	<u>543</u>	<u>-</u>	<u>-</u>	<u>543</u>
	<u>\$ 6,204</u>	<u>\$ (5,444)</u>	<u>\$ -</u>	<u>\$ 760</u>

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen- sive Income	Closing Balance
Temporary differences				
Gain on investments accounted for using the equity method	\$ 234,334	\$ 32,701	\$ -	\$ 267,035
Defined benefit obligations	460	5	(11)	454
Unrealized exchange gains	3,349	2,857	-	6,206
Financial assets at FVTPL	<u>-</u>	<u>2,042</u>	<u>-</u>	<u>2,042</u>
	<u>\$ 238,143</u>	<u>\$ 37,605</u>	<u>\$ (11)</u>	<u>\$ 275,737</u>

- d. Deductible temporary differences for which no deferred tax assets have been recognized in the balance sheets

	<u>December 31</u>	
	2020	2019
Deductible temporary differences	<u>\$ 148,350</u>	<u>\$ 172,802</u>

The unrecognized deductible temporary differences are goodwill amortization and excess loss allowance.

21. EARNINGS PER SHARE

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

Net Profit for the Year

	<u>For the Year Ended December 31</u>	
	2020	2019
Earnings used in the computation of diluted earnings per share	<u>\$ 965,738</u>	<u>\$ 941,542</u>

Shares

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

	<u>For the Year Ended December 31</u>	
	2020	2019
Weighted average number of ordinary shares used in the computation of basic earnings per share	123,724	123,724
Effect of potentially dilutive ordinary shares Employees' compensation	<u>1,133</u>	<u>1,061</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>124,857</u>	<u>124,785</u>

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

22. BUSINESS COMBINATIONS

Refer to Note 25 to the consolidated financial statements for detailed information relating to business combinations.

23. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure that entities in the Corporation will be able to continue as going concerns while maximizing the return to stockholders through the optimization of the debt and equity balance.

The strategy for managing the capital structure of the Corporation is based on the scale of the business, the future growth of the industry and the blueprints of the products' development. The Corporation calculates trading fund and cash based on its production capacity in order to have a long-term and completed plan. The Corporation takes into account product competition to estimate the products' contribution, operating profit margin and cash flow. It also considers the business cycle and the product's' life cycle and risks when deciding the appropriate capital structure.

Key management personnel of the Corporation review the capital structure on a regular basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Generally, the Corporation uses a cautious risk management strategy.

24. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 200,701	\$ -	\$ -	\$ 200,701
Emerging market shares	6,708	-	8,911	15,619
Overseas unlisted shares	-	-	51,579	51,579
Forward foreign exchange	-	19,871	-	19,871
Private funds	-	-	3,088	3,088
	<u>\$ 207,409</u>	<u>\$ 19,871</u>	<u>\$ 63,578</u>	<u>\$ 290,858</u>

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 39,800	\$ -	\$ -	\$ 39,800
Emerging market shares	3,473	-	6,798	10,271
Overseas unlisted shares	<u>-</u>	<u>-</u>	<u>50,611</u>	<u>50,611</u>
	<u>\$ 43,273</u>	<u>\$ -</u>	<u>\$ 57,409</u>	<u>\$ 100,682</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 year ended December 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)	5,589
Purchases	5,017
Refund of capital reduction	<u>(4,437)</u>
Balance at December 31, 2020	<u>\$ 63,578</u>

For the year ended December 31, 2019

	Financial Assets at FVTPL Equity Instruments
Balance at January 1, 2019	\$ 54,099
Recognized in profit or loss (included in net gain on fair value changes of financial assets at fair value through profit or loss)	3,301
Purchases	3,482
Transfers out of Level 3	<u>(3,473)</u>
Balance at December 31, 2019	<u>\$ 57,409</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 flow 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

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Financial assets</u>		
Mandatorily classified as at FVTPL	\$ 290,858	\$ 100,682
Financial assets at amortized cost (1)	1,476,437	1,473,166
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (2)	2,830,858	2,336,180

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

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

c. Financial risk management objectives and policies

The Corporation's major financial instruments include cash, financial assets mandatorily classified as at FVTPL, financial assets at amortized cost, equity investments, trade receivables, trade payables, short-term borrowings and lease liabilities. The Corporation's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Corporation through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

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

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

a) Foreign currency risk

The Corporation has foreign currency sales and purchases, which exposes the Corporation to foreign currency risk. The carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 27.

Sensitivity analysis

The Corporation is mainly exposed to the USD and the RMB.

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

	USD Impact		RMB Impact	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2020	2019	2020	2019
Equity	\$ 7,029	\$ 3,992	\$ (2,430)	\$ (1,953)

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

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

b) Interest rate risk

The Corporation is exposed to interest rate risk because the Corporation borrows funds at both fixed and floating interest rates.

