Stock Code:4999

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2022 and 2021

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Independent Auditors' Review Report

To the Board of Directors SINHER TECHNOLOGY INC.:

Introduction

We have reviewed the accompanying consolidated balance sheets of SINHER TECHNOLOGY INC. and its subsidiaries as of March 31, 2022 and 2021 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2022 and 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of SINHER TECHNOLOGY INC. and its subsidiaries as of March 31, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)
May 5, 2022

<u>Notes to Readers</u>

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

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

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

Reviewed only, not audited in accordance with Generally Accepted Auditing Standards as of March 31, 2022 and 2021

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2022, December 31, 2021, and March 31, 2021

(Expressed in thousands of New Taiwan Dollars)

	Assets	March 31, 2022 Amount	%	December 31, 2021 Amount	%	March 31, 2021 Amount	%
	Current assets:						
1100	Cash and cash equivalents (note (6)(a))	$ 1,562,003	36	1,359,491	32	1,266,256	28
1150	Notes receivable (note (6)(b))	315	-	-	-	-	-
1170	Accounts receivable, net (note (6)(b))	1,000,800	23	1,143,124	27	1,268,721	28
1310	Inventories (note (6)(c))	444,654	11	419,691	10	625,192	14
1476	Other current financial assets (note (8))	50,825	1	52,646	1	27,578	1
1479	Other current assets	11,435	-	12,622	-	14,156	-
		3,070,032	71	2,987,574	70	3,201,903	71
	Non-current assets:						
1600	Property, plant and equipment (note (6)(d))	1,042,766	24	1,067,324	25	1,119,703	25
1755	Right-of-use assets (note (6)(e))	67,435	2	65,698	2	69,799	2
1760	Investment property, net (note (6)(f))	93,793	2	91,461	2	-	-
1840	Deferred tax assets	54,617	1	62,510	1	98,610	2
1920	Guarantee deposits paid	6,837	-	6,808	-	9,328	-
1990	Other non-current assets	16,104	-	16,880	-	11,307	-
		1,281,552	29	1,310,681	30	1,308,747	29
	Total assets	**$ 4,351,584**	**100**	**4,298,255**	**100**	**4,510,650**	**100**

	Liabilities and Equity	March 31, 2022 Amount	%	December 31, 2021 Amount	%	March 31, 2021 Amount	%
	Current liabilities:						
2100	Short-term borrowings (note (6)(g)	$ 242,720	6	235,416	6	157,001	3
2170	Accounts payable	237,706	5	228,375	5	386,861	9
2219	Other payables (note (7))	186,987	4	241,873	6	227,127	5
2216	Dividends payable (note (6)(l)	148,834	3	-	-	223,252	5
2230	Current tax liabilities	21,629	1	14,984	-	83,180	2
2280	Current lease liabilities (note (6)(h)	426	-	510	-	547	-
2300	Other current liabilities	3,608	-	3,478	-	-	-
		841,910	19	724,636	17	1,077,968	24
	Non-Current liabilities:						
2570	Deferred tax liabilities	78,878	2	78,878	2	67,214	1
2580	Non-current lease liabilities (note (6)(h)	2,010	-	2,265	-	171	-
2640	Net defined benefit liability, non-current	100	-	100	-	564	-
2645	Guarantee deposits received	1,271	-	1,225	-	1,520	-
		82,259	2	82,468	2	69,469	1
	Total liabilities	924,169	21	807,104	19	1,147,437	25
	Equity: (note (6)(l)						
3110	**Ordinary share**	744,172	17	744,172	17	744,172	17
3200	**Capital surplus**	440,035	10	440,035	10	440,035	10
	Retained earnings:						
3310	Legal reserve	465,592	11	465,592	11	423,519	9
3320	Special reserve	35,579	1	35,579	1	43,940	1
3350	Unappropriated retained earnings	1,753,177	40	1,848,483	43	1,752,784	39
		2,254,348	52	2,349,654	55	2,220,243	49
3410	**Exchange differences on translation of foreign financial statements**	(11,140)	-	(42,710)	(1)	(41,237)	(1)
	Total equity	3,427,415	79	3,491,151	81	3,363,213	75
	Total liabilities and equity	**$ 4,351,584**	**100**	**4,298,255**	**100**	**4,510,650**	**100**

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with Generally Accepted Auditing Standards

