

# Sinher Technology Inc.

## 2025Annual Shareholders' Meeting Minutes (Translation)

**Type of Meeting:**Physical Meeting

**Time:** June 24, 2025 at 9 a.m.

**Place:** No. 128, Section 1, Datong Road, Xizhi District, New Taipei City(Forte Hotel )

The total number of shares represented by shareholders and shareholders' proxies in attendance totaled 46,274,535. The total number of issued shares of the company was 74,417,200, excluding 800,000 treasury shares, and the number of outstanding shares was 73,617,200. The attendance rate was 62.85%, which reached the statutory number of shares in attendance.

**Directors and Independent Directorpresent:** Ting-Hung Su (Director), Yung-Chang Chiang (Director),San-Lu Su (Director), Eliza Wang (Independent Director),

**Chairman:** Ting-Hung Su chairman of the Board of Directors

**Recorder:** Chen-Jung Chen

The aggregate shareholding of the shareholderspresent in person or by proxy constituted a quorum.The Chairman called the meeting to order.

### A. Chairman’s speech(omitted)

### B. Report Items

1. 2024 Business Report. (Please refer to Attachment I)
2. 2024 Audit Committee’s Review Report. (Please refer to Attachment II~III)
3. 2024 distribution of remuneration to employees and directors.
4. 2024 Cash dividend distribution report.

### C.Matters for Ratification

To accept 2024 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanatory Notes :

1. 2024 Annual financial statements and consolidated financial statements were made, and audited by the accountants Szu-Chuan Chien and Yiu-Kwan Au of KPMG, and to issue an auditors’ report that includes opinions, together with the business report and earnings distribution statements, were audited by the Company’s audit committee, and approved by a resolution of board of directors, for your examination.
- 2.2024 Business report, CPA’s audit report and financial statements and earnings distribution statements.(attachment II/attachment III/attachment IV)

Voting Results Shares represented at the time of voting:46,274,535

Voting Results*	% of the total represented share present
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Votes in favor : 45,340,684 votes (Includes 1,393,597 electronic voting rights )	97.98%
Votes in against: 63,430 votes (Includes 63,430electronic voting rights )	0.13%
Votes invalid: 0 votes (Includes 0 electronic voting rights )	0.00%
Votes abstained:870,421 votes (Includes 341,421electronic voting rights )	1.88%

RESOLVED, that the above proposalbe and hereby were accepted as submitted

**D.Matters for Discussion:**

To revise the Articles of Incorporation

Explanatory Notes:

In response to Article 14 of the Securities and Exchange Act, the Company intends to amend the Articles of Association. Please refer to attachment V 。

Voting Results Shares represented at the time of voting:46,274,535

Voting Results*	% of the total represented share present
Votes in favor : 45,391,815 votes (Includes 1,444,728 electronic voting rights )	98.09%
Votes in against: 69,300 votes (Includes 69,300 electronic voting rights )	0.14%
Votes invalid: 0 votes (Includes 0 electronic voting rights )	0.00%
Votes abstained:813,420 votes (Includes 284,420 electronic voting rights )	1.75%

RESOLVED, that the above proposalbe and hereby were accepted as submitted

**E.Director Election**

To elect the one independent director

Explanatory Notes :

- 1.As independent director Shian-Cheng Liou passed away in January 2015, it is planned to elect a new independent director.
- 2.The term of the new director in this re-election will be from June 24, 2025 to June 24, 2027. The new director will be elected at the end of this regular shareholders’ meeting.
- 3.The company held a board meeting on May 8, 2025 to review the qualifications of director candidates. The relevant information is hereby stated as follows:

Title	Name	Education	work experiences	Current position	Shareholding numbers
Independent Director	Ke Jing-Shun	Tamkang Univeresity Department	Taigene Metal Industry.Co.,Ltd Director 、President Tianjin Sanhuan Lucky	Taigene Metal Industry.Co.,Ltd Director 、President	0

		of Chemistry	New Materials Inc. _Director Taiwan Magnetic Technology Association _The 13th 、 14th 、15th 、16th Council Member		
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- 4.The method for the election of directors is detailed in Appendix 3 (please refer to page xx of this manual).
- 5.Please vote.
- Election Results:  
Ke Jing-Shun ,45,115,400 votes,

**F.Extemporary Motions**

Hareholder account number 30816 asked:  
How will the company respond to the recent poor performance of the company's stock price?  
Chairman's reply:  
Xinhe continues to focus on its core business development plan. It is currently developing new technologies and will find an appropriate opportunity to announce them to shareholders when the time is right. Thank you for this shareholder's question.  
There being no other business and special motion duly made and seconded, the meeting was adjourned at 9:27 a.m.

## Sinher Technology Inc.

### Business Report of 2024

First of all, on behalf of the Sinher Technology management team, I would like to thank all shareholders for their support of the company.

The gradually recovering economy in 2024 has allowed the consumer electronics market to grow gradually, and we have continued to work hard to achieve performance growth compared to last year. Although it has been a challenging year, Xinhe is also taking a positive attitude to embrace more diverse international markets, hoping to achieve greater gains in the subsequent innovative markets.