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

	December 31	
	2020	2019
Fair value interest rate risk		
Financial liabilities	\$ 1,238,372	\$ 748,350
Cash flow interest rate risk		
Financial assets	434,400	303,860

Sensitivity analysis

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

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the years ended December 31, 2020 and 2019 would have decreased/increased by \$4,344 thousand and \$3,039 thousand, respectively, which was mainly attributable to the Corporation's exposure to interest rates on its variable-rate deposits.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2020 and 2019 would have increased/decreased by \$2,679 thousand and \$1,007 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

2) Credit risk

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

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

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

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

3) Liquidity risk

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

The Corporation relies on bank borrowings as a significant source of liquidity. As of December 31, 2020 and 2019, the Corporation had available unutilized short-term bank loan facilities set out below.

Financing facilities

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	\$ 1,214,800	\$ 726,982
Amount unused	<u>2,185,200</u>	<u>1,273,018</u>
	<u>\$ 3,400,000</u>	<u>\$ 2,000,000</u>

25. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Corporation and other related parties are disclosed below.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Syncmold Enterprise (Samoa) Corp.	Subsidiary
Grand Advance Inc.	Subsidiary
Syncmold Enterprise (USA) Corp.	Subsidiary
Syncmold Enterprise Vietnam Co., Ltd.	Subsidiary
Syncmold Enterprise (Singapore) Pte. Ltd.	Subsidiary
Leohab Enterprise Co., Ltd.	Subsidiary
Gatech Technology Inc.	Subsidiary
Gatech (Suzhou) Inc.	Indirect subsidiary
Fuzhou Fulfil Tech Co., Ltd.	Indirect subsidiary
Fujian Khuan Hua Precise Mold., Ltd.	Indirect subsidiary
Chongqing Fulfil Tech Co., Ltd.	Indirect subsidiary
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Indirect subsidiary
Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary
Zhongshan Fulfil Tech Co., Ltd	Indirect subsidiary
High Grade Tech Co., Ltd.	Associate
Chen Chien Yuan	The legal representative of the Corporation's director (Note)
Chen Chien Hung	Related party in substance (first-degree relative of the Corporation's director)
Kuan Chen Investment Co., Ltd.	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. Sales of goods

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2020	2019
Sales	Subsidiaries	\$ 17,091	\$ 27,821
	Indirect subsidiaries	<u>11,307</u>	<u>-</u>
		<u>28,398</u>	<u>27,821</u>
Other operating revenue - royalty	Indirect subsidiaries		
	Fuzhou Fulfil Tech Co., Ltd.	66,178	70,461
	Zhongshan Fulfil Tech Co., Ltd.	93,004	71,850
	Suzhou Fulfil Electronics Co., Ltd.	149,848	135,150
	Chongqing Fulfil Tech Co., Ltd.	<u>23,270</u>	<u>34,029</u>
	<u>332,300</u>	<u>311,490</u>	
Other operating revenue - service revenue	Indirect subsidiaries	<u>1,108</u>	<u>1,711</u>
		<u>\$ 361,806</u>	<u>\$ 341,022</u>

The transaction prices and terms of collection between the Corporation and its related parties are the same as the non-related parties, except for subsidiaries that purchase raw materials on behalf of the Corporation, whose service income is decided with reference to market prices, and royalty income which is based on that stated in the agreements.

c. Purchases of goods

Related Party Category/Name	December 31	
	2020	2019
Indirect subsidiaries		
Zhongshan Fulfil Tech Co., Ltd	\$ 1,505,534	\$ 1,466,013
Suzhou Fulfil Electronics Co., Ltd.	1,365,186	1,070,426
Fuzhou Fulfil Tech Co., Ltd.	340,741	338,556
Others	<u>165,084</u>	<u>237,296</u>
	<u>\$ 3,376,545</u>	<u>\$ 3,112,291</u>

Prices of transactions between the Corporation and related parties were made with reference to market prices, and payment terms are the same as that with non-related parties.

d. Operating expenses

Related Party Category	For the Year Ended December 31	
	2020	2019
Subsidiaries	\$ 1,321	\$ -
Indirect subsidiaries	367	-
Associate	<u>7</u>	<u>-</u>
	<u>\$ 1,695</u>	<u>\$ -</u>

e. Property, plant and equipment

Related Party Category	For the Year Ended December 31	
	2020	2019
Related party in substance	\$ <u>550</u>	\$ <u>-</u>

f. Leases agreements

Related Party Category	For the Year Ended December 31	
	2020	2019
<u>Lease assets acquired</u>		
Related party in substance	\$ 2,879	\$ -
The legal representative of the Corporation's director	<u>1,574</u>	<u>-</u>
	\$ <u>4,453</u>	\$ <u>-</u>

Line Item	December 31	
	2020	2019
<u>Lease liabilities</u>		
Related party in substance	\$ 1,685	\$ 374
The legal representative of the Corporation's director	<u>921</u>	<u>-</u>
	\$ <u>2,606</u>	\$ <u>374</u>

Related Party Category	For the Year Ended December 31	
	2020	2019
<u>Interest expense</u>		
Related party in substance	\$ 19	\$ 13
The legal representative of the Corporation's director	<u>6</u>	<u>-</u>
	\$ <u>25</u>	\$ <u>13</u>

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

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

Line Item	Related Party Category/Name	December 31	
		2020	2019
Trade receivables	Subsidiaries	\$ 6,610	\$ -
	Indirect subsidiaries		
	Zhongshan Fulfil Tech Co., Ltd	95,985	69,949
	Suzhou Fulfil Electronics Co., Ltd.	95,183	74,423
	Fuzhou Fulfil Tech Co., Ltd.	35,140	33,521
	Others	<u>12,817</u>	<u>26,649</u>
		<u>245,735</u>	<u>204,542</u>

