

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 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 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, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2023 and 2022, as well as the changes in equity and cash flows for the nine months ended September 30, 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 for the Group using equity method were \$26,988 thousand and \$43,075 thousand as of September 30, 2023 and 2022, respectively, and the shares of losses of associates and joint ventures accounted for using the equity method amounted to \$4,513 thousand, \$753 thousand, \$11,133 thousand, and \$753 thousand for the three months and the nine months ended September 30, 2023 and 2022, respectively, and 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, 2023 and 2022, and of its consolidated financial performance for the three months and nine months ended September 30, 2023 and 2022, as well as its consolidated cash flows for the nine months ended September 30, 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)

November 2, 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.)
SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2023, December 31, 2022, and September 30, 2022

(Expressed in thousands of New Taiwan Dollars)

		September 30, 2023		December 31, 2022		September 30, 2022				September 30, 2023		December 31, 2022		September 30, 2022	
Assets		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:															
1100	Cash and cash equivalents (note (6)(a))	\$ 1,758,055	43	1,847,969	44	1,729,429	40	2100	Short-term borrowings (note (6)(i))	\$ 101,545	3	151,530	4	174,666	4
1170	Notes and accounts receivable, net (note (6)(b))	753,466	19	758,655	18	948,706	22	2170	Accounts payable	214,385	5	161,684	4	224,599	5
1310	Inventories (note (6)(c))	300,082	8	309,756	8	388,174	9	2219	Other payables (note (7))	186,139	5	220,696	5	242,902	6
1476	Other current financial assets	15,505	-	17,551	-	16,528	-	2230	Current tax liabilities	9,785	-	43,435	1	59,410	1
1479	Other current assets	10,678	-	13,952	-	9,517	-	2280	Current lease liabilities (note (6)(k))	256	-	255	-	255	-
		<u>2,837,786</u>	<u>70</u>	<u>2,947,883</u>	<u>70</u>	<u>3,092,354</u>	<u>71</u>	2322	Long-term borrowings, current portion (note(6)(j) and (8))	<u>4,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-current assets:										<u>516,525</u>	<u>13</u>	<u>577,600</u>	<u>14</u>	<u>701,832</u>	<u>16</u>
1550	Investments accounted for using equity method (note (6)(d))	26,988	1	38,113	1	43,075	1	Non-Current liabilities:							
1600	Property, plant and equipment (note (6)(e) and 8)	910,080	22	957,624	23	988,856	23	2540	Long-term borrowings (note (6)(j) and (8))	48,565	1	-	-	-	-
1755	Right-of-use assets (note (6)(f))	122,666	3	64,306	2	65,745	2	2570	Deferred tax liabilities	89,559	2	89,559	2	78,878	2
1760	Investment property, net (note (6)(g) and 8)	104,877	3	88,078	2	90,620	2	2580	Non-current lease liabilities (note (6)(k))	1,755	-	2,010	-	2,010	-
1840	Deferred tax assets	50,999	1	51,579	1	55,195	1	2640	Net defined benefit liability, non-current	-	-	-	-	100	-
1920	Guarantee deposits paid	9,111	-	7,016	-	7,041	-	2645	Guarantee deposits received	<u>1,244</u>	<u>-</u>	<u>1,243</u>	<u>-</u>	<u>1,261</u>	<u>-</u>
1980	Other non-current financial assets	10,028	-	-	-	-	-			<u>141,123</u>	<u>3</u>	<u>92,812</u>	<u>2</u>	<u>82,249</u>	<u>2</u>
1990	Other non-current assets (note (6)(h))	<u>23,932</u>	<u>-</u>	<u>48,505</u>	<u>1</u>	<u>14,872</u>	<u>-</u>	Total liabilities		<u>657,648</u>	<u>16</u>	<u>670,412</u>	<u>16</u>	<u>784,081</u>	<u>18</u>
		<u>1,258,681</u>	<u>30</u>	<u>1,255,221</u>	<u>30</u>	<u>1,265,404</u>	<u>29</u>	Equity: (note (6)(o))							
								3110	Ordinary share	<u>744,172</u>	<u>18</u>	<u>744,172</u>	<u>18</u>	<u>744,172</u>	<u>17</u>
								3200	Capital surplus	<u>440,035</u>	<u>11</u>	<u>440,035</u>	<u>10</u>	<u>440,035</u>	<u>10</u>
									Retained earnings:						
								3310	Legal reserve	504,399	12	483,811	12	483,811	11
								3320	Special reserve	27,116	1	42,710	1	42,710	1
								3350	Unappropriated retained earnings	<u>1,778,995</u>	<u>43</u>	<u>1,880,180</u>	<u>45</u>	<u>1,907,502</u>	<u>44</u>
										<u>2,310,510</u>	<u>56</u>	<u>2,406,701</u>	<u>58</u>	<u>2,434,023</u>	<u>56</u>