According to the latest TrendForce survey, global notebook computer shipments in 2024 reached 174 million units, a total growth of approximately 4.8% from 166 million units in 2023. Looking ahead to 2025, the conclusion of the US election will reduce political uncertainties, and the Federal Reserve's interest rate cut will also help capital flow. Coupled with the stimulation of business machine replacement demand and the increase in demand for AI PC, it is expected that notebook shipments will have the opportunity to continue to grow. The US tariff issue that the market is concerned about will affect the transfer of brand owners, system vendors and supply chain ecosystems, and will have a profound impact on the global layout.

The business results for 2024 and the business plan for 2025 are summarized below.

#### 1. Business Performance of 2024

##### (1). Operational and Financial Performance

The consolidated revenue in 2024 was NT\$1,957,025 thousand, an increase of 2.54% compared with NT\$1,908,535 thousand in 2023; the net profit after tax was NT\$71,367 thousand, an increase of 1,771.68% over NT\$3,813 thousand in 2023. The consolidated gross margin 2024 was 17%, while the net profit margin for the current period was 3.65%, and the basic earnings per share after tax is NT\$0.97.

##### (2). Research and Development Progress

Sinher Technology's automation technology has gradually been applied to various factory configurations, which not only improves the stability of

consistent quality and reduces the demand for manpower supply, but also gradually matures and is applied to various work sections and process ends, providing more flexible scheduling for future production capacity allocation.

In the global layout plan, the Vietnam factory was officially put into use in 2024, demonstrating the importance attached to overseas markets and the determination to deepen the development of European and American brands, which will have positive development in revenue and brand strategy cooperation in the future.

We strive to diversify and develop our product lines, bringing new businesses and new market customers to the company, and obtaining revenue sources other than notebooks, such as: servers/automotive hinges/industrial computers...

The innovatively developed folding hinge has been applied to tablets and laptops, and flexibly uses various hinge structures, such as gears, slide rails, etc. This can meet the current market demand for lightweight products while also improving the stability of the shaft.

## 2. Abstract of 2025 Business Plan

### (1) Operation Strategy

- A. Accurately control supply chain costs and quality
- B. Advanced and improved automated production lines
- C. Diversified business and promotion of various spare parts products
- D. Strengthen customer cooperation and consolidate relationships

### (2) Important Production and Marketing Policy

- A. Increase R&D funding and strengthen innovation capabilities
- B. Actively deploy overseas bases to diversify regional risks
- C. Strengthen market penetration in the Asia-Pacific region and launch high-end product lines in Europe and the United States

### (3) Impacts from External Competitive, Legal, and Overall Business Environment

- A. Market competition is becoming increasingly fierce, and cooperation with third parties is needed to improve price competitiveness
- B. Continue to pay attention to and comply with local laws and regulations, regularly review the company's intellectual property protection measures, and ensure that innovative technologies are not infringed by external parties

C. Actively promote corporate social responsibility, especially in the use of environmentally friendly materials and reducing carbon emissions, and take a number of initiatives

3. The company's future operating prospects and goals.

2024 is a year full of challenges but also opportunities for Sinher Technology. Our technology innovation and market expansion strategies have achieved initial results. Looking ahead to the next few years, we expect to maintain a steady growth momentum as new products are further commercialized.

Changes in market demand and technological changes will be long-term challenges we face. We keep a keen response to market trends through continuous market research and technology forecasting. We will continue to innovate and create more added value for our customers.

Here, I would like to thank all shareholders for their continued support. We look forward to continuing to create higher performance and profits and strive to make the corporate organization continue to grow in the future development.

Board Chairman: Ting-Hung Su      Manager: Ting-Hung Su      Accountant: Chen-Jung Chen

## **Sinher Technology Inc.**

### **Audit Committee's Review Report**

Date: Mar 6, 2025

The Board of Directors has prepared the Sinher Technology Inc.'s ("the Company") 2024 Financial Statements, Business Report, and proposal for earning distribution. The CPA Szu-Chuan Chien and Yiu-Kwan Au from KPMG were retained to audit the Company's financial statements and have issued an audit report relating to the financial statements. The above Financial Statements, Business Report, and proposal for earning distribution have been examined and determined to be correct and accurate by the Audit Committee members of Sinher Technology Inc. According to Article 14-4 of Securities and Exchange Act and relevant requirement of the Company Law, we hereby submit this report.

Sinher Technology Inc.

Chairman of the Audit Committee: Ms. Eliza Wang

### **Representation Letter**

The entities that are required to be included in the combined financial statements of SINHER TECHNOLOGY INC. as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, SINHER TECHNOLOGY INC. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: SINHER TECHNOLOGY INC.

Chairman: Ting-Hung Su

Date: March 6, 2025



## Independent Auditors' Report

To the Board of Directors of SINHER TECHNOLOGY INC.:

### Opinion

We have audited the consolidated financial statements of SINHER TECHNOLOGY INC. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audit in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters to that should communicate in the audit report are as follows:

#### 1. Valuation of Inventories

Please refer to note (4)(h) "Inventories" for accounting policies with respect to valuating inventories; note (5) "Valuation of inventories" for accounting estimates and uncertainties of affairs for inventory valuation; and to note (6)(c) for the information regarding the estimation of net realizable value of inventories.

