

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2022 and 2021**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of SINHER TECHNOLOGY INC.:

Introduction

We have reviewed the accompanying consolidated balance sheets of SINHER TECHNOLOGY INC. (the "Company") and its subsidiaries (the "Group") as of September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2022 and 2021, as well as the changes in equity and cash flows for the nine months ended September 30, 2022 and 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standard 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in note 6(4) of the consolidated financial statements, the investments accounted of the Group using equity method was \$43,075 thousand as of September 30, 2022, and the shares of loss of associates and joint ventures accounted for using equity method amounted to \$753 thousand for the three months and the nine months ended September 30, 2022, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Sinher Technology Inc. and its subsidiaries as of September 30, 2022 and 2021, and of its consolidated financial performance for the three months and nine months ended September 30, 2022 and 2021, as well as its consolidated cash flows for the nine months ended September 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Notes to Readers

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

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

The engagement partners on the reviews resulting in this independent auditors' review report are Szu-Chuan Chien and Yiu-Kwan Au.

KPMG

Taipei, Taiwan (Republic of China)

November 3, 2022

Notes to Readers

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

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
Reviewed only, not audited in accordance with Generally Accepted Auditing Standards as of September 30, 2022 and 2021

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2022, December 31, 2021, and September 30, 2021

(Expressed in thousands of New Taiwan Dollars)

Assets		September 30, 2022		December 31, 2021		September 30, 2021		Liabilities and Equity		September 30, 2022		December 31, 2021		September 30, 2021			
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%		
Current assets:								Current liabilities:									
1100	Cash and cash equivalents (note (6)(a))	\$	1,729,429	40	1,359,491	32	1,299,173	31	2100	Short-term borrowings (note (6)(h))	\$	174,666	4	235,416	6	237,317	6
1150	Notes receivable (note (6)(b))		-	-	-	-	92	-	2170	Accounts payable		224,599	5	228,375	5	266,816	6
1170	Accounts receivable, net (note (6)(b))		948,706	22	1,143,124	27	1,073,102	25	2219	Other payables (note (7))		242,902	6	241,873	6	250,641	6
1310	Inventories (note (6)(c))		388,174	9	419,691	10	524,952	12	2230	Current tax liabilities		59,410	1	14,984	-	38,718	1
1476	Other current financial assets (note (8))		16,528	-	52,646	1	53,891	1	2280	Current lease liabilities (note (6)(i))		255	-	510	-	394	-
1479	Other current assets		9,517	-	12,622	-	15,651	-	2300	Other current liabilities		-	-	3,478	-	-	-
			3,092,354	71	2,987,574	70	2,966,861	69				701,832	16	724,636	17	793,886	19
Non-current assets:									Non-Current liabilities:								
1550	Investments accounted for using equity method (note (6)(d))		43,075	1	-	-	-	-	2570	Deferred tax liabilities		78,878	2	78,878	2	67,214	2
									2580	Non-current lease liabilities (note (6)(i))		2,010	-	2,265	-	-	-
1600	Property, plant and equipment (note (6)(e))		988,856	23	1,067,324	25	1,109,395	26	2640	Net defined benefit liability, non-current		100	-	100	-	564	-
1755	Right-of-use assets (note (6)(f))		65,745	2	65,698	2	67,917	2	2645	Guarantee deposits received		1,261	-	1,225	-	1,386	-
1760	Investment property, net (note (6)(g))		90,620	2	91,461	2	-	-				82,249	2	82,468	2	69,164	2
1840	Deferred tax assets		55,195	1	62,510	1	100,654	3				784,081	18	807,104	19	863,050	21
1920	Guarantee deposits paid		7,041	-	6,808	-	9,289	-	Total liabilities								
1990	Other non-current assets		14,872	-	16,880	-	15,458	-	Equity: (note (6)(m))								
			1,265,404	29	1,310,681	30	1,302,713	31	3110	Ordinary share		744,172	17	744,172	17	744,172	17
									3200	Capital surplus		440,035	10	440,035	10	440,035	10
										Retained earnings:							
									3310	Legal reserve		483,811	11	465,592	11	465,592	11
									3320	Special reserve		42,710	1	35,579	1	35,579	1
									3350	Unappropriated retained earnings		1,907,502	44	1,848,483	43	1,770,560	41
												2,434,023	56	2,349,654	55	2,271,731	53
									3410	Exchange differences on translation of foreign financial statements		(13,453)	-	(42,710)	(1)	(49,414)	(1)
									3500	Treasury shares		(31,100)	(1)	-	-	-	-
										Total equity		3,573,677	82	3,491,151	81	3,406,524	79
Total assets		\$	4,357,758	100	4,298,255	100	4,269,574	100	Total liabilities and equity		\$	4,357,758	100	4,298,255	100	4,269,574	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
Reviewed only, not audited in accordance with Generally Accepted Auditing Standards

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the three months ended September 30,				For the nine months ended September 30,			
		2022		2021		2022		2021	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	Operating revenues (note (6)(o))	\$ 555,738	100	699,757	100	1,729,240	100	2,230,719	100
5110	Cost of sales (notes (6)(c), (6)(k), (6)(p), (7) and (12))	461,757	83	562,371	80	1,383,252	80	1,754,610	79
5900	Gross profit	93,981	17	137,386	20	345,988	20	476,109	21
	Operating expenses (notes (6)(k), (6)(p), (7) and (12))								
6100	Selling expenses	30,007	6	26,943	4	92,972	6	87,611	4
6200	Administrative expenses	37,596	7	31,393	4	107,104	6	99,743	4
6300	Research and development expenses	24,124	4	33,333	5	70,206	4	90,532	4
		91,727	17	91,669	13	270,282	16	277,886	12
6900	Net operating income	2,254	-	45,717	7	75,706	4	198,223	9
	Non-operating income and expenses:								
7100	Interest income	3,783	1	677	-	6,618	-	2,138	-
7190	Other income	5,965	1	5,383	-	17,823	1	11,198	1
7230	Foreign exchange gain (losses), net (note (6)(q))	106,718	19	601	-	207,441	12	(41,893)	(2)
7050	Finance costs	(1,326)	-	(495)	-	(2,340)	-	(1,037)	-
7060	Shares of loss of associates and joint ventures accounted for using equity method(note (6)(d))	(753)	-	-	-	(753)	-	-	-
7590	Miscellaneous disbursements	(191)	-	(1,631)	-	(1,087)	-	(2,839)	-
		114,196	21	4,535	-	227,702	13	(32,433)	(1)
7900	Profit before tax	116,450	21	50,252	7	303,408	17	165,790	8
7950	Less: Tax expenses (note (6)(l))	24,537	5	20,051	3	70,205	4	61,521	3
	Profit	91,913	16	30,201	4	233,203	13	104,269	5
8300	Other comprehensive income:								
8360	Items that will be reclassified subsequently to profit or loss:								
8361	Exchange differences on translation	11,100	2	(896)	-	36,572	2	(17,294)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified subsequently to profit or loss (note (6)(l))	2,220	-	(180)	-	7,315	-	(3,459)	-
	Components of other comprehensive income that will be reclassified to profit or loss	8,880	2	(716)	-	29,257	2	(13,835)	(1)
8300	Other comprehensive income	8,880	2	(716)	-	29,257	2	(13,835)	(1)
8500	Comprehensive income	<u>\$ 100,793</u>	<u>18</u>	<u>29,485</u>	<u>4</u>	<u>262,460</u>	<u>15</u>	<u>90,434</u>	<u>4</u>
	Earnings per common share (note (6)(n))								
9750	Basic earnings per share (expressed in dollars)	<u>\$ 1.24</u>		<u>0.41</u>		<u>3.14</u>		<u>1.40</u>	
9850	Diluted earnings per share (expressed in dollars)	<u>\$ 1.23</u>		<u>0.40</u>		<u>3.12</u>		<u>1.40</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
Reviewed only, not audited in accordance with Generally Accepted Auditing Standards