								3410	Exchange differences on translation of foreign financial statements	<u>(24,798)</u>	<u>-</u>	<u>(27,116)</u>	<u>(1)</u>	<u>(13,453)</u>	<u>-</u>
								3500	Treasury shares	<u>(31,100)</u>	<u>(1)</u>	<u>(31,100)</u>	<u>(1)</u>	<u>(31,100)</u>	<u>(1)</u>
									Total equity	<u>3,438,819</u>	<u>84</u>	<u>3,532,692</u>	<u>84</u>	<u>3,573,677</u>	<u>82</u>
Total assets		<u>\$ 4,096,467</u>	<u>100</u>	<u>4,203,104</u>	<u>100</u>	<u>4,357,758</u>	<u>100</u>	Total liabilities and equity		<u>\$ 4,096,467</u>	<u>100</u>	<u>4,203,104</u>	<u>100</u>	<u>4,357,758</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
SINHER TECHNOLOGY INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the three months and nine months ended September 30, 2023 and 2022
(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,			
		2023		2022		2023		2022	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	Operating revenues (note (6)(q))	\$ 459,789	100	555,738	100	1,438,962	100	1,729,240	100
5110	Cost of sales (notes (6)(c), (6)(m), (6)(r), (7) and (12))	397,347	86	461,757	83	1,216,209	85	1,383,252	80
5900	Gross profit	62,442	14	93,981	17	222,753	15	345,988	20
	Operating expenses (notes (6)(m), (6)(r), (7) and (12))								
6100	Selling expenses	25,677	6	30,007	6	75,870	5	92,972	6
6200	Administrative expenses	33,570	7	37,596	7	108,714	8	107,104	6
6300	Research and development expenses	18,518	4	24,124	4	66,279	4	70,206	4
		77,765	17	91,727	17	250,863	17	270,282	16
6900	Net operating income (loss)	(15,323)	(3)	2,254	-	(28,110)	(2)	75,706	4
	Non-operating income and expenses:								
7100	Interest income	6,924	1	3,783	1	27,200	2	6,618	-
7190	Other income	1,427	-	2,385	-	9,193	-	7,086	-
7110	Rental income (note (6)(l))	4,390	1	3,580	1	13,255	1	10,737	1
7230	Foreign exchange gain (losses), net (note (6)(s))	33,422	7	106,718	19	62,192	4	207,441	12
7050	Finance costs	(1,115)	-	(1,326)	-	(4,201)	-	(2,340)	-
7060	Shares of loss of associates and joint ventures accounted for using equity method(note (6)(d))	(4,513)	(1)	(753)	-	(11,133)	(1)	(753)	-
7590	Miscellaneous disbursements	(602)	-	(191)	-	(5,450)	-	(1,087)	-
		39,933	8	114,196	21	91,056	6	227,702	13
7900	Profit before tax	24,610	5	116,450	21	62,946	4	303,408	17
7950	Less: Tax expenses (income) (note (6)(n))	13,354	3	24,537	5	30,307	2	70,205	4
	Profit	11,256	2	91,913	16	32,639	2	233,203	13
8300	Other comprehensive income:								
8360	Items that will be reclassified subsequently to profit or loss:								
8361	Exchange differences on translation	32,485	7	11,100	2	2,898	-	36,572	2
8399	Income tax related to components of other comprehensive income that will be reclassified subsequently to profit or loss (note (6)(n))	6,497	1	2,220	-	580	-	7,315	-
	Components of other comprehensive income that will be reclassified to profit or loss	25,988	6	8,880	2	2,318	-	29,257	2
8300	Other comprehensive income	25,988	6	8,880	2	2,318	-	29,257	2
8500	Comprehensive income	<u>\$ 37,244</u>	<u>8</u>	<u>100,793</u>	<u>18</u>	<u>34,957</u>	<u>2</u>	<u>262,460</u>	<u>15</u>
	Earnings per common share (note (6)(p))								
9750	Basic earnings per share (expressed in dollars)	<u>\$ 0.15</u>		<u>1.24</u>		<u>0.44</u>		<u>3.14</u>	
9850	Diluted earnings per share (expressed in dollars)	<u>\$ 0.15</u>		<u>1.23</u>		<u>0.44</u>		<u>3.12</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the nine months ended September 30, 2023 and 2022
(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, 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	-	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
A1	Balance at January 1, 2023	\$ 744,172	440,035	483,811	42,710	1,880,180	(27,116)	3,532,692
	Appropriation and distribution of retained earnings:							
B1	Legal reserve appropriated	-	-	20,588	-	(20,588)	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(128,830)	-	(128,830)
B17	Reversal of special reserve	-	-	-	(15,594)	15,594	-	-
		-	-	20,588	(15,594)	(133,824)	-	(128,830)
D1	Profit for the nine months ended September 30, 2023	-	-	-	-	32,639	-	32,639
D3	Other comprehensive income for the nine months ended September 30, 2023	-	-	-	-	2,318	-	2,318
D5	Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	32,639	-	34,957
Z1	Balance at September 30, 2023	\$ 744,172	440,035	504,399	27,116	1,778,995	(24,798)	3,438,819

See accompanying notes to consolidated financial statements.

