

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2024 and 2023**

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

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Independent Auditors' Review Report

To the Board of Directors of SINHER TECHNOLOGY INC.:

Introduction

We have reviewed the accompanying consolidated balance sheets of SINHER TECHNOLOGY INC. and its subsidiaries as of June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023, as well as the changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement on Review Engagement 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in note 6(4) of the consolidated financial statements, the investments accounted for the Group using equity method were \$10,834 thousand and \$30,592 thousand as of June 30, 2024 and 2023, respectively, and the shares of losses of associates and joint ventures accounted for using the equity method amounted to \$(1,565) thousand, \$(3,500) thousand, \$(3,756) thousand and \$(6,620) thousand for the three months and six months ended June 30, 2024 and 2023, respectively, and were recognized solely on the financial statements prepared by these investee companies but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of SINHER TECHNOLOGY INC. and its subsidiaries as of June 30, 2024 and 2023, and of its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023 as well as its consolidated cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Notes to Readers

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

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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)

August 8, 2024

Notes to Readers

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

Consolidated Balance Sheets

June 30, 2024, December 31, 2023, and June 30, 2023

(Expressed in thousands of New Taiwan Dollars)

		June 30, 2024		December 31, 2023		June 30, 2023						June 30, 2024		December 31, 2023		June 30, 2023	
Assets		Amount	%	Amount	%	Amount	%			Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:										Current liabilities:							
1100	Cash and cash equivalents (note (6)(a))	\$ 1,599,760	39	1,734,159	43	1,873,667	45	2100		Short-term borrowings (note (6)(i))		\$ 26,670	1	101,684	2	98,486	3
1170	Accounts receivable, net (note (6)(b))	745,066	18	677,623	17	759,018	18	2170		Accounts payable		268,228	6	187,258	5	235,920	6
1310	Inventories (note (6)(c))	339,992	8	260,462	7	297,309	7	2216		Dividends payable (note (6)(p))		73,617	2	-	-	128,830	3
1476	Other current financial assets	18,020	-	20,706	1	23,230	1	2219		Other payables (note (7))		149,335	4	163,641	4	173,391	4
1479	Other current assets	12,395	-	11,847	-	15,045	-	2230		Current tax liabilities		17,684	-	24,964	1	8,187	-
		2,715,233	65	2,704,797	68	2,968,269	71	2280		Current lease liabilities (note (6)(k))		2,887	-	256	-	256	-
Non-current assets:								2322		Long-term borrowings, current portion (note (6)(j) and (8))		53,340	1	51,924	1	8,564	-
1550	Investments accounted for using equity method (note (6)(d))	10,834	-	14,230	-	30,592	1					591,761	14	529,727	13	653,634	16
1600	Property, plant and equipment (note (6)(e) and (8))	1,087,414	26	946,666	24	890,961	21			Non-Current liabilities:							
1755	Right-of-use assets (note (6)(f))	196,612	5	117,984	3	60,613	1	2540		Long-term borrowings (note (6)(j) and (8))		48,895	1	-	-	47,102	1
1760	Investment property, net (note (6)(g) and (8))	100,979	3	101,290	3	103,197	3	2550		Non-current provisions		21,605	1	-	-	-	-
1840	Deferred tax assets	44,691	1	50,363	1	57,496	1	2570		Deferred tax liabilities		65,487	2	65,487	2	89,559	2
1920	Guarantee deposits paid	6,647	-	9,038	-	6,860	-	2580		Non-current lease liabilities (note (6)(k))		57,028	1	1,755	-	1,755	-
1990	Other non-current assets (note (6)(h))	13,139	-	42,589	1	76,844	2	2645		Guarantee deposits received		1,253	-	1,220	-	1,207	-
		1,460,316	35	1,282,160	32	1,226,563	29					194,268	5	68,462	2	139,623	3
										Total liabilities		786,029	19	598,189	15	793,257	19
										Equity: (note (6)(p))							
								3110		Ordinary share		744,172	18	744,172	19	744,172	18
								3200		Capital surplus		440,035	11	440,035	11	440,035	10
										Retained earnings:							
								3310		Legal reserve		504,778	12	504,399	12	504,399	12
								3320		Special reserve		46,005	1	27,116	1	27,116	1
								3350		Unappropriated retained earnings		1,708,946	41	1,750,151	44	1,767,739	42
												2,259,729	54	2,281,666	57	2,299,254	55
								3410		Exchange differences on translation of foreign financial statements		(23,316)	(1)	(46,005)	(1)	(50,786)	(1)
								3500		Treasury shares		(31,100)	(1)	(31,100)	(1)	(31,100)	(1)
										Total equity		3,389,520	81	3,388,768	85	3,401,575	81
Total assets		\$ 4,175,549	100	3,986,957	100	4,194,832	100			Total liabilities and equity		\$ 4,175,549	100	3,986,957	100	4,194,832	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
SINHER TECHNOLOGY INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the three months and six months ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the three months ended June 30				For the six months ended June 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	Operating revenues (note (6)(r))	\$ 531,440	100	567,123	100	947,303	100	979,173	100
5110	Cost of sales (notes (6)(c), (6)(n), (6)(s), (7) and (12))	426,230	80	459,751	81	780,230	82	818,862	84
5900	Gross profit	105,210	20	107,372	19	167,073	18	160,311	16
	Operating expenses (notes (6)(b), (6)(n), (6)(s), (7) and (12))								
6100	Selling expenses	27,592	5	24,324	4	53,466	6	50,193	5
6200	Administrative expenses	40,489	8	40,295	7	72,942	8	75,144	7
6300	Research and development expenses	21,914	4	23,544	4	39,974	4	47,761	5
		89,995	17	88,163	15	166,382	18	173,098	17
6900	Net operating income	15,215	3	19,209	4	691	-	(12,787)	(1)
	Non-operating income and expenses:								
7100	Interest income	7,809	2	11,744	2	14,186	1	20,276	2
7190	Other income	2,519	-	6,240	1	2,907	-	7,766	1
7110	Rental income (note (6)(m))	43	-	4,387	1	72	-	8,865	1
7230	Foreign exchange gains (losses), net (note (6)(t))	18,323	3	47,561	8	52,912	6	28,770	3
7050	Finance costs	(1,890)	-	(1,426)	-	(3,027)	-	(3,086)	-
7060	Shares of loss of associates and joint ventures accounted for using equity method (note (6)(d))	(1,565)	-	(3,500)	(1)	(3,756)	-	(6,620)	(1)
7590	Miscellaneous disbursements	(68)	-	(278)	-	(267)	-	(4,848)	(1)
		25,171	5	64,728	11	63,027	7	51,123	5
7900	Profit before tax	40,386	8	83,937	15	63,718	7	38,336	4
7950	Less: Tax expenses (gains) (note (6)(o))	7,295	2	4,072	1	12,038	1	16,953	2
	Profit	33,091	6	79,865	14	51,680	6	21,383	2
8300	Other comprehensive income:								
8360	Items that will be reclassified subsequently to profit or loss:								
8361	Exchange differences on translation	5,930	1	(35,160)	(6)	28,361	3	(29,587)	(3)
8399	Less: Income tax related to components of other comprehensive income that will not be reclassified subsequently to profit or loss (note (6)(o))	1,186	-	(7,032)	(1)	5,672	1	(5,917)	(1)
	Components of other comprehensive income that will be reclassified to profit or loss	4,744	1	(28,128)	(5)	22,689	2	(23,670)	(2)
8300	Other comprehensive income	4,744	1	(28,128)	(5)	22,689	2	(23,670)	(2)
8500	Comprehensive income	<u>\$ 37,835</u>	<u>7</u>	<u>51,737</u>	<u>9</u>	<u>74,369</u>	<u>8</u>	<u>(2,287)</u>	<u>-</u>
	Earnings per common share (note (6)(q))								
9750	Basic earnings per share (expressed in dollars)	<u>\$ 0.45</u>		<u>1.08</u>		<u>0.70</u>		<u>0.29</u>	
9850	Diluted earnings per share (expressed in dollars)	<u>\$ 0.45</u>		<u>1.08</u>		<u>0.70</u>		<u>0.29</u>	