(Continued)

Line Item	Related Party Category/Name	December 31	
		2020	2019
Other receivables	Indirect subsidiaries		
	Fujian Khuan Hua Precise Mold., Ltd.	\$ 12,581	\$ 14,938
	Gatech (Suzhou) Inc.	9,984	-
	Others	-	2,013
		<u>22,565</u>	<u>16,951</u>
		<u>\$ 268,300</u>	<u>\$ 221,493</u>
			(Concluded)

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2020 and 2019, no allowance loss was recognized for trade receivables from related parties.

Other receivables between the Corporation and its related parties are mainly from the purchase of raw materials. The Corporation recognizes the transactions that have not been paid to the suppliers as other payables.

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

Line Item	Related Party Category/Name	December 31	
		2020	2019
Trade payables	Indirect subsidiaries		
	Zhongshan Fulfil Tech Co., Ltd	\$ 518,441	\$ 562,084
	Suzhou Fulfil Electronics Co., Ltd.	560,484	409,564
	Fuzhou Fulfil Tech Co., Ltd.	79,865	126,092
	Chongqing Fulfil Tech Co., Ltd.	59,883	81,906
	Others	<u>8,009</u>	<u>3,636</u>
		<u>\$ 1,226,682</u>	<u>\$ 1,183,282</u>

The outstanding trade payables from related parties are unsecured and would be repaid in cash.

i. Loans to related parties

Related Party Category/Name	December 31	
	2020	2019
Subsidiary		
Gatech Technology Inc.	<u>\$ -</u>	<u>\$ 50,003</u>

Interest revenue

Related Party Category	For the Year Ended December 31	
	2020	2019
Other receivables		
Subsidiary	<u>\$ 363</u>	<u>\$ 3</u>

The Corporation provided Gatech Technology Inc. with unsecured short-term loans at rate of 1.25%, which was comparable to market interest rates.

j. Loans from related parties

Related Party Category/Name	December 31	
	2020	2019
Other payables		
Subsidiaries		
Grand Advance Inc.	\$ 284,800	\$ 344,770
Syncmold Enterprise (Samoa) Corp.	<u>42,720</u>	<u>-</u>
	<u>\$ 327,520</u>	<u>\$ 344,770</u>

The interest rate of short-term borrowings from related parties was 0% in 2020 and 2019.

k. Endorsements and guarantees

Related Party Category/Name	December 31	
	2020	2019
Subsidiaries		
Amount endorsed	<u>\$ 683,520</u>	<u>\$ 1,079,680</u>
Amount utilized	<u>\$ 570</u>	<u>\$ -</u>

l. Non-operating income

Line Item	Related Party Category/Name	December 31	
		2020	2019
Non-operating income	Indirect subsidiaries		
Service revenue	Gatech (Suzhou) Inc.	<u>\$ 14,518</u>	<u>\$ -</u>

The Corporation provided management consultancy services to its subsidiaries in 2020. The conditions of transaction price payment was based on to the market price agreed. Service revenue was agreed according to the content of the contract. The rest are comparable to non-related parties.

m. Compensation of key management personnel

	For the Year Ended December 31	
	2020	2019
Short-term employee benefits	\$ 36,503	\$ 28,818
Post-employment benefits	<u>279</u>	<u>253</u>
	<u>\$ 36,782</u>	<u>\$ 29,071</u>

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

26. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

A fire broke out in the premises of Suzhou Fuhongqi Electronics Co., Ltd. on January 20, 2021, which caused damage to some of the plant, machinery, equipment and inventories. The Corporation has property and public liability insurance for the plant, machinery, equipment and inventories, but the cause of the accident is still under investigation. As of March 16, 2021, the Corporation had negotiated with insurance companies to settle the claim and assessed the damage.

27. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2020

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 38,749	28.480 (USD:NTD)	\$ 1,103,572
RMB	63,623	4.377 (RMB:NTD)	278,478
Non-monetary items			
Subsidiaries accounted for using the equity method			
USD	195,264	28.480 (USD:NTD)	5,561,133
Financial assets at FVTPL - non-current			
USD	1,342	28.480 (USD:NTD)	51,579
<u>Financial liabilities</u>			
Monetary items			
USD	63,431	29.980 (USD:NTD)	1,806,515
RMB	8,095	4.377 (RMB:NTD)	35,432

December 31, 2019

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 39,493	29.980 (USD:NTD)	\$ 1,184,000
RMB	45,357	4.305 (RMB:NTD)	195,262
Non-monetary items			
Subsidiaries accounted for using the equity method			
USD	178,911	29.980 (USD:NTD)	5,363,749
Financial assets at FVTPL - non-current			
USD	1,500	29.980 (USD:NTD)	50,611
<u>Financial liabilities</u>			
Monetary items			
USD	52,808	29.980 (USD:NTD)	1,583,184

The significant foreign exchange gains (losses) were as follows:

For the Year Ended December 31				
2020			2019	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	28.480 (USD:NTD)	\$ 24,262	29.980 (USD:NTD)	\$ 11,858
RMB	4.365 (RMB:NTD)	8,703	4.305 (RMB:NTD)	(3,884)
Other		(16)		(2)
		<u>\$ 32,949</u>		<u>\$ 7,972</u>

28. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

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

(Continued)

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

(Continued)

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

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

Note 2: The highest balance, ending balance, and the actual amount borrowed were calculated based on the exchange rate at the end of 2020.