Description of key audit matter:

The inventory is measured at the lower of cost or net realizable value. The Group produces the electronic products which are customized with short life cycle; therefore, if the quantities of products manufactured are more than the quantities of customers' order, the book value of inventory may be lower than net realizable value of inventories. Therefore, the valuation of inventories is one of the significant assessment items in our audit procedures.

How the matter was addressed in our audit:

Our main audit procedures for the aforementioned key audit matter included: assessing whether the policies for the inventory valuation of the Group are in accordance with the related accounting standards; inspecting the aging inventory reports; analyzing the changes in the aging reports, as well as testing the classification of the range of the aging and the calculation at the lower of cost or net realizable value.

## 2. Operating Revenue

Please refer to note (4)(p) "revenue recognition" for the accounting policies of operating revenue recognition (including revenue recognition of external warehouse).

Description of key audit matter:

The main activities of the Group include researching-developing, manufacturing and selling the parts of hinge. The operating revenue is a significant item for the consolidated financial statements, and the amounts and the changes of operating revenue may affect the users' understanding of the entire financial statements. Therefore, the test of revenue recognition is one of the significant assessment items in our audit procedures.

How the matter was addressed in our audit:

Our main audit procedures for the aforementioned key audit matter included: testing the related controls surrounding revenue recognition in the sales and collection cycle and financial reporting; performing verification of sales revenue-related documents; as well as selectively conducting confirmations on accounts receivables and revenue recognition of external warehouse; evaluating whether the timing of the operating revenue recognition of the Group is in accordance with the related accounting standards.

### **Other Matter**

Sinher Technology Inc. has additionally prepared its parent company only financial statements as of and for the year's ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)  
March 6, 2025

#### **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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' 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' report and consolidated financial statements, the Chinese version shall prevail.

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

**Consolidated Balance Sheets**

**December 31, 2024 and 2023**

(Expressed in thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note (6)(a))	\$ 1,503,164	37	1,734,159	43	2100	Short-term borrowings (note(6)(i))	\$ 31,346	1	101,684	2
1170	Notes receivable and Accounts receivable, net (note (6)(b))	742,649	18	677,623	17	2170	Accounts payable	231,812	6	187,258	5
1310	Inventories (note (6)(c))	323,658	8	260,462	7	2219	Other payable (note(7))	163,106	4	163,641	4
1476	Other current financial assets	19,295	1	20,706	1	2230	Current tax liabilities	6,427	-	24,964	1
1479	Other current assets	9,405	-	11,847	-	2280	Current lease liabilities (note (6)(k))	2,905	-	256	-
		2,598,171	64	2,704,797	68	2322	Long-term borrowings, current portion (note(6)(j) and (8))	53,736	1	51,924	1
								489,332	12	529,727	13
Non-current assets:						Non-Current liabilities:					
1550	Investments accounted for using equity method (note (6)(d))	22,401	1	14,230	-	2540	Long-term borrowings (note(6)(j) and (8))	22,390	1	-	-
1600	Property, plant and equipment (note(6)(e) and (8))	1,092,178	27	946,666	24	2550	Non-current Provisions (note (6)(l))	21,748	1	-	-
1755	Right-of-use assets (note (6)(f))	193,922	5	117,984	3	2570	Deferred tax liabilities (note (6)(o))	64,247	1	65,487	2
1760	Investment property, net (note (6)(g) and (8))	98,633	2	101,290	3	2580	Non-current lease liabilities (note (6)(k))	55,701	1	1,755	-
1840	Deferred tax assets (note (6)(o))	41,090	1	50,363	1	2645	Guarantee deposits received	1,083	-	1,220	-
1920	Guarantee deposits paid	6,548	-	9,038	-			165,169	4	68,462	2
1990	Other non-current assets (note (6)(h)and(6)(n))	16,115	-	42,589	1			654,501	16	598,189	15
		1,470,887	36	1,282,160	32						
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(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