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		Retained earnings				Exchange differences on translation of foreign financial statements	Treasury shares	Total equity
		Ordinary shares	Capital surplus	Legal reserve	Special reserve	Ordinary shares		
A1	Balance at January 1, 2021	\$ 744,172	440,035	423,519	43,940	1,923,255	(35,579)	3,539,342
	Appropriation and distribution of retained earnings:							
B1	Legal reserve appropriated	-	-	42,073	-	(42,073)	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(223,252)	-	(223,252)
B17	Reversal of special reserve	-	-	-	(8,361)	8,361	-	-
		-	-	42,073	(8,361)	(256,964)	-	(223,252)
D1	Profit for the nine months ended September 30, 2021	-	-	-	-	104,269	-	104,269
D3	Other comprehensive income for the nine months ended September 30, 2021	-	-	-	-	-	(13,835)	(13,835)
D5	Total comprehensive income for the nine months ended September 30, 2021	-	-	-	-	104,269	(13,835)	90,434
Z1	Balance at September 30, 2021	\$ 744,172	440,035	465,592	35,579	1,770,560	(49,414)	3,406,524
A1	Balance at January 1, 2022	\$ 744,172	440,035	465,592	35,579	1,848,483	(42,710)	3,491,151
	Appropriation and distribution of retained earnings:							
B1	Legal reserve appropriated	-	-	18,219	-	(18,219)	-	-
B3	Special reserve appropriated	-	-	-	7,131	(7,131)	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(148,834)	-	(148,834)
		-	-	18,219	7,131	(174,184)	-	(148,834)
D1	Profit for the nine months ended September 30, 2022	-	-	-	-	233,203	-	233,203
D3	Other comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	29,257	29,257
D5	Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	233,203	29,257	262,460
L1	Purchase of treasury shares	-	-	-	-	-	(31,100)	(31,100)
Z1	Balance at September 30, 2022	\$ 744,172	440,035	483,811	42,710	1,907,502	(13,453)	3,573,677

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
Reviewed only, not audited in accordance with Generally Accepted Auditing Standards

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months and nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		For the nine months ended September 30,	
		2022	2021
AAAA	Cash flows from (used in) operating activities:		
A10000	Profit before tax	\$ 303,408	\$ 165,790
A20000	Adjustments:		
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	123,539	119,818
A20200	Amortization expense	4,069	5,858
A20300	Expected credit loss (reversed)	1,455	(379)
A20900	Interest expense	2,340	1,037
A21200	Interest income	(6,618)	(2,138)
A22300	Shares of loss of associates and joint ventures accounted for using equity method	753	-
A29900	Others	2,851	1,957
A20010	Total adjustments to reconcile profit (loss)	128,389	126,153
A30000	Changes in operating assets and liabilities:		
A31000	Changes in operating assets		
A31130	Decrease in notes receivable	-	170
A31150	Decrease in accounts receivable	192,890	312,526
A31200	Decrease (increase) in inventories	31,517	(1,575)
A31240	Decrease in other current assets	3,105	1,522
A31250	Decrease in other current financial assets	5,899	12,301
A31000	Total changes in operating assets	233,411	324,944
A32000	Changes in operating liabilities:		
A32150	Decrease in accounts payable	(3,776)	(140,733)
A32180	Increase (decrease) in other payables	1,000	(14,908)
A32230	Decrease in other current liabilities	(3,478)	-
A32000	Total changes in operating liabilities	(6,254)	(155,641)
A30000	Total changes in operating assets and liabilities	227,157	169,303
A20000	Total adjustments	355,546	295,456
A33000	Cash inflow generated from operations	658,954	461,246
A33100	Interest received	4,257	2,435
A33300	Interest paid	(2,340)	(1,037)
A33500	Income taxes paid	(25,952)	(98,088)
AAAA	Net cash flows from (used in) operating activities	634,919	364,556
BBBB	Cash flows from (used in) investing activities:		
B01800	Acquisition of investments accounted for using equity method	(43,434)	-
B02700	Acquisition of property, plant and equipment	(34,330)	(115,158)
B03700	Increase in guarantee deposits paid	(233)	(5,059)
B04500	Acquisition of intangible assets	(1,932)	(8,625)
B05400	Acquisition of investment property	(170)	-
B06500	Decrease (increase) in other financial assets	33,210	(28,595)
B07500	Proceeds from disposal of property, plant and equipment	181	-
BBBB	Net cash flows from (used in) investing activities	(46,708)	(157,437)
CCCC	Cash flows from (used in) financing activities:		
C00100	Increase in short-term borrowings	143,370	182,741
C00200	Decrease in short-term borrowings	(231,032)	-
C03100	Increase (decrease) in guarantee deposits received	36	(146)
C04020	Payment of lease liabilities	(510)	(549)
C04500	Cash dividends paid	(148,834)	(223,252)
C04900	Payments to acquire treasury shares	(31,100)	-
CCCC	Net cash flows from (used in) financing activities	(268,070)	(41,206)
DDDD	Effect of exchange rate changes on cash and cash equivalents	49,797	(13,141)
EEEE	Net increase (decrease) in cash and cash equivalents	369,938	152,772
E00100	Cash and cash equivalents at beginning of period	1,359,491	1,146,401
E00200	Cash and cash equivalents at end of period	\$ 1,729,429	1,299,173

See accompanying notes to financial statements.

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Notes to The Consolidated Financial Statements

September 30, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

(1) Company history

Sinher Technology Inc. (the "Company") was incorporated in January, 2002 as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is No. 27-1, Ln. 169, Kangning St., Xizhi Dist., New Taipei City 221, Taiwan (R.O.C.). The consolidated financial statements are comprised of the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). Please refer to note 4(b) for related information. The major business activities of the Group are the research, development, manufacturing and sale of hinges. The Company's common shares were listed in June, 2013 on the Taiwan Stock Exchange (TWSE).

(2) Approval date and procedures of the consolidated financial statements

These consolidated financial statements for the nine months ended September 30, 2022 and 2021 were authorized for issuance by the Board of Directors on November 3, 2022.

(3) New standards, amendments and interpretations adopted

- (a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Group has initially adopted the new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 "Property, Plant and Equipment: Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018-2020 Cycle
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

- (b) The impact of IFRSs issued by FSC but not yet effective

The Group assesses that the adoption of the new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Disclosure of accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

- (c) The impact of IFRSs issued by IASB but not yet endorsed by the FSC

As of the date, the following IFRSs that have been issued by the International Accounting Standards Board (IASB) but have yet to be endorsed by the FSC:

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Notes to The Consolidated Financial Statements

September 30, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Effective date per IASB	New, Revised or Amended Standards and Interpretations	The Amendment included:
January 1, 2023	Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments aim to promote consistency in applying the requirement by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

The Group is evaluating the impact of its initial adoption of the above mentioned standards or interpretations on its consolidated financial position and consolidated financial performance. The result thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”
- Amendments to IAS 16 “Lease Liability in a Sale and Leaseback”

(4) Summary of significant accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2021. For the related information, please refer to note (4) of the consolidated financial statements for the year ended December 31, 2021.