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

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Syncmold Enterprise Corporation	Syncmold Enterprise (Samoa) Corp.	Subsidiary	\$1,769,609 (30% of the net worth of the Corporation)	\$ 56,960 (US\$ 2,000 thousand)	\$ 56,960 (US\$ 2,000 thousand) (Notes 1 and 5)	\$ -	\$ -	0.97	\$2,949,349 (50% of the net worth of the Corporation)	Y	-	-
		Full Big Limited	Subsidiary	\$1,769,609 (30% of the net worth of the Corporation)	626,560 (US\$ 22,000 thousand)	-	-	-	-	\$2,949,349 (50% of the net worth of the Corporation)	Y	-	-
		Forever Business Development Limited	Subsidiary	\$1,769,609 (30% of the net worth of the Corporation)	626,560 (US\$ 22,000 thousand)	626,560 (US\$ 22,000 thousand) (Notes 2, 3 and 5)	570	-	10.62	\$2,949,349 (50% of the net worth of the Corporation)	Y	-	-
		Fullking Development Limited	Subsidiary	\$1,769,609 (30% of the net worth of the Corporation)	626,560 (US\$ 22,000 thousand)	284,800 (US\$ 10,000 thousand) (Notes 3 and 5)	-	-	4.83	\$2,949,349 (50% of the net worth of the Corporation)	Y	-	-
		Full Celebration Limited	Subsidiary	\$1,769,609 (Net worth of the corporation 30%)	-	-	-	-	-	\$2,949,349 (Net worth of the corporation 50%)	Y	-	-
1	Leohab Enterprise Co., Ltd.	Commuwell Enterprise (Thailand) Co., Ltd.	Subsidiary	\$128,399 (50% of the net worth of Leohab Enterprise Co., Ltd.)	102,249 (THB 107,000 thousand)	64,025 (THB 67,000 thousand) (Notes 4 and 5)	3,822	-	1.09	\$256,797 (100% of the net worth of Leohab Enterprise Co., Ltd.)	N	-	-

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

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

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

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

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2020

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Syncmold Enterprise Corporation	<u>Stock</u>							
	Gigastone Corporation	-	Financial assets at FVTPL - non-current	847,011	\$ 6,708	1.66	\$ 6,708	(Notes 2 and 6)
	Tiga Gaming Inc.	-	Financial assets at FVTPL - non-current	1,332,132	8,911	5.06	8,911	(Notes 3 and 6)
	Foxfortune Technology Limited	-	Financial assets at FVTPL - non-current	1,000,000	39,425	5.80	39,425	(Notes 4 and 6)
	Hercules BioVenture, L.P.	-	Financial assets at FVTPL - non-current	184,210	12,154	2.63	12,154	(Notes 4 and 6)
	Largan Precision Co., Ltd.	-	Financial assets at FVTPL - current	9,000	28,755	0.01	28,755	(Notes 2 and 6)
	Winmate Inc.	-	Financial assets at FVTPL - current	1,038,000	77,954	1.44	77,954	(Notes 2 and 6)
	Advanced Wireless Semiconductor Company	-	Financial assets at FVTPL - current	379,198	51,192	0.25	51,192	(Notes 2 and 6)
	Auras Technology Co., Ltd.	-	Financial assets at FVTPL - current	200,000	42,800	0.23	42,800	(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	3,088	0.96	3,088	(Notes 4 and 6)
	<u>Structured deposit</u>							
Dongguan Khuan Huang Precise Mold Plastic Co.,	Peoples' profit 140 and 146 from E.SUN Bank	-	Financial assets at FVTPL - current	-	65,508	-	65,508	(Notes 5 and 6)
Kunshan Fulfil Tech Co., Ltd.	Monthly profit 20120390 from Fubon Bank	-	Financial assets at FVTPL - current	-	43,648	-	43,648	(Notes 5 and 6)
Gatech (Suzhou) Inc.	Monthly profit 20120398 from Fubon Bank	-	Financial assets at FVTPL - current	-	43,770	-	43,770	(Notes 5 and 6)

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

Note 2: The shares are calculated at the strike price as of December 31, 2020.

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

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

Note 5: The structured commodity is calculated at its contract worth as of December 31, 2020.

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

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE YEAR ENDED DECEMBER 31, 2020
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal	Shares	Amount
Syncmold Enterprise Corporation	Stock Syncmold Enterprise Vietnam Co., Ltd.	Investments accounted for using the equity method	Syncmold Enterprise Vietnam Co., Ltd.	Subsidiary	-	\$ -	-	\$ 302,444	-	\$ -	\$ -	\$ - (Note)	-	\$ 242,441 (Note)

Note: The amount in the end of period includes the adjustments using the equity method, which are original investment for \$302,444 thousand, and adjustment to investment losses recognized by ownership percentage of \$(15,941) thousand and other comprehensive income of \$(44,062) thousand.