See accompanying notes to consolidated financial statements.

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

SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the six months ended June 30, 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				Unappropriated retained earnings
A1	Balance at January 1, 2023	\$ 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 six months ended June 30, 2023	-	-	-	-	21,383	-	-	21,383
D3	Other comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	(23,670)	-	(23,670)
D5	Total comprehensive income for the six months ended June 30,	-	-	-	-	21,383	(23,670)	-	(2,287)
Z1	2023 Balance at June 30, 2023	\$ 744,172	440,035	504,399	27,116	1,767,739	(50,786)	(31,100)	3,401,575
A1	Balance at January 1, 2024	\$ 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 six months ended June, 2024	-	-	-	-	51,680	-	-	51,680
D3	Other comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	22,689	-	22,689
D5	Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	51,680	22,689	-	74,369
Z1	Balance at June 30 , 2024	\$ 744,172	440,035	504,778	46,005	1,708,946	(23,316)	(31,100)	3,389,520

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Cash Flows

For the six months ended June 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		For the six months ended June 30	
		2024	2023
AAAA	Cash flows from (used in) operating activities:		
A10000	Profit before tax	\$ 63,718	38,336
A20000	Adjustments:		
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	65,969	70,325
A20200	Amortization expense	2,133	2,760
A20300	Expected credit loss	771	138
A20900	Interest expense	3,027	3,086
A21200	Interest income	(14,186)	(20,276)
A22300	Shares of loss of associates and joint ventures accounted for using equity method	3,756	6,620
A29900	Other adjustments to reconcile profit (loss):	297	(293)
A20010	Total adjustments to reconcile profit (loss)	<u>61,767</u>	<u>62,360</u>
A30000	Changes in operating assets and liabilities:		
A31000	Changes in operating assets		
A31150	Increase in notes receivable and accounts receivable	(68,245)	(479)
A31200	Decrease (increase) in inventories	(79,530)	12,447
A31240	Decrease (increase) in other current assets	2,552	(175)
A31250	Decrease (increase) in other current financial assets	2,891	(1,480)
A31000	Total changes in operating assets	<u>(142,332)</u>	<u>10,313</u>
A32000	Changes in operating liabilities:		
A32150	Increase in accounts payable	80,970	74,236
A32180	Decrease in other payables	(10,165)	(45,691)
A32000	Total changes in operating liabilities	<u>70,805</u>	<u>28,545</u>
A30000	Total changes in operating assets and liabilities	<u>(71,527)</u>	<u>38,858</u>
A20000	Total adjustments	<u>(9,760)</u>	<u>101,218</u>
A33000	Cash inflow generated from operations	53,958	139,554
A33100	Interest received	13,981	16,077
A33300	Interest paid	(2,818)	(2,694)
A33500	Income taxes paid	(22,467)	(55,621)
AAAA	Net cash flows from operating activities	<u>42,654</u>	<u>97,316</u>
BBBB	Cash flows from (used in) investing activities:		
B02700	Acquisition of property, plant and equipment	(166,144)	(27,160)
B02800	Proceeds from disposal of property, plant and equipment	-	958
B03800	Decrease in guarantee deposits paid	2,391	156
B04500	Acquisition of intangible assets	(2,584)	(1,629)
B06700	Increase in other non-current assets	-	(29,586)
BBBB	Net cash flows used in investing activities	<u>(166,337)</u>	<u>(57,261)</u>
CCCC	Cash flows from (used in) financing activities:		
C00100	Increase in short-term borrowings	26,472	57,294
C00200	Decrease in short-term borrowings	(103,682)	(107,483)
C01600	Proceeds from long-term borrowings	57,356	57,294
C01700	Repayments of long-term borrowings	(8,824)	-
C03100	Increase (decrease) in guarantee deposits received	33	(36)
C04020	Payment of lease liabilities	(886)	(254)
CCCC	Net cash flows from (used in) financing activities	<u>(29,531)</u>	<u>6,815</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>18,815</u>	<u>(21,172)</u>
EEEE	Net decrease (increase) in cash and cash equivalents	<u>(134,399)</u>	<u>25,698</u>
E00100	Cash and cash equivalents at beginning of period	<u>1,734,159</u>	<u>1,847,969</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 1,599,760</u>	<u>1,873,667</u>

See accompanying notes to consolidated financial statements.

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SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Notes to The Consolidated Financial Statements

June 30, 2024 and 2023

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

(1) Company history

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

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

These consolidated financial statements for the six months ended June 30, 2024 was authorized for issuance by the Board of Directors on August 8, 2024.

(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, 2024:

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

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

The Group assesses that the adoption of the new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

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

New, Revised or Amended Standards and Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. <ul style="list-style-type: none">• A more structured income statement: under current standards, companies use different formats to present their results, making it	January 1, 2027

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SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Notes to The Consolidated Financial Statements

June 30, 2024 and 2023

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difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.

- Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconciles it to an amount determined under IFRS Accounting Standards.
- Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

New, Revised or Amended Standards and Interpretations	Content of amendment	Effective date per IASB
Annual Improvements to IFRS Accounting Standards	<p>This amendment clarifies:</p> <ol style="list-style-type: none"> 1. IFRS 1 First-time Adoption of International Financial Reporting Standards The proposed amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments. 2. IFRS 7 Financial Instruments: Disclosures The proposed amendment addresses a potential confusion of IFRS 7 and IFRS 13. 3. IFRS 9 Financial Instruments <ul style="list-style-type: none"> • Lessee de-recognition of lease liabilities. The proposed amendment addresses a potential lack of clarity in the application of the requirements in IFRS 9 to account for an extinguishment of a lessee’s lease liability that arises because paragraph 2.1(b)(ii) of IFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of IFRS 9. • Transaction price. The proposed amendment addresses a potential confusion arising from a reference in Appendix A to IFRS 9 to the definition of ‘transaction price’ in IFRS 15 Revenue from Contracts with Customers while term ‘transaction price’ is used in particular paragraphs of IFRS 9 with a meaning that is not necessarily consistent with the definition of that term in IFRS 15. 4. IFRS 10 Consolidated Financial Statements Determination of a ‘de facto agent’ 5. IAS 7 Statement of Cash Flows The proposed amendment addresses a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term ‘cost method’ that is no longer defined in IFRS Accounting Standards. 	January 1, 2026

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.

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SINHER TECHNOLOGY INC. AND SUBSIDIARIES

Notes to The Consolidated Financial Statements

June 30, 2024 and 2023

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Classification and Measurement of Financial Instruments”

(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, 2023. For the related information, please refer to note (4) of the consolidated financial statements for the year ended December 31, 2023.

(b) Basis of consolidation

List of subsidiaries in the consolidated financial statements include:

Name of investor	Name of subsidiary	Nature of operation	Shareholding			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	Million On International Co., Ltd. (MOI)	General investing	100%	100%	100%	
The Company	Sinher Technology Vietnam Company Limited (Sinher Vietnam)	Manufacturing and selling hinges	100%	100%	100%	
MOI	Sinher (H.K.) Limited	General investing	100%	100%	100%	
MOI	Cingher (H.K.) Limited	General investing	100%	100%	100%	
Sinher Limited	(H.K.) Kunshan Wanhe Precision Electron Co., Ltd. (Kunshan Wanhe)	Manufacturing and selling hinges	100%	100%	100%	
Cingher Limited	(H.K.) Chongqing SNR Technology Co., Ltd. (Chongqing SNR)	Manufacturing and selling hinges	100%	100%	100%	

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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) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(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.

(e) 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

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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.

(f) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(i) Site restoration

The estimated obligations of the Group to dismantle, relocate and restore the property, plant and equipment that were initially acquired or subsequently used for a period of time are recognized as the cost of the assets and liabilities.

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

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note (5) of the consolidated financial statements for the year ended December 31, 2023.

(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, 2023. Please refer to note (6) of the 2023 annual consolidated financial statements.

(a) Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	\$ 1,326	662	1,561
Checking accounts and demand deposits	446,384	635,325	653,690
Time deposits	1,152,050	1,098,172	1,218,416
	<u>\$ 1,599,760</u>	<u>1,734,159</u>	<u>1,873,667</u>

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

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liabilities of the Group.

(b) Notes and accounts receivable

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	\$ 256	195	-
Accounts receivable	746,559	678,375	759,746
	746,815	678,570	759,746
Less: loss allowance	(1,749)	(947)	(728)
	<u>\$ 745,066</u>	<u>677,623</u>	<u>759,018</u>

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

The loss allowance provision was determined as follows:

	June 30, 2024		
	Gross carrying amount	Weighted-avera ge loss rate	Loss allowance provision
Aging under 120 days	\$ 681,502	0.032%	218
Aging 121~150 days	62,219	0.228%	142
Aging 151~240 days	1,720	0.872%	15
Aging over 241 days	1,374	100%	1,374
	<u>\$ 746,815</u>		<u>1,749</u>

	December 31, 2023		
	Gross carrying amount	Weighted-avera ge loss rate	Loss allowance provision
Aging under 120 days	\$ 609,428	0.019%	118
Aging 121~150 days	57,618	0.059%	34
Aging 151~240 days	11,054	2.940%	325
Aging over 241 days	470	100%	470
	<u>\$ 678,570</u>		<u>947</u>

	June 30, 2023		
	Gross carrying amount	Weighted-avera ge loss rate	Loss allowance provision
Aging under 120 days	\$ 706,902	0.016%	115
Aging 121~150 days	51,288	0.211%	108

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Aging 151~240 days	1,091	3.666%	40
Aging over 241 days	465	100%	465
	<u>\$ 759,746</u>		<u>728</u>

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

	For the six months ended June 30,	
	2024	2023
Balance on January 1	\$ 947	1,598
Impairment loss recognized	771	138
Amounts written off	-	(986)
Foreign exchange (gains) losses	31	(22)
Balance on June 30	<u>\$ 1,749</u>	<u>728</u>

As of June 30, 2024, December 31 and June 30, 2023, the Group did not provide any receivables as collaterals for its loans.

(c) Inventories

	June 30, 2024	December 31, 2023	June 30, 2023
Raw materials	\$ 116,838	105,934	116,118
Work in progress	45,495	37,251	41,776
Finished goods	177,659	117,277	139,415
	<u>\$ 339,992</u>	<u>260,462</u>	<u>297,309</u>

For the three months and six months ended June 30, 2024 and 2023, the details of cost of goods sold were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Cost of goods sold	\$ 407,657	479,641	754,464	821,267
Loss for market price decline and obsolete and slow-moving inventories / gain from price recovery of inventories	20,036	(14,484)	28,703	5,978
Income from sale of scraps	(3,558)	(5,406)	(6,732)	(8,383)
Unallocated manufacturing overhead	2,095	-	3,795	-
	<u>\$ 426,230</u>	<u>459,751</u>	<u>780,230</u>	<u>818,862</u>

As of June 30, 2024, December 31 and June 30, 2023, the Group did not provide any inventories as collateral for its loans.

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(d) Investments accounted for using equity method

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

	June 30, 2024	December 31, 2023	June 30, 2023
Associates	<u><u>\$ 10,834</u></u>	<u><u>14,230</u></u>	<u><u>30,592</u></u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
The carrying amount of individually insignificant associates' equity	<u><u>\$ 10,834</u></u>	<u><u>14,230</u></u>	<u><u>30,592</u></u>

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June, 2023
Attributable to the Group:				
Loss from continuing operations	<u><u>\$ (1,565)</u></u>	<u><u>(3,500)</u></u>	<u><u>(3,756)</u></u>	<u><u>(6,620)</u></u>

- (iii) There was no significant change for investments accounted for using equity method for the six months ended June 30, 2024. For the related information, please refer to note (6)(d) of the consolidated financial statements for the year ended December 31, 2023.

- (iv) Disclosures of contingent liability:

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

- (v) Pledged:

As of June 30, 2024, December 31 and June 30, 2023, the Group did not provide any investment accounted for using equity method as collateral for its loans.

- (vi) Unaudited investments accounted for using equity method

As of June 30, 2024 and 2023, the investments accounted for using equity method and the shares of loss of associates and joint ventures accounted for using the equity method for six months ended June 30, 2024 and 2023 are calculated based on financial reports that have not been reviewed by independent auditors.