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Notes to The Consolidated Financial Statements

September 30, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

(b) Basis of consolidation

List of subsidiaries in the consolidated financial statements include:

Name of investor	Name of subsidiary	Nature of operation	Shareholding		
			September 30, 2022	December 31, 2021	September 30, 2021
The Company	Million On International Co., Ltd. (MOI)	General investing	100%	100%	100%
MOI	Sinher (H.K.) Limited	General investing	100%	100%	100%
MOI	Cingher (H.K.) Limited	General investing	100%	100%	100%
Sinher (H.K.) Limited	Kunshan Wanhe Precision Electron Co., Ltd. (Kunshan Wanhe)	Manufacturing and selling hinges	100%	100%	100%
Cingher (H.K.) Limited	Chongqing SNR Technology Co., Ltd. (Chongqing SNR)	Manufacturing and selling hinges	100%	100%	100%
The Company	Profit Earn International Co., Ltd. (Profit)	General investing	100%	100%	100%
Profit	Great Info International Co., Ltd. (Great Info)	Selling of hinges	100%	100%	100%
Profit	Top Trading Group Limited (Top Trading)	Selling of hinges	100%	100%	100%
Kunshan Wanhe	Kunshan Qianquan Precision Metal Co., Ltd. (Qianquan)	Manufacturing and selling hinges	100%	100%	100%

(c) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or jointly control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align the accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interest in associates, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

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The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method that was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (or retained earnings) (as a reclassification adjustment) when the equity method is discontinued.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under additional paid-in capital. If the additional paid-in capital resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(e) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, the significant market fluctuation, significant curtailment, settlement and others, subsequent to the reporting date and was adjusted together with.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting

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policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2021. For the related information, please refer to note (5) of the consolidated financial statements for the year ended December 31, 2021.

(6) Explanation of significant accounts

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2021. Please refer to note (6) of the 2021 annual consolidated financial statements.

(a) Cash and cash equivalents

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand	\$ 1,432	926	1,713
Checking accounts and demand deposits	840,622	795,525	608,960
Time deposits	887,375	563,040	688,500
	<u>\$ 1,729,429</u>	<u>1,359,491</u>	<u>1,299,173</u>

Please refer to note (6) (q) for the sensitivity analysis for foreign currency of the financial assets and liabilities of the Group.

(b) Notes and accounts receivable

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable	\$ -	-	92
Accounts receivable	952,242	1,145,132	1,074,774
Less: loss allowance	(3,536)	(2,008)	(1,672)
	<u>\$ 948,706</u>	<u>1,143,124</u>	<u>1,073,194</u>
Notes receivable	\$ -	-	92
Accounts receivable, net	<u>\$ 948,706</u>	<u>1,143,124</u>	<u>1,073,102</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including the reasonable prediction of historical credit loss experience and future economic situation.

The loss allowance provision was determined as follows:

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September 30, 2022			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Aging under 120 days	\$ 886,732	0.006%	56
Aging 121~150 days	61,494	0.029%	18
Aging 151~240 days	616	10.065%	62
Aging over 241 days	3,400	100%	3,400
	\$ 952,242		3,536

December 31, 2021			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Aging under 120 days	\$ 1,018,482	0.011%	109
Aging 121~150 days	121,358	0.041%	50
Aging 151~240 days	3,610	4.262%	167
Aging over 241 days	1,682	100%	1,682
	\$ 1,145,132		2,008

September 30, 2021			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Aging under 120 days	\$ 953,043	0.011%	107
Aging 121~150 days	119,079	0.107%	127
Aging 151~240 days	1,373	4.880%	67
Aging over 241 days	1,371	100%	1,371
	\$ 1,074,866		1,672

The movements in the allowance for notes and accounts receivable were as follows:

	For the Nine months ended September 30,	
	2022	2021
Balance on January 1	\$ 2,008	2,082
Impairment loss recognized (reversed)	1,455	(379)
Foreign exchange (gains) losses	73	(31)
Balance on September 30	\$ 3,536	1,672

As of September 30, 2022, December 31 and September 30, 2021, the Group did not provide any receivables as collaterals for its loans.

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(c) Inventories

	September 30, 2022	December 31, 2021	September 30, 2021
Raw materials	\$ 113,885	165,172	156,909
Work in progress	51,467	44,367	63,973
Finished goods	222,822	210,152	304,070
	\$ 388,174	419,691	524,952

The write-down of the inventories to net realizable value amounted to \$7,822 thousand, \$19,211 thousand and \$23,701 thousand which was recorded as cost of sales in the three months ended September 30, 2022 and the nine months ended September 30, 2022 and 2021, respectively.

The Group reversal its allowance for inventory valuation loss amounting to \$23,281 thousand, due to the sale and disposal of its obsolete inventories in the three months ended September 30, 2022.

As of September 30, 2022, December 31 and September 30, 2021, the Group did not provide any inventories as collateral for its loans.

(d) Investments accounted for using equity method

- (i) The components of investments accounted for using equity method at the reporting date were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Associates	\$ 43,075	-	-

- (ii) The Group's financial information on investments accounted for using the equity method that are individually insignificant was as follows, These financial information is included in the financial statements:

	September 30, 2022	December 31, 2021	September 30, 2021
The carrying amount of individually insignificant associates' equity	\$ 43,075	-	-

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Attributable to the Group:				
Loss from continuing operations	\$ (753)	-	(753)	-

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(iii) In August 2022, the Group obtained 49% share subscription rights of SuZhou SenYuan TongWei Technology Co., Ltd. (hereinafter referred to as “SYTW”) from non-related parties for free, and invested \$43,434 thousand in cash in September 2022, with a shareholding ratio of 49%. The Group is not the single largest shareholder of SYTW, and has not assigned employees to direct the financial, HR and operation activities of SYTW. Therefore, the Group does not have absolute power and ability to direct the relevant activities and changes in remuneration of SYTW. Based on the above, the Group only has significant influence on SYTW.

(iv) Disclosures of contingent liability:

The Group does not have any contingent liabilities with other investors for joint ventures or contingent liabilities arising from individual obligations for liabilities of associates.

(v) Pledged :

As of September 30, 2022, The Group did not provide any investment accounted for using equity method as collateral for its loans.

(vi) Unaudited investments accounted for using equity method

Investments accounted for using equity method and the shares of loss of associates and joint ventures accounted for using the equity method are calculated based on financial reports that have not been reviewed by independent auditors.

