

**SINHER TECHNOLOGY INC. AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Nine Months Ended September 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. (the "Company") and its subsidiaries (the "Group") as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, as well as the changes in equity and cash flows for the nine months ended September 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 \$23,741 thousand and \$26,988 thousand as of September 30, 2024 and 2023, respectively, and the shares of losses of associates and joint ventures accounted for using the equity method amounted to \$(597) thousand, \$(4,513) thousand, \$(4,353) thousand, and \$(11,133) thousand for the three months and the nine months ended September 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 September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine months ended September 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)

November 7, 2024

#### **Notes to Readers**

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

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

Consolidated Balance Sheets

September 30, 2024, December 31, 2023, and September 30, 2023

(Expressed in thousands of New Taiwan Dollars)

		September 30, 2024		December 31, 2023		September 30, 2023				September 30, 2024		December 31, 2023		September 30, 2023	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (note (6)(a))	\$ 1,506,711	36	1,734,159	43	1,758,055	43	2100	Short-term borrowings (note (6)(i))	\$ 27138	1	101684	2	101,545	3
1170	Notes and accounts receivable, net (note (6)(b))	743,083	18	677,623	17	753,466	19	2170	Accounts payable	259588	6	187258	5	214,385	5
1310	Inventories (note (6)(c))	374,716	9	260,462	7	300,082	8	2219	Other payables (note (7))	174,455	4	163641	4	186,139	5
1476	Other current financial assets	21,698	1	20,706	1	15,505	-	2230	Current tax liabilities	-	-	24,964	1	9,785	-
1479	Other current assets	9,604	-	11,847	-	10,678	-	2280	Current lease liabilities (note (6)(k))	2,887	-	256	-	256	-
		<u>2,655,812</u>	<u>64</u>	<u>2,704,797</u>	<u>68</u>	<u>2,837,786</u>	<u>70</u>	2322	Long-term borrowings, current portion (note(6)(j) and (8))	113,075	3	51,924	1	4,415	-
<b>Non-current assets:</b>										<u>577,143</u>	<u>14</u>	<u>529,727</u>	<u>13</u>	<u>516,525</u>	<u>13</u>
1550	Investments accounted for using equity method