**SINHER TECHNOLOGY INC. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2024 and 2023**

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

		2024		2023	
		Amount	%	Amount	%
4100	<b>Operating revenues</b> (notes (6)(r))	\$ 1,957,025	100	1,908,535	100
5110	<b>Cost of sales</b> (notes (6)(c), (6)(n), (6)(s), (7) and (12))	1,617,959	83	1,595,435	84
5900	<b>Gross profit</b>	339,066	17	313,100	16
	<b>Operating expenses</b> (notes (6)(b), (6)(n), (6)(s), (7) and (12))				
6100	Selling expenses	109,670	5	100,186	5
6200	Administrative expenses	159,111	8	145,379	7
6300	Research and development expenses	82,464	4	90,167	5
		351,245	17	335,732	17
6900	<b>Net operating (loss)</b>	(12,179)	-	(22,632)	(1)
	<b>Non-operating income and expenses:</b>				
7100	Interest income	33,037	1	35,423	2
7190	Other income	3,206	-	14,811	1
7110	Rental income (notes (6)(m))	153	-	13,292	-
7230	Foreign exchange gain (losses), net (note (6)(t))	76,711	4	25,451	1
7050	Finance costs	(5,638)	-	(5,382)	-
7060	Shares of loss of associates and joint ventures accounted for using equity method(note (6)(d))	(5,461)	-	(14,192)	(1)
7590	Miscellaneous disbursements	(882)	-	(5,762)	-
7670	Impairment loss (notes (6)(d))	-	-	(9,358)	-
		101,126	5	54,283	3
7900	<b>Profit before tax</b>	88,947	5	31,651	2
7950	Less: Tax expenses (note (6)(o))	17,580	1	27,838	2
	<b>Profit</b>	71,367	4	3,813	-
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss:</b>				
8311	Gains (losses) on re-measurements of defined benefit plans (notes (6)(n))	648	-	(23)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified subsequently to profit or loss (notes (6)(o))	130	-	(5)	-
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	518	-	(18)	-
8360	<b>Items that will be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation	34,401	1	(23,611)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified subsequently to profit or loss (notes (6)(o))	6,880	-	(4,722)	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	27,521	1	(18,889)	(1)
8300	<b>Other comprehensive income</b>	28,039	1	(18,907)	(1)
8500	<b>Comprehensive income</b>	<u>\$ 99,406</u>	<u>5</u>	<u>(15,094)</u>	<u>(1)</u>
	<b>Earnings per common share</b> (note (6)(q))				
9750	<b>Basic earnings per share</b> (expressed in dollars)	<u>\$ 0.97</u>		<u>0.05</u>	
9850	<b>Diluted earnings per share</b> (expressed in dollars)	<u>\$ 0.97</u>		<u>0.05</u>	

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

**SINHER TECHNOLOGY INC. AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the years ended December 31, 2024 and 2023**

**(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			
<b>A1 Balance at January 1, 2023</b>	\$ 744,172	440,035	483,811	42,710	1,880,180	(27,116)	(31,100)	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 year ended December 31, 2023	-	-	-	-	3,813	-	-	3,813
D3 Other comprehensive income for the year ended December 31, 2023	-	-	-	-	(18)	(18,889)	-	(18,907)
D5 Total comprehensive income for the year ended December 31, 2023	-	-	-	-	3,795	(18,889)	-	(15,094)
<b>Z1 Balance at December 31, 2023</b>	744,172	440,035	504,399	27,116	1,750,151	(46,005)	(31,100)	3,388,768
Appropriation and distribution of retained earnings:								
B1 Legal reserve appropriated	-	-	379	-	(379)	-	-	-
B3 Special reserve appropriated	-	-	-	18,889	(18,889)	-	-	-
B5 Cash dividends of ordinary share	-	-	-	-	(73,617)	-	-	(73,617)
	-	-	379	18,889	(92,885)	-	-	(73,617)
D1 Profit for the year ended December 31, 2024	-	-	-	-	71,367	-	-	71,367
D3 Other comprehensive income for the year ended December 31, 2024	-	-	-	-	518	27,521	-	28,039
D5 Total comprehensive income for the year ended December 31, 2024	-	-	-	-	71,885	27,521	-	99,406
<b>Z1 Balance at December 31, 2024</b>	<u>\$ 744,172</u>	<u>440,035</u>	<u>504,778</u>	<u>46,005</u>	<u>1,729,151</u>	<u>(18,484)</u>	<u>(31,100)</u>	<u>3,414,557</u>