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2022 and 2021

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

		For the three months ended March 31				
		2022		2021		
		Amount		%	Amount	%
4100	**Operating revenues** (note (6)(n))	$	571,201	100	737,095	100
5110	**Cost of sales** (notes (6)(c), (6)(j), (6)(o), (7) and (12))		464,180	81	566,837	77
5900	**Gross profit**		107,021	19	170,258	23
	Operating expenses (notes (6)(j), (6)(o), (7) and (12))					
6100	Selling expenses		30,633	6	30,894	4
6200	Administrative expenses		34,836	6	36,091	5
6300	Research and development expenses		23,422	4	27,818	4
			88,891	16	94,803	13
6900	**Net operating income**		18,130	3	75,455	10
	Non-operating income and expenses:					
7100	Interest income		694	-	741	-
7190	Other income		5,105	1	2,368	-
7230	Foreign exchange gains (losses), net (note (6)(p))		40,541	7	(2,237)	-
7050	Finance costs		(412)	-	(118)	-
7590	Miscellaneous disbursements		(273)	-	(653)	-
			45,655	8	101	-
7900	**Profit before tax**		63,785	11	75,556	10
7950	Less: Tax expenses (note (6) (k))		10,257	2	22,775	3
	Profit		53,528	9	52,781	7
8300	**Other comprehensive income:**					
8360	**Items that will be reclassified subsequently to profit or loss:**					
8361	Exchange differences on translation		39,463	7	(7,072)	(1)
8399	Less: Income tax related to components of other comprehensive income that will be reclassified subsequently to profit or loss (note (6)(k))		7,893	1	(1,414)	-
	Components of other comprehensive income that will be reclassified to profit or loss		31,570	6	(5,658)	(1)
8300	**Other comprehensive income**		31,570	6	(5,658)	(1)
8500	**Comprehensive income**	**$**	**85,098**	**15**	**47,123**	**6**
	Earnings per common share (note (6)(m))					
9750	**Basic earnings per share (expressed in dollars)**	**$**		**0.72**		**0.71**
9850	**Diluted earnings per share (expressed in dollars)**	**$**		**0.72**		**0.71**

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with Generally Accepted Auditing Standards

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars)

				Retained earnings				
		Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity
A1	**Balance at January 1, 2021**	$ 744,172	440,035	423,519	43,940	1,923,255	(35,579)	3,539,342
	Appropriation and distribution of retained earnings:							
B5	Cash dividends of ordinary share	-	-	-	-	(223,252)	-	(223,252)
		-	-	-	-	(223,252)	-	(223,252)
D1	Profit for the year ended March 31, 2021	-	-	-	-	52,781	-	52,781
D3	Other comprehensive income for the year ended March 31, 2021	-	-	-	-	-	(5,658)	(5,658)
D5	Total comprehensive income for the year ended March 31, 2021	-	-	-	-	52,781	(5,658)	47,123
Z1	**Balance at March 31, 2021**	**$ 744,172**	**440,035**	**423,519**	**43,940**	**1,752,784**	**(41,237)**	**3,363,213**
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:							
B5	Cash dividends of ordinary share	-	-	-	-	(148,834)	-	(148,834)
		-	-			(148,834)	-	(148,834)
D1	Profit for the year ended March 31, 2022	-	-	-	-	53,528	-	53,528
D3	Other comprehensive income for the year ended March 31, 2022	-	-	-	-	-	31,570	31,570
D5	Total comprehensive income for the year ended March 31, 2022	-	-	-	-	53,528	31,570	85,098
Z1	**Balance at March 31, 2022**	**$ 744,172**	**440,035**	**465,592**	**35,579**	**1,753,177**	**(11,140)**	**3,427,415**

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with Generally Accepted Auditing Standards

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars)

		For the three months ended March 31	
		2022	2021
AAAA	**Cash flows from (used in) operating activities:**		
A10000	**Profit before tax**	$ 63,785	75,556
A20000	**Adjustments:**		
A20010	**Adjustments to reconcile profit (loss):**		
A20100	Depreciation expense	44,800	39,454
A20200	Amortization expense	1,513	1,727
A20300	Expected credit loss (gain)	(270)	52
A20900	Interest expense	412	118
A21200	Interest income	(694)	(741)
A29900	Others	421	2
A20010	**Total adjustments to reconcile profit (loss)**	46,182	40,612
A30000	**Changes in operating assets and liabilities:**		
A31000	**Changes in operating assets**		
A31130	Decrease (increase) in notes receivable	(315)	262
A31150	Decrease in accounts receivable	142,527	116,460
A31200	Increase in inventories	(24,963)	(101,815)
A31240	Decrease in other current assets	1,187	3,017
A31250	Decrease in other current financial assets	3,120	6,633
A31000	**Total changes in operating assets**	121,556	24,557
A32000	**Changes in operating liabilities:**		
A32150	Increase (decrease) in accounts payable	9,331	(20,688)
A32180	Decrease in other payables	(53,503)	(38,775)
A32230	Increase in other current liabilities	130	-
A32000	**Total changes in operating liabilities**	(44,042)	(59,463)
A30000	**Total changes in operating assets and liabilities**	77,514	(34,906)
A20000	**Total adjustments**	123,696	5,706
A33000	Cash inflow generated from operations	187,481	81,262
A33100	Interest received	610	769
A33300	Interest paid	(412)	(118)
A33500	Income taxes paid	(3,780)	(14,964)
AAAA	**Net cash flows from (used in) operating activities**	183,899	66,949
BBBB	**Cash flows from (used in) investing activities:**		
B02700	Acquisition of property, plant and equipment	(9,843)	(41,165)
B03700	Increase in guarantee deposits paid	(29)	(5,098)
B04500	Acquisition of intangible assets	(577)	(312)
B05400	Acquisition of investment property	(169)	-
B06600	Decrease in other financial assets	-	3,936
BBBB	**Net cash flows from (used in) investing activities**	(10,618)	(42,639)
CCCC	**Cash flows from (used in) financing activities:**		
C00100	Increase in short-term borrowings	97,183	99,065
C00200	Decrease in short-term borrowings	(97,870)	-
C03100	Increase (decrease) in guarantee deposits received	46	(12)
C04020	Payment of lease liabilities	(339)	(225)
CCCC	**Net cash flows from (used in) financing activities**	(980)	98,828
DDDD	**Effect of exchange rate changes on cash and cash equivalents**	30,211	(3,283)
EEEE	**Net increase in cash and cash equivalents**	202,512	119,855
E00100	**Cash and cash equivalents at beginning of period**	1,359,491	1,146,401
E00200	**Cash and cash equivalents at end of period**	**$ 1,562,003**	**1,266,256**