(e) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group were as follows:

	Land	Buildings and construction	Machinery equipment	Office and other facilities equipment	Unfinished construction and equipment under acceptance	Total
Cost:						
Balance on January 1, 2022	\$ 362,813	574,407	820,054	58,926	26,884	1,843,084
Additions	-	1,546	7,307	11,126	14,380	34,359
Disposals	-	(27,173)	(198,559)	(5,953)	-	(231,685)
Effect of movements in exchange rates	-	10,433	7,465	1,036	359	19,293
Reclassifications	-	2,296	23,021	2,790	(30,734)	(2,627)
Balance on September 30, 2022	\$ 362,813	561,509	659,288	67,925	10,889	1,662,424
Balance on January 1, 2021	\$ 362,813	519,104	720,503	62,241	108,462	1,773,123
Additions	-	271	23,997	2,195	86,053	112,516
Disposals	-	(2,048)	(21,532)	(4,026)	-	(27,606)

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Effect of movements in exchange rates	-	(4,827)	(3,953)	(592)	(1,939)	(11,311)
Reclassifications	-	-	24,027	361	(24,517)	(129)
Balance on September 30, 2021	<u>\$ 362,813</u>	<u>512,500</u>	<u>743,042</u>	<u>60,179</u>	<u>168,059</u>	<u>1,846,593</u>

Accumulated depreciation and impairments:

Balance on January 1, 2022	\$ -	231,238	502,557	41,965	-	775,760
Depreciation for the period	-	26,158	85,374	6,508	-	118,040
Disposals	-	(27,173)	(198,344)	(5,763)	-	(231,280)
Effect of movements in exchange rates	-	4,513	5,673	862	-	11,048
Balance on September 30, 2022	<u>\$ -</u>	<u>234,736</u>	<u>395,260</u>	<u>43,572</u>	<u>-</u>	<u>673,568</u>
Balance on January 1, 2021	\$ -	200,444	409,444	41,154	-	651,042
Depreciation for the period	-	25,268	86,464	6,122	-	117,854
Disposals	-	(2,048)	(19,715)	(4,015)	-	(25,778)
Effect of movements in exchange rates	-	(2,291)	(3,123)	(506)	-	(5,920)
Balance on September 30, 2021	<u>\$ -</u>	<u>221,373</u>	<u>473,070</u>	<u>42,755</u>	<u>-</u>	<u>737,198</u>

Carrying amounts:

Balance on January 1, 2022	<u>\$ 362,813</u>	<u>343,169</u>	<u>317,497</u>	<u>16,961</u>	<u>26,884</u>	<u>1,067,324</u>
Balance on September 30, 2022	<u>\$ 362,813</u>	<u>326,773</u>	<u>264,028</u>	<u>24,353</u>	<u>10,889</u>	<u>988,856</u>
Balance on January 1, 2021	<u>\$ 362,813</u>	<u>318,660</u>	<u>311,059</u>	<u>21,087</u>	<u>108,462</u>	<u>1,122,081</u>
Balance on September 30, 2021	<u>\$ 362,813</u>	<u>291,127</u>	<u>269,972</u>	<u>17,424</u>	<u>168,059</u>	<u>1,109,395</u>

As of September 30, 2022, December 31 and September 30, 2021, the property, plant and equipment of the Group had not been pledged as collateral.

(f) Right-of-use assets

Except for the following disclosure, there was no significant change for Right-of-assets for the nine months ended September 30, 2022 and 2021. For the related information, please refer to note (6)(e) of consolidated financial statements for the year ended December 31, 2021.

	Land	Vehicles	Total
Cost:			
Balance on January 1, 2022	\$ 70,859	3,080	73,939
Decrease	-	(3,080)	(3,080)
Effect of movements in exchange rates	2,027	-	2,027
Balance on September 30, 2022	<u>\$ 72,886</u>	<u>-</u>	<u>72,886</u>
Balance on January 1, 2021	\$ 73,910	3,080	76,990
Effect of movements in exchange rates	(1,216)	-	(1,216)
Balance on September 30, 2021	<u>\$ 72,694</u>	<u>3,080</u>	<u>75,774</u>

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Accumulated depreciation and impairments:

Balance on January 1, 2022	\$	5,413	2,828	8,241
Depreciation for the period		1,556	252	1,808
Decrease	-		(3,080)	(3,080)
Effect of movements in exchange rates		172	-	172
Balance on September 30, 2022	\$	7,141	-	7,141
Balance on January 1, 2021	\$	3,820	2,146	5,966
Depreciation for the period		1,419	545	1,964
Effect of movements in exchange rates		(73)	-	(73)
Balance on September 30, 2021	\$	5,166	2,691	7,857

Carry amounts:

Balance on January 1, 2022	\$	65,446	252	65,698
Balance on September 30, 2022	\$	65,745	-	65,745
Balance on January 1, 2021	\$	70,090	934	71,024
Balance on September 30, 2021	\$	67,528	389	67,917

(g) Investment property

Investment property comprises properties that are owned by the Group, leased to a third party under operating leases and right-of-use assets in recognition of lease rights. The leases of investment properties contain an initial non-cancellable lease term of one year.

For all investment property for leasing, the rental income is fixed under contracts.

Information about investment properties is presented below:

	Buildings and constructions	Land	Total
Cost or deemed cost:			
Balance on January 1, 2022	\$ 87,502	5,078	92,580
Additions	170	-	170
Effect of movements in exchange rates	2,600	151	2,751
Balance on September 30, 2022	\$ 90,272	5,229	95,501
Depreciation and impairments loss:			
Balance on January 1, 2022	\$ 780	339	1,119
Depreciation for the year	3,605	86	3,691
Effect of movements in exchange rates	60	11	71
Balance on September 30, 2022	\$ 4,445	436	4,881
Book Value:			
Balance on January 1, 2022	\$ 86,722	4,739	91,461
Balance on September 30, 2022	\$ 85,827	4,793	90,620

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Since the Group no longer uses part of the plant, it decided to lease plants to third parties since October 1, 2021. Each lease contract includes the original non-cancellable lease term, and its subsequent lease term is negotiated with the lessee without charging contingent rent. Please refer to note (6)(j) for related information.

The fair value of investment properties has no significant changes in the note (6)(f) of the Group's consolidated financial statements for the year ended December 31, 2021.

As of September 30, 2022 and December 31, 2021, the Group did not provide any investment properties as collaterals for its loans.

(h) Short-term borrowings

September 30, 2022		
Currency	Range of interest rates	Amount
Unsecured bank loans	USD 0.79 ~ 3.72%	\$ 174,666
Unused short-term credit lines		\$ 373,375

December 31, 2021		
Currency	Range of interest rates	Amount
Unsecured bank loans	USD 0.62 ~ 0.79%	\$ 207,720
Secured bank loans	USD 0.62%	27,696
		\$ 235,416
Unused short-term credit lines		\$ 441,360

September 30, 2021		
Currency	Range of interest rates	Amount
Unsecured bank loans	USD 0.69 ~ 0.82%	\$ 209,399
Secured bank loans	USD 0.62%	27,918
		\$ 237,317
Unused short-term credit lines		\$ 443,825

- (i) For information on the Group's liquidity risk, please refer to note (6)(q).
- (ii) As of September 30, 2022, December 31 and September 30, 2021, the Company provides endorsements and guarantees for the credit loans and the credit lines of the subsidiaries of the Group, please refer to note (13)(a) for details.
- (iii) As of September 30, 2022, the Group did not provide any assets pledged as collaterals. As of December 31 and September 30, 2021, the Group provides assets pledged as collaterals for the bank loans of the Group, please refer to note (8) for details.

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(i) Lease liabilities

The lease liabilities of the Group were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Current	<u>\$ 255</u>	<u>\$ 510</u>	<u>\$ 394</u>
Non-current	<u>\$ 2,010</u>	<u>\$ 2,265</u>	<u>\$ -</u>

For the maturity analysis, please refer to note (6) (q).