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

## SINHER TECHNOLOGY INC. AND SUBSIDIARIES

## Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		2024	2023
AAAA	<b>Cash flows from (used in) operating activities:</b>		
A10000	<b>Profit before tax</b>	\$ 88,947	31,651
A20000	<b>Adjustments:</b>		
A20010	<b>Adjustments to reconcile profit (loss):</b>		
A20100	Depreciation expense	132,111	134,739
A20200	Amortization expense	4,060	5,383
A20300	Expected credit loss	1,212	351
A20900	Interest expense	5,638	5,382
A21200	Interest income	(33,037)	(35,423)
A22300	Shares of loss of associates and joint ventures accounted for using equity method	5,461	14,192
A23700	Impairment loss on financial assets	-	9,358
A29900	Others	1,202	(84)
A20010	<b>Total adjustments to reconcile profit (loss)</b>	116,647	133,898
A30000	<b>Changes in operating assets and liabilities:</b>		
A31000	<b>Changes in operating assets:</b>		
A31150	Decrease (increase) in notes receivable and accounts receivable	(66,276)	80,700
A31200	Decrease (increase) in inventories	(63,196)	49,294
A31240	Decrease in other current assets	2,771	3,022
A31250	Decrease (increase) in other current financial assets	803	(3,792)
A31990	Others	(170)	(171)
A31000	<b>Total changes in operating assets</b>	(126,068)	129,053
A32000	<b>Changes in operating liabilities:</b>		
A32150	Increase in accounts payable	44,554	25,574
A32180	Increase (decrease) in other payables	850	(59,649)
A32000	<b>Total changes in operating liabilities</b>	45,404	(34,075)
A30000	<b>Total changes in operating assets and liabilities</b>	(80,664)	94,978
A20000	<b>Total adjustments</b>	35,983	228,876
A33000	Cash inflow generated from operations	124,930	260,527
A33100	Interest received	33,645	36,060
A33300	Interest paid	(5,214)	(4,916)
A33500	Income taxes paid	(35,413)	(65,285)
AAAA	<b>Net cash flows from (used in) operating activities</b>	117,948	226,386
BBBB	<b>Cash flows from (used in) investing activities:</b>		
B01800	Acquisition of investments accounted for using equity method	(12,486)	-
B02700	Acquisition of property, plant and equipment	(225,094)	(140,743)
B02800	Proceeds from disposal of property, plant and equipment	-	1,005
B03700	Decrease (increase) in guarantee deposits paid	2,490	(2,022)
B04500	Acquisition of intangible assets	(6,635)	(3,010)
B05450	Acquisition of right-of-use assets	-	(26,114)
B06800	Decrease (increase) in other non-current assets	-	(30,000)
BBBB	<b>Net cash flows from (used in) investing activities</b>	(241,725)	(200,884)
CCCC	<b>Cash flows from (used in) financing activities:</b>		
C00100	Increase in short-term borrowings	57,906	116,478
C00200	Decrease in short-term borrowings	(131,402)	(164,336)
C01600	Proceeds from long-term borrowings	89,086	57,140
C01700	Repayments of long-term borrowings	(66,815)	(4,395)
C03000	Decrease in guarantee deposits received	(137)	(23)
C04020	Payment of lease liabilities	(2,195)	(254)
C04500	Cash dividends paid	(73,617)	(128,830)
CCCC	<b>Net cash flows from (used in) financing activities</b>	(127,174)	(124,220)
DDDD	<b>Effect of exchange rate changes on cash and cash equivalents</b>	19,956	(15,092)
EEEE	<b>Net decrease in cash and cash equivalents</b>	(230,995)	(113,810)
E00100	<b>Cash and cash equivalents at beginning of period</b>	1,734,159	1,847,969
E00200	<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,503,164</b>	<b>1,734,159</b>

## **Independent Auditors' Report**

To the Board of Directors of SINHER TECHNOLOGY INC.:

### **Opinion**

We have audited the financial statements of SINHER TECHNOLOGY INC. ("the Company"), which comprise the balance sheets as of December 31, 2024 and 2023, and the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audit in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters that should be communicated in the audit report are as follows:

#### **1. Valuation of Inventories**

Please refer to note (4)(g) "Inventories" for accounting policies with respect to valuating inventories; note (5) "Valuation of inventories" for accounting estimates and uncertainties of affairs for inventory valuation; and to note (6)(c) for the information regarding the estimation of net realizable value of inventories.

Description of key audit matter:

The inventory is measured at the lower of cost or net realizable value. The Company produces the electronic products which are customized with short life cycle; therefore, if the quantities of products manufactured are more than the quantities of customers' order, the book value of inventory may be lower than net realizable value of inventories. Therefore, the valuation of inventories is one of the significant assessment items in our audit procedures.

How the matter was addressed in our audit:



Our main audit procedures for the aforementioned key audit matter included: assessing whether the policies for the inventory valuation of the Company are in accordance with the related accounting standards; inspecting the aging inventory reports; analyzing the changes in the aging reports, as well as testing the classification of the range of the aging and the calculation at the lower of cost or net realizable value.

## 2. Operating Revenue and investment accounted for using equity method-operation revenue from subsidiaries

Please refer to note (4)(n) "revenue recognition" of the consolidated financial statements for the accounting policies of operating revenue recognition.

Description of key audit matter:

The main activities of the Company and subsidiaries include researching-developing, manufacturing and selling the parts of hinge. The operating revenue is a significant item for the financial statements, and the amounts and the changes of operating revenue may affect the users' understanding of the entire financial statements. Therefore, the test of revenue recognition that follows by related regulations is one of the significant assessment items in our audit procedures.

How the matter was addressed in our audit:

Our main audit procedures for the aforementioned key audit matter included: testing both the Company and subsidiaries related controls surrounding revenue recognition in the sales and collection cycle and financial statements reporting; performing the detailed test of sales; as well as selectively conducting confirmations on accounts receivables; evaluating whether the timing of the operating revenue recognition of the Company and subsidiaries are in accordance with the related accounting standards.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 1、Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2、Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 3、Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4、Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 5、Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6、Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on these financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