See accompanying notes to consolidated financial statements.

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Notes to The Consolidated Financial Statements

March 31, 2022 and 2021

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

(1) Company history

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

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

These consolidated financial statements for the three months ended March 31, 2022 and 2021 were authorized for issuance by the Board of Directors on May 5, 2022.

(3) New standards, amendments and interpretations adopted

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

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

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

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

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

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

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

		company might settle by converting it into equity.
January 1, 2023	Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	The amendments reduce the scope of recognition exemption. Applying this exception, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- Amendments to IFRS 17 and IAS 17 “Insurance Contracts”
- Amendments to IAS 1 “Disclosure of accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

(4) Summary of significant accounting policies

(a) Statement of compliance

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

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

(b) List of subsidiaries in the consolidated financial statements

List of subsidiaries in the consolidated financial statements include:

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

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

(c) 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.

(d) Employee benefits

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

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

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

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, 2021. For the related information, please refer to note (5) of the consolidated financial statements for the year ended December 31, 2021.

(6) Explanation of significant accounts

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

(a) Cash and cash equivalents

	March 31, 2022	December 31, 2021	March 31, 2021
Cash on hand	$ 2,087	926	1,186
Checking accounts and demand deposits	736,791	795,525	665,452
Time deposits	823,125	563,040	599,618
	$ 1,562,003	**1,359,491**	**1,266,256**

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

(b) Notes and accounts receivable

	March 31, 2022	December 31, 2021	March 31, 2021
Notes receivable	$ 315	-	-
Accounts receivable	1,002,605	1,145,132	1,270,840
	1,002,920	1,145,132	1,270,840
Less: loss allowance	(1,805)	(2,008)	(2,119)
	$ 1,001,115	**1,143,124**	**1,268,721**
Notes receivable	**$ 315**	**-**	**-**
Accounts receivable, net	**$ 1,000,800**	**1,143,124**	**1,268,721**

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.

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

The loss allowance provision was determined as follows:

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

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

	March 31, 2021		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Aging under 120 days	$ 1,144,288	0.013%	145
Aging 121~150 days	111,561	0.168%	187
Aging 151~240 days	13,287	0.625%	83
Aging over 241 days	1,704	100%	1,704
	$ 1,270,840		2,119

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

	For the three months ended March 31,	
	2022	**2021**
Balance on January 1	$ 2,008	2,082
Impairment loss recognized (reversed)	(270)	52
Foreign exchange (gains) losses	67	(15)
Balance on March 31	$ 1,805	2,119

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

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

(c) Inventories

	March 31, 2022	December 31, 2021	March 31, 2021
Raw materials	$ 141,480	165,172	200,813
Work in progress	56,593	44,367	121,696
Finished goods	246,581	210,152	302,683
	$ 444,654	**419,691**	**625,192**

The write-down of the inventories to net realizable value amounted to $19,981 and $22,740 which was recorded as cost of sales in the three months ended March 31, 2022 and 2021, respectively.

