

**SINHER TECHNOLOGY INC. AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Three Months Ended March 31, 2023 and 2022**

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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 SINHER TECHNOLOGY INC.:

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of SINHER TECHNOLOGY INC. and its subsidiaries as of March 31, 2023 and 2022 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2023 and 2022, 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 on Review Engagement 2410, "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 \$35,200 thousand as of March 31, 2023, and the shares of loss of associates and joint ventures accounted for using equity method amounted to \$3,120 thousand for the three months ended March 31, 2023, 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 March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023 and 2022 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)

May 4, 2023

#### **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.

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(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

**Reviewed only, not audited in accordance with Generally Accepted Auditing Standards as of March 31, 2023 and 2022**

**SINHER TECHNOLOGY INC. AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**March 31, 2023, December 31, 2022, and March 31, 2022**

**(Expressed in thousands of New Taiwan Dollars)**

		March 31, 2023		December 31, 2022		March 31, 2022				March 31, 2023		December 31, 2022		March 31, 2022	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:															
1100	Cash and cash equivalents (note (6)(a))	\$ 1,848,485	45	1,847,969	44	1,562,003	36	2100	Short-term borrowings (note (6)(i))	\$ 150,880	4	151,530	4	242,720	6
1170	Notes receivable and Accounts receivable, net (note (6)(b))	647,826	16	758,655	18	1,001,115	23	2170	Accounts payable	196,327	5	161,684	4	237,706	5
1310	Inventories (note (6)(c))	348,226	8	309,756	8	444,654	11	2219	Other payables (note (7))	178,333	4	220,696	5	186,987	4
1476	Other current financial assets (note (8))	22,127	1	17,551	-	50,825	1	2216	Dividends payable (note (6)(o))	128,830	3	-	-	148,834	3
1479	Other current assets	11,356	-	13,952	-	11,435	-	2230	Current tax liabilities	32,866	1	43,435	1	21,629	1
		2,878,020	70	2,947,883	70	3,070,032	71	2280	Current lease liabilities (note (6)(k))	256	-	255	-	426	-
Non-current assets:															
1550	Investments accounted for using equity method (note (6)(d))	35,200	1	38,113	1	-	-	2300	Other current liabilities	-	-	-	-	3,608	-
1600	Property, plant and equipment (note (6)(e) and (8))	908,498	22	957,624	23	1,042,766	24								
1755	Right-of-use assets (note (6)(f))	63,161	1	64,306	2	67,435	2	2100	Non-Current liabilities:						
1760	Investment property, net (note (6)(g) and (8))	108,320	3	88,078	2	93,793	2	2570	Deferred tax liabilities	89,559	2	89,559	2	78,878	2
1840	Deferred tax assets	50,464	1	51,579	1	54,617	1	2580	Non-current lease liabilities (note (6)(k))	1,755	-	2,010	-	2,010	-
1920	Guarantee deposits paid	6,908	-	7,016	-	6,837	-	2640	Net defined benefit liability, non-current	-	-	-	-	100	-
1990	Other non-current assets (note (6)(h))	79,323	2	48,505	1	16,104	-	2645	Guarantee deposits received	1,250	-	1,243	-	1,271	-
		1,251,874	30	1,255,221	30	1,281,552	29								

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 Comprehensive Income**

**For the three months ended March 31, 2023 and 2022**

(Expressed in thousands of New Taiwan Dollars , except for earnings per common share)

		For the three months ended March 31			
		2023		2022	
		Amount	%	Amount	%
4100	<b>Operating revenues</b> (note (6)(q))	\$ 412,050	100	571,201	100
5110	<b>Cost of sales</b> (notes (6)(c), (6)(m), (6)(r), (7) and (12))	359,111	87	464,180	81
5900	<b>Gross profit</b>	52,939	13	107,021	19
	<b>Operating expenses</b> (notes (6)(m), (6)(r), (7) and (12))				
6100	Selling expenses	25,869	6	30,633	6
6200	Administrative expenses	34,849	9	34,836	6
6300	Research and development expenses	24,217	6	23,422	4
		84,935	21	88,891	16
6900	<b>Net operating income (loss)</b>	(31,996)	(8)	18,130	3
	<b>Non-operating income and expenses:</b>				
7100	Interest income	8,532	2	694	-
7190	Other income	1,526	-	1,541	-
7110	Rental income (note (6)(l))	4,478	1	3,564	1
7230	Foreign exchange gains (losses), net (note (6)(s))	(18,791)	(4)	40,541	7
7050	Finance costs	(1,660)	-	(412)	-
7060	Shares of loss of associates and joint ventures accounted for using equity method (note (6)(d))	(3,120)	(1)	-	-
7590	Miscellaneous disbursements	(4,570)	(1)	(273)	-
		(13,605)	(3)	45,655	8
7900	<b>Profit (loss) before tax</b>	(45,601)	(11)	63,785	11
7950	Less: Tax expenses (note (6)(n))	12,881	3	10,257	2
	<b>Profit (loss)</b>	(58,482)	(14)	53,528	9
8300	<b>Other comprehensive income:</b>				
8360	<b>Items that will be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation	5,573	1	39,463	7
8399	Less: Income tax related to components of other comprehensive income that will be reclassified subsequently to profit or loss (note (6)(n))	1,115	-	7,893	1
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	4,458	1	31,570	6
8300	<b>Other comprehensive income</b>	4,458	1	31,570	6
8500	<b>Comprehensive income</b>	<u>\$ (54,024)</u>	<u>(13)</u>	<u>85,098</u>	<u>15</u>
	<b>Earnings (loss) per common share</b> (note (6)(p))				
9750	<b>Basic earnings (loss) per share</b> (expressed in dollars)	<u>\$ (0.79)</u>		<u>0.72</u>	
9850	<b>Diluted earnings per share</b> (expressed in dollars)	<u>\$</u>		<u>0.72</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 three months ended March 31, 2023 and 2022**

(Expressed in thousands of New Taiwan Dollars)