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

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months and nine months ended September 30, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		For the nine months ended September 30,	
		2023	2022
AAAA	Cash flows from (used in) operating activities:		
A10000	Profit before tax	\$ 62,946	303,408
A20000	Adjustments:		
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	102,523	123,539
A20200	Amortization expense	4,176	4,069
A20300	Expected credit loss	495	1,455
A20900	Interest expense	4,201	2,340
A21200	Interest income	(27,200)	(6,618)
A22300	Shares of loss of associates and joint ventures accounted for using equity method	11,133	753
A29900	Others	(99)	2,851
A20010	Total adjustments to reconcile profit (loss)	<u>95,229</u>	<u>128,389</u>
A30000	Changes in operating assets and liabilities:		
A31000	Changes in operating assets		
A31150	Decrease in notes receivable and accounts receivable	4,694	192,890
A31200	Decrease in inventories	9,674	31,517
A31240	Decrease in other current assets	4,192	3,105
A31250	Decrease (increase) in other current financial assets	(1,223)	5,899
A31000	Total changes in operating assets	<u>17,337</u>	<u>233,411</u>
A32000	Changes in operating liabilities:		
A32150	Increase (decrease) in accounts payable	52,701	(3,776)
A32180	Increase (decrease) in other payables	(34,824)	1,000
A32230	Decrease in other current liabilities	-	(3,478)
A32000	Total changes in operating liabilities	<u>17,877</u>	<u>(6,254)</u>
A30000	Total changes in operating assets and liabilities	<u>35,214</u>	<u>227,157</u>
A20000	Total adjustments	<u>130,443</u>	<u>355,546</u>
A33000	Cash inflow generated from operations	193,389	658,954
A33100	Interest received	30,469	4,257
A33300	Interest paid	(3,376)	(2,340)
A33500	Income taxes paid	(64,841)	(25,952)
AAAA	Net cash flows from (used in) operating activities	<u>155,641</u>	<u>634,919</u>
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	(69,965)	(34,330)
B02800	Proceeds from disposal of property, plant and equipment	1,005	181
B03700	Increase in guarantee deposits paid	(2,095)	(233)
B04500	Acquisition of intangible assets	(1,991)	(1,932)
B05350	Acquisition of right-of-use assets	(27,221)	-
B05400	Acquisition of investment property	-	(170)
B06500	Increase in other non-current financial assets	(10,028)	-
B06700	Decrease (increase) in other non-current assets	(11,233)	33,210
BBBB	Net cash flows from (used in) investing activities	<u>(121,528)</u>	<u>(46,708)</u>
CCCC	Cash flows from (used in) financing activities:		
C00100	Increase in short-term borrowings	57,121	143,370
C00200	Decrease in short-term borrowings	(107,159)	(231,032)
C01600	Proceeds from long-term borrowings	57,121	-
C01700	Repayments of long-term borrowings	(4,394)	-
C03100	Increase in guarantee deposits received	1	36
C04020	Payment of lease liabilities	(254)	(510)
C04500	Cash dividends paid	(128,830)	(148,834)
C04900	Payments to acquire treasury shares	-	(31,100)
CCCC	Net cash flows from (used in) financing activities	<u>(126,394)</u>	<u>(268,070)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>2,367</u>	<u>49,797</u>
EEEE	Net increase (decrease) in cash and cash equivalents	<u>(89,914)</u>	<u>369,938</u>
E00100	Cash and cash equivalents at beginning of period	<u>1,847,969</u>	<u>1,359,491</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 1,758,055</u>	<u>1,729,429</u>

See accompanying notes to financial statements.

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

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Notes to The Consolidated Financial Statements

September 30, 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 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, 2023 were authorized for issuance by the Board of Directors on November 2, 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"
- Annual to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single transaction"

The Group has initially adopted the new amendments, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 "Amended by International Tax Reform — Pillar Two Model Rules"

- (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, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

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

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.

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

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Notes to The Consolidated Financial Statements

September 30, 2023 and 2022

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

- 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”
- IAS 21 “Lack of exchangeability”

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

(b) Basis of consolidation

List of subsidiaries in the consolidated financial statements include:

Name of investor	Name of subsidiary	Nature of operation	Shareholding			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
The Company	Million On International Co., Ltd. (MOI)	General investing	100%	100%	100%	
The Company	Sinher Technology Vietnam Company Limited (Sinher Vietnam)	Manufacturing and selling hinges	100%	-%	-%	Note 1
MOI	Sinher (H.K.) Limited	General investing	100%	100%	100%	
MOI	Cingher (H.K.) Limited	General investing	100%	100%	100%	
Sinher Limited (H.K.)	Kunshan Wanhe Precision Electron Co., Ltd. (Kunshan Wanhe)	Manufacturing and selling hinges	100%	100%	100%	
Cingher Limited (H.K.)	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%	

Note 1: Sinher Vietnam is a newly established subsidiary in May 2023.

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(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.

(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

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand	\$ 2,453	1,665	1,432
Checking accounts and demand deposits	501,982	740,761	840,622
Time deposits	1,253,620	1,105,543	887,375
	<u>\$ 1,758,055</u>	<u>1,847,969</u>	<u>1,729,429</u>

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

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liabilities of the Group.