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

(d) Property, plant and equipment

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

	Land	Buildings and construction	Machinery equipment	Office and other facilities equipment	Unfinished construction and equipment under acceptance	Total
Cost:						
Balance on January 1, 2022	$ 362,813	574,407	820,054	58,926	26,884	1,843,084
Additions	-	748	964	3,182	3,566	8,460
Disposals	-	-	(122,955)	(495)	-	(123,450)
Effect of movements in exchange rates	-	13,106	9,132	1,308	610	24,156
Reclassifications	-	-	3,038	86	(3,534)	(410)
Balance on March 31, 2022	**$ 362,813**	**588,261**	**710,233**	**63,007**	**27,526**	**1,751,840**
Balance on January 1, 2021	$ 362,813	519,104	720,503	62,241	108,462	1,773,123
Additions	-	-	3,878	401	34,597	38,876
Disposals	-	-	(808)	(198)	-	(1,006)
Effect of movements in exchange rates	-	(2,211)	(1,791)	(270)	(974)	(5,246)
Reclassifications	-	-	5,568	-	(5,568)	-
Balance on March 31, 2021	**$ 362,813**	**516,893**	**727,350**	**62,174**	**136,517**	**1,805,747**
Depreciation and impairments loss:						
Balance on January 1, 2022	$ -	231,238	502,557	41,965	-	775,760
Depreciation for the year	-	9,316	31,744	1,915	-	42,975

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

Disposals	-	-	(122,955)	(484)	-	(123,439)
Effect of movements in exchange rates	-	5,599	7,075	1,104	-	13,778
Balance on March 31, 2022	$ -	246,153	418,421	44,500	-	709,074
Balance on January 1, 2021	$ -	200,444	409,444	41,154	-	651,042
Depreciation for the year	-	8,496	28,169	2,088	-	38,753
Disposals	-	-	(808)	(196)	-	(1,004)
Effect of movements in exchange rates	-	(1,041)	(1,475)	(231)	-	(2,747)
Balance on March 31, 2021	$ -	207,899	435,330	42,815	-	686,044
Book value:						
Balance on January 1, 2022	$ 362,813	343,169	317,497	16,961	26,884	1,067,324
Balance on March 31, 2022	$ 362,813	342,108	291,812	18,507	27,526	1,042,766
Balance on January 1, 2021	$ 362,813	318,660	311,059	21,087	108,462	1,122,081
Balance on March 31, 2021	$ 362,813	308,994	292,020	19,359	136,517	1,119,703

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

(e) Right-of-use assets

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

	Land	Vehicles	Total
Cost:			
Balance on January 1, 2022	$ 70,859	3,080	73,939
Effect of movements in exchange rates	2,546	-	2,546
Balance on March 31, 2022	$ 73,405	3,080	76,485
Balance on January 1, 2021	$ 73,910	3,080	76,990
Effect of movements in exchange rates	(556)	-	(556)
Balance on March 31, 2021	$ 73,354	3,080	76,434
Depreciation and impairments loss:			
Balance on January 1, 2022	$ 5,413	2,828	8,241
Depreciation for the year	516	84	600
Effect of movements in exchange rates	209	-	209
Balance on March 31, 2022	$ 6,138	2,912	9,050
Balance on January 1, 2021	$ 3,820	2,146	5,966
Depreciation for the year	477	224	701
Effect of movements in exchange rates	(32)	-	(32)
Balance on March 31, 2021	$ 4,265	2,370	6,635

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

Book Value:				
Balance on January 1, 2022	$	65,446	252	65,698
Balance on March 31, 2022	$	67,267	168	67,435
Balance on January 1, 2021	$	70,090	934	71,024
Balance on March 31, 2021	$	69,089	710	69,799

(f) Investment property

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

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

Information about investment properties is presented below:

		Buildings and constructions	Land	Total
Cost or deemed cost:				
Balance on January 1, 2022	$	87,502	5,078	92,580
Additions		169	-	169
Effect of movements in exchange rates		3,267	189	3,456
Balance on March 31, 2022	$	90,938	5,267	96,205
Depreciation and impairments loss:				
Balance on January 1, 2022	$	780	339	1,119
Depreciation for the year		1,196	29	1,225
Effect of movements in exchange rates		56	12	68
Balance on March 31, 2022	$	2,032	380	2,412
Book Value:				
Balance on January 1, 2022	$	86,722	4,739	91,461
Balance on March 31, 2022	$	88,906	4,887	93,793

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

The fair value of investment properties has no significant changes in the note (6) of the Group's consolidated financial statements for the year ended December 31, 2020.

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

(g) Short-term borrowings

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

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

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

	March 31, 2021		
	Currency	Range of interest rates	Amount
Unsecured bank loans	NTD	0.82%	$ 157,001
Unused short-term credit lines			$ 339,559

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

(ii) As of March 31, 2022, December 31 and March 31, 2021, the Company provides endorsements and guarantees for the credit loans and the credit lines of the subsidiaries of the Group, please refer to note (13)(a) for details.

(iii) As of March 31, 2022 and December 31, 2021, 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. As of March 31, 2021, the Group did not provide any assets pledged as collaterals.