The amounts recognized in profit or losses were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Interest on lease liabilities	<u>\$ 1</u>	<u>1</u>	<u>11</u>	<u>5</u>
Income from sub-leasing right-of-use assets	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(9)</u>
Expenses relating to short-term leases	<u>\$ 1,802</u>	<u>1,210</u>	<u>5,127</u>	<u>5,997</u>
Expenses relating to lease of low-value assets (excluding short-term leases of low-value assets)	<u>\$ 45</u>	<u>45</u>	<u>136</u>	<u>136</u>
Covid-19-Related Rent Concessions, (recognized in other income)	<u>\$ 28</u>	<u>-</u>	<u>33</u>	<u>-</u>

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the nine months ended September 30, 2022	For the nine months ended September 30, 2021
Total cash outflow for leases	<u>\$ 5,751</u>	<u>\$ 6,687</u>
(i) Leases of land and vehicles		

The Group leases land and vehicles for a period of 1 to 50 years.

The Group sub-leases to some of its right-of-use assets under operating leases; please refer to note (6) (j).

(ii) Other leases

The Group leases office equipment, employee's dormitory, vehicles and parking spaces with

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contract terms of one year. These leases are short-term or lower values. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(j) Operating lease

There were no significant changes in operating lease for the nine months ended September 30, 2022 and 2021. Please refer to note (6) (i) of the consolidated financial statements for the year ended December 31, 2021 for other related information.

(k) Employee benefits

(i) Defined benefit plans

Given there was no material volatility of the market, or any significant reimbursement, settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2021 and 2020.

The expenses recognized in profit or losses for the Group were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Cost of sales and operating expenses	\$ 39	39	117	116

(ii) Defined contribution plans

The Group recognized its pension costs under the deferred contribution plans were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Cost of sales and operating expenses	\$ 14,582	15,232	44,533	43,669

(l) Income taxes

The Group entries are subject to income tax rates, according to before tax of the interim reporting period, multiply by the best estimated measurement of the expected effective tax rate by the managers in all the year.

(i) The amount of income tax was as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Current tax expense	\$ 24,537	20,051	70,205	61,521

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- (ii) The amount of income tax (profit) recognized in other comprehensive income was as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translation	\$ 2,220	(180)	7,315	(3,459)

- (iii) The Company's tax returns for the years through 2020 were assessed by the tax authority.

- (m) Capital and other equities

Except for the following disclosure, there was no significant change for capital and other equity for the nine months ended September 30, 2022 and 2021. For the related information, please refer to note (6) (l) of the consolidated financial statements for the year ended December 31, 2021.

- (i) Capital surplus

The balances of capital surplus of the Company were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Additional paid in capital	\$ 431,703	431,703	431,703
Share-based payment transaction – treasury shares	8,332	8,332	8,332
	<u>\$ 440,035</u>	<u>440,035</u>	<u>440,035</u>

- (ii) Retained Earnings

Following by the Company's article of incorporation stipulates that the Company's profits should be distributed in order of priority as follows:

- A. Offset the prior years' deficits.
- B. Of the remaining balance, 10% is to be appropriated as legal reserve until such retention equals the amount of total capital.
- C. Special reserves are supposed to be set aside or are reversed in accordance with the relevant regulations or depending on the Company's operation.
- D. After the above appropriation, current and prior-period earnings that remain undistributed will be proposed for distribution by the Board of Directors, and a meeting of shareholders will be held to decide this matter. The total distribution shall not be less than 10% of the remaining earnings calculated by the above items.

In addition, the whole or part of shareholder dividends and bonuses, capital surplus or legal

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reserves are distributed in cash. The company authorizes the attendance of more than two-thirds of the directors of the board of directors and the resolution of more than half of the directors present. Such distribution shall be reported to the shareholders' meeting.

The Company will consider the environment, growing level, capital demand in the future, the financial structure, the situation of earnings and the balancing dividend policies. Depending on the capital demand and the dilution for the earning per share, the Company will distribute earnings by cash or by shares, and the amount of cash dividends should not be lower than 10% of the total dividends.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

When distributing the distributable surplus, the Company will record the net deduction of other shareholders' equity in the current year. When distributing the 2020 surplus in 2021, it will make a special reserve from the current profit and loss and the undistributed surplus in the previous period. When distributing 2021 surplus in 2022, the current after-tax net profit is added to the current after-tax net profit and the items other than the current after-tax net profit are included in the current undistributed surplus and the undistributed surplus in the previous period is added to the special reserve; other shareholders' equity accumulated in the previous period is deducted if the amount is not allocated, the special surplus will not be distributed from the undistributed surplus in the previous period. If the amount of other shareholders' equity deductions is reversed later, it can be rescued and distributed to the later part of the surplus through a resolution of the shareholders' meeting. As of September 30, 2022 and 2021, the balance of special reserve is \$42,710 thousand and \$35,579 thousand, respectively.

3) Earnings distribution

Earnings distribution for 2021 and 2020 was decided by the resolution adopted, at the meeting of the Board of Directors held on February 24, 2022 and March 25, 2021, respectively. The relevant dividend distributions to shareholders were as follows:

		2021		2020	
		Amount per share	Amount	Amount per share	Amount
Cash dividends distributed to ordinary shareholders	\$	2.0	<u>148,834</u>	3.0	<u>223,252</u>

(iii) Treasury shares

On August 04, 2022, the board of directors of the Company resolved to repurchase 800 thousand ordinary shares, in order to transfer shares to employees, in accordance with Article

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28-2 of the Securities and Exchange Act, which had been fully executed in the third quarter of 2022. As of September 30, 2022, no employee has been transferred.

The treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before their transfer in accordance with Securities and Exchange Act requirements.

(n) Earnings per share

The Group's basic and diluted earnings per share were calculated as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Basic earnings per share:				
Profit attributable to ordinary shareholders of the Company	\$ 91,913	30,201	233,203	104,269
Weighted average number of outstanding ordinary shares (in thousands)	74,139	74,417	74,323	74,417
Basic earnings per share (in dollars)	\$ 1.24	0.41	3.14	1.40
Diluted earnings per share:				
Profit attributable to ordinary shareholders of the Company (after adjustment of potential diluted ordinary shares)	\$ 91,913	30,201	233,203	104,269
Weighted average number of outstanding ordinary shares (in thousands)	74,139	74,417	74,323	74,417
Effect of potential diluted ordinary shares (in thousands)				
Effect of employee stock compensation	460	185	528	307
Weighted average number of ordinary shares (after adjustment of potential diluted ordinary shares)	74,599	74,602	74,851	74,724
Diluted earnings per share (in dollars)	\$ 1.23	0.40	3.12	1.40

(o) Revenue from contracts with customers

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(i) Disaggregation of revenue

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Primary geographical markets:				
Taiwan	\$ 12,748	23,047	47,590	49,786
China	339,767	474,948	1,102,602	1,538,571
Singapore	171,731	171,599	509,710	550,506
Japan	31,492	30,163	69,338	91,856
	<u>\$ 555,738</u>	<u>699,757</u>	<u>1,729,240</u>	<u>2,230,719</u>
Major product:				
Hinge components	<u>\$ 555,738</u>	<u>699,757</u>	<u>1,729,240</u>	<u>2,230,719</u>

(ii) Contract balances

For details on notes and accounts receivable and allowance for uncollectible accounts, please refer to note (6) (b).