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(e) Property, plant and equipment

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

		Land	Buildings and construction	Machinery equipment	Office and other facilities equipment	Unfinished construction and equipment under acceptance	Total
Cost:							
Balance on January 1, 2024	\$	362,813	515,219	565,693	59,694	118,824	1,622,243
Additions		-	51,696	2,295	550	107,372	161,913
Disposals		-	(3,370)	(29,813)	(4,082)	-	(37,265)
Effect of movements in exchange rates		-	9,084	7,512	926	2,462	19,984
Reclassifications		-	30,000	2,672	-	(2,950)	29,722
Balance on June 30, 2024	\$	362,813	602,629	548,359	57,088	225,708	1,796,597
Balance on January 1, 2023	\$	362,813	549,654	650,121	66,187	4,425	1,633,200
Additions		-	50	2,173	1,446	23,918	27,587
Reclassification to investment property		-	(21,615)	-	-	-	(21,615)
Disposals		-	-	(89,289)	(5,013)	-	(94,302)
Effect of movements in exchange rates		-	(9,594)	(7,524)	(983)	(602)	(18,703)
Reclassifications		-	450	-	998	(1,595)	(147)
Balance on June 30, 2023	\$	362,813	518,945	555,481	62,635	26,146	1,526,020
Accumulated depreciation and impairments:							
Balance on January 1, 2024	\$	-	247,616	384,790	43,171	-	675,577
Depreciation for the period		-	15,364	39,748	4,197	-	59,309
Disposals		-	(3,370)	(29,803)	(4,073)	-	(37,246)
Effect of movements in exchange rates		-	4,906	5,853	784	-	11,543
Balance on June 30, 2024	\$	-	264,516	400,588	44,079	-	709,183
Balance on January 1, 2023	\$	-	233,757	399,142	42,677	-	675,576
Depreciation for the period		-	14,690	46,643	4,923	-	66,256
Reclassification to investment property		-	(1,366)	-	-	-	(1,366)
Disposals		-	-	(88,883)	(4,901)	-	(93,784)
Effect of movements in exchange rates		-	(4,949)	(5,876)	(798)	-	(11,623)

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Balance on June 30, 2023	\$ -	242,132	351,026	41,901	-	635,059
Carry amounts:						
Balance on January 1, 2024	\$ 362,813	267,603	180,903	16,523	118,824	946,666
Balance on June 30, 2024	\$ 362,813	338,113	147,771	13,009	225,708	1,087,414
Balance on January 1, 2023	\$ 362,813	315,897	250,979	23,510	4,425	957,624
Balance on June 30, 2023	\$ 362,813	276,813	204,455	20,734	26,146	890,961

- (i) Subsidiary Sinher Vietnam commissioned a non-related party to build a plant for operational needs in fiscal year 2023, and the total contract price was \$137,996 thousand, and as of June 30, 2024 the above price had been paid for \$111,406 thousand.

Subsidiary Kunshan Wanhe commissioned a non-related party to build a plant for operational needs in fiscal year 2023, and the total contract price was \$142,151 thousand, and as of June 30, 2024 the above price had been paid for \$99,506 thousand.

- (ii) Pledged as collateral

As of June 30, 2024, December 31, and June 30, 2023, the Group provides partial property, plant and equipment pledged as collateral for long-term borrowings and loan commitments of the Group, please refer to note (8) for details.

- (f) Right-of-use assets

	<u>Land</u>
Cost:	
Balance on January 1, 2024	\$ 127,587
Addition	80,276
Effect of movements in exchange rates	<u>2,203</u>
Balance on June 30, 2024	<u>\$ 210,066</u>
Balance on January 1, 2023	\$ 71,865
Reclassified to investment property	(1,043)
Effect of movements in exchange rates	<u>(1,951)</u>
Balance on June 30, 2023	<u>\$ 68,871</u>
Depreciation and impairments loss:	
Balance on January 1, 2024	\$ 9,603
Depreciation for the year	3,610
Effect of movements in exchange rates	<u>241</u>
Balance on June 30, 2024	<u>\$ 13,454</u>
Balance on January 1, 2023	\$ 7,559
Depreciation for the year	1,022
Reclassified to investment property	(93)
Effect of movements in exchange rates	<u>(230)</u>

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Balance on June 30, 2023	<u>\$ 8,258</u>
Book Value:	
Balance on January 1, 2024	<u>\$ 117,984</u>
Balance on June 30, 2024	<u>\$ 196,612</u>
Balance on January 1, 2023	<u>\$ 64,306</u>
Balance on June 30, 2023	<u>\$ 60,613</u>

(i) Land

On February 1, 2024, the Group entered into a lease agreement with the National Property Administration, Ministry of Finance for the use of nation-owned land in the Guangming section of Keelung City, and made a provision for liabilities for the plant's demolition and restoration obligations. Please refer to note (6)(l) for details.

(g) Investment property

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

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

Information about investment properties is presented below:

	Buildings and constructions	Land	Total
Cost or deemed cost:			
Balance on January 1, 2024	\$ 108,547	6,082	114,629
Effect of movements in exchange rates	2,960	166	3,126
Balance on June 30, 2024	<u>\$ 111,507</u>	<u>6,248</u>	<u>117,755</u>
Balance on January 1, 2023	\$ 88,960	5,153	94,113
Transfer-in from property, plant and equipment	21,615	-	21,615
Transfer-in from right-of-use asset	-	1,043	1,043
Effect of movements in exchange rates	(3,157)	(177)	(3,334)
Balance on June 30, 2023	<u>\$ 107,418</u>	<u>6,019</u>	<u>113,437</u>
Depreciation and impairments loss:			
Balance on January 1, 2024	\$ 12,663	676	13,339
Depreciation for the year	2,981	69	3,050
Effect of movements in exchange rates	368	19	387
Balance on June 30, 2024	<u>\$ 16,012</u>	<u>764</u>	<u>16,776</u>
Balance on January 1, 2023	\$ 5,577	458	6,035
Depreciation for the year	2,978	69	3,047
Transfer-in from property, plant and equipment	1,366	-	1,366

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Transfer-in from right-of-use asset	-	93	93
Effect of movements in exchange rates	(283)	(18)	(301)
Balance on June 30, 2023	<u>\$ 9,638</u>	<u>602</u>	<u>10,240</u>
Carry Amount:			
Balance on January 1, 2024	<u>\$ 95,884</u>	<u>5,406</u>	<u>101,290</u>
Balance on June 30, 2024	<u>\$ 95,495</u>	<u>5,484</u>	<u>100,979</u>
Balance on January 1, 2023	<u>\$ 83,383</u>	<u>4,695</u>	<u>88,078</u>
Balance on June 30, 2023	<u>\$ 97,780</u>	<u>5,417</u>	<u>103,197</u>
Fair Value:			
Balance on January 1, 2024		<u>\$ 198,516</u>	
Balance on June 30, 2024		<u>\$ 198,516</u>	
Balance on January 1, 2023		<u>\$ 176,675</u>	
Balance on June 30, 2023		<u>\$ 218,095</u>	

There is no significant difference between the fair value of the investment property of the Group and the information disclosed in note 6(g) of the consolidated financial statements for the year ended December 31, 2023.