March 6, 2025

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

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Assets</b>						<b>Liabilities and Equity</b>					
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note (6)(a))	\$ 1,223,064	33	1,296,606	36	2170	Accounts payable	\$ 15,342	-	10,133	-
1170	Notes receivable and Accounts receivable, net (note (6)(b))	55,665	2	47,610	1	2180	Accounts payable to related parties (note (7))	37,629	1	29,700	1
1180	Accounts receivable due from related parties (notes (6)(b) and (7))	197,667	5	173,986	5	2200	Other payables (note (7))	95,188	3	72,703	2
1210	Other receivables due from related parties (note (7))	8,695	-	6,794	-	2130	Current contract liabilities ( notes (6)(o) and (7))	-	-	17,140	-
1310	Inventories (note (6)(c))	198,016	6	165,725	5	2230	Current tax liabilities	6,427	-	22,484	1
1476	Other current financial assets	4,596	-	5,303	-	2280	Current lease liabilities (note (6)(i))	2,905	-	256	-
1479	Other current assets	4,271	-	4,734	-			157,491	4	152,416	4
		1,691,974	46	1,700,758	47	<b>Non-Current liabilities:</b>					
	<b>Non-current assets:</b>					2570	Deferred tax liabilities (note (6)(l))	64,247	2	65,487	2
1550	Investments accounted for using equity method (note (6)(d))	1,271,010	34	1,208,352	34	2580	Non-current lease liabilities (note (6)(i))	55,701	1	1,755	-
1600	Property, plant and equipment (note(6)(e))	623,714	17	610,537	17	2550	Non-current Provisions (note (6)(j))	21,748	1	-	-
1755	Right-of-use assets (note (6)(f))	78,095	2	2,002	-			141,696	4	67,242	2
1840	Deferred tax assets (note (6)(l))	36,485	1	45,187	1			299,187	8	219,658	6
1920	Guarantee deposits paid	5,456	-	5,456	-	<b>Total liabilities</b>					
1900	Other non-current assets (notes (6)(g) and (6)(k))	7,010	-	36,134	1	<b>Equity: (note (6)(m))</b>					
		2,021,770	54	1,907,668	53	3110	<b>Ordinary share</b>	744,172	20	744,172	21
						3200	<b>Capital surplus</b>	440,035	12	440,035	12
							<b>Retained earnings:</b>				
						3310	Legal reserve	504,778	14	504,399	14
						3320	Special reserve	46,005	1	27,116	1
						3350	Unappropriated retained earnings	1,729,151	46	1,750,151	48
								2,279,934	61	2,281,666	63
						3410	Exchange differences on translation of foreign financial statements	(18,484)	-	(46,005)	(1)
						3500	Treasury shares	(31,100)	(1)	(31,100)	(1)
							<b>Total equity</b>	3,414,557	92	3,388,768	94
	<b>Total assets</b>	<b>\$ 3,713,744</b>	<b>100</b>	<b>3,608,426</b>	<b>100</b>		<b>Total liabilities and equity</b>	<b>\$ 3,713,744</b>	<b>100</b>	<b>3,608,426</b>	<b>100</b>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)  
**SINHER TECHNOLOGY INC.**

**Statements of Comprehensive Income**

**For the years ended December 31, 2024 and 2023**

**(Expressed in thousands of New Taiwan Dollars , Except for Earnings Per Share)**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4100	<b>Operating revenues</b> (notes (6)(o) and (7))	\$ 662,460	100	720,719	100
5110	<b>Cost of sales</b> (notes (6)(c), (6)(k), (6)(p), (7) and (12))	455,785	69	484,361	67
5900	<b>Gross profit</b>	206,675	31	236,358	33
	<b>Operating expenses</b> (notes (6)(k), (6)(p), (7) and (12))				
6100	Selling expenses	50,389	8	34,528	5
6200	Administrative expenses	78,604	12	70,265	10
6300	Research and development expenses	48,551	7	58,730	8
		177,544	27	163,523	23
6900	<b>Net operating income</b>	29,131	4	72,835	10
	<b>Non-operating income and expenses:</b>				
7100	Interest income	29,179	4	32,265	4
7190	Other income	1,034	-	1,143	-
7110	Rental income	153	-	132	-
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method	(20,498)	(3)	(112,636)	(15)
7050	Finance costs	(1,423)	-	(8)	-
7230	Foreign exchange gain (losses), net (note (6)(q))	50,970	8	15,438	2
7590	Miscellaneous disbursements	(97)	-	(154)	-
		59,318	9	(63,820)	(9)
7900	<b>Profit before tax</b>	88,449	13	9,015	1
7950	Less: Tax expenses (note (6)(l))	17,082	2	5,202	1
	<b>Profit</b>	71,367	11	3,813	-
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss:</b>				
8311	Gains (losses) on re-measurements of defined benefit plans (notes (6)(k))	648	-	(23)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified subsequently to profit or loss (notes (6)(l))	130	-	(5)	-
	Components of other comprehensive income that will not be reclassified to profit or loss	518	-	(18)	-
8360	<b>Items that will be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation	34,401	5	(23,611)	(3)
8399	Income tax related to components of other comprehensive income that will be reclassified subsequently to profit or loss (notes (6)(l))	6,880	1	(4,722)	(1)
	Components of other comprehensive income that will be reclassified to profit or loss	27,521	4	(18,889)	(2)
8300	<b>Other comprehensive income</b>	28,039	4	(18,907)	(2)
8500	<b>Comprehensive income</b>	<b>\$ 99,406</b>	<b>15</b>	<b>(15,094)</b>	<b>(2)</b>
	<b>Earnings per common share</b> (note (6)(n))				
9750	<b>Basic earnings per share</b> (expressed in dollars)	<b>\$ 0.97</b>		<b>0.05</b>	
9850	<b>Diluted earnings per share</b> (expressed in dollars)	<b>\$ 0.97</b>		<b>0.05</b>	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)