(h) Lease liabilities

The lease liabilities of the Group were as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Current	$ 426	$ 510	$ 547
Non-current	$ 2,010	$ 2,265	$ 171

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

The amounts recognized in profit or losses were as follows:

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

	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Interest on lease liabilities	$ 10	2
Income from sub-leasing right-of-use assets	$ -	(9)
Expenses relating to short-term leases	$ 1,767	3,154
Expenses relating to leases of low-value assets, (excluding short-term leases of low-value assets)	$ 45	45
Covid-19-Related Rent Concessions, (recognized in other income)	$ 5	-

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

	For the three months ended March 31, 2022	For the three months ended March 31, 2021
Total cash outflow for leases	$ 2,156	$ 3,426

(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)(i).

(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.

(i) Operating lease- as lessor

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

(j) Employee benefits

(i) Defined benefit plans

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

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

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

	For the three months ended March 31,	
	2022	**2021**
Cost of sales and operating expenses	$ 39	39

(ii) Defined contribution plans

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

	For the three months ended March 31,	
	2022	**2021**
Cost of sales and operating expenses	$ 14,716	11,021

(k) Income taxes

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

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

	For the three months ended March 31,	
	2022	**2021**
Current tax expense	$ 10,257	22,775

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

	For the three months ended March 31,	
	2022	**2021**
Items that will be reclassified subsequently to profit or loss:		
Exchange differences on translation	$ 7,893	(1,414)

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

(l) Capital and other equities

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

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

(i) Capital surplus

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

	March 31, 2022	December 31, 2021	March 31, 2021
Additional paid in capital	$ 431,703	431,703	431,703
Share-based payment transaction – treasury stock	8,332	8,332	8,332
	$ 440,035	**440,035**	**440,035**

(ii) Retained Earnings

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

A. Offset the prior years' deficits.

B. Of the remaining balance, 10% is to be appropriated as legal reserve until such retention equals the amount of total capital.

C. Special reserves are supposed to be set aside or are reversed in accordance with the relevant regulations or depending on the Company's operation.

D. After the above appropriation, current and prior-period earnings that remain undistributed will be proposed for distribution by the Board of Directors, and a meeting of shareholders will be held to decide this matter. The total distribution shall not be less than 10% of the remaining earnings calculated by the above items.

In addition, the whole or part of shareholder dividends and bonuses, capital surplus or legal reserves are distributed in cash. The company authorizes the attendance of more than two-thirds of the directors of the board of directors and the resolution of more than half of the directors present. Such distribution shall be reported to the shareholders' meeting.

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

1) Earnings distribution

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

	2021		2020	
	Amount per share	Amount	Amount per share	Amount
Cash dividends distributed to ordinary shareholders	$ 2.0	148,834	3.0	223,252

(m) Earnings per share

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

	For the three months ended March 31,	
	2022	2021
Basic earnings per share:		
Profit attributable to ordinary shareholders of the Company	$ 53,528	52,781
Weighted average number of outstanding ordinary shares (in thousands)	74,417	74,417
Basic earnings per share (in dollars)	$ 0.72	0.71
Diluted earnings per share:		
Profit attributable to ordinary shareholders of the Company (after adjustment of potential diluted ordinary shares)	$ 53,528	52,781
Weighted average number of outstanding ordinary shares (in thousands)	74,417	74,417
Effect of potential diluted ordinary shares (in thousands)		
Effect of employee stock compensation	299	435
Weighted average number of ordinary shares (after adjustment of potential diluted ordinary shares)	$ 74,716	74,852
Diluted earnings per share (in dollars)	$ 0.72	0.71

(n) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31,	
	2022	2021
Primary geographical markets:		
Taiwan	$ 13,030	13,417
China	348,734	492,865

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

Singapore	189,075	188,328
Japan	20,362	42,485
	$ 571,201	737,095
Major product:		
Hinge components	$ 571,201	737095

(ii) Contract balances

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

(o) Employee compensation and directors and supervisors remuneration

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

The remunerations to employees amounted to $3,611 and $3,865 and the remuneration to directors and supervisors amounted to $591 and $422 for the three months ended March 31, 2022 and 2021, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the proposed percentage which was stated under the Company's Management proposal. These remunerations were expensed under operating costs or operating expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts, the adjustment will be regarded as changes in accounting estimates, and will be reflected in profit or loss in the following year. Shares distributed to employees as employees' remuneration are calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