		Retained earnings				Exchange	Treasury	Total
		Ordinary	Capital	Legal	Special	Unappropriated		
		shares	surplus	reserve	reserve	retained earnings	differences on translation of foreign financial statements	equity
<b>A1</b>	<b>Balance at January 1, 2022</b>	\$ 744,172	440,035	465,592	35,579	1,848,483	(42,710)	3,491,151
	Appropriation and distribution of retained earnings:							
<b>B5</b>	Cash dividends of ordinary share	-	-	-	-	(148,834)	-	(148,834)
		-	-	-	-	(148,834)	-	(148,834)
<b>D1</b>	Profit for the three months ended March 31, 2022	-	-	-	-	53,528	-	53,528
<b>D3</b>	Other comprehensive income for the three months ended March 31, 2022	-	-	-	-	-	31,570	31,570
<b>D5</b>	Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	53,528	31,570	85,098
<b>Z1</b>	<b>Balance at March 31, 2022</b>	<u>744,172</u>	<u>440,035</u>	<u>465,592</u>	<u>35,579</u>	<u>1,753,177</u>	<u>(11,140)</u>	<u>3,427,415</u>
<b>A1</b>	<b>Balance at January 1, 2023</b>	\$ 744,172	440,035	483,811	42,710	1,880,180	(27,116)	3,532,692
	Appropriation and distribution of retained earnings:							
<b>B5</b>	Cash dividends of ordinary share	-	-	-	-	(128,830)	-	(128,830)
		-	-	-	-	(128,830)	-	(128,830)
<b>D1</b>	Profit for the three months ended March 31, 2023	-	-	-	-	(58,482)	-	(58,482)
<b>D3</b>	Other comprehensive income for the three months ended March 31, 2023	-	-	-	-	-	4,458	4,458
<b>D5</b>	Total comprehensive income for the three months ended March 31, 2023	-	-	-	-	(58,482)	4,458	(54,024)
<b>Z1</b>	<b>Balance at March 31, 2023</b>	<u>\$ 744,172</u>	<u>440,035</u>	<u>483,811</u>	<u>42,710</u>	<u>1,692,868</u>	<u>(22,658)</u>	<u>3,349,838</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 Cash Flows**

**For the three months ended March 31, 2023 and 2022**

(Expressed in thousands of New Taiwan Dollars)

		<b>For the three months ended March 31</b>	
		<b>2023</b>	<b>2022</b>
AAAA	<b>Cash flows from (used in) operating activities:</b>		
A10000	<b>Profit (loss) before tax</b>	\$ (45,601)	63,785
A20000	<b>Adjustments:</b>		
A20010	<b>Adjustments to reconcile profit (loss):</b>		
A20100	Depreciation expense	35,787	44,800
A20200	Amortization expense	1,343	1,513
A20300	Expected credit loss (reversed)	35	(270)
A20900	Interest expense	1,660	412
A21200	Interest income	(8,532)	(694)
A22300	Shares of loss of associates and joint ventures accounted for using equity method	3,120	-
A29900	Others	112	421
A20010	<b>Total adjustments to reconcile profit (loss)</b>	<b>33,525</b>	<b>46,182</b>
A30000	<b>Changes in operating assets and liabilities:</b>		
A31000	<b>Changes in operating assets</b>		
A31150	Decrease in notes receivable and accounts receivable	110,784	142,212
A31200	Increase in inventories	(38,470)	(24,963)
A31240	Decrease in other current assets	2,596	1,187
A31250	Decrease (increase) in other current financial assets	(4,635)	3,120
A31000	<b>Total changes in operating assets</b>	<b>70,275</b>	<b>121,556</b>
A32000	<b>Changes in operating liabilities:</b>		
A32150	Increase in accounts payable	34,643	9,331
A32180	Decrease in other payables	(42,529)	(53,503)
A32230	Increase in other current liabilities	-	130
A32000	<b>Total changes in operating liabilities</b>	<b>(7,886)</b>	<b>(44,042)</b>
A30000	<b>Total changes in operating assets and liabilities</b>	<b>62,389</b>	<b>77,514</b>
A20000	<b>Total adjustments</b>	<b>95,914</b>	<b>123,696</b>
A33000	Cash inflow generated from operations	50,313	187,481
A33100	Interest received	8,591	610
A33300	Interest paid	(1,660)	(412)
A33500	Income taxes paid	(23,536)	(3,780)
AAAA	<b>Net cash flows from (used in) operating activities</b>	<b>33,708</b>	<b>183,899</b>
BBBB	<b>Cash flows from (used in) investing activities:</b>		
B02700	Acquisition of property, plant and equipment	(3,523)	(9,843)
B03700	Decrease (increase) in guarantee deposits paid	108	(29)
B04500	Acquisition of intangible assets	(1,215)	(577)
B05400	Acquisition of investment property	-	(169)
B06700	Increase in other non-current assets	(30,921)	-
BBBB	<b>Net cash flows from (used in) investing activities</b>	<b>(35,551)</b>	<b>(10,618)</b>
CCCC	<b>Cash flows from (used in) financing activities:</b>		
C00100	Increase in short-term borrowings	-	97,183
C00200	Decrease in short-term borrowings	-	(97,870)
C03100	Increase in guarantee deposits received	7	46
C04020	Payment of lease liabilities	(254)	(339)
CCCC	<b>Net cash flows used in financing activities</b>	<b>(247)</b>	<b>(980)</b>
DDDD	<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>2,606</b>	<b>30,211</b>
EEEE	<b>Net increase in cash and cash equivalents</b>	<b>516</b>	<b>202,512</b>
E00100	<b>Cash and cash equivalents at beginning of period</b>	<b>1,847,969</b>	<b>1,359,491</b>
E00200	<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,848,485</b>	<b>1,562,003</b>

See accompanying notes to consolidated financial statements.

## SINHER TECHNOLOGY INC. AND SUBSIDIARIES

### Notes to The Consolidated Financial Statements

**March 31, 2023 and 2022**

(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 comprise 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 involved the research, development, manufacture and sale of Hinge. 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 three months ended March 31, 2023 and 2022 were authorized for issuance by the Board of Directors on May 4, 2023.

#### (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, 2023:

- 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"

- (b) 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:

Effective date per IASB	New, Revised or Amended Standards and Interpretations	The Amendment included:
January 1, 2024	Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance.