As of June 30, 2024, December 31, and June 30, 2023, the Group provides partial property, plant and equipment pledged as collateral for long-term borrowings and loan commitments of the Group, please refer to note (8) for details.

(h) Other non-current assets

	June 30, 2024	December 31, 2023	June 30, 2023
Prepayment of right-of-use land	\$ -	-	62,349
Prepayment for contract signing of factory building	-	30,000	-
Other	13,139	12,589	14,495
Total other non-current assets	<u>\$ 13,139</u>	<u>42,589</u>	<u>76,844</u>

On November 3, 2022, the Board of Directors approved investing in a new factory in Vietnam in order to coordinate with the adjustment of the customers' production base. The Group signed a land use-of-right lease agreement with Vietnamese land developers on December 2022. The Group paid 45% of the advance payment of \$28,724 thousand on January, 2023 and 50% of the advance payment of \$33,625 thousand on December, 2022, respectively, which is not yet completed due to the legal procedures related to the establishment of the Vietnam plant investment and the acquisition of the land use-of-right, and is classified as other current assets as June 30, 2023. As of December 31, 2023, the subsidiary Sinher Vietnam has completed its establishment registration, and the prepayment of right-of-use land mentioned above have been transferred to investment accounted for using equity method.

The Group signed a factory purchase and sale contract with a non-related party on August 2023, with a total price of \$82,500 thousand. As of December 31, 2023, the cumulative payment was \$30,000

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thousand. The transfer procedures have not been completed and are listed under other non-current assets. As of June 30, 2024, the aforementioned amounts have been fully paid and the transfer procedures have been completed, and have been transferred to property, plants and equipment.

(i) Short-term borrowings

June 30, 2024		
Currency	Range of interest rates	Amount
Unsecured bank loans	USD 2.85~3.25%	<u>\$ 26,670</u>
Unused short-term credit lines		<u>\$ 103,130</u>
December 31, 2023		
Currency	Range of interest rates	Amount
Unsecured bank loans	USD 2.37~5.57%	<u>\$ 101,684</u>
Unused short-term credit lines		<u>\$ 429,596</u>
June 30, 2023		
Currency	Range of interest rates	Amount
Unsecured bank loans	USD 2.37~5.57%	<u>\$ 98,486</u>
Unused short-term credit lines		<u>\$ 439,754</u>

(i) For information on the Group's liquidity risk, please refer to note (6)(t).

(ii) As of June 30, 2024, December 31 and June 30, 2023, 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 June 30, 2024, December 31 and June 30, 2023, the Group did not pledge any assets as collateral.

(j) Long-term borrowings

The details of long-term borrowings were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Secured bank loans	\$ 102,235	51,924	55,666
Less: current portion	(53,340)	(51,924)	(8,564)
Total	<u>\$ 48,895</u>	<u>-</u>	<u>47,102</u>
Unused credit lines	<u>\$ 31,115</u>	<u>121,156</u>	<u>115,614</u>
Range of interest rate	<u>2.7% ~ 3.35%</u>	<u>2.90%</u>	<u>2.90%</u>

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- (i) The balance of long-term loans as of 2024/06/30, and future repayments are as follows:

Term	Amounts
2024/07/01 ~ 2025/06/30	\$ 53,340
2025/07/01 ~ 2025/07/11	48,895
	<u>\$ 102,235</u>

- (ii) For information on the Group's liquidity risk, please refer to note (6)(t)

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

- (k) Lease liabilities

The lease liabilities of the Group were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Current	<u>\$ 2,887</u>	<u>256</u>	<u>256</u>
Non-current	<u>\$ 57,028</u>	<u>1,755</u>	<u>1,755</u>

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

The amounts recognized in profit or losses were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Interest on lease liabilities	<u>\$ 776</u>	<u>-</u>	<u>784</u>	<u>9</u>
Expenses relating to short-term leases	<u>\$ 1,075</u>	<u>1,122</u>	<u>2,147</u>	<u>2,581</u>
Expenses relating to lease of low-value assets (excluding short-term leases of low-value assets)	<u>\$ 46</u>	<u>46</u>	<u>91</u>	<u>91</u>

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

	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Total cash outflow for leases	<u>\$ 3,908</u>	<u>\$ 2,935</u>

- (i) Leases of land and vehicles

The Group leases land for a period of 4 to 10 years, partial leases include an option to extend the lease for the same period as the original contract at the end of the lease term.

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(ii) Other leases

The Group leases office equipment, employee's dormitory, vehicles and parking spaces with contract terms of one year. These leases are short-term or lower values. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(l) Provisions

The provisions of the Group were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Non-current	\$ 21,605	-	-

The movements in the provisions were as follows:

	For the six months ended June 30,	
	2024	2023
Balance on January 1	\$ -	-
Addition	21,486	-
Amortization	119	-
Balance on June 30	\$ 21,605	-

The merged company sets aside a provision for liabilities related to the obligation to demolish and restore the factory building to its original state, and estimates the provision for liabilities on a period by period basis using the discount rate at the time of estimating the restoration cost. The greatest uncertainty in the provision is the cost to be incurred in the future.

(m) Operating lease - as lessor

The Group subleased several parking spaces. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risk and rewards incidental to the ownership of the assets, or these leases are short-term leases and are adapted for exemption. For the three months ended June 30, 2024 and 2023 and for six months ended June 30, 2024 and 2023, the income recognized in profit or loss under the operating lease were \$43 thousand, \$4,387 thousand, \$72 thousand and \$8,865 thousand, respectively.

(n) 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, 2023 and 2022.

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

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	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Cost of sales and operating expenses	\$ 42	40	84	79
(ii) Defined contribution plans				

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

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Cost of sales and operating expenses	\$ 13,624	13,351	25,999	26,318
(o) Income taxes				

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

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

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Current tax expense	\$ 7,295	4,072	12,038	16,953

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

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translation	\$ 1,186	(7,032)	5,672	(5,917)

(iii) Except for year 2021, the Company's tax returns for the years through 2022 were assessed by the tax authority.

(p) Capital and other equities

Except for the following disclosure, there was no significant change for capital and other equity for the six months ended June 30, 2024 and 2023. For the related information, please refer to note (6)(o) of the consolidated financial statements for the year ended December 31, 2023.