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

(p) Financial instruments

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

(i) Credit risk

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

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

(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
March 31, 2022					
Non-derivative financial liabilities:					
Short-term borrowings	$ 242,720	(242,932)	(242,932)	-	-
Accounts payable	237,706	(237,706)	(237,706)	-	-
Other payables	186,987	(186,987)	(186,987)	-	-
Dividends payable	148,834	(148,834)	(148,834)	-	-
Lease liabilities (including current and non-current)	2,436	(2,474)	(435)	(263)	(1,776)
Guarantee deposits received	1,271	(1,271)	-	-	(1,271)
	$ 819,954	(820,204)	(816,894)	(263)	(3,047)
December 31, 2021					
Non-derivative financial liabilities:					
Short-term borrowings	$ 235,416	(235,922)	(235,922)	-	-
Accounts payable	228,375	(228,375)	(228,375)	-	-
Other payables	241,873	(241,873)	(241,873)	-	-
Lease liabilities (including current and non-current)	2,775	(2,822)	(520)	(263)	(2,039)
Guarantee deposits received	1,225	(1,225)	-	-	(1,225)
	$ 709,664	(710,217)	(706,690)	(263)	(3,264)
March 31, 2021					
Non-derivative financial liabilities:					
Short-term borrowings	$ 157,001	(158,003)	(158,003)	-	-
Accounts payable	386,861	(386,861)	(386,861)	-	-
Other payables	227,127	(227,127)	(227,127)	-	-
Dividends payable	223,252	(223,252)	(223,252)	-	-
Lease liabilities (including current and non-current)	718	(722)	(551)	(171)	-
Guarantee deposits received	1,520	(1,520)	-	-	(1,520)
	$ 996,479	(997,485)	(995,794)	(171)	(1,520)

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)

	March 31, 2022			December 31, 2021			March 31, 2021		
	Foreign currency	**Exchange rate**	**NTD**	**Foreign currency**	**Exchange rate**	**NTD**	**Foreign currency**	**Exchange rate**	**NTD**
Financial assets									
Monetary items									
USD	$ 42,907	USD/NTD =28.625	1,228,204	46,487	USD/NTD =27.68	1,286,765	57,991	USD/NTD =28,535	1,654,766
USD	42,308	USD/CNY =6.3482	1,210,217	46,357	USD/CNY =6.3757	1,283,894	50,384	USD/CNY =6.5713	1,438,252
Financial liabilities									
Monetary items									
USD	39,515	USD/CNY =6.3482	1,130,323	40,793	USD/CNY =6.3757	1,129,817	50,267	USD/CNY =6.5713	1,434,907

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, borrowings, accounts payable, and other payables that are denominated in foreign currency. A weakening (strengthening) 5% of each foreign currency against the functional currency for the three months ended March 31, 2022 and 2021 would have affected the net profit before tax as follows, the analysis is performed on the same basis for both periods.

	For the three months ended March 31,	
	2022	**2021**
USD (against the NTD)	$ 61,410	82,738
USD (against the CNY)	3,995	167

3) Exchange gains and losses of monetary items

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

(In thousands of foreign currency)

	For the three months ended March 31, 2022		For the three months ended March 31, 2021	
Functional currency	**Exchange gain (loss)**	**Average rate**	**Exchange gain (loss)**	**Average rate**
NTD	$ 41,686	-	(416)	-
CNY	CNY(260)	CNY/NTD =4.4064	CNY(416)	CNY/NTD =4.3761

(iv) Interest rate analysis

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

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

If the interest rate had increased or decreased by 0.25%, the Group's net profit before tax would have increased or decreased by $309 and $318 for the three months ended March 31, 2022 and 2021, respectively, which would be mainly resulted from the bank savings, and borrowings with variable interest rates.

(v) Fair value

1) Categories and the fair value of financial instruments

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

	March 31, 2022				
	Carrying amount	**Fair Value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 1,562,003	-	-	-	-
Notes receivable	315	-	-	-	-
Accounts receivable	1,000,800	-	-	-	-
Other current financial assets	50,825	-	-	-	-

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Guarantee deposits paid	6,837	-	-	-	-
	$ 2,620,780	**-**	**-**	**-**	**-**
Financial liabilities measured at amortized cost:					
Short-term borrowings	$ 242,720	-	-	-	-
Accounts payable	237,706	-	-	-	-
Other payables	186,987	-	-	-	-
Dividends payable	148,834	-	-	-	-
Lease liabilities (including current and non-current)	2,436	-	-	-	-
Guarantee deposits received	1,271	-	-	-	-
	$ 819,954	**-**	**-**	**-**	**-**

	December 31, 2021				
	Carrying amount	**Fair Value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 1,359,491	-	-	-	-
Accounts receivable	1,143,124	-	-	-	-
Other current financial assets	52,646	-	-	-	-
Guarantee deposits paid	6,808	-	-	-	-
	$ 2,562,069	**-**	**-**	**-**	**-**
Financial liabilities measured at amortized cost:					
Short-term borrowings	$ 235,416	-	-	-	-
Accounts payable	228,375	-	-	-	-
Other payables	241,873	-	-	-	-
Lease liabilities (including current and non-current)	2,775	-	-	-	-
Guarantee deposits received	1,225	-	-	-	-
	$ 709,664	**-**	**-**	**-**	**-**

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

	March 31, 2021				
	Carrying	Fair Value			
	amount	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost:					
Cash and cash equivalents	$ 1,266,256	-	-	-	-
Accounts receivable	1,268,721	-	-	-	-
Other current financial assets	27,578	-	-	-	-
Guarantee deposits paid	9,328	-	-	-	-
	$ 2,571,883	-	-	-	-
Financial liabilities measured at amortized cost:					
Short-term borrowings	$ 157,001	-	-	-	-
Accounts payable	386,861	-	-	-	-
Other payables	227,127	-	-	-	-
Dividends payable	223,252	-	-	-	-
Lease liabilities (including current and non-current)	718	-	-	-	-
Guarantee deposits received	1,520	-	-	-	-
	$ 996,479	-	-	-	-

There were no transfers of financial instruments between any levels for the three months ended March 31, 2022 and 2021.