## SINHER TECHNOLOGY INC. AND SUBSIDIARIES

### Notes to The Consolidated Financial Statements

**March 31, 2023 and 2022**

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

The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.

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 IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IFRS 16 “Requirements for Sales and Leaseback Transactions”

#### **(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 statement for the year ended December 31, 2022. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2022.

##### **(b) List of subsidiaries in the consolidated financial statements**

List of subsidiaries in the consolidated financial statements include:

Name of investor	Name of subsidiary	Nature of operation	Shareholding		
			March 31, 2023	December 31, 2022	March 31, 2022
The Company	Million On International Co., Ltd. (MOI)	General investing	100%	100%	100%
MOI	Sinher (H.K.) Limited	General investing	100%	100%	100%

## SINHER TECHNOLOGY INC. AND SUBSIDIARIES

### Notes to The Consolidated Financial Statements

**March 31, 2023 and 2022**

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

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) 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.

**(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.

**(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 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, 2022. For the related information, please refer to note (5) of the consolidated financial statements for the year ended December 31, 2022.

## SINHER TECHNOLOGY INC. AND SUBSIDIARIES

### Notes to The Consolidated Financial Statements

March 31, 2023 and 2022

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

#### (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, 2022. Please refer to note (6) of the 2022 annual consolidated financial statements.

##### (a) Cash and cash equivalents

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 2,216	1,665	2,087
Checking accounts and demand deposits	802,389	740,761	736,791
Time deposits	1,043,880	1,105,543	823,125
	<u>\$ 1,848,485</u>	<u>1,847,969</u>	<u>1,562,003</u>

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

##### (b) Notes and accounts receivable

	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable	\$ -	296	315
Accounts receivable	648,475	759,957	1,002,605
	648,475	760,253	1,002,920
Less: loss allowance	(649)	(1,598)	(1,805)
	<u>\$ 647,826</u>	<u>758,655</u>	<u>1,001,115</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:

	Gross carrying amount	March 31, 2023 Weighted-avera ge loss rate	Loss allowance provision
Aging under 120 days	\$ 568,167	0.018%	105
Aging 121~150 days	64,854	0.005%	3
Aging 151~240 days	14,973	0.401%	60
Aging over 241 days	481	100%	481
	<u>\$ 648,475</u>		<u>649</u>

## SINHER TECHNOLOGY INC. AND SUBSIDIARIES

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	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Aging under 120 days	\$ 649,404	0.010%	65
Aging 121~150 days	70,066	0.026%	18
Aging 151~240 days	9,318	0.537%	50
Aging over 241 days	1,465	100%	1,465
	<u>\$ 760,253</u>		<u>1,598</u>

  

	March 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Aging under 120 days	\$ 886,216	0.012%	108
Aging 121~150 days	110,252	0.028%	31
Aging 151~240 days	4,933	2.980%	147
Aging over 241 days	1,519	100%	1,519
	<u>\$ 1,002,920</u>		<u>1,805</u>

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

	For the three months ended March 31,	
	2023	2022
Balance on January 1	\$ 1,598	2,008
Impairment loss recognized (reversal gain)	35	(270)
Amounts written off	(994)	-
Foreign exchange (gains) losses	10	67
Balance on March 31	<u>\$ 649</u>	<u>1,805</u>

As of March 31, 2023, December 31 and March 31, 2022, the Group did not provide any receivables as collaterals for its loans.

(c) Inventories

	March 31, 2023	December 31, 2022	March 31, 2022
Raw materials	\$ 122,670	124,666	141,480
Work in progress	61,666	26,822	56,593
Finished goods	163,890	158,268	246,581
	<u>\$ 348,226</u>	<u>309,756</u>	<u>444,654</u>

The write-down of the inventories to net realizable value amounted to \$20,462 thousand and \$19,981 thousand which was recorded as cost of sales in the three months ended March 31, 2023 and 2022,

## **SINHER TECHNOLOGY INC. AND SUBSIDIARIES**

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respectively.

As of March 31, 2023, December 31 and March 31, 2022, 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:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Associates	<u><u>\$ 35,200</u></u>	<u><u>38,113</u></u>	<u><u>-</u></u>

- (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:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
The carrying amount of individually insignificant associates' equity	<u><u>\$ 35,200</u></u>	<u><u>38,113</u></u>	<u><u>-</u></u>

	<b>For the three months ended March 31, 2023</b>	<b>For the three months ended March 31, 2022</b>
Attributable to the Group:		
Loss from continuing operations	<u><u>\$ (3,120)</u></u>	<u><u>-</u></u>

- (iii) There was no significant change for investments accounted for using equity method for the three months ended March 31, 2023 and 2022. For the related information, please refer to note (6)(d) of the consolidated financial statements for the year ended December 31, 2022
- (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 March 31, 2023 and December 31, 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  
As of March 31, 2023, the investments accounted for using equity method and the shares of loss of associates and joint ventures accounted for using the equity method for three months ended March 31, 2023 are calculated based on financial reports that have not been reviewed by independent auditors