(p) Employee compensation and directors and supervisors remuneration

According to the original articles of the Company, Company should contribute no less than 2% of the profit as employee compensation and a maximum of 1% as directors and supervisors remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The aforementioned employee compensation should be distributed by shares or by cash and the recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

The Company's shareholders' meeting held on June 23, 2022 resolved to amend the Company's article after which no less than 2% of the annual profit shall be appropriated as employees' remuneration and no more than 1% as directors' remuneration. However, if the Company has accumulated losses, the amount of compensation shall be reserved in advance. The aforementioned employee compensation should be distributed by shares or by cash and the recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

The remunerations to employees amounted to \$6,751 thousand and \$16,844 thousand and the remuneration to directors amounted to \$1,104 thousand, \$2,756 thousand, for the three months ended September 30, 2022 and the nine months ended September 30, 2022, respectively.

The remunerations to employees amounted to \$2,790 thousand and \$8,214 thousand and the remuneration to directors and supervisors amounted to \$304 thousand, \$896 thousand for the three months ended September 30, 2021 and the nine months ended September 30, 2021, respectively.

The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the proposed

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percentage which was stated under the Company's Management proposal. These remunerations were expensed under operating costs or operating expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts, the adjustment will be regarded as changes in accounting estimates, and will be reflected in profit or loss in the following year. Shares distributed to employees as employees' remuneration are calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

The remunerations to employees amounted to \$13,586 thousand and \$30,123 thousand and the remuneration to directors and supervisors amounted to \$1,482 thousand and \$3,286 thousand, in 2021 and 2020, respectively. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2021 and 2020. The information is available on the Market Observation Post System website.

(q) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note (6) (p) of the 2021 annual consolidated financial statements.

(i) Credit risk

For credit risk exposure of notes and accounts receivables, please refer to note (6) (b).

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities, excluding estimated interest payments.

	Carrying Amount	Contractual cash flows	Within a year	1-2 years	Over 2 years
September 30, 2022					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 174,666	(177,042)	(177,042)	-	-
Accounts payable	224,599	(224,599)	(224,599)	-	-
Other payables	242,902	(242,902)	(242,902)	-	-
Lease liabilities (including current and non-current)	2,265	(2,302)	(263)	(263)	(1,776)
Guarantee deposits received	1,261	(1,261)	-	-	(1,261)
	\$ 645,693	(648,106)	(644,806)	(263)	(3,037)
December 31, 2021					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 235,416	(235,922)	(235,922)	-	-
Accounts payable	228,375	(228,375)	(228,375)	-	-
Other payables	241,873	(241,873)	(241,873)	-	-

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Lease liabilities (including current and non-current)	2,775	(2,822)	(520)	(263)	(2,039)
Guarantee deposits received	1,225	(1,225)	-	-	(1,225)
	<u>\$ 709,664</u>	<u>(710,217)</u>	<u>(706,690)</u>	<u>(263)</u>	<u>(3,264)</u>

September 30, 2021

Non-derivative financial liabilities:

Short-term borrowings	\$ 237,317	(237,317)	(237,317)	-	-
Accounts payable	266,816	(266,816)	(266,816)	-	-
Other payables	250,641	(250,641)	(250,641)	-	-
Lease liabilities (including current and non-current)	394	(396)	(396)	-	-
Guarantee deposits received	1,386	(1,386)	-	-	(1,386)
	<u>\$ 756,554</u>	<u>(756,556)</u>	<u>(755,170)</u>	<u>-</u>	<u>(1,386)</u>

The Group is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Currency risk (expressed in thousands for foreign currencies)

The Group's significant exposure to foreign currency risk was as follows:

September 30, 2022			December 31, 2021			(In thousands of foreign currency) September 30, 2021		
Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets								
Monetary items								
USD	\$ 46,794 USD/NTD	1,485,722	46,487 USD/NTD	1,286,765	47,978 USD/NTD	1,336,188		
	=31.75		=27.68		=27.85			
USD	32,847 USD/CNY	1,043,120	46,357 USD/CNY	1,283,894	49,403 USD/CNY	1,379,306		
	=7.0998		=6.3757		=6.4854			
Financial liabilities								
Monetary items								
USD	28,705 USD/CNY	911,589	40,793 USD/CNY	1,129,817	44,830 USD/CNY	1,251,642		
	=7.0998		=6.3757		=6.4854			

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, accounts payable, and other payables that are denominated in foreign

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currency. A weakening (strengthening) 5% of each foreign currency against the functional currency for the nine months ended September 30, 2022 and 2021 would have affected the net profit before tax as follows, the analysis is performed on the same basis for both periods.

	For the nine months ended September 30,	
	2022	2021
USD (against the NTD)	\$ 74,286	66,809
USD (against the CNY)	6,577	6,383

3) Exchange gains and losses of monetary items

Gains or losses on foreign exchange of the Group's monetary items from the translation of the functional currency, including realized and unrealized portions, and the information about the exchange rate of the translation to NTD, which is the presentation currency of the Company, were as follows:

Functional currency	Nine months ended September 30, 2022		Nine months ended September 30, 2021	
	Exchange gain (loss)	Average rate	Exchange gain (loss)	Average rate
NTD	\$ 179,813	-	\$ (39,444)	-
CNY	CNY6,239	CNY/TWD = 4.428	CNY(565)	CNY/TWD = 4.3375

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to interest rate on the derivative and non-derivative financial instruments on the reporting date. Regarding the assets and liabilities with variable interest rates, the analysis is on the basis of the assumption that the amount of assets and liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 0.25%, the Group's net profit before tax would have increased or decreased by \$1,249 thousand and \$697 thousand for the nine months ended September 30, 2022 and 2021, respectively, which would be mainly resulted from the bank savings, and borrowings with variable interest rates.

(v) Fair value

1) Categories and the fair value of financial instruments

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The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

		September 30, 2022				
		Carrying amount	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost:						
Cash and cash equivalents	\$	1,729,429	-	-	-	-
Accounts receivable		948,706	-	-	-	-
Other current financial assets		16,528	-	-	-	-
Guarantee deposits paid		7,041	-	-	-	-
		\$ 2,701,704	-	-	-	-
Financial liabilities measured at amortized cost:						
Short-term borrowings	\$	174,666	-	-	-	-
Accounts payable		224,599	-	-	-	-
Other payables		242,902	-	-	-	-
Lease liabilities (including current and non-current)		2,265	-	-	-	-
Guarantee deposits received		1,261	-	-	-	-
		\$ 645,693	-	-	-	-
		December 31, 2021				
		Carrying amount	Fair Value			Total
			Level 1	Level 2	Level 3	
Financial assets measured at amortized cost:						
Cash and cash equivalents	\$	1,359,491	-	-	-	-
Accounts receivable		1,143,124	-	-	-	-
Other current financial assets		52,646	-	-	-	-
Guarantee deposits paid		6,808	-	-	-	-
		\$ 2,562,069	-	-	-	-

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Financial liabilities

measured at amortized cost:

Short-term borrowings	\$	235,416	-	-	-	-
Accounts payable		228,375	-	-	-	-
Other payables		241,873	-	-	-	-
Lease liabilities (including current and non-current)		2,775	-	-	-	-
Guarantee deposits received		1,225	-	-	-	-
	\$	709,664	-	-	-	-

September 30, 2021

	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost:					
Cash and cash equivalents	\$ 1,299,173	-	-	-	-
Notes receivable	92	-	-	-	-
Accounts receivable	1,073,102	-	-	-	-
Other current financial assets	53,891	-	-	-	-
Guarantee deposits paid	9,289	-	-	-	-
	\$ 2,435,547	-	-	-	-

Financial liabilities

measured at amortized cost:

Short-term borrowings	\$	237,317	-	-	-	-
Accounts payable		266,816	-	-	-	-
Other payables		250,641	-	-	-	-
Lease liabilities (including current and non-current)		394	-	-	-	-
Guarantee deposits received		1,386	-	-	-	-
	\$	756,554	-	-	-	-

There were no transfers of financial instruments between any levels for the nine months ended September 30, 2022 and 2021.