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Syncmold Enterprise Corporation	Zhongshan Fufil Tech Co., Ltd.	Subsidiary	Purchase	\$ 1,505,534	44	Note 1	\$ -	-	\$ (518,441)	53	
	Suzhou Fulfil Electronics Co., Ltd.	Subsidiary	Purchase	1,365,186	40	Note 1	-	-	(560,484)	45	
	Fuzhou Fulfil Tech Co., Ltd.	Subsidiary	Purchase	340,741	10	Note 1	-	-	(79,865)	6	
Suzhou Fulfil Electronics Co., Ltd.	Kunshan Fulfil Tech Co., Ltd.	Indirect subsidiary	Purchase	587,473	20	Note 1	-	-	(138,333)	17	
	Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Indirect subsidiary	Purchase	213,733	7	Note 1	-	-	(53,508)	6	
	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Indirect subsidiary	Purchase	157,004	5	Note 1	-	-	(42,885)	5	
Fuzhou Fulfil Tech Co., Ltd.	Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Indirect subsidiary	Purchase	360,996	29	Note 1	-	-	(68,497)	15	
Zhongshan Fufil Tech Co., Ltd.	Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Indirect subsidiary	Purchase	307,287	18	Note 1	-	-	(64,510)	11	
	Syncmold Enterprise Corporation	Parent company	Sales	(1,505,534)	64	Note 1	-	-	518,441	53	
Kunshan Fulfil Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary	Sales	(587,473)	100	Note 1	-	-	138,333	100	
Fuqing Foqun Electronic Hardware Tech Co., Ltd.	Fuzhou Fulfil Tech Co., Ltd.	Indirect subsidiary	Sales	(360,996)	54	Note 1	-	-	68,497	44	
	Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary	Sales	(213,733)	32	Note 1	-	-	53,508	34	
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(1,365,186)	36	Note 1	-	-	560,484	32	
Fuzhou Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	Sales	(340,741)	21	Note 1	-	-	79,865	17	
Dongguan Khuan Huang Precise Mold Plastic Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary	Sales	(157,004)	27	Note 1	-	-	42,885	34	
	Zhongshan Fufil Tech Co., Ltd.	Indirect subsidiary	Sales	(307,287)	53	Note 1	-	-	64,510	51	

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

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

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

DECEMBER 31, 2020

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

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Grand Advance Inc.	Syncmold Enterprise Corporation	Parent company	\$ 284,800 (Note 1)	-	\$ -	-	\$ 284,800	\$ -
Zhongshan Fulfil Tech Co., Ltd.	Syncmold Enterprise Corporation	Parent company	518,441	-	-	-	258,320	-
Suzhou Fulfil Electronics Co., Ltd.	Syncmold Enterprise Corporation	Parent company	560,484	-	-	-	287,414	-
Kunshan Fulfil Tech Co., Ltd.	Suzhou Fulfil Electronics Co., Ltd.	Indirect subsidiary	138,333	-	-	-	132,077	-
Suzhou Leoho Electronics Co., Ltd.	Leohab Enterprise Co., Ltd.	Indirect subsidiary	166,545	-	-	-	23,667	-