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(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
<b>Cost:</b>						
Balance on January 1, 2023	\$ 362,813	549,654	650,121	66,187	4,425	1,633,200
Additions	-	50	1,076	345	2,218	3,689
Reclassification to investment property	-	(21,781)	-	-	-	(21,781)
Disposals	-	-	(28,307)	(2,866)	-	(31,173)
Effect of movements in exchangerates	-	1,913	1,417	186	6	3,522
Reclassifications	-	450	-	-	(450)	-
Balance on March 31, 2023	<u>\$ 362,813</u>	<u>530,286</u>	<u>624,307</u>	<u>63,852</u>	<u>6,199</u>	<u>1,587,457</u>
Balance on January 1, 2022	\$ 362,813	574,407	820,054	58,926	26,884	1,843,084
Additions	-	748	964	3,182	3,566	8,460
Disposals	-	-	(122,955)	(495)	-	(123,450)
Effect of movements in exchangerates	-	13,106	9,132	1,308	610	24,156
Reclassifications	-	-	3,038	86	(3,534)	(410)
Balance on March 31, 2022	<u>362,813</u>	<u>588,261</u>	<u>710,233</u>	<u>63,007</u>	<u>27,526</u>	<u>1,751,840</u>
<b>Depreciation and impairments loss:</b>						
Balance on January 1, 2023	\$ -	233,757	399,142	42,677	-	675,576
Depreciation for the year	-	7,357	23,886	2,495	-	33,738
Reclassification to investment property	-	(1,377)	-	-	-	(1,377)
Disposals	-	-	(28,287)	(2,774)	-	(31,061)
Effect of movements in exchangerates	-	866	1,062	155	-	2,083
Balance on March 31, 2023	<u>\$ -</u>	<u>240,603</u>	<u>395,803</u>	<u>42,553</u>	<u>-</u>	<u>678,959</u>
Balance on January 1, 2022	\$ -	231,238	502,557	41,965	-	775,760
Depreciation for the year	-	9,316	31,744	1,915	-	42,975
Disposals	-	-	(122,955)	(484)	-	(123,439)
Effect of movements in exchangerates	-	5,599	7,075	1,104	-	13,778
Balance on March 31, 2022	<u>\$ -</u>	<u>246,153</u>	<u>418,421</u>	<u>44,500</u>	<u>-</u>	<u>709,074</u>
<b>Book value:</b>						
Balance on January 1, 2023	<u>\$ 362,813</u>	<u>315,897</u>	<u>250,979</u>	<u>23,510</u>	<u>4,425</u>	<u>957,624</u>
Balance on March 31, 2023	<u>\$ 362,813</u>	<u>289,683</u>	<u>228,504</u>	<u>21,299</u>	<u>6,199</u>	<u>908,498</u>
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 March 31, 2022	<u>\$ 362,813</u>	<u>342,108</u>	<u>291,812</u>	<u>18,507</u>	<u>27,526</u>	<u>1,042,766</u>

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(i) Pledged as collateral

As of March 31, 2023, the Group provides partial property, plant and equipment pledged as collaterals for long-term borrowings and loan commitments of the Group, please refer to note (8) for details. As of December 31 and March 31, 2022, the Group did not provide any assets pledged as collaterals.

(ii) Reclassified to investment property

The Group has leased part of its plants to a third party since January 1, 2023, so the use right in recognition of the lease right is reclassified as investment property at its carrying amount, please refer to note (6)(g).

(f) Right-of-use assets

Except for the following disclosure, there was no significant change for Right-of-assets for the three months ended March 31, 2023 and 2022. For the related information, please refer to note (6)(f) of consolidated financial statements for the year ended December 31, 2022.

	Land	Vehicles	Total
<b>Cost:</b>			
Balance on January 1, 2023	\$ 71,865	-	71,865
Reclassified to investment property	(1,051)	-	(1,051)
Effect of movements in exchange rates	363	-	363
Balance on March 31, 2023	<u>\$ 71,177</u>	<u>-</u>	<u>71,177</u>
Balance on January 1, 2022	\$ 70,859	3,080	73,939
Effect of movements in exchange rates	2,546	-	2,546
Balance on March 31, 2022	<u>\$ 73,405</u>	<u>3,080</u>	<u>76,485</u>
<b>Depreciation and impairments loss:</b>			
Balance on January 1, 2023	\$ 7,559	-	7,559
Depreciation for the year	514	-	514
Reclassified to investment property	(93)	-	(93)
Effect of movements in exchange rates	36	-	36
Balance on March 31, 2023	<u>\$ 8,016</u>	<u>-</u>	<u>8,016</u>
Balance on January 1, 2022	\$ 5,413	2,828	8,241
Depreciation for the year	516	84	600
Effect of movements in exchange rates	209	-	209
Balance on March 31, 2022	<u>\$ 6,138</u>	<u>2,912</u>	<u>9,050</u>
<b>Book Value:</b>			
Balance on January 1, 2023	<u>\$ 64,306</u>	<u>-</u>	<u>64,306</u>
Balance on March 31, 2023	<u>\$ 63,161</u>	<u>-</u>	<u>63,161</u>
Balance on January 1, 2022	<u>\$ 65,446</u>	<u>252</u>	<u>65,698</u>
Balance on March 31, 2022	<u>\$ 67,267</u>	<u>168</u>	<u>67,435</u>

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(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
<b>Cost or deemed cost:</b>			
Balance on January 1, 2023	\$ 88,960	5,153	94,113
Transfer-in from property, plant and equipment	21,781	-	21,781
Transfer-in from right-of-use asset	-	1,051	1,051
Effect of movements in exchange rates	415	24	439
Balance on March 31, 2023	<u><u>\$ 111,156</u></u>	<u><u>6,228</u></u>	<u><u>117,384</u></u>
Balance on January 1, 2022	\$ 87,502	5,078	92,580
Additions	169	-	169
Effect of movements in exchange rates	3,267	189	3,456
Balance on March 31, 2022	<u><u>\$ 90,938</u></u>	<u><u>5,267</u></u>	<u><u>96,205</u></u>
<b>Depreciation and impairments loss:</b>			
Balance on January 1, 2023	\$ 5,577	458	6,035
Depreciation for the year	1,500	35	1,535
Transfer-in from property, plant and equipment	1,377	-	1,377
Transfer-in from right-of-use asset	-	93	93
Effect of movements in exchange rates	22	2	24
Balance on March 31, 2023	<u><u>\$ 8,476</u></u>	<u><u>588</u></u>	<u><u>9,064</u></u>
Balance on January 1, 2022	\$ 780	339	1,119
Depreciation for the year	1,196	29	1,225
Effect of movements in exchange rates	56	12	68
Balance on March 31, 2022	<u><u>\$ 2,032</u></u>	<u><u>380</u></u>	<u><u>2,412</u></u>
<b>Carry Amount:</b>			
Balance on January 1, 2023	<u><u>\$ 83,383</u></u>	<u><u>4,695</u></u>	<u><u>88,078</u></u>
Balance on March 31, 2023	<u><u>\$ 102,680</u></u>	<u><u>5,640</u></u>	<u><u>108,320</u></u>
Balance on January 1, 2022	<u><u>\$ 86,722</u></u>	<u><u>4,739</u></u>	<u><u>91,461</u></u>
Balance on March 31, 2022	<u><u>\$ 88,906</u></u>	<u><u>4,887</u></u>	<u><u>93,793</u></u>
<b>Fair Value:</b>			
Balance on March 31, 2023			<u><u>218,095</u></u>
Balance on January 1, 2023			<u><u>176,675</u></u>
Balance on March 31, 2022			<u><u>121,640</u></u>
Balance on January 1, 2022			<u><u>121,640</u></u>

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Since the Group no longer uses parts of the plants, it decided to lease them to third parties. Therefore, the Group transferred the plants and the land use rights in recognition of the lease rights of property, plant and equipment and right-of-use assets to investment properties, respectively. Please refer to notes (6)(e), (6)(f) for related information.