- Valuation technique for financial instruments measured at fair value - Non-derivative financial instruments

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If the financial instrument has a public quoted price in an active market, the public quoted price will be determined as the fair value. The measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

(r) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note (6) (q) of the 2021 annual consolidated financial statements.

(s) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in note (6) (r) of the 2021 annual consolidated financial statements. Also, Management believes that there were no significant changes in the Group's capital management information as disclosed in the 2021 annual financial statements.

(t) Investing and financial activities not affecting current cash flow

There are no non-cash investing and financing activities for the nine months ended September 30, 2022 and 2021. Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2022	Cash flow	Non-cash changes Exchange movement	September 30, 2022
Short-term borrowings	\$ 235,416	(87,662)	26,912	174,666
Guarantee deposits received	1,225	36	-	1,261
Lease liabilities	2,775	(510)	-	2,265
Total liabilities from financing activities	<u>\$ 239,416</u>	<u>(88,136)</u>	<u>26,912</u>	<u>178,192</u>

	January 1, 2021	Cash flow	Non-cash changes Exchange movement	September 30, 2021
Short-term borrowings	\$ 57,119	182,741	(2,543)	237,317
Guarantee deposits received	1,532	(146)	-	1,386
Lease liabilities	943	(549)	-	394
Total liabilities from financing activities	<u>\$ 59,594</u>	<u>182,046</u>	<u>(2,543)</u>	<u>239,097</u>

(7) Related-party transactions

(a) Names and relationship with related parties

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The followings are entities that have had transactions with the Group during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Daher Mold Co. (Daher)	Same chairman with the Company

(b) Significant transaction with related parties

For the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the Group purchased some fixtures and consumable material from its related parties amounting to \$5,054 thousand, \$9,349 thousand, \$15,554 thousand and \$22,039 thousand, recognized as operating cost and researching and developing cost respectively. As of September 30, 2022, December 31, 2021 and September 30, 2021, the outstanding balance was \$7,606 thousand, \$11,006 thousand and \$11,742 thousand, respectively, were recognized as other payables.

(c) Key management personnel compensation

Key management personnel compensation comprised of:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Short-term employee benefits \$	4,440	3,639	14,970	11,625
Post-employment benefits	114	108	341	297
	<u>\$ 4,554</u>	<u>3,747</u>	<u>15,311</u>	<u>11,922</u>

(8) Pledged assets:

The carry amount of pledged asset of the Group is as follows:

Pledged assets	Pledged to secure	September 30, 2022	December 31, 2021	September 30, 2021
Restricted bank deposits <small>(recorded as #1476 Other current financial assets in Consolidated Balance Sheets)</small>	Reserve Account	\$ -	-	4,219
Time deposits <small>(recorded as #1476 Other current financial assets in Consolidated Balance Sheets)</small>	Bank Loans	-	32,580	32,288
		<u>\$ -</u>	<u>32,580</u>	<u>36,507</u>

(9) Commitments and contingencies:

- (a) For the information on the Group's bank credit lines, guarantees and endorsements, please refer to note (13) (a).

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(b) Unrecognized contractual commitments:

As of September 30, 2022, December 31 and September 30, 2021, the future payments for the purchase of the Group's significant equipment and construction amounted to \$15,641 thousand, \$9,681 thousand and \$77,662 thousand, respectively.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: On November 3, 2022, the Board of Directors approved to invest in a new factory in Vietnam in order to coordinate with the adjustment of the customers' production bases, and the estimated investment amount is US\$5,000 thousand.

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item \ By function	For the three months ended September 30,					
	2022			2021		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	121,404	35,104	156,508	150,311	28,251	178,562
Labor and health insurance	10,994	2,235	13,229	11,772	1,992	13,764
Pension	12,917	1,704	14,621	13,749	1,522	15,271
Others	7,839	1,370	9,209	9,324	1,671	10,995
Depreciation	33,320	5,655	38,975	36,149	4,300	40,449
Amortization	317	898	1,215	221	1,944	2,165

By item \ By function	For the nine months ended September 30,					
	2022			2021		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	385,885	103,073	488,958	505,435	98,617	604,052
Labor and health insurance	33,654	6,837	40,491	33,414	6,291	39,705
Pension	39,633	5,017	44,650	39,290	4,495	43,785
Others	24,103	5,286	29,389	29,501	4,918	34,419
Depreciation	106,886	16,653	123,539	106,468	13,350	119,818
Amortization	948	3,121	4,069	380	5,478	5,858

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(b) Seasonality of operations

The Group's operations were not affected by seasonality or cyclicity factors.

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the nine months ended September 30, 2022:

(i) Lending to other parties: None.

(ii) Guarantees and endorsements for other parties:

(In thousands of foreign currency)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Kunshan Wanhe	(Note 2)	1,072,103	412,750 (US\$13,000)	190,500 (US\$6,000)	-	-	5.33%	1,786,839	Y	-	Y
0	"	Chongqing SNR	(Note 2)	1,072,103	650,875 (US\$20,500)	428,625 (US\$13,500)	174,625 (US\$5,500)	-	11.99%	1,786,839	Y	-	Y

Note 1: According to the Company's Procedures for Endorsement and Guarantee, the total amount of endorsements/ guarantees the Company or the Group is permitted to make shall not exceed 30% of the Company's net worth. For external endorsements/ guarantees, the total amount of endorsements/ guarantees the Company is permitted to make shall not exceed 50% of the Company's net worth. For entities having business relationship with the Company, the amount of endorsements/ guarantees for a single company shall not exceed 30% of the transaction amount in the last fiscal year or the expecting amount of the current year.

Note 2: The subsidiary whose ordinary shares over 50% owned by the Company and its subsidiaries.

Note 3: The target of endorsements/ guarantees above is primary entity of consolidated balance sheets.

(iii) Information regarding securities held at the reporting date (excluding investment in subsidiaries, associates and joint ventures not included): None.

(iv) Information regarding purchase or sale of securities for the period exceeding 300 million or 20% of the Company's paid-in capital: None.

(v) Information on acquisition of real estate with purchase amount exceeding 300 million or 20% of the Company's paid-in capital: None.

(vi) Information regarding receivables from disposal of real estate exceeding 300 million or 20% of the Company's paid-in capital: None.