**SINHER TECHNOLOGY INC.**

**Statements of Changes in Equity**

**For the years ended December 31, 2024 and 2023**

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

	Ordinary shares	Capital surplus	Retained earnings		Exchange differences on translation of foreign financial statements	Treasury shares	Total equity
			Legal reserve	Special reserve			
<b>A1 Balance at January 1, 2023</b>	<u>\$ 744,172</u>	<u>440,035</u>	<u>483,811</u>	<u>42,710</u>	<u>1,880,180</u>	<u>(27,116)</u>	<u>3,532,692</u>
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 year ended December 31, 2023	-	-	-	-	3,813	-	3,813
D3 Other comprehensive income for the year ended December 31, 2023	-	-	-	-	(18)	(18,889)	(18,907)
D5 Total comprehensive income for the year ended December 31, 2023	-	-	-	-	3,795	(18,889)	(15,094)
<b>Z1 Balance at December 31, 2023</b>	<u>744,172</u>	<u>440,035</u>	<u>504,399</u>	<u>27,116</u>	<u>1,750,151</u>	<u>(46,005)</u>	<u>3,388,768</u>
Appropriation and distribution of retained earnings:							
B1 Legal reserve appropriated	-	-	379	-	(379)	-	-
B3 Special reserve appropriated	-	-	-	18,889	(18,889)	-	-
B5 Cash dividends of ordinary share	-	-	-	-	(73,617)	-	(73,617)
	-	-	379	18,889	(92,885)	-	(73,617)
D1 Profit for the year ended December 31, 2024	-	-	-	-	71,367	-	71,367
D3 Other comprehensive income for the year ended December 31, 2024	-	-	-	-	518	27,521	28,039
D5 Total comprehensive income for the year ended December 31, 2024	-	-	-	-	71,885	27,521	99,406
<b>Z1 Balance at December 31, 2024</b>	<u><b>\$ 744,172</b></u>	<u><b>440,035</b></u>	<u><b>504,778</b></u>	<u><b>46,005</b></u>	<u><b>1,729,151</b></u>	<u><b>(18,484)</b></u>	<u><b>3,414,557</b></u>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)

**SINHER TECHNOLOGY INC.**

**Statements of Cash Flows**

**For the years ended December 31, 2024 and 2023**

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

		2024	2023
AAAA	<b>Cash flows from (used in) operating activities:</b>		
A10000	<b>Profit before tax</b>	\$ 88,449	9,015
A20000	<b>Adjustments:</b>		
A20010	<b>Adjustments to reconcile profit (loss):</b>		
A20100	Depreciation expense	80,270	88,113
A20200	Amortization expense	2,315	4,078
A20300	Expected credit impairment loss (or reversed)	(20)	27
A20900	Interest expense	1,423	8
A21200	Interest income	(29,179)	(32,265)
A22400	Share of loss (gain) of associates and joint ventures accounted for using equity method	20,498	112,636
A29900	Others	3	15
A20010	<b>Total adjustments to reconcile profit (loss)</b>	75,310	172,612
A30000	<b>Changes in operating assets and liabilities:</b>		
A31000	<b>Changes in operating assets:</b>		
A31150	Decrease (increase) in notes and accounts receivable	(31,716)	33,687
A31190	Increase in other receivables from related parties	(1,901)	(4,794)
A31200	Decrease (increase) in inventories	(32,291)	22,560
A31240	Decrease in other current assets	710	446
A31250	Decrease (increase) in other current financial assets	99	(7)
A31990	Others	(170)	(171)
A31000	<b>Total changes in operating assets</b>	(65,269)	51,721
A32000	<b>Changes in operating liabilities:</b>		
A32125	Decrease in contract liabilities	(17,140)	(13,920)
A32150	Increase (decrease) in accounts payable	13,138	(16,561)
A32180	Increase (decrease) in other payables	22,485	(40,560)
A32000	<b>Total changes in operating liabilities</b>	18,483	(71,041)
A30000	<b>Total changes in operating assets and liabilities</b>	(46,786)	(19,320)
A20000	<b>Total adjustments</b>	28,524	153,292
A33000	Cash inflow generated from operations	116,973	162,307
A33100	Interest received	29,787	32,902
A33300	Interest paid	(1,161)	(8)
A33500	Income taxes paid	(32,934)	(36,694)
AAAA	<b>Net cash flows from (used in) operating activities</b>	112,665	158,507
BBBB	<b>Cash flows from (used in) investing activities:</b>		
B01800	Acquisition investments accounted for using equity method	(48,755)	(183,452)
B02700	Acquisition of property, plant and equipment	(59,267)	(5,135)
B02800	Proceeds from disposal of property, plant and equipment	-	50
B04500	Acquisition of intangible assets	(2,373)	(2,773)
B06700	Increase in other non-current assets	-	(30,000)
BBBB	<b>Net cash flows from (used in) investing activities</b>	(110,395)	(221,310)
CCCC	<b>Cash flows from (used in) financing activities:</b>		
C04020	Payment of lease liabilities	(2,195)	(254)
C04500	Cash dividends paid	(73,617)	(128,830)
CCCC	<b>Net cash flows from (used in) financing activities</b>	(75,812)	(129,084)
EEEE	<b>Net increase (decrease) in cash and cash equivalents</b>	(73,542)	(191,887)
E00100	<b>Cash and cash equivalents at beginning of period</b>	1,296,606	1,488,493
E00200	<b>Cash and cash equivalents at end of period</b>	<u>\$ 1,223,064</u>	<u>1,296,606</u>