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 YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
Syncmold Enterprise Corporation	Syncmold Enterprise (Samoa) Corp.	Samoa	Trading and related import and export businesses of metal molds and plastic molds as well as the reinvestment of subsidiaries in mainland China	\$ 110,598	\$ 110,598	3,546	100.00	\$ 2,537,652	\$ 276,919	\$ 274,294	(Note 1)
	Grand Advance Inc.	Samoa	Trading, import and export and investment in electronic parts	506,240	506,240	-	100.00	3,023,481	649,350	647,505	(Note 1)
	Syncmold Enterprise (USA) Corp.	USA	Trading, import and export in electronic parts	32	32	-	100.00	(2,522)	(218)	(218)	(Note 1)
	High Grade Tech Co., Ltd.	Taiwan	The design and sale of television hangers and related import and export businesses	36,075	36,075	2,280	38.00	128,639	39,527	15,020	(Note 1)
	Corebio Technologies Co., Ltd.	Taiwan	Medical technology and precision instrument wholesale and retail	52,000	52,000	5,200	38.29	35,917	(28,296)	(10,835)	(Note 1)
	Leohab Enterprise Co., Ltd.	Taiwan	Precision hardware components manufacturing	232,677	-	16,620	70.00	253,967	3,689	2,464	(Note 1)
	Gatech Technology Inc.	Taiwan	Precise molding and magnesium alloy die caster manufacturing and transaction business	553,815	550,000	42,207	73.43	645,537	25,545	19,155	
	Syncmold Enterprise Vietnam Co., Ltd.	Vietnam	Trading, import and export and investment in electronic parts	302,444	-	-	100.00	242,441	(15,941)	(15,941)	
	Syncmold Enterprise (Malaysia) Sdn., Ltd.	Malaysia	Trading, import and export in electronic parts, customer support and service center	3,639	-	-	100.00	1,882	(1,501)	(1,501)	
	Syncmold Enterprise (Singapore) Pte., Ltd.	Singapore	Trading, import and export in electronic parts, electronic components and parts design	1,100	-	-	100.00	593	(477)	(477)	
Syncmold Enterprise (Thailand) Co., Ltd.	Thailand	Trading, import and export and investment in electronic parts	19,920	-	-	100.00	15,243	(4,757)	(4,757)		
Grand Advance Inc.	Canford International Limited	Samoa	Import and export trade and investment business	119,342	119,342	-	100.00	1,415,412	338,527	338,527	(Note 1)
	Fullking Development Limited	Hong Kong	Import and export trade and investment business	160,175	160,175	-	100.00	982,035	317,168	317,163	(Note 1)
	Full Glary Holding Limited	Hong Kong	Import and export trade and investment business	259,720	259,720	-	100.00	310,456	54,807	53,198	(Note 1)
Syncmold Enterprise (Samoa) Corp.	Full Big Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	16,643	16,643	-	100.00	235,578	2,886	2,886	(Note 1)
	Forever Business Development Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	125,957	125,957	-	100.00	335,845	51,037	48,271	(Note 1)
	Full Celebration Limited	Samoa	Reinvestment in subsidiaries in mainland China and international trade	147,710	147,710	-	100.00	248,069	(24,570)	(24,570)	(Note 1)
Gatech Technology Inc.	Gatech Holding Ltd.	Samoa	General investment business	647,041	647,041	20,130	100.00	626,918	17,027	17,027	(Note 1)
Gatech Holdings Ltd.	Gatech International	Samoa	General investment business	657,284	657,284	20,268	100.00	626,894	17,028	17,028	(Note 1)
Leohab Enterprise Co., Ltd.	Sweet International Group Ltd.	British Virgin Islands	General investment business	280,368	280,368	-	100.00	505,170	4,199	4,199	
Sweet International Group Ltd.	Lucky King Holdings Ltd.	Merisis	General investment business	280,368	280,368	-	100.00	505,170	4,199	4,199	
Lucky King Holdings Ltd.	Commuwell Enterprise (Thailand) Co., Ltd.	Thailand	Plastic shot and hardware components manufacturing	113,236	113,236	-	100.00	177,504	4,092	4,092	

(Continued)

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

Note 2: Refer to Table 8 for related information on investees from mainland China.

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, except for High Grade Tech Co., Ltd. and Corebio Technology Co., Ltd.

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION AND SUBSIDIARIES

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

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

(Continued)

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

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

Note 2: The profit and loss of investments between reinvested companies, investments accounted for using the equity method, and the equity of investee companies were all eliminated during the preparation of the consolidated financial statements

(Concluded)

SYNCMOLD ENTERPRISE CORPORATION

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SYNCMOLD ENTERPRISE CORPORATION**STATEMENT OF CASH****DECEMBER 31, 2020****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Item	Amount
Petty cash	\$ <u>921</u>
Cash in banks	
Checking accounts	3,126
Demand deposits	71,423
Trust deposits	<u>247</u>
	<u>74,796</u>
Foreign currency demand deposits (Note)	<u>362,730</u>
	<u>\$ 438,447</u>

Note: The amount of US\$11,642 thousand was calculated based on the exchange rate of US\$1=NT\$28.48. The amount of RMB6,693 thousand was calculated based on the exchange rate of RMB1=NT\$4.377. The amount of EUR3 thousand was calculated based on the exchange rate of EUR1=NT\$35.02 and the amount of SGD97 was calculated based on the exchange rate of SGD1=NT\$21.56 and the amount of JPY2,422 thousand was calculated based on the exchange rate of JPY1=NT\$0.2763 and the amount of THB640 thousand was calculated based on the exchange rate of THB1=NT\$0.9556.

SYNCMOLD ENTERPRISE CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

DECEMBER 31, 2020

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

Item	Total Face Value/Shares	Acquisition Cost	Gains (Losses) on Financial Assets at FVTPL - Current	Fair Value		Note
				Unit Price	Amount	
Stock						
Largan Precision Co., Ltd.	9,000	\$ 43,380	\$ (14,625)	3,195	\$ 28,755	-
Winmate Inc.	1,038,000	68,430	9,524	75	77,954	-
Advance Wireless Semiconductor Company	379,198	40,993	10,199	135	51,192	-
Auras Technology Co., Ltd.	200,000	46,930	(4,130)	214	42,800	-
		<u>199,733</u>	<u>968</u>		<u>200,701</u>	
Foreign exchange forward contract						
Sell	1,000,000	-	1,894	-	1,894	-
Sell	1,000,000	-	1,895	-	1,895	-
Sell	2,000,000	-	3,389	-	3,389	-
Sell	2,000,000	-	3,240	-	3,240	-
Sell	2,000,000	-	2,527	-	2,527	-
Sell	1,000,000	-	1,375	-	1,375	-
Sell	1,000,000	-	1,535	-	1,535	-
Sell	1,000,000	-	1,535	-	1,535	-
Sell	1,000,000	-	852	-	852	-
Sell	1,000,000	-	1,124	-	1,124	-
Sell	1,000,000	-	367	-	367	-
Sell	1,000,000	-	102	-	102	-
Sell	1,000,000	-	36	-	36	-
		<u>-</u>	<u>19,871</u>		<u>19,871</u>	
		<u>\$ 199,733</u>	<u>\$ 20,839</u>		<u>\$ 220,572</u>	

SYNCMOLD ENTERPRISE CORPORATION

STATEMENT OF TRADE RECEIVABLES

DECEMBER 31, 2020

(In Thousands of New Taiwan Dollars)

Client Name	Amount
A	\$ 573,123
B	99,112
Others (Note)	<u>95,106</u>
	767,341
Less: Allowance for impairment loss	<u>710</u>
	<u>\$ 766,631</u>

Note: The amount from each individual client included in others does not exceed 5% of the account balance.