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 notes (6)(l).

As of March 31, 2023, the Group provides partial investment properties pledged as collateral for long-term borrowings and loan commitments of the Group, please refer to note (8) for details. As of December 31 and March 31, 2022, the Group did not pledge any assets as collateral.

(h) Other non-current assets

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Prepayment of right-of-use land	\$ 64,203	33,625	-
Other	15,120	14,880	16,104
Total other non-current assets	<b><u>\$ 79,323</u></b>	<b><u>48,505</u></b>	<b><u>16,104</u></b>

On November 3, 2022, the Board of Directors approved investing in a new factory in Vietnam in order to coordinate with the adjustment of the customers' production base. The Group signed a land use-of-right lease agreement with Vietnamese land developers on December 2022. The Group paid 45% of the advance payment of \$30,578 thousand on January, 2023 and 50% of the advance payment of \$33,625 thousand on December, 2022, respectively, which is not yet completed due to the legal procedures related to the establishment of the Vietnam plant investment and the acquisition of the land use-of-right, and is classified as other current assets.

(i) Short-term borrowings

<b>March 31, 2023</b>		
<b>Currency</b>	<b>Range of interest rates</b>	<b>Amount</b>
Unsecured bank loans	USD 2.37~5.57%	<b><u>\$ 150,880</u></b>
Unused short-term credit lines		<b><u>\$ 376,320</u></b>
<b>December 31, 2022</b>		
<b>Currency</b>	<b>Range of interest rates</b>	<b>Amount</b>
Unsecured bank loans	USD 0.79~4.56%	<b><u>\$ 151,530</u></b>
Unused short-term credit lines		<b><u>\$ 379,795</u></b>

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	March 31, 2022		
	Currency	Range of interest rates	Amount
Unsecured bank loans	USD	0.7~0.79%	\$ 214,116
Secured bank loans	USD	0.62%	28,604
			<u>\$ 242,720</u>
Unused short-term credit lines			<u>\$ 555,250</u>

(i) For information on the Group's liquidity risk, please refer to note (6)(s).

(ii) As of March 31, 2023, December 31 and March 31, 2022, 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 March 31, 2022, the Group provides assets pledged as collateral for the credit loans and the credit lines of the Group, please refer to note (8) for details. As of March 31, 2023 and December 31, 2022 the Group did not pledge any assets as collateral.

(j) Long-term borrowings

The details of long-term borrowings were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Unused credit facilities	<u>\$ 177,240</u>	<u>-</u>	<u>-</u>

The Group provides assets pledged as collaterals for the credit loans and the credit lines of the Group, please refer to note (8) for details.

(k) Lease liabilities

The lease liabilities of the Group were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Current	<u>\$ 256</u>	<u>255</u>	<u>426</u>
Non-current	<u>\$ 1,755</u>	<u>2,010</u>	<u>2,010</u>

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

The amounts recognized in profit or losses were as follows:

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	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Interest on lease liabilities	<u>\$ 9</u>	<u>10</u>
Expenses relating to short-term leases	<u>\$ 1,459</u>	<u>1,767</u>
Expenses relating to leases of low-value assets, (excluding short-term leases of low-value assets)	<u>\$ 45</u>	<u>45</u>
Covid-19-Related Rent Concessions, (recognized in other income)	<u>\$ -</u>	<u>5</u>

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

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Total cash outflow for leases	<u>\$ 1,767</u>	<u>\$ 2,156</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)(l).

(ii) Other leases

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

(l) Operating lease- as lessor

The Group subleased several properties, vehicles and parking spaces. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risk and rewards incidental to the ownership of the assets, or these leases are short-term leases and are adapted for exemption. For the three months ended March 31, 2023 and 2022, the income recognized in profit or loss under the operating lease were \$4,478 thousand and \$3,564 thousand, respectively.

(m) 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, 2022 and 2021.

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The expenses recognized in profit or loss for the Group was as follows:

	<b>For the three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Cost of sales and operating expenses	<b><u>\$ 39</u></b>	<b><u>39</u></b>

(ii) Defined contribution plans

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

	<b>For the three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Cost of sales and operating expenses	<b><u>\$ 12,967</u></b>	<b><u>14,716</u></b>

(n) 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:

	<b>For the three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Current tax expense	<b><u>\$ 12,881</u></b>	<b><u>10,257</u></b>

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

	<b>For the three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Items that will be reclassified subsequently to profit or loss:		
Exchange differences on translation	<b><u>\$ 1,115</u></b>	<b><u>7,893</u></b>

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

(o) Capital and other equities

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Except for the following disclosure, there was no significant change for capital and other equity for the three months ended March 31, 2023 and 2022. For the related information, please refer to note (6)(n) of the consolidated financial statements for the year ended December 31, 2022.

(i) Capital surplus

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

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Additional paid in capital	\$ 431,703	431,703	431,703
Share-based payment transaction – treasury stock	8,332	8,332	8,332
	<b><u>\$ 440,035</u></b>	<b><u>440,035</u></b>	<b><u>440,035</u></b>

(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 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) Earnings distribution

Earnings distribution for 2022 and 2021 was decided by the resolution adopted, at the meeting of the Board of Directors held on March 16, 2023 and February 24, 2022, respectively. The relevant dividend distributions to shareholders were as follows:

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	2022		2021	
	Amount per share	Amount	Amount per share	Amount
Cash dividends distributed to ordinary shareholders	\$ 1.75	<u>128,830</u>	2.0	<u>148,834</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 28-2 of the Securities and Exchange Act, which had been fully executed in 2022. As of March 31, 2023, 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.