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(i) 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) Legal reserve

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

2) Special reserve

When distributing the distributable surplus, the Company will record the net deduction of other shareholders' equity in the current year. The current after-tax net profit is added to the current after-tax net profit and the items other than the current after-tax net profit are included in the current undistributed surplus and the undistributed surplus in the previous period is added to the special reserve; other shareholders' equity accumulated in the previous period is deducted if the amount is not allocated, the special surplus will not be distributed from the undistributed surplus in the previous period. If the amount of other shareholders' equity deductions is reversed later, it can be rescued and distributed to the later part of the surplus through a resolution of the shareholders' meeting. As of June 30, 2024 and 2023, the special reserve amounted to \$46,005 thousand and \$27,116 thousand respectively.

3) Earnings distribution

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Earnings distribution for 2023 and 2022 was decided by the resolution adopted, at the meeting of the Board of Directors held on March 7, 2024 and March 16, 2023, respectively. The relevant dividend distributions to shareholders were as follows:

	2023		2022	
	Amount per share	Amount	Amount per share	Amount
Cash dividends distributed to ordinary shareholders	\$ 1.00	<u>73,617</u>	1.75	<u>128,830</u>

(q) Earnings per share

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

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Basic earnings per share:				
Profit attributable to ordinary shareholders of the Company	\$ <u>33,091</u>	<u>79,865</u>	<u>51,680</u>	<u>21,383</u>
Weighted average number of outstanding ordinary shares (in thousands)	<u>73,617</u>	<u>73,617</u>	<u>73,617</u>	<u>73,617</u>
Basic earnings per share (in dollars)	\$ <u>0.45</u>	<u>1.08</u>	<u>0.70</u>	<u>0.29</u>
Diluted earnings per share:				
Profit attributable to ordinary shareholders of the Company (after adjustment of potential diluted ordinary shares)	\$ <u>33,091</u>	<u>79,865</u>	<u>51,680</u>	<u>21,383</u>
Weighted average number of outstanding ordinary shares (in thousands)	73,617	73,617	73,617	73,617
Effect of potential diluted ordinary shares (in thousands)				
Effect of employee stock compensation	<u>105</u>	<u>49</u>	<u>111</u>	<u>207</u>
Weighted average number of ordinary shares (after adjustment of potential diluted ordinary shares)	<u>73,722</u>	<u>73,666</u>	<u>73,728</u>	<u>73,824</u>
Diluted earnings per share (in dollars)	\$ <u>0.45</u>	<u>1.08</u>	<u>0.70</u>	<u>0.29</u>

(r) Revenue from contracts with customers

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(i) Disaggregation of revenue

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Primary geographical markets:				
Taiwan	\$ 28,699	49,165	44,431	67,922
China	301,968	347,501	508,473	553,844
Singapore	173,771	143,742	329,889	307,067
Japan	20,805	26,715	47,270	50,048
Other	6,197	-	17,240	292
	<u>\$ 531,440</u>	<u>567,123</u>	<u>947,303</u>	<u>979,173</u>
Major product:				
Hinge components	\$ 530,516	562,349	941,786	973,517
Other	924	4,774	5,517	5,656
Total	<u>\$ 531,440</u>	<u>567,123</u>	<u>947,303</u>	<u>979,173</u>

(ii) Contract balances

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

(s) Employee compensation and directors and supervisors remuneration

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

The remuneration to employees amounted to \$2,378 thousand and \$3,744 thousand and the remuneration to directors amounted to \$389 thousand and \$613 thousand for the three months ended June 30, 2024 and for six months ended June 30, 2024, respectively.

The remuneration to employees amounted to \$1,817 thousand and the remuneration to directors amounted to \$297 thousand for both the three months ended and for six months ended June 30, 2023, 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.

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The remunerations to employees amounted to \$530 thousand and \$14,739 thousand and the remuneration to directors amounted to \$0 thousand and \$2,412 thousand, respectively. The amounts are identical to those of the actual distributions for 2023 and 2022. The information is available on the Market Observation Post System website.

(t) 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)(s) of the 2023 annual consolidated financial statements.

(i) Credit risk

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

(ii) Liquidity risk

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

	Carrying Amount	Contractual cash flows	Within a year	1-2 years	Over 2 years
June 30, 2024					
Non-derivative financial liabilities:					
Secured bank loan	\$ 102,235	(104,321)	(53,739)	(50,582)	-
Unsecured bank loan	26,670	(26,854)	(26,854)	-	-
Accounts payable	268,228	(268,228)	(268,228)	-	-
Other payables	149,335	(149,335)	(149,335)	-	-
Dividends payable	73,617	(73,617)	(73,617)	-	-
Non-current provision	21,605	(28,000)	-	-	(28,000)
Lease liabilities (including current and non-current)	59,915	(67,577)	(3,638)	(3,638)	(60,301)
Guarantee deposits received	1,253	(1,253)	-	-	(1,253)
	\$ 702,858	(719,185)	(575,411)	(54,220)	(89,554)
December 31, 2023					
Non-derivative financial liabilities:					
Secured bank loan	\$ 51,924	(52,996)	(52,996)	-	-
Unsecured bank loan	101,684	(102,235)	(102,235)	-	-
Accounts payable	187,258	(187,258)	(187,258)	-	-
Other payables	163,641	(163,641)	(163,641)	-	-

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Lease liabilities (including current and non-current)	2,011	(2,039)	(263)	(263)	(1,513)
Guarantee deposits received	1,220	(1,220)	-	-	(1,220)
	<u>\$ 507,738</u>	<u>(509,389)</u>	<u>(506,393)</u>	<u>(263)</u>	<u>(2,733)</u>

June 30, 2023

Non-derivative financial liabilities:

Secured bank loan	\$ 55,666	(57,505)	(8,682)	(48,823)	-
Unsecured bank loan	98,486	(99,158)	(99,158)	-	-
Accounts payable	235,920	(235,920)	(235,920)	-	-
Other payables	173,391	(173,391)	(173,391)	-	-
Dividends payable	128,830	(128,830)	(128,830)	-	-
Lease liabilities (including current and non-current)	2,011	(2,039)	(263)	(263)	(1,513)
Guarantee deposits received	1,207	(1,207)	-	-	(1,207)
	<u>\$ 695,511</u>	<u>(698,050)</u>	<u>(646,244)</u>	<u>(49,086)</u>	<u>(2,720)</u>

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

(iii) Market risk

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

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

		June 30, 2024			December 31, 2023			(In thousands of foreign currency) June 30, 2023		
		Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets										
Monetary items										
USD	\$	25,831 USD/NTD		838,207	20,269 USD/NTD		622,351	32,778 USD/NTD		1,020,695
		=32.45			=30.705			=31.14		
USD		27,225 USD/CNY		862,453	27,308 USD/CNY		836,905	29,466 USD/CNY		911,708
		=7.1268			=7.0827			=7.2258		
Financial liabilities										
Monetary items										
USD		16,332 USD/CNY		517,384	14,767 USD/CNY		452,558	17,203 USD/CNY		532,274
		=7.1268			=7.0827			=7.2258		

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign

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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 six months ended June 30, 2024 and 2023 would have affected the net profit before tax as follows, the analysis is performed on the same basis for both periods.