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.

(q) Financial risk management

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

(r) Capital management

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

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

There are no non-cash investing and financing activities for the three months ended March 31, 2022 and 2021. Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2022	Cash flow	Non-cash changes Exchange movement	March 31, 2022
Short-term borrowings	$ 235,416	(687)	7,991	242,720
Guarantee deposits received	1,225	46	-	1,271
Lease liabilities	2,775	(339)	-	2,436
Total liabilities from financing activities	$ 239,416	(980)	7,991	246,427

	January 1, 2021	Cash flow	Non-cash changes Exchange movement	March 31, 2021
Short-term borrowings	$ 57,119	99,065	817	157,001
Guarantee deposits received	1,532	(12)	-	1,520
Lease liabilities	943	(225)	-	718
Total liabilities from financing activities	$ 59,594	(98,828)	817	159,239

(7) Related-party transactions

(a) Names and relationship with related parties

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

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

(b) Significant transaction with related parties

For the three months ended March 31, 2022 and 2021, the Group purchased some fixtures and consumable material from Daher amounting to $5,136 and $6,203, respectively, and was recognized as operating cost and researching and developing cost, respectively. As of March 31, 2022, December

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31, and March 31, 2021 the outstanding balance amounting to $7,724, $11,006 and $8,462, respectively, were recognized as other payables.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31,	
	2022	2021
Short-term employee benefits	$ 5,558	4,015
Post-employment benefits	114	92
	$ 5,672	4,107

(8) Pledged assets:

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

Pledged assets	Pledged to secure	March 31, 2022	December 31, 2021	March 31, 2021
Restricted bank deposits (recorded as #1476 Other current financial assets in Consolidated Balance Sheets)	Reserve Account	$ -	-	4,257
Time deposits (recorded as #1476 Other current financial assets in Consolidated Balance Sheets)	Bank Loans	$ 33,795	32,580	-
		$ 33,795	32,580	4,257

(9) Commitments and contingencies:

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

(b) Unrecognized contractual commitments:

As of March 31, 2022, December 31, and March 31, 2021, the future payments for the purchase of the Group's significant equipment and constructions amounted to $18,457, $9,681 and $123,590, respectively.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other:

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

By function / By item	For the three months ended March 31, 2022			2021		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	136,942	32,916	169,858	178,908	39,001	217,909
Labor and health insurance	11,114	2,413	13,527	8,598	2,178	10,776
Pension	13,087	1,668	14,755	9,684	1,376	11,060
Others	7,797	2,298	10,095	9,277	1,445	10,722
Depreciation	39,323	5,477	44,800	34,900	4,554	39,454
Amortization	315	1,198	1,513	45	1,682	1,727

(b) Seasonality of operations

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

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the three months ended March 31, 2022:

(i) Lending to other parties: None.

(ii) Guarantees and endorsements for other parties:

(In thousands of foreign currency)

No.	Name of guarantor	Counter-party of guarantee and endorsement: Name	Counter-party of guarantee and endorsement: Relationship with the Company	Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
0	The Company	Kunshan Wanhe	(Note 2)	1,028,225	372,125 (US$13,000)	257,625 (US$9,000)	57,250 (US$2,000)	-	7.52%	1,713,708	Y	-	Y
0	〃	Chongqing SNR	(Note 2)	1,028,225	586,813 (US$20,500)	472,313 (US$16,500)	157,438 (US$5,500)	-	13.78%	1,713,708	Y	-	Y

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

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

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

(iii) Information regarding securities held at the reporting date (excluding investment in subsidiaries, associates and joint ventures): None.

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

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

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

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

(In thousands of New Taiwan Dollars)

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Name of company	Related party	Nature of relationship	Purchase/ Sale	Amount	Percentage of total purchases / sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)	Note
The Company	Kunshan Wanhe	100% owned sub-subsidiary	(Sales)	(102,026)	(49) %	Depending on the demand for funding, OA 120 days	Same as selling to other clients	Depending on the demand for funding, OA 120 days	Accounts Receivable 217,683	41 %	Note1
Kunshan Wanhe	The Company	The parent company	Purchases	102,026	64 %	Depending on the demand for funding, OA 120 days	〃	Depending on the demand for funding, OA 120 days	Accounts Payable (217,683)	(63) %	〃

Note1：The amount of transaction and the ending balance had been offset in the consolidated financial statement.