(p) Earnings (loss) per share

The Group's basic and diluted earnings (loss) per share are calculated as follows:

	For the three months ended March 31,	
	2023	2022
<b>Basic earnings per share:</b>		
Profit (loss) attributable to ordinary shareholders of the Company	\$ <u>(58,482)</u>	<u>53,528</u>
Weighted average number of outstanding ordinary shares (in thousands)	<u>73,617</u>	<u>74,417</u>
Basic earnings (loss) per share (in dollars)	\$ <u>(0.79)</u>	\$ <u>0.72</u>
<b>Diluted earnings per share:</b>		
Profit attributable to ordinary shareholders of the Company (after adjustment of potential diluted ordinary shares)		\$ <u>53,528</u>
Weighted average number of outstanding ordinary shares (in thousands)		74,417
Effect of potential diluted ordinary shares (in thousands)		
Effect of employee stock compensation		<u>299</u>
Weighted average number of ordinary shares (after adjustment of potential diluted ordinary shares)		\$ <u>74,716</u>
Diluted earnings per share (in dollars)		\$ <u>0.72</u>

Since the Company incurred a net loss for the three months ended March 31, 2023, there were no potential ordinary shares with dilutive effects for the period.

(q) Revenue from contracts with customers

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(i) Disaggregation of revenue

	For the three months ended March 31,	
	2023	2022
Primary geographical markets:		
Taiwan	\$ 18,757	13,030
China	206,343	348,734
Singapore	163,325	189,075
Japan	23,333	20,362
Others	292	-
	<u>\$ 412,050</u>	<u>\$ 571,201</u>
Major product:		
Hinge components	\$ 411,168	\$ 570,484
Others	882	717
	<u>\$ 412,050</u>	<u>\$ 571,201</u>

(ii) Contract balances

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

(r) Employee compensation and directors and supervisors remuneration

After the election of directors at the shareholders' meeting on August 24, 2021, an audit committee established by independent directors will replace the supervisory authority, and the company's articles of association will be amended on June 23, 2022.

According to the pre-amended Company's article provided that 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 Company has a net loss before tax from January 1, 2023 to March 31, 2023, therefore does not require estimated employee compensation and director remuneration.

The remuneration to employees amounted to \$3,611 thousand and the remuneration to directors

## SINHER TECHNOLOGY INC. AND SUBSIDIARIES

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amounted to \$591 thousand from January 1, 2022 to March 31, 2022. 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 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 \$14,739 thousand and \$13,586 thousand and the remuneration to directors and supervisors amounted to \$2,412 thousand and \$1,482 thousand, respectively. The amounts are identical to those of the actual distributions for 2022 and 2021. The information is available on the Market Observation Post System website.

(s) 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)(r) of the 2022 annual consolidated financial statements.

(i) Credit risk

For credit risk exposure of notes and accounts receivable, 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
<b>March 31, 2023</b>					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 150,880	(152,514)	(152,514)	-	-
Accounts payable	196,327	(196,327)	(196,327)	-	-
Other payables	178,333	(178,333)	(178,333)	-	-
Dividends payable	128,830	(128,830)	(128,830)	-	-
Lease liabilities (including current and non-current)	2,011	(2,039)	(263)	(263)	(1,513)
Guarantee deposits received	1,250	(1,250)	-	-	(1,250)
	<u>\$ 657,631</u>	<u>(659,293)</u>	<u>(656,267)</u>	<u>(263)</u>	<u>(2,763)</u>

**December 31, 2022**

Non-derivative financial liabilities:

Short-term borrowings	\$ 151,530	(154,241)	(154,241)	-	-
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## SINHER TECHNOLOGY INC. AND SUBSIDIARIES

### Notes to The Consolidated Financial Statements

**March 31, 2023 and 2022**

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

Accounts payable	161,684	(161,684)	(161,684)	-	-
Other payables	220,696	(220,696)	(220,696)	-	-
Lease liabilities (including current and non-current)	2,265	(2,302)	(263)	(263)	(1,776)
Guarantee deposits received	1,243	(1,243)	-	-	(1,243)
	<u>\$ 537,418</u>	<u>(540,166)</u>	<u>(536,884)</u>	<u>(263)</u>	<u>(3,019)</u>

#### March 31, 2022

Non-derivative financial liabilities:

Short-term borrowings	\$ 242,720	(242,932)	(242,932)	-	-
Accounts payable	237,706	(237,706)	(237,706)	-	-
Other payables	186,987	(186,987)	(186,987)	-	-
Dividends payable	148,834	(148,834)	(148,834)	-	-
Lease liabilities (including current and non-current)	2,436	(2,474)	(435)	(263)	(1,776)
Guarantee deposits received	1,271	(1,271)	-	-	(1,271)
	<u>\$ 819,954</u>	<u>(820,204)</u>	<u>(816,894)</u>	<u>(263)</u>	<u>(3,047)</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:

		March 31, 2023			December 31, 2022			(In thousands of foreign currency) March 31, 2022		
	Foreign currency	Exchange rate	NTD		Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets										
Monetary items										
USD	\$	49,792 USD/NTD	1,516,158		49,212 USD/NTD	1,511,297		42,907 USD/NTD		1,288,204
		=30.45			=30.71			=28,625		
USD		28,549 USD/CNY	869,260		30,496 USD/CNY	936,226		42,308 USD/CNY		1,210,207
		=6.8717			=6.9646			=6.3482		
Financial liabilities										
Monetary items										
USD		19,800 USD/CNY	602,870		20,839 USD/CNY	639,771		39,515 USD/CNY		1,130,323
		=6.8717			=6.9646			=6.3482		

##### 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

## SINHER TECHNOLOGY INC. AND SUBSIDIARIES

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receivable, other receivables, borrowings, accounts payable, and other payables that are denominated in foreign currency. A weakening (strengthening) 5% of each foreign currency against the functional currency for the three months ended March 31, 2023 and 2022 would have affected the net profit before tax as follows, the analysis is performed on the same basis for both periods.