(b) Notes and accounts receivable

	September 30, 2023	December 31, 2022	September 30, 2022
Notes receivable	\$ 59	296	-
Accounts receivable	754,517	759,957	952,242
	754,576	760,253	952,242
Less: loss allowance	(1,110)	(1,598)	(3,536)
	<u>\$ 753,466</u>	<u>758,655</u>	<u>948,706</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:

	September 30, 2023		
	Gross carrying amount	Weighted-aver age loss rate	Loss allowance provision
Aging under 120 days	\$ 666,549	0.017%	111
Aging 121~150 days	84,028	0.233%	196
Aging 151~240 days	3,266	2.143%	70
Aging over 241 days	733	100%	733
	<u>\$ 754,576</u>		<u>1,110</u>

	December 31, 2022		
	Gross carrying amount	Weighted-aver age loss rate	Loss allowance provision
Aging under 120 days	\$ 679,404	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>

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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

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

	For the Nine months ended September 30,	
	2023	2022
Balance on January 1	\$ 1,598	2,008
Impairment loss recognized	495	1,455
Amounts written off	(983)	-
Foreign exchange (gains) losses	-	73
Balance on September 30	\$ 1,110	3,536

As of September 30, 2023, December 31 and September 30, 2022, the Group did not provide any receivables as collaterals for its loans.

(c) Inventories

	September 30, 2023	December 31, 2022	September 30, 2022
Raw materials	\$ 109,883	124,666	113,885
Work in progress	42,615	26,822	51,467
Finished goods	147,584	158,268	222,822
	\$ 300,082	309,756	388,174

For the three months ended September 30, 2023 and 2022 and for nine months ended September 30, 2023 and 2022, the details of cost of goods sold were as follows:

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Cost of goods sold	\$ 394,368	456,527	1,215,635	1,377,478

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loss for market price decline and obsolete and slow- moving inventories	3,187	7,822	9,165	19,211
Income from sale of scraps	(2,547)	(2,592)	(10,930)	(13,437)
Unallocated manufacturing overhead	2,339	-	2,339	-
	<u>\$ 397,347</u>	<u>461,757</u>	<u>1,216,209</u>	<u>1,383,252</u>

As of September 30, 2023, December 31 and September 30, 2022, the Group did not provide any inventory 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, 2023	December 31, 2022	September 30, 2022
Associates	<u>\$ 26,988</u>	<u>38,113</u>	<u>43,075</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:

	September 30, 2023	December 31, 2022	September 30, 2022
The carrying amount of individually insignificant associates' equity	<u>\$ 26,988</u>	<u>38,113</u>	<u>43,075</u>

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Attributable to the Group:				
Loss from continuing operations	<u>\$ (4,513)</u>	<u>(753)</u>	<u>(11,133)</u>	<u>(753)</u>

- (iii) There was no significant change for investments accounted for using equity method for the nine months ended September 30, 2023. 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 :

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As of September 30, 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 September 30, 2023 and 2022, 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 and nine months ended September 30, 2023 and 2022 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 or deemed cost:						
Balance on January 1, 2023	\$ 362,813	549,654	650,121	66,187	4,425	1,633,200
Additions	-	2,520	11,170	1,769	53,948	69,407
Reclassification to investment property	-	(21,550)	-	-	-	(21,550)
Disposals	-	(9,677)	(90,687)	(6,758)	-	(107,122)
Effect of movements in exchange rates	-	476	444	53	229	1,202
Reclassifications	-	450	1,863	995	(3,697)	(389)
Balance on September 30, 2023	<u>\$ 362,813</u>	<u>521,873</u>	<u>572,911</u>	<u>62,246</u>	<u>54,905</u>	<u>1,574,748</u>
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	<u>\$ 362,813</u>	<u>561,509</u>	<u>659,288</u>	<u>67,925</u>	<u>10,889</u>	<u>1,662,424</u>
Accumulated depreciation and impairments:						
Balance on January 1, 2023	\$ -	233,757	399,142	42,677	-	675,576
Depreciation for the period	-	21,898	67,109	7,341	-	96,348
Reclassification to investment property	-	(1,362)	-	-	-	(1,362)
Disposals	-	(9,677)	(90,282)	(6,646)	-	(106,605)
Effect of movements in exchange rates	-	314	352	45	-	711
Balance on September 30, 2023	<u>\$ -</u>	<u>244,930</u>	<u>376,321</u>	<u>43,417</u>	<u>-</u>	<u>664,668</u>

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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>234,736</u>	<u>395,260</u>	<u>43,572</u>	-	<u>673,568</u>

Carrying amounts:

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 September 30, 2023	\$	<u>362,813</u>	<u>276,943</u>	<u>196,590</u>	<u>18,829</u>	<u>54,905</u>	<u>910,080</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 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>

(i) Pledged as collateral

As of September 30, 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 September 30, 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 nine months ended September 30, 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	Transportation Equipment	Total
Cost:				
Balance on January 1, 2023	\$	71,865	-	71,865
Additions		28,866	-	28,866
Reclassified to investment property		(1,040)	-	(1,040)
Transfer-in from other non-current asset		33,625	-	33,625
Decrease		(1,806)	-	(1,806)
Effect of movements in exchange rates		96	-	96
Balance on September 30, 2023	\$	<u>131,606</u>	<u>-</u>	<u>131,606</u>
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>

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Accumulated depreciation and impairments:

Balance on January 1, 2023	\$	7,559	-	7,559
Depreciation for the period		1,618	-	1,618
Reclassified to investment property		(92)	-	(92)
Decrease		(161)	-	(161)
Effect of movements in exchange rates		16	-	16
Balance on September 30, 2023	\$	8,940	-	8,940
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

Carry amounts:

Balance on January 1, 2023	\$	64,306	-	64,306
Balance on September 30, 2023	\$	122,666	-	122,666
Balance on January 1, 2022	\$	65,446	252	65,698
Balance on September 30, 2022	\$	65,745	-	65,745

(g) Investment property

Investment property comprises properties that are owned by the Group, right-of-use assets in recognition of lease rights and leased to a third party under operating leases. 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, 2023	\$ 88,960	5,153	94,113
Transfer-in from property, plant and equipment	21,550	-	21,550
Transfer-in from right-of-use asset	-	1,040	1,040
Effect of movements in exchange rates	245	13	258
Balance on September 30, 2023	\$ 110,755	6,206	116,961
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, 2023	\$ 5,577	458	6,035
Depreciation for the year	4,454	103	4,557

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Transfer-in from property, plant and equipment & right-of-use asset	1,362	92	1,454
Effect of movements in exchange rates	36	2	38
Balance on September 30, 2023	<u>\$ 11,429</u>	<u>655</u>	<u>12,084</u>
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	<u>\$ 4,445</u>	<u>436</u>	<u>4,881</u>
Carry Amount:			
Balance on January 1, 2023	<u>\$ 83,383</u>	<u>4,695</u>	<u>88,078</u>
Balance on September 30, 2023	<u>\$ 99,326</u>	<u>5,551</u>	<u>104,877</u>
Balance on January 1, 2022	<u>\$ 86,722</u>	<u>4,739</u>	<u>91,461</u>
Balance on September 30, 2022	<u>\$ 85,827</u>	<u>4,793</u>	<u>90,620</u>
Fair Value:			
Balance on September 30, 2023			<u>218,095</u>
Balance on January 1, 2023			<u>176,675</u>
Balance on September 30, 2022			<u>121,640</u>
Balance on January 1, 2022			<u>121,640</u>

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 September 30, 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 September 30, 2022, the Group did not pledge any assets as collateral.

(h) Other non-current assets

	September 30, 2023	December 31, 2022	September 30, 2022
Prepayment of right-of-use land	\$ -	33,625	-
Prepayment for contract signing of factory building	10,000	-	-
Other	13,932	14,880	14,872
Total other non-current assets	<u>\$ 23,932</u>	<u>48,505</u>	<u>14,872</u>

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 \$28,866 thousand in January, 2023 and 50% of the advance payment of \$33,625 thousand in December, 2022, respectively, which is not yet completed due to the legal procedures

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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.

The aforementioned land use rights have completed the relevant legal procedures and been transferred to the right-of-use assets in September 2023, and the bidding for factory-related construction projects has begun. For relevant information, please refer to Note 6(f) and Note (11).

(i) Short-term borrowings

September 30, 2023		
Currency	Range of interest rates	Amount
Unsecured bank loans	USD 2.37 ~ 5.57%	<u>\$ 101,545</u>
Unused short-term credit lines		<u>\$ 454,775</u>
December 31, 2022		
Currency	Range of interest rates	Amount
Unsecured bank loans	USD 0.79 ~ 4.56%	<u>\$ 151,530</u>
Unused short-term credit lines		<u>\$ 379,795</u>
September 30, 2022		
Currency	Range of interest rates	Amount
Unsecured bank loans	USD 0.79 ~ 3.72%	<u>\$ 174,666</u>
Unused short-term credit lines		<u>\$ 373,375</u>

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

(ii) As of September 30, 2023, December 31 and September 30, 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 September 30, 2023, December 31 and September 30, 2022, the Group did not pledge any assets as collateral.

(j) Long-term borrowings

The details of long-term borrowings were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Secured bank loans	\$ 52,980	-	-
Less: current portion	4,415	-	-
Total	<u>\$ 48,565</u>	<u>-</u>	<u>-</u>
Unused credit lines	<u>\$ 123,620</u>	<u>-</u>	<u>-</u>
Range of interest rate	<u>\$ 2.90%</u>	<u>-</u>	<u>-</u>

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- (i) The balance of long-term loans as of September 30, 2023, and future repayments are as follows:

Term	Amounts
2023/10/01 ~ 2024/09/30	\$ 4,415
2024/10/01 ~ 2024/10/02	48,565
	<u>\$ 52,980</u>

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

- (iii) 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:

	September 30, 2023	December 31, 2022	September 30, 2023
Current	<u>\$ 256</u>	<u>\$ 255</u>	<u>\$ 255</u>
Non-current	<u>\$ 1,755</u>	<u>\$ 2,010</u>	<u>\$ 2,010</u>

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

The amounts recognized in profit or losses were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Interest on lease liabilities	<u>\$ -</u>	<u>1</u>	<u>9</u>	<u>11</u>
Expenses relating to short-term leases	<u>\$ 1,461</u>	<u>1,802</u>	<u>4,042</u>	<u>5,127</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>\$ -</u>	<u>28</u>	<u>-</u>	<u>33</u>

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

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Total cash outflow for leases	<u>\$ 4,441</u>	<u>5,751</u>

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(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

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 September 30, 2023 and 2022 and for nine months ended September 30, 2023 and 2022, the income recognized in profit or loss under the operating lease were \$4,390 thousand, \$3,580 thousand, \$13,255 thousand and \$10,737 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.