	For the six months ended June 30,	
	2024	2023
USD (against the NTD)		
5% of appreciation	\$ 41,910	51,035
5% of depreciation	(41,910)	(51,035)
USD (against the CNY)		
5% of appreciation	17,253	18,972
5% of depreciation	(17,253)	(18,972)

3) Exchange gains and losses of monetary items

Gains or losses on foreign exchange of the Group's monetary items are disclosed through consolidation due to the wide variety of trading currencies used by the Group. The foreign currency exchange gain and loss (including realized and unrealized) were \$18,323 thousand, \$47,561 thousand, \$52,912 thousand and \$28,770 thousand three months and six months ended June 30, 2024 and 2023, respectively.

(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 loss before tax would have decreased or increased by \$397 thousand for the six months ended June 30, 2024 and net profit before tax would have increased or decreased by \$624 thousand for the six months ended June 30, 2023, respectively, which would be mainly resulted from the bank savings, and borrowings with variable interest rates.

(v) Fair value

1) Categories and the fair value of financial instruments

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

		June 30, 2024				
		Carrying amount	Fair Value			Total
			Level 1	Level 2	Level 3	
Financial assets measured at amortized cost:						
Cash and cash equivalents	\$	1,599,760	-	-	-	-
Notes receivable and accounts receivable		745,066	-	-	-	-
Other current financial assets		18,020	-	-	-	-
Guarantee deposits paid		6,647	-	-	-	-
	\$	2,369,493	-	-	-	-
Financial liabilities measured at amortized cost:						
Secured bank loan	\$	102,235	-	-	-	-
Unsecured bank loan		26,670	-	-	-	-
Accounts payable		268,228	-	-	-	-
Other payables		149,335	-	-	-	-
Dividends payable		73,617	-	-	-	-
Non-current provision		21,605	-	-	-	-
Lease liabilities (including current and non-current)		59,915	-	-	-	-
Guarantee deposits received		1,253	-	-	-	-
	\$	702,858	-	-	-	-
		December 31, 2023				
		Carrying amount	Fair Value			Total
			Level 1	Level 2	Level 3	
Financial assets measured at amortized cost:						
Cash and cash equivalents	\$	1,734,159	-	-	-	-
Notes receivable and accounts receivable		677,623	-	-	-	-
Other current financial assets		20,706	-	-	-	-
Guarantee deposits paid		9,038	-	-	-	-
	\$	2,441,526	-	-	-	-
Financial liabilities measured at amortized						

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cost:					
Secured bank loan	\$ 51,924	-	-	-	-
Unsecured bank loan	101,684	-	-	-	-
Accounts payable	187,258	-	-	-	-
Other payables	163,641	-	-	-	-
Lease liabilities (including current and non-current)	2,011	-	-	-	-
Guarantee deposits received	1,220	-	-	-	-
	\$ 507,738	-	-	-	-
June 30, 2023					
	Carrying	Fair Value			
	amount	Level 1	Level 2	Level 3	Total
Financial assets measured					
at amortized cost:					
Cash and cash equivalents	\$ 1,873,667	-	-	-	-
Notes receivable and accounts receivable	759,018	-	-	-	-
Other current financial assets	23,230	-	-	-	-
Guarantee deposits paid	6,860	-	-	-	-
	\$ 2,662,775	-	-	-	-
Financial liabilities					
measured at amortized					
cost:					
Secured bank loan	\$ 55,666	-	-	-	-
Unsecured bank loan	98,486	-	-	-	-
Accounts payable	235,920	-	-	-	-
Other payables	173,391	-	-	-	-
Dividends payable	128,830	-	-	-	-
Lease liabilities (including current and non-current)	2,011	-	-	-	-
Guarantee deposits received	1,207	-	-	-	-
	\$ 695,511	-	-	-	-

There were no transfers of financial instruments between any levels for the six months ended June, 2024 and 2023.

- 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

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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.

(u) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note (6)(u) of the 2023 annual consolidated financial statements.

(v) Capital management

The capital management objectives, policies and procedures of the combined company are consistent with those disclosed in the 2023 consolidated financial report; in addition, there are no significant changes in the summary quantitative information of capital management items and those disclosed in the 2023 consolidated financial report. For relevant information, please refer to Note 6 (v) of the 2023 annual consolidated financial report.

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

The Group has non-cash investing and financing activities for right-of-use assets from leasing during 2024 and 2023, please refer to note (6)(f) for details. Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flow	Non-cash changes New additions and others in this period	Exchange movement	June 30, 2024
Short-term borrowings	\$ 101,684	(77,210)	-	2,196	26,670
Long-term borrowings	51,924	48,532	-	1,779	102,235
Guarantee deposits received	1,220	33	-	-	1,253
Lease liabilities	2,011	(886)	58,790	-	59,915
Total liabilities from financing activities	\$ 156,839	(29,531)	58,790	3,975	190,073

	January 1, 2023	Cash flow	Non-cash changes Exchange movement	June 30, 2023
Short-term borrowings	\$ 151,530	(50,189)	(2,855)	98,486
Long-term borrowings	-	57,294	(1,628)	55,666
Guarantee deposits received	1,243	(36)	-	1,207
Lease liabilities	2,265	(254)	-	2,011
Total liabilities from financing activities	\$ 155,038	6,815	(4,483)	157,370

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(7) Related-party transactions

(a) Names and relationship with related parties

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

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

(b) Significant transaction with related parties

For the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the Group purchased some fixtures and consumable material from its related parties amounting to \$4,699 thousand, \$4,289 thousand, \$7,426 thousand and \$8,616 thousand, recognized as operating cost and researching and developing cost respectively. As of June 30, 2024, December 31, 2023 and June 30, 2023, the outstanding balance was \$6,116 thousand, \$5,013 thousand and \$5,763 thousand, respectively, were recognized as other payables.

(c) Key management personnel compensation

Key management personnel compensation comprised of:

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Short-term employee benefits \$	1,734	4,304	8,049	8,329
Post-employment benefits	114	114	228	228
	\$ 1,848	4,418	8,277	8,557

(8) Pledged assets:

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

Pledged assets	Pledged to secure	June 30, 2024	December 31, 2023	June 30, 2023
Property, plant and equipment	Long-term borrowings limit	\$ 93,693	94,517	94,788
Investment properties	Long-term borrowings limit	95,495	95,884	97,780
		\$ 189,188	190,401	192,568

(9) Commitments and contingencies:

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

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(b) Unrecognized contractual commitments:

As of June 30, 2024, December 31, and June 30, 2023, the future payments for the purchase of the Group's plant and constructions amounted to \$81,312 thousand, \$225,120 thousand and \$137,781 thousand, respectively

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other:

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

By item \ By function	For the three months ended June 30,					
	2024			2023		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	130,953	31,730	162,683	127,846	32,184	160,030
Labor and health insurance	9,926	2,209	12,135	10,286	2,391	12,677
Pension	11,945	1,721	13,666	11,717	1,674	13,391
Others	7,207	1,493	8,700	7,774	1,732	9,506
Depreciation	25,231	8,367	33,598	28,694	5,844	34,538
Amortization	335	712	1,047	327	1,090	1,417

By item \ By function	For the six months ended June 30,					
	2024			2023		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	245,008	60,048	305,056	244,015	65,394	309,409
Labor and health insurance	19,175	4,364	23,539	20,080	4,558	24,638
Pension	22,661	3,422	26,083	23,035	3,362	26,397
Others	13,200	2,975	16,175	14,303	3,392	17,695
Depreciation	51,339	14,630	65,969	58,607	11,718	70,325
Amortization	727	1,406	2,133	624	2,136	2,760

(b) Seasonality of operations

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

(13) Other disclosures:

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(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 six months ended June 30, 2024:

(i) Lending to other parties: None.