	<b>For the three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
USD (against the NTD)		
5% of appreciation	\$ 75,808	61,410
5% of depreciation	(75,808)	(61,410)
USD (against the CNY)		
5% of appreciation	13,320	3,995
5% of depreciation	(13,320)	(3,995)

#### 3) Exchange gains and losses of monetary items

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

<b>Functional currency</b>	<b>For the three months ended March 31, 2023</b>		<b>For the three months ended March 31, 2022</b>	
	<b>Exchange gain (loss)</b>	<b>Average rate</b>	<b>Exchange gain (loss)</b>	<b>Average rate</b>
NTD	\$ (10,431)	-	41,686	-
CNY	CNY(1,882)	CNY/NTD =4.4410	CNY(260)	CNY/NTD =4.4064

(In thousands of foreign currency)

#### (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.

## SINHER TECHNOLOGY INC. AND SUBSIDIARIES

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If the interest rate had increased or decreased by 0.25%, the Group's net loss before tax would have increased or decreased by \$407 thousand for the three months ended March 31, 2023 and net profit before tax would have increased or decreased by \$309 thousand for the three months ended March 31, 2022, 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

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 :

		March 31, 2023				
		Carrying amount	Fair Value			Total
			Level 1	Level 2	Level 3	
<b>Financial assets measured at amortized cost:</b>						
Cash and cash equivalents	\$	1,848,485	-	-	-	-
Notes receivable and accounts receivable		647,826	-	-	-	-
Other current financial assets		22,127	-	-	-	-
Guarantee deposits paid		6,908	-	-	-	-
	\$	<u>2,525,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities measured at amortized cost:</b>						
Short-term borrowings	\$	150,880	-	-	-	-
Accounts payable		196,327	-	-	-	-
Other payables		178,333	-	-	-	-
Dividends payable		128,830	-	-	-	-
Lease liabilities (including current and non-current)		2,011	-	-	-	-
Guarantee deposits received		1,250	-	-	-	-
	\$	<u>657,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		December 31, 2022				
		Carrying amount	Fair Value			Total
			Level 1	Level 2	Level 3	
<b>Financial assets measured at amortized cost:</b>						
Cash and cash equivalents	\$	1,847,969	-	-	-	-
Notes receivable and		758,655	-	-	-	-

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accounts receivable					
Other current financial assets	17,551	-	-	-	-
Guarantee deposits paid	7,016	-	-	-	-
	<b>\$ 2,631,191</b>	-	-	-	-
<b>Financial liabilities measured at amortized cost:</b>					
Short-term borrowings	\$ 151,530	-	-	-	-
Accounts payable	161,684	-	-	-	-
Other payables	220,696	-	-	-	-
Lease liabilities (including current and non-current)	2,265	-	-	-	-
Guarantee deposits received	1,243	-	-	-	-
	<b>\$ 537,418</b>	-	-	-	-
	<b>March 31, 2022</b>				
	<b>Carrying amount</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>Financial assets measured at amortized cost:</b>					
Cash and cash equivalents	\$ 1,562,003	-	-	-	-
Notes receivable and accounts receivable	1,001,115	-	-	-	-
Other current financial assets	50,825	-	-	-	-
Guarantee deposits paid	6,837	-	-	-	-
	<b>\$ 2,620,780</b>	-	-	-	-
<b>Financial liabilities measured at amortized cost:</b>					
Short-term borrowings	\$ 242,720	-	-	-	-
Accounts payable	237,706	-	-	-	-
Other payables	186,987	-	-	-	-
Dividends payable	148,834	-	-	-	-
Lease liabilities (including current and non-current)	2,436	-	-	-	-
Guarantee deposits received	1,271	-	-	-	-
	<b>\$ 819,954</b>	-	-	-	-

There were no transfers of financial instruments between any levels for the three months ended March 31, 2023 and 2022.

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

## SINHER TECHNOLOGY INC. AND SUBSIDIARIES

### Notes to The Consolidated Financial Statements

**March 31, 2023 and 2022**

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

financial instruments

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.

(t) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note (6)(s) of the 2022 annual consolidated financial statements.

(u) 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)(t) of the 2022 annual consolidated financial statements. Also, Management believes that there were no significant changes in the Group's capital management information as disclosed in the 2022 annual financial statements.

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

The Group has non-cash investing and financing activities for right-of-use assets from leasing during 2023 and 2022, please refer to note (6)(f) for details. Reconciliations of liabilities arising from financing activities were as follows:

	<b>Non-cash changes</b>			
	<b>January 1,</b>		<b>Exchange</b>	<b>March 31,</b>
	<b>2023</b>	<b>Cash flow</b>	<b>Addition</b>	<b>2023</b>
Short-term borrowings	\$ 151,530	-	-	(650)
Guarantee deposits received	1,243	7	-	-
Lease liabilities	2,265	(254)	-	-
Total liabilities from financing activities	<b>\$ 155,038</b>	<b>(247)</b>	<b>-</b>	<b>(650)</b>
	<b>154,141</b>			

	<b>Non-cash changes</b>			
	<b>January 1,</b>		<b>Exchange</b>	<b>March 31,</b>
	<b>2022</b>	<b>Cash flow</b>	<b>Addition</b>	<b>2022</b>
Short-term borrowings	\$ 235,416	(687)	-	7,991
Guarantee deposits received	1,225	46	-	-
				1,271

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Lease liabilities	2,775	(339)	-	-	2,436
Total liabilities from					
financing activities	<u>\$ 239,416</u>	<u>(980)</u>	<u>-</u>	<u>7,991</u>	<u>246,427</u>

#### (7) Related-party transactions

##### (a) Names and relationship with related parties

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 March 31, 2023 and 2022, the Group purchased some fixtures and consumable material from Daher amounting to \$4,327 thousand and \$5,136 thousand, respectively, and was recognized as operating cost and researching and developing cost, respectively. As of March 31, 2023, December 31, and March 31, 2022 the outstanding balance amounting to \$6,511 thousand, \$6,929 thousand and \$7,724 thousand, respectively, were recognized as other payables.