**Sinher Technology Inc.****2024 Earnings Distribution Statement**

Item	Amount Unit: NT\$
Undistributed earnings at the beginning of the period	1,657,265,543
Measure on defined benefit plans	518,151
Adjusted opening amount of undistributed earnings	1,657,783,694
Add: After-tax net profit of the current year	71,366,688
Subtract: Provision for statutory reserve (10%)	(7,188,484)
Add: Reversal of provision for special reserve	27,521,912
Distributable earnings of the period	1,749,483,810
Items for distribution:	
Dividends to shareholders -- cash -- earnings@1	( 73,617,200)
Undistributed earnings at the end of the period	1,675,866,610

Chairman: Ting-Hung Su      CEO: Ting-Hung Su

Head of accounting: Chen-Jung Chen



## Articles of Incorporation of Sinher Technology Inc.

Article No.	Content of Article before Amendment	Content of Article after Amendment	Explanation
Article 22	<p>If there are profits at the end of the fiscal year (meaning the income before tax, which has deducted allocated employee compensation and director remuneration), at least 2% of the profits shall be distributed as employee compensation and less than 1% of the profit shall be distributed as director remuneration. However, the Company's accumulated losses (including the adjustment of undistributed surplus) shall have been covered first.</p> <p>The above employee compensation can be issued in stock or in cash. The subjects of payment shall include employees in the subordinate company that meet the requirements. The special requirements shall be established by the board to directors.</p> <p>The above two matters shall be approved at the meeting of the board of directors and reported to the shareholders' meeting.</p>	<p>If there are profits at the end of the fiscal year (meaning the income before tax, which has deducted allocated employee compensation and director remuneration), at least 2% of the profits shall be distributed as employee compensation and less than 1% of the profit shall be distributed as director remuneration. However, the Company's accumulated losses (including the adjustment of undistributed surplus) shall have been covered first. <u>The employee remuneration allocated to grassroots employees shall not be less than 10% of the total amount. The definition of grassroots employees shall refer to the regulations of relevant competent authorities.</u></p> <p>The above employee compensation can be issued in stock or in cash. The subjects of payment shall include employees in the subordinate company that meet the requirements. The special requirements shall be established by the board to directors. The above two matters shall be approved at the meeting of the board of directors and reported to the shareholders' meeting.</p>	In response to Article 14 of the Securities and Exchange Act
Article 24	<p>The Articles was on December 31<sup>st</sup>, 2001.</p> <p>The 1<sup>st</sup> revision was on June 30<sup>th</sup>, 2007.</p> <p>The 2<sup>nd</sup> revision was on June 30<sup>th</sup>, 2009.</p> <p>The 3<sup>rd</sup> revision was on March 15<sup>th</sup>, 2010.</p> <p>The 4<sup>th</sup> revision was on June 30<sup>th</sup>, 2011.</p> <p>The 5<sup>th</sup> revision was on June 25<sup>th</sup>, 2012.</p> <p>The 6<sup>th</sup> revision was on June 24<sup>th</sup>, 2014.</p> <p>The 7<sup>th</sup> revision was on June 14<sup>th</sup>, 2016.</p> <p>The 8<sup>th</sup> revision was on June 22<sup>nd</sup>, 2017.</p> <p>The 9<sup>th</sup> revision was on June 24<sup>th</sup>, 2020. The 10<sup>th</sup> revision was on June 23<sup>rd</sup>, 2022.</p>	<p>The Articles was on December 31<sup>st</sup>, 2001.</p> <p>The 1<sup>st</sup> revision was on June 30<sup>th</sup>, 2007.</p> <p>The 2<sup>nd</sup> revision was on June 30<sup>th</sup>, 2009.</p> <p>The 3<sup>rd</sup> revision was on March 15<sup>th</sup>, 2010.</p> <p>The 4<sup>th</sup> revision was on June 30<sup>th</sup>, 2011.</p> <p>The 5<sup>th</sup> revision was on June 25<sup>th</sup>, 2012.</p> <p>The 6<sup>th</sup> revision was on June 24<sup>th</sup>, 2014.</p> <p>The 7<sup>th</sup> revision was on June 14<sup>th</sup>, 2016.</p> <p>The 8<sup>th</sup> revision was on June 22<sup>nd</sup>, 2017.</p> <p>The 9<sup>th</sup> revision was on June 24<sup>th</sup>, 2020.</p> <p>The 10<sup>th</sup> revision was on June 23<sup>rd</sup>, 2022.</p> <p><u>The 11<sup>th</sup> revision was on June 24<sup>th</sup>, 2025.</u></p>	modification record