(ii) Guarantees and endorsements for other parties:

(In thousands of foreign currency)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Kunshan Wanhe	(Note 2)	1,016,856	187,740 (US\$6,000)	-	-	-	- %	1,694,760	Y	-	Y
0	"	Chongqing SNR	(Note 2)	1,016,856	312,900 (US\$10,000)	126,555 (US\$3,900)	26,670 (CNY\$6,000)	-	3.73%	1,694,760	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.

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

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

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

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

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

(In thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase / Sale	Amount	Percentage of total purchases / sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ accounts receivable (payable)	
The Company	Chongqing SNR	100% owned sub-subsidiary	(Sales)	(114,287)	(34) %	Depending on the demand for funding, OA 120	Same as selling to other clients	Depending on the demand for funding, OA 120	Accounts Receivable 177,455	79 %	The transactions have been eliminated in the consolidated financial statement

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"	Kunshan Wanhe	"	(Sales)	(151,765)	(46) %	"	"	"	Note	- %	"
Kunshan Wanhe	The Company	The parent company	Purchases	151,765	42 %	Depending on the demand for funding, OA 120	Same as selling to other clients	Depending on the demand for funding, OA 120	Note	- %	"
Chongqing SNR	The Company	The parent company	Purchases	114,287	44 %	"	"	"	Accounts Payable (177,455)	(51) %	"

Note: The advance payment amount for goods received (paid) on June 30, 2024 is \$11,681 thousands.

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

(In thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent (note1)	Allowance for bad debts	Note
					Amount	Action taken			
The Company	Chongqing SNR	100% owned sub-subsidiary	177,455	1.30	86,775	Enhanced Collection	Accounts Receivable 26,135	-	Note 2
Kunshan Wanhe	Chongqing SNR	Ultimately the parent company is the same	105,564	1.33	44,212	Enhanced Collection	Accounts Receivable 8,850	-	"

Note 1 : Information as of reporting date.

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

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

(ix) Business relationships and significant intercompany transactions:

(In thousands of New Taiwan Dollars)

(in thousands of New Taiwan Dollars)							
No. (Note 1)	Name of company	Name of counter-party	Nature of Relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms	
0	The Company	Chongqing SNR	1	Sales Revenue	114,287	The price is marked-up based on operating cost. Depending on the funding demand, and the credit term is OA 120 days.	12.06%
0	The Company	Chongqing SNR	1	Accounts Receivable	177,455	"	4.25%
0	The Company	Kunshan Wanhe	1	Sales Revenue	151,765	"	16.02%
1	Kunshan Wanhe	Chongqing SNR	3	Accounts Receivable	105,564	"	2.53%

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 six months ended June 30, 2024 (excluding information on investees in Mainland China):

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2024			Net income (losses) of investee	Share of profit/losses of investee	Note
				June 30, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying amount			
The Company	MOI	Samoa	General Investing	\$ 727,957	727,957	23,800,000	100%	1,033,837	11,726	11,726	Subsidiary
"	Profit	Samoa	"	-	-	-	100%	1,106	(219)	(219)	"
"	Sinher Vietnam	Vietnam	Manufacturing and selling hinges components	217,077	217,077	-	100%	216,233	2,956	2,956	"
	Total			<u>\$ 945,034</u>	<u>945,034</u>			<u>1,251,176</u>		<u>14,463</u>	
MOI	Sinher (H.K.) Limited	Hong Kong	General Investing	\$ 325,579	325,579	10,600,000	100%	832,790	9,158	9,158	A sub-subsidiary company
"	Cingher (H.K.) Limited	Hong Kong	"	402,378	402,378	13,200,000	100%	195,848	2,568	2,568	"
	Total			<u>\$ 727,957</u>	<u>727,957</u>			<u>1,028,638</u>		<u>11,726</u>	
Profit	Great Info	Samoa	Sell of hinge components	USD -	USD -	-	100%	149 (USD5)	60 (USD2)	60 (USD2)	"
"	Top Trading	Anguilla	"	USD -	USD -	-	100%	957 (USD29)	(279) (USD9)	(279) (USD9)	"
								<u>1,106</u>		<u>(219)</u>	

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

(c) Information on investment in Mainland China:

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

(In thousands of foreign currency)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated Outflow of investment from Taiwan as of June 30, 2024	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)	9,158 (CNY2,076)	100%	9,158 (CNY2,076)	825,123	-
Chongqing SNR	Manufacturing and selling hinges components	391,042 (USD13,200)	(Note 1) & (Note 5)	391,042 (USD13,200)	-	-	391,042 (USD13,200)	2,568 (CNY582)	100%	2,568 (CNY582)	195,831	-
Qianquan	Manufacturing and selling hinges components	13,299 (CNY2,700)	(Note 6)	-	-	-	-	798 (CNY181)	100%	798 (CNY181)	951 (CNY214)	-
SYTW	Research, manufacturing and selling fans related productions	88,640 (CNY20,000)	(Note 7)	-	-	-	-	(6,728) (CNY(1,525))	49%	(3,756) (CNY(851))	10,834 (CNY2,437)	-

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

Note 2: The gains and losses on investment of the companies were recognized according to the investees' financial statements, which had been reasonably audited by the certified public accountants of the parent company, except that SYTW is based on the financial quarterly report of the investee company that was self-settled during the same period and not reviewed by independent auditors. The amounts shown in the table were translated into New Taiwan Dollars at the average rate of the six months ended June 30, 2024.

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

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

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

Note 6: Qianquan is established by Kunshan Wanhe with its own capital.

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

(ii) Upper limit on investment in Mainland China:

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(In thousands of foreign currency)		
Accumulated Investment in Mainland China as of June 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
710,218 (USD23,800)	710,218 (USD23,800)	2,033,712

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, for the six months ended June 30, 2024, 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%

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 the manufacturing of hinge components business. Therefore, the Group does not need to disclose segment information.