SYNCMOLD ENTERPRISE CORPORATION**STATEMENT OF INVENTORIES****DECEMBER 31, 2020****(In Thousands of New Taiwan Dollars)**

Item	Amount	
	Cost	Net Realized Value
Product	\$ 11,220	\$ 12,104
Finished goods	101	250
Raw material	<u>4,811</u>	<u>4,715</u>
	16,132	<u>\$ 17,069</u>
Less: Allowance for inventory valuation losses	<u>294</u>	
	<u>\$ 15,838</u>	

SYNCMOLD ENTERPRISE CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - NON-CURRENT
DECEMBER 31, 2020

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

Item	Balance, January 1, 2020		Acquisition		Decrease		Gain (Losses) on Financial Assets at FVTPL - Non-current	Balance, December 31, 2020		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount		Shares	Amount		
Domestic emerging market shares											
Gigastone Corporation	847,011	\$ 3,473	-	\$ -	-	\$ -	\$ 3,235	847,011	\$ 6,708	None	-
Tiga Gaming Inc.	1,332,132	6,798	-	-	-	-	2,113	1,332,132	8,911	None	-
		<u>10,271</u>		<u>-</u>		<u>-</u>	<u>5,348</u>		<u>15,619</u>		
Overseas unlisted shares											
Hercules BioVenture, L.P.	342,105	16,999	-	-	157,895	4,437	(408)	184,210	12,154	None	-
Foxfortune Technology Limited	1,000,000	33,612	-	-	-	-	5,813	1,000,000	39,425	None	-
		<u>50,611</u>		<u>-</u>		<u>4,437</u>	<u>5,405</u>		<u>51,579</u>		
Private fund											
China Development of Healthcare Venture of Limited Partnership	-	-	5,017,715	5,017	-	-	(1,929)	5,017,715	3,088	None	-
		<u>\$ 60,882</u>		<u>\$ 5,017</u>		<u>\$ 4,437</u>	<u>\$ 8,824</u>		<u>\$ 70,286</u>		

SYNCMOLD ENTERPRISE CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

	Balance as of January 1, 2020			Adjustments of the Year							Balance of December 31, 2020			Note
	Shares (In Thousands)	Shareholding Ratio %	Amount	Increase in Investments	Decrease in Investments	Share of Profit or Loss of Subsidiaries and Associates	Exchange Differences on Translating the Financial Statements of Foreign Operations	Adjustment Differences between Acquisition of Subsidiaries and Book Value	Share of Other Comprehensiv e Income of Subsidiaries Accounted for Using the Equity Method	Cash Dividends	Shares (In Thousands)	Shareholding Ratio %	Amount	
	Unlisted companies													
Grand Advance Inc.	-	100.00	\$ 2,749,104	\$ -	\$ -	\$ 647,505	\$ 24,208	\$ -	\$ -	\$ (397,336)	-	100.00	\$ 3,023,481	Notes 1 and 2
Syncmold Enterprise (Samoa) Corp.	3,546	100.00	2,614,645	-	-	274,294	7,310	-	-	(358,597)	3,546	100.00	2,537,652	Notes 1 and 2
Syncmold Enterprise (USA) Corp.	-	100.00	(2,437)	-	-	(218)	133	-	-	-	-	100.00	(2,522)	Notes 1 and 2
Gatech Technology Inc.	41,849	72.81	613,910	3,815	-	19,155	7,764	1,521	(628)	-	42,207	73.43	645,537	Notes 1, 2 and 3
Syncmold Enterprise Vietnam Co., Ltd.	-	-	-	302,444	-	(15,941)	(44,062)	-	-	-	-	100.00	242,441	Notes 1, 2 and 4
Syncmold Enterprise (Malaysia) Sdn., Bhd.	-	-	-	3,639	-	(1,501)	(256)	-	-	-	-	100.00	1,882	Notes 1, 2 and 5
Syncmold Enterprise (Singapore) Pte., Ltd.	-	-	-	1,100	-	(477)	(30)	-	-	-	-	100.00	593	Notes 1, 2 and 6
Syncmold Enterprise (Thailand) Co., Ltd.	-	-	-	19,920	-	(4,757)	80	-	-	-	-	100.00	15,243	Notes 1, 2 and 7
Leohab Enterprise Co., Ltd.	-	-	-	252,000	-	2,464	(497)	-	-	-	16,620	70.00	253,967	Notes 1, 2 and 8
High Grade Tech Co., Ltd.	2,280	38.00	121,500	-	-	15,020	-	-	3,519	(11,400)	2,280	38.00	128,639	Notes 1 and 2
Corebio Technologies Co., Ltd.	5,200	38.29	46,752	-	-	(10,835)	-	-	-	-	5,200	38.29	35,917	Notes 1 and 2
			6,143,474	\$ 582,918	\$ -	\$ 924,709	\$ (5,350)	\$ 1,521	\$ 2,891	\$ (767,333)			6,882,830	
Add: Credit balance of investments reclassified to non-current liabilities			2,437										2,522	
			\$ 6,145,911										\$ 6,885,352	

Note 1: Calculated based on the audited financial statements of the investee companies and the shareholding ratio.