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

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Cost of sales and				
operating expenses	\$ 39	39	118	117

(ii) Defined contribution plans

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

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Cost of sales and				
operating expenses	\$ 13,575	14,582	39,893	44,533

(n) Income taxes

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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,	
	2023	2022	2023	2022
Current tax expense	\$ 13,354	24,537	30,307	70,205

(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,	
	2023	2022	2023	2022
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translation	\$ 6,497	2,220	580	7,315

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

(o) 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, 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:

	September 30, 2023	December 31, 2022	September 30, 2022
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.

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- 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) 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. 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, 2023 and 2022, the special reserve amounted to \$27,116 thousand and \$42,710 thousand respectively.

3) 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:

	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>

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(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 September 30, 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 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,	
	2023	2022	2023	2022
Basic earnings per share:				
Profit attributable to ordinary shareholders of the Company	<u>\$ 11,256</u>	<u>91,913</u>	<u>32,639</u>	<u>233,203</u>
Weighted average number of outstanding ordinary shares (in thousands)	<u>73,617</u>	<u>74,139</u>	<u>73,617</u>	<u>74,323</u>
Basic earnings per share (in dollars)	<u>\$ 0.15</u>	<u>1.24</u>	<u>0.44</u>	<u>3.14</u>
Diluted earnings per share:				
Profit attributable to ordinary shareholders of the Company (after adjustment of potential diluted ordinary shares)	<u>\$ 11,256</u>	<u>91,913</u>	<u>32,639</u>	<u>233,203</u>
Weighted average number of outstanding ordinary shares (in thousands)	73,617	74,139	73,617	74,323
Effect of potential diluted ordinary shares (in thousands)				
Effect of employee stock compensation	76	460	181	528
Weighted average number of ordinary shares (after adjustment of potential diluted ordinary shares)	<u>73,693</u>	<u>74,599</u>	<u>73,798</u>	<u>74,851</u>
Diluted earnings per share (in dollars)	<u>\$ 0.15</u>	<u>1.23</u>	<u>0.44</u>	<u>3.12</u>

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(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Primary geographical markets:				
Taiwan	\$ 27,608	12,748	95,530	47,590
China	248,979	339,767	802,823	1,102,602
Singapore	150,086	171,731	457,153	509,710
Japan	28,242	31,492	78,290	69,338
Other	4,874	-	5,166	-
	\$ 459,789	555,738	1,438,962	1,729,240
Major product:				
Hinge components	\$ 453,365	554,321	1,426,882	1,726,140
Other	6,424	1,417	12,080	3,100
Total	\$ 459,789	555,738	1,438,962	1,729,240

(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 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 remuneration to employees amounted to \$830 thousand and \$2,647 thousand and the remuneration

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to directors amounted to \$136 thousand and \$433 thousand for the three months ended September 30, 2023 and for nine months ended September 30, 2023, respectively.

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

The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors 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 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, 2023					
Non-derivative financial liabilities:					
Secured bank loan	\$ 52,980	(54,461)	(4,476)	(49,985)	-
Unsecured bank loan	101,545	(102,123)	(102,123)	-	-
Accounts payable	214,385	(214,385)	(214,385)	-	-
Other payables	186,139	(186,139)	(186,139)	-	-
Lease liabilities (including current and non-current)	2,011	(2,039)	(263)	(263)	(1,513)

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Guarantee deposits received	1,244	(1,244)	-	-	(1,244)
	<u>\$ 558,304</u>	<u>(560,391)</u>	<u>(507,386)</u>	<u>(50,248)</u>	<u>(2,757)</u>

December 31, 2022

Non-derivative financial liabilities:

Unsecured bank loan	\$ 151,530	(154,241)	(154,241)	-	-
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>

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)
	<u>\$ 645,693</u>	<u>(648,106)</u>	<u>(644,806)</u>	<u>(263)</u>	<u>(3,037)</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:

(In thousands of foreign currency)								
September 30, 2023				December 31, 2022			September 30, 2022	
Foreign currency	Exchange rate	NTD		Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate
								NTD
Financial assets								
Monetary items								
USD	\$ 21,088 USD/NTD	680,509		49,212 USD/NTD	1,511,297		46,794 USD/NTD	1,485,722
	=32.27			=30.71			=31.75	
USD	28,900 USD/CNY	916,086		30,496 USD/CNY	936,226		32,847 USD/CNY	1,043,120
	=7.1798			=6.9646			=7.0998	
Financial liabilities								
USD	15,132 USD/CNY	479,655		20,839 USD/CNY	639,771		28,705 USD/CNY	911,589
	=7.1798			=6.9646			=7.0998	

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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 currency. A weakening (strengthening) 5% of each foreign currency against the functional currency for the nine months ended September 30, 2023 and 2022 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,	
	2023	2022
USD (against the NTD)		
5% of appreciation	\$ 34,025	74,286
5% of depreciation	(34,025)	(74,286)
USD (against the CNY)		
5% of appreciation	21,822	6,577
5% of depreciation	(21,822)	(6,577)