(vii) Information regarding related-parties purchases and/or sales exceeding 100 million or 20% of the Company's paid-in capital:

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(In thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase / Sale	Amount	Percentage of total purchases / sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)	
The Company	Chongqing SNR	100% owned sub-subsidiary	(Sales)	(231,139)	(38) %	Depending on the demand for funding, OA 120	Same as selling to other clients	Depending on the demand for funding, OA 120	Accounts Receivable 223,650	62 %	Note 1
"	Kunshan Wanhe	"	(Sales)	(288,068)	(47) %	"	"	"	Accounts Receivable 86,156	24 %	"
Kunshan Wanhe	The Company	The parent company	Purchases	288,068	54 %	Depending on the demand for funding, OA 120	Same as selling to other clients	Depending on the demand for funding, OA 120	Accounts Payable (86,156)	(36) %	"
Chongqing SNR	The Company	The parent company	Purchases	231,139	50 %	Depending on the demand for funding, OA 120	Same as selling to other clients	Depending on the demand for funding, OA 120	Accounts Payable (223,650)	(54) %	"

Note1 : The transactions have been eliminated in the consolidated financial statement.

(viii) Information regarding receivables from related-parties exceeding 100 million or 20% of the Company's paid-in capital:

(In thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent (note1)	Allowance for bad debts	Note
					Amount	Action taken			
The Company	Chongqing SNR	100% owned sub-subsidiary	223,650	1.15	-	-	Accounts Receivable -	-	Note 2
Kunshan Wanhe	Chongqing SNR	With the same ultimate parent company	130,529	0.76	-	-	Accounts Receivable 19,279	-	"

Note 1 : Information as of reporting date.

Note2 : The transactions have been eliminated in the consolidated financial statement.

(ix) Information regarding trading in derivative financial instruments: None.

(x) Significant transactions and business relationships between the parent company and its subsidiaries:

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(In thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of Relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms	
0	The Company	Chongqing SNR	1	Sales Revenue	231,139	The price is marked-up based on operating cost. Depending on the funding demand, and the credit term is OA 120 days.	13.37%
0	"	"	1	Accounts Receivable	223,650		5.13%
0	"	Kunshan Wanhe	1	Sales Revenue	288,068		16.66%
0	"	"	1	Accounts Receivable	86,156		1.98%
1	Kunshan Wanhe	Chongqing SNR	3	Accounts Receivable	130,529		3.00%

Note 1: The numbers are filled in as follows:

1.0 represents the Company.

2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Relationship with the transactions is labeled as follows:

1. Represents the transactions from the parent company to its subsidiaries.

2. Represents the transactions from the subsidiaries to the parent company.

3. Represents the transactions between the subsidiaries.

Note3: The transactions have been eliminated in the consolidated financial statement.

(b) Information on investments:

The following are the information on investees for the nine months ended September 30, 2022 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2022			Net income (losses) of investee	Share of profit/losses of investee	Note
				September 30, 2022	December 31, 2021	Shares	Percentage of ownership	Carrying amount			
The Company at r a n s a c t i o n h Profit s b e e n	MOI	Samoa	General Investing	\$ 727,957	727,957	23,800,000	100%	1,143,536	102,725	102,725	Subsidiary
	Profit	Samoa	"	-	-	-	100%	34,532	(26,625)	(26,625)	"
	Total			<u>\$ 727,957</u>	<u>727,957</u>			<u>1,178,068</u>		<u>76,100</u>	
	Sinher (H.K.) Limited	Hong Kong	General Investing	\$ 325,579	325,579	10,600,000	100%	911,010	66,069	66,069	A sub-subsidiary company
	Cingher (H.K.) Limited	Hong Kong	"	402,378	402,378	13,200,000	100%	223,741	36,656	36,656	"
	Total			<u>\$ 727,957</u>	<u>727,957</u>			<u>1,134,751</u>		<u>102,725</u>	
	Great Info	Samoa	Sell of hinge components	USD -	USD -	-	100%	27,225 (USD857)	(48) (US(2))	(48) (US(2))	"
	Top Trading	Anguilla	"	USD -	USD -	-	100%	7,307 (USD230)	(26,577) (USD(908))	(26,577) (USD(908))	"
	Total							<u>34,532</u>		<u>(26,625)</u>	
											eliminated in the consolidated financial statement.

(c) Information on investment in Mainland China:

(i) The following is the information on investees in Mainland China:

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(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

(In thousands of foreign currency)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated Outflow of investment from Taiwan as of September 30, 2022	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Kunshan Wanhe	Manufacturing and selling hinges components	319,176 (USD10,600)	(Note 1) & (Note 4)	319,176 (USD10,600)	-	-	319,176 (USD10,600)	66,069 (CNY14,921)	100.00%	66,069 (CNY14,921)	910,938	-
Chongqing SNR	Manufacturing and selling hinges components	391,042 (USD13,200)	(Note 1) & (Note 5)	391,042 (USD13,200)	-	-	391,042 (USD13,200)	36,656 (CNY8,287)	100.00%	36,656 (CNY8,287)	223,724	-
Qianquan	Manufacturing and selling hinges components	13,299 (CNY2,700)	(Note 6)	(Note 6)	-	-	(Note 6)	(2,506) (CNY(566))	100.00%	(2,506) (CNY(566))	(1,643) (CNY(367))	-
SYTW	Research, manufacturing and selling fans related productions	88,640 (CNY20,000) (Note 8)	(Note 7)	(Note 7)	-	-	(Note 7)	(14,190) (CNY(3,205))	49%	(753) (CNY(170))	43,075 (CNY9,630)	-

Note 1: Indirect investment in Mainland China through companies registered in a third region.

Note 2: The gains and losses on investment of the companies were recognized according to the investees' financial statements which had been reasonably audited by the certified public accountants of the parent company, except that SYTW is based on the financial quarterly report of the investee company that is self-settled during the same period and not reviewed by independent auditors, the amounts shown in the table were translated into New Taiwan Dollars at the average rate of the nine months ended September 30, 2022.

Note 3: The amounts shown in the table were translated into New Taiwan Dollars at the three months ended September 30, 2022 average exchange rates.

Note 4: Indirect investment in Mainland China through companies registered in Million On International Co., Ltd and Sinher (H.K.) Limited.

Note 5: Indirect investment in Mainland China through companies registered in Million On International Co., Ltd and Cingher (H.K.) Limited.

Note 6: An investee company established by Kunshan Wanhe with its own capital.

Note 7: An investee company invested by Kunshan Wanhe with its own capital.

Note 8: As of November 3, 2022, the paid-in capital of the company had not been fully paid.

(ii) Upper limit on investment in Mainland China:

(In thousands of foreign currency)

Accumulated Investment in Mainland China as of September 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
710,218(USD23,800)	710,218(USD23,800)	2,144,206

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, for the time ended September 30, 2022, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(d) Information of main shareholders:

(Unit: Shares)

Major shareholders	Shares	Total Shares Owned	Ownership Percentage
Su, Ting Hung		6,028,359	8.10%
Catcher Technology Co., Ltd		5,169,917	6.94%

Note:

1. The information on major shareholders, which is provided by Taiwan Depositor & Clearing Corporation, summarized the

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shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury shares) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculation basis.

2. If shares are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insiders has discretion over use. For details of the insider's equity announcement please refer to the TWSE website.

(14) Segment information:

This segment is mainly involved in the manufacturing of hinge components business. Therefore, the Group does not need to disclose segment information.