Note 2: No pledges or guaranteed investments accounted for using the equity method as at the end of 2020.

Note 3: On April 21, 2020 and July 27, 2020, the Corporation acquired additional 0.17% and 0.45% ownerships for \$1,345 thousand and \$2,470 thousand, respectively, which increased the Corporation's percentage of ownership to 73.43%.

Note 4: The establishment of Syncmold Enterprise Vietnam Co., Ltd. was approved on December 24, 2019. As of March 19, 2020, the Corporation had invested \$302,344 thousand in exchange for 100% shareholding interest.

Note 5: The establishment of Syncmold Enterprise (Malaysia) Sdn. Bhd. was approved on February 10, 2020. As of June 10, 2020, the Corporation had invested \$3,639 thousand in exchange for 100% shareholding interest.

Note 6: The establishment of Syncmold Enterprise (Singapore) Pte. Ltd. was approved on February 27, 2020. As of June 29, 2020, the Corporation had invested \$1,100 thousand in exchange for 100% shareholding interest.

Note 7: The 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.

Note 8: The Corporation subscribed for shares of Leohab Enterprise Co., Ltd. for a cash consideration of \$232,677 thousand; the Corporation's percentage of ownership in Leohab Enterprise Co., Ltd. was 70%. The acquisition was measured at fair value and recognized a gain from bargain purchase of \$19,323 thousand.

SYNCMOLD ENTERPRISE CORPORATION

STATEMENT OF SHORT-TERM BORROWINGS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Credit Type	Contract Date	Annual Rate (%)	Ending Balance	Credit Line	Security Guarantees
Bank loan					
Chinatrust Commercial Bank Co., Ltd.	2020/11/04-2021/02/26	0.75-0.77	\$ 500,000	\$ 500,000	None
Yuanta Commercial Bank Co., Ltd.	2020/11/27-2021/02/23	0.76	230,000	500,000	None
Taishin International Bank	2020/10/14-2021/02/26	0.67-0.76	484,800	500,000	None
Taipei Fubon Bank	-	-	-	500,000	None
E.SUN Commercial Bank, Ltd.	-	-	-	600,000	None
Bank SinoPac Company Limited	-	-	-	500,000	None
HSBC Bank Limited			-	300,000	None
			<u>\$ 1,214,800</u>	<u>\$ 3,400,000</u>	

SYNCMOLD ENTERPRISE CORPORATION**STATEMENT OF NET OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Item	Quantity	Average Price	Amount
Sales revenue			
Display hinges	19,920,419	\$ 180	\$ 3,583,550
Others	-		<u>14,098</u>
			3,597,648
Other operating revenue			<u>333,466</u>
			<u>\$ 3,931,114</u>

SYNCMOLD ENTERPRISE CORPORATION**STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)**

Item	Amount
Raw material, beginning of year	\$ 956
Add: Raw material purchased	17,636
Less: Raw material, end of the year	4,811
Transferred to operating expense	<u>387</u>
Raw materials used	13,394
Direct labor	1,644
Manufacturing expense	<u>12,963</u>
Manufacturing cost	28,001
Add: Work in process, beginning of year	-
Less: Work in process, end of year	<u>-</u>
Cost of finished goods	28,001
Add: Finished goods, beginning of year	182
Less: Finished goods, end of year	<u>101</u>
Cost of finished goods sold	<u>28,082</u>
Add: Product, beginning of year	24,886
Purchase of products	3,371,652
Less: Product, end of year	11,220
Transferred to operating expense	<u>83</u>
Cost of products	<u>3,385,235</u>
Cost of goods sold	3,413,317
Other operating cost	<u>49</u>
	<u>\$ 3,413,366</u>

SYNCMOLD ENTERPRISE CORPORATION

STATEMENT OF OPERATING EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2020 (In Thousands of New Taiwan Dollars)

Item	Selling Expenses	General and Administrative	Research and Development Expense	Expected Credit Loss Reversed on Trade Receivables	Total
Salary (Note 2)	\$ 27,036	\$ 129,553	\$ 97,312	\$ -	\$ 253,901
Others (Note 1)	<u>35,574</u>	<u>54,491</u>	<u>72,442</u>	<u>601</u>	<u>163,108</u>
	<u>\$ 62,610</u>	<u>\$ 184,044</u>	<u>\$ 169,754</u>	<u>\$ 601</u>	<u>\$ 417,009</u>

Note 1: The amount of each item in others does not exceed 5% of the account balance.

Note 2: Included salary, pension and remuneration of directors.