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, 2023		Nine months ended September 30, 2022	
	Exchange gain (loss)	Average rate	Exchange gain (loss)	Average rate
NTD	\$ 50,815	-	\$ 179,813	-
CNY	CNY2,589	CNY/NTD = 4.3939	CNY6,239	CNY/NTD = 4.428

(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

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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 \$651 thousand and \$1,249 thousand for the nine months ended September 30, 2023 and 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:

		September 30, 2023			
		Carrying amount	Fair Value		
			Level 1	Level 2	Level 3
					Total
Financial assets measured at amortized cost:					
Cash and cash equivalents	\$	1,758,055	-	-	-
Notes receivable and accounts receivable, net		753,466	-	-	-
Other current and non-current financial assets		25,533	-	-	-
Guarantee deposits paid		9,111	-	-	-
		\$ 2,546,165	-	-	-
Financial liabilities measured at amortized cost:					
Secured bank loan	\$	52,980	-	-	-
Unsecured bank loan		101,545	-	-	-
Accounts payable		214,385	-	-	-
Other payables		186,139	-	-	-
Lease liabilities (including current and non-current)		2,011	-	-	-
Guarantee deposits received		1,244	-	-	-
		\$ 558,304	-	-	-

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		December 31, 2022				
		Carrying amount	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost:						
Cash and cash equivalents	\$	1,847,969	-	-	-	-
Notes receivable and accounts receivable, net		758,655	-	-	-	-
Other current financial assets		17,551	-	-	-	-
Guarantee deposits paid		7,016	-	-	-	-
		<u>\$ 2,631,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at amortized cost:						
Unsecured bank loan	\$	151,530	-	-	-	-
Accounts payable		161,684	-	-	-	-
Other payables		220,696	-	-	-	-
Lease liabilities (including current and non-current)		2,265	-	-	-	-
Guarantee deposits received		1,243	-	-	-	-
		<u>\$ 537,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		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	-	-	-	-
Notes receivable and accounts receivable, net		948,706	-	-	-	-
Other current financial assets		16,528	-	-	-	-
Guarantee deposits paid		7,041	-	-	-	-
		<u>\$ 2,701,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at amortized cost:						
Short-term borrowings	\$	174,666	-	-	-	-
Accounts payable		224,599	-	-	-	-

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Other payables	242,902	-	-	-	-
Lease liabilities (including current and non-current)	2,265	-	-	-	-
Guarantee deposits received	1,261	-	-	-	-
	<u>\$ 645,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

There were no transfers of financial instruments between any levels for the nine months ended September 30, 2023 and 2022.

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

	January 1, 2023	Cash flow	Non-cash changes Exchange movement	September 30, 2023
Short-term borrowings	\$ 151,530	(50,038)	53	101,545
Long-term borrowings		52,727	253	52,980
Guarantee deposits received	1,243	1	-	1,244
Lease liabilities	2,265	(254)	-	2,011
Total liabilities from financing activities	<u>\$ 155,038</u>	<u>2,436</u>	<u>306</u>	<u>157,780</u>

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	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>

(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.

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

(b) Significant transaction with related parties

For the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the Group purchased some fixtures and consumable material from its related parties amounting to \$3,766 thousand, \$5,054 thousand, \$12,382 thousand and \$15,554 thousand, recognized as operating cost and researching and developing cost respectively. As of September 30, 2023, December 31, 2022 and September 30, 2022, the outstanding balance was \$5,634 thousand, \$6,929 thousand and \$7,606 thousand, respectively, were recognized as other payables.

(c) Key management personnel compensation

Key management personnel compensation comprised of:

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Short-term employee benefits	\$ 3,890	4,440	12,219	14,970
Post-employment benefits	114	114	342	341
	<u>\$ 4,004</u>	<u>4,554</u>	<u>12,561</u>	<u>15,311</u>

(8) Pledged assets:

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

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Pledged assets	Pledged to secure	September 30, 2023	December 31, 2022	September 30, 2022
Property, plant and equipment	Long-term borrowings limit	\$ 98,116	-	-
Investment properties	Long-term borrowings limit	99,236	-	-
		<u>\$ 197,352</u>	<u>-</u>	<u>-</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).
- (b) Unrecognized contractual commitments:
- (c) As of September 30, 2023, December 31 and September 30, 2022, the future payments for the purchase of the Group's significant equipment and construction amounted to \$185,730 thousand, \$10,845 thousand and \$15,641 thousand, respectively.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events:

In response to the needs of operational development, the Group has rented land in Vietnam to construct a factory building and completed the bidding process on October 12, 2023. The project contract is still pending between the two parties. The total project price is expected to be VND 103,500,000 thousand (approximately NTD \$136,931 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,					
	2023			2022		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	114,698	30,111	144,809	121,404	35,104	156,508
Labor and health insurance	9,701	1,921	11,622	10,994	2,235	13,229
Pension	11,913	1,701	13,614	12,917	1,704	14,621
Others	6,798	1,450	8,248	7,839	1,370	9,209
Depreciation	26,502	5,696	32,198	33,320	5,655	38,975
Amortization	321	1,095	1,416	317	898	1,215