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

(In thousands of New Taiwan Dollars)

					Overdue				
Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Amount	Action taken	Amounts received in subsequent (note1)	Allowance for bad debts	Note
The Company	Chongqing SNR	100% owned sub-subsidiary	273,188	1.03	-	-	Accounts Receivable 49,983	-	Note 2
〃	Kunshan Wanhe	〃	217,683	1.99	-	-	Accounts Receivable -	-	〃
Kunshan Wanhe	Chongqing SNR	With the same ultimate parent company	188,757	0.82	-	-	Accounts Receivable 27,944	-	〃

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.

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Notes to The Consolidated Financial Statements

March 31, 2022 and 2021

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

(x) Business relationships and significant intercompany transactions:

(In thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of Relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Chongqing SNR	1	Accounts Receivable	273,188	The price is marked-up based on operating cost. Depending on the funding demand, and the credit term is OA 120 days.	6.28%
0	〃	Kunshan Wanhe	1	Sales Revenue	102,026	〃	17.86%
0	〃	〃	1	Accounts Receivable	217,683	〃	5.00%
1	Kunshan Wanhe	Chongqing SNR	3	Accounts Receivable	188,757	〃	4.34%
2	Chongqing SNR	Top Trading	3	Accounts Receivable	52,839	〃	1.21%

Note 1: The numbers are filled in as follows:
1.0 represents the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.
Note 2: Relationship with the transactions is labeled as follows:
1. Represents the transactions from the parent company to its subsidiaries.
2. Represents the transactions from the subsidiaries to the parent company.
3. Represents the transactions between the subsidiaries.
Note3: The transactions have been eliminated in the consolidated financial statement.

(b) Information on investments:

The following are the information on investees for the three months ended March 31, 2022 (excluding information on investees in Mainland China):

(In thousands of foreign currency)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2022			Net income (losses) of investee	Share of profit/losses of investee	Note
				March 31, 2022	December 31, 2021	Shares	Percentage of ownership	Carrying amount			
The Company	MOI	Samoa	General Investing	$ 727,957	727,957	23,800,000	100%	1,072,678	24,769	24,769	Subsidiary
〃	Profit	Samoa	〃	-	-	-	100%	47,688	(9,261)	(9,261)	〃
	Total			$ 727,957	727,957			1,120,366		15,508	
MOI	Sinher (H.K.) Limited	Hong Kong	General Investing	$ 325,579	325,579	10,600,000	100%	859,638	8,961	8,961	A sub-subsidiary company
〃	Cingher (H.K.) Limited	Hong Kong	〃	402,378	402,378	13,200,000	100%	204,255	15,808	15,808	〃
	Total			$ 727,957	727,957			1,063,893		24,769	
Profit	Great Info	Samoa	Sell of hinge components	USD -	USD -	-	100%	24,577 (USD859)	(15) (USD(1))	(15) (USD(1))	〃
〃	Top Trading	Anguilla	〃	USD -	USD -	-	100%	23,111 (USD807)	(9,246) (USD(330))	(9,246) (USD(330))	〃
								47,688		(9,261)	

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

(c) Information on investment in Mainland China:

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

(In thousands of foreign currency)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated Outflow of investment from Taiwan as of March 31, 2022	net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Kunshan Wanhe	Manufacturing and selling hinges components	319,176 (USD10,600)	(Note 1) & (Note 4)	319,176 (USD10,600)	-	-	319,176 (USD10,600)	8,961 (CNY2,034)	100.00%	8,961 (CNY2,034)	859,567	-
Chongqing SNR	Manufacturing and selling hinges components	391,042 (USD13,200)	(Note 1) & (Note 5)	391,042 (USD13,200)	-	-	391,042 (USD13,200)	15,808 (CNY3,588)	100.00%	15,808 (CNY3,588)	204,239	-
Qianquan	Manufacturing and selling hinges components	13,299 (CNY2,700)	(Note 6)	(Note 6)	-	-	(Note 6)	(919) (CNY(209))	100.00%	(919) (CNY(209))	(44) (CNY(10))	-

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, the amounts shown in the table were translated into New Taiwan Dollars at the average rate of the three months ended March 31, 2022.

Note 3: The amounts shown in the table were translated into New Taiwan Dollars at the three months ended March 31, 2021 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: Kunshan Wanhe is established with its own capital.

(ii) Upper limit on investment in Mainland China:

(In thousands of foreign currency)

Accumulated Investment in Mainland China as of March 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
710,218 (USD23,800)	710,218 (USD23,800)	2,056,449

(iii) Significant transactions:

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

(d) Information of main shareholders:

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

Note:

1. The information on major shareholders, which is provided by Taiwan Depositor & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculation basis.
2. If shares are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insiders has discretion over use. For details of the insider's equity announcement please refer to the TWSE website.

(14) Segment information:

This segment is mainly involved in manufacturing hinge components business. Therefore, the Group doesn't need to disclose segment information.