##### (c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31,	
	2023	2022
Short-term employee benefits	\$ 4,025	5,558
Post-employment benefits	114	114
	<u>\$ 4,139</u>	<u>5,672</u>

#### (8) Pledged assets:

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

Pledged assets	Pledged to secure	March 31, 2023	December 31, 2022	March 31, 2022
Time deposits <small>(recorded as #1476 Other current financial assets in Consolidated Balance Sheets)</small>	Short-term borrowings	\$ -	-	33,795
Property, plant and equipment	Long-term borrowings limit	100,072	-	-

## SINHER TECHNOLOGY INC. AND SUBSIDIARIES

### Notes to The Consolidated Financial Statements

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Investment properties	Long-term borrowings limit	\$ 102,680	-	-
		<u>\$ 202,752</u>	<u>-</u>	<u>33,795</u>

**(9) Commitments and contingencies:**

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

(b) Unrecognized contractual commitments:

As of March 31, 2023, December 31, and March 31, 2022, the future payments for the purchase of the Group's significant equipment and constructions amounted to \$14,638 thousand, \$10,845 thousand and \$18,457 thousand, respectively.

**(10) Losses Due to Major Disasters: None.**

**(11) Subsequent Events: None.**

**(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 March 31,					
	2023			2022		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	116,169	33,210	149,379	136,942	32,916	169,858
Labor and health insurance	9,794	2,167	11,961	11,114	2,413	13,527
Pension	11,318	1,688	13,006	13,087	1,668	14,755
Others	6,529	1,660	8,189	7,797	2,298	10,095
Depreciation	29,913	5,874	35,787	39,323	5,477	44,800
Amortization	297	1,046	1,343	315	1,198	1,513

(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 three months ended

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

March 31, 2023:

- (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)	1,004,951	182,700 (US\$6,000)	182,700 (US\$6,000)	-	-	5.45%	1,674,919	Y	-	Y
0	"	Chongqing SNR	(Note 2)	1,004,951	411,075 (US\$13,500)	304,500 (US\$10,000)	150,885 (US\$3,500 & CNY\$10,000)	-	9.09%	1,674,919	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): 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: None.
- (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	168,196	1.16	89,191	Enhanced Collection	Accounts Receivable 37,778	-	Note 2
Kunshan Wanhe	Chongqing SNR	With the same ultimate parent company	100,569	1.08	48,903	"	Accounts Receivable 10,148	-	"

Note 1 : Information as of reporting date.

Note 2 : The transactions have been eliminated in the consolidated financial statement.

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**March 31, 2023 and 2022**

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

(x) Business relationships and significant intercompany transactions:

(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	Accounts Receivable	168,196	The price is marked-up based on operating cost. Depending on the funding demand, and the credit term is OA 120 days.	4.07%
1	Kunshan Wanhe	Chongqing SNR	3	Accounts Receivable	100,569	"	2.44%

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 three months ended March 31, 2023 (excluding information on investees in Mainland China):

(In thousands of foreign currency)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2023			Net income (losses) of investee	Share of profit/losses of investee	Note
				March 31, 2023	December 31, 2022	Shares	Percentage of ownership	Carrying amount			
The Company	MOI	Samoa	General Investing	\$ 727,957	727,957	23,800,000	100%	1,052,511	(54,114)	(54,114)	Subsidiary
"	Profit	Samoa	"	-	-	-	100%	20,644	(5,826)	(5,826)	"
	Total			<u>\$ 727,957</u>	<u>727,957</u>			<u>1,073,155</u>		<u>(59,940)</u>	
MOI	Sinher (H.K.) Limited	Hong Kong	General Investing	\$ 325,579	325,579	10,600,000	100%	861,575	(25,545)	(25,545)	A sub-subsidiary company
"	Cingher (H.K.) Limited	Hong Kong	"	402,378	402,378	13,200,000	100%	183,521	(28,569)	(28,569)	"
	Total			<u>\$ 727,957</u>	<u>727,957</u>			<u>1,045,096</u>		<u>(54,114)</u>	
Profit	Great Info	Samoa	Sell of hinge components	USD -	USD -	-	100%	20,117 (USD661)	(5,824) (USD(192))	(5,824) (USD(192))	"
"	Top Trading	Anguilla	"	USD -	USD -	-	100%	527 (USD17)	(2) (USD(0))	(2) (USD(0))	"
	Total							<u>20,644</u>		<u>(5,826)</u>	

Note 1: The transaction has been eliminated in the consolidated financial statement.

(c) Information on investment in Mainland China:

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

(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, 2023	Investment flows		Accumulated Outflow of investment from Taiwan as of March 31, 2023	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)	(25,545) (CNY(5,752))	100.00%	(25,545) (CNY(5,752))	861,503	-

## SINHER TECHNOLOGY INC. AND SUBSIDIARIES

### Notes to The Consolidated Financial Statements

**March 31, 2023 and 2022**

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

Chongqing SNR	Manufacturing and selling hinges components	391,042 (USD13,200)	(Note 1) & (Note 5)	391,042 (USD13,200)	-	-	391,042 (USD13,200)	(28,569) (CNY(6,433))	100.00%	(28,569) (CNY(6,433))	183,504	-
Qianquan	Manufacturing and selling hinges components	13,299 (CNY2,700)	(Note 6)	(Note 6)	-	-	(Note 6)	595 (CNY134)	100.00%	595 (CNY134)	(1,255) (CNY(283))	-
SYTW	Research, manufacturing and selling fans related productions	88,640 (CNY20,000)	(Note 7)	(Note 7)	-	-	(Note 7)	(5,891) (CNY(1,326))	49%	(3,120) (CNY(702))	35,200 (CNY7,944)	-

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 was 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 three months ended March 31, 2023.

Note 3: The amounts shown in the table were translated into New Taiwan Dollars at the exchange rates at the reporting date.

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: Qianquan is established by Kunshan Wanhe with its own capital.

Note 7: SYTW, an investee company invested by Kunshan Wanhe with its own capital.

**(ii) Upper limit on investment in Mainland China:**

(In thousands of foreign currency)

Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
710,218 (USD23,800)	710,218 (USD23,800)	2,009,903

**(iii) Significant transactions:**

The significant inter-company transactions with the subsidiary in Mainland China, for the time ended March 31, 2023, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions" and "Business relationships and significant inter-Company transactions".

**(d) Information of main shareholders:**

(Unit: Share)

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

Note:

- The information on major shareholders, which is provided by Taiwan Depositor & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) 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.
- 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 manufacturing hinge components business. Therefore, the Group doesn't need to disclose segment information.