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By item \ By function	For the nine months ended September 30,					
	2023			2022		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	358,713	95,505	454,218	385,885	103,073	488,958
Labor and health insurance	29,781	6,479	36,260	33,654	6,837	40,491
Pension	34,948	5,063	40,011	39,633	5,017	44,650
Others	21,101	4,842	25,943	24,103	5,286	29,389
Depreciation	85,109	17,414	102,523	106,886	16,653	123,539
Amortization	945	3,231	4,176	948	3,121	4,069

(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, 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 Endorsement	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)	1,031,646	193,620 (US\$6,000)	193,620 (US\$6,000)	-	-	5.63%	1,719,410	Y	-	Y
0	"	Chongqing SNR	(Note 2)	1,031,646	435,645 (US\$13,500)	322,700 (US\$10,000)	101,545 (CNY\$23,000)	-	9.38%	1,719,410	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.

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- (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:

(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)	(195,054)	(36) %	Depending on the demand for funding, OA 120	Same as selling to other clients	Depending on the demand for funding, OA 120	Accounts Receivable 162,255	76 %	Note 1
"	Kunshan Wanhe	"	(Sales)	(237,385)	(44) %	"	"	"	Note 2	- %	"
Kunshan Wanhe	The Company	The parent company	Purchases	237,385	49 %	Depending on the demand for funding, OA 120	Same as selling to other clients	Depending on the demand for funding, OA 120	Note 2	- %	"
Chongqing SNR	The Company	The parent company	Purchases	195,054	48 %	"	"	"	Accounts Payable (162,225)	(50) %	"

Note 1 : The transactions have been eliminated in the consolidated financial statement.

Note 2 : The amount of advance receipts (payments) on September 30, 2023 was \$27,430 thousand.

- (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	162,255	1.38	64,566	Enhanced Collection	Accounts Receivable 19,976	-	Note 2

Note 1 : Information as of reporting date.

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

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

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

(In thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of Relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Chongqing SNR	1	Sales Revenue	195,054	The price is marked-up based on operating cost. Depending on the funding demand, and the credit term is OA 120 days.	13.56%
0	"	"	1	Accounts Receivable	162,255		3.96%
0	"	Kunshan Wanhe	1	Sales Revenue	237,385		16.50%
1	Kunshan Wanhe	Chongqing SNR	3	Accounts Receivable	95,357		2.33%

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, 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 September 30, 2023			Net income (losses) of investee	Share of profit/losses of investee	Note
				September 30, 2023	December 31, 2022	Shares	Percentage of ownership	Carrying amount			
The Company	MOI	Samoa	General Investing	\$ 727,957	727,957	23,800,000	100%	1,067,215	(35,162)	(35,162)	Subsidiary
"	Profit	Samoa	"	-	-	-	100%	8,313	(18,929)	(18,929)	"
"	Sinher Vietnam	Vietnam	Manufacturing and selling hinges components	92,518	-	-	100%	93,058	(262)	(262)	"
	Total			<u>\$ 820,475</u>	<u>727,957</u>			<u>1,168,586</u>		<u>(54,353)</u>	
MOI	Sinher (H.K.) Limited	Hong Kong	General Investing	\$ 325,579	325,579	10,600,000	100%	860,752	(23,009)	(23,009)	A sub-subsidiary company
"	Cingher (H.K.) Limited	Hong Kong	"	402,378	402,378	13,200,000	100%	199,048	(12,153)	(12,153)	"
	Total			<u>\$ 727,957</u>	<u>727,957</u>			<u>1,059,800</u>		<u>(35,162)</u>	
Profit	Great Info	Samoa	Sell of hinge components	USD -	USD -	-	100%	6,773 (USD210)	(19,867) (USD(642))	(19,867) (USD(642))	"
"	Top Trading	Anguilla	"	USD -	USD -	-	100%	1,540 (USD48)	938 (USD30)	938 (USD30)	"
								<u>8,313</u>		<u>(18,929)</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:

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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 September 30, 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)	(23,009) (CNY(5,237))	1000%	(23,009) (CNY(5,237))	860,679	-
Chongqing SNR	Manufacturing and selling hinges components	391,042 (USD13,200)	(Note 1) & (Note 5)	391,042 (USD13,200)	-	-	391,042 (USD13,200)	(12,153) (CNY(2,766))	100%	(12,153) (CNY(2,766))	199,032	-
Qianquan	Manufacturing and selling hinges components	13,299 (CNY2,700)	(Note 6)	-	-	-	-	1,846 (CNY420)	100%	1,846 (CNY420)	12 (CNY3)	-
SYTW	Research, manufacturing and selling fans related productions	88,640 (CNY20,000)	(Note 7)	-	-	-	-	(21,324) (CNY(4,853))	49%	(11,133) (CNY(2,534))	26,988 (CNY6,113)	-

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, 2023.

Note 3: The amounts shown in the table were translated into New Taiwan Dollars at the three months ended September 30, 2023 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.

(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)	2,063,291

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, for the time ended September 30, 2023, 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		4,067,917	5.46%

Note:

1. 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 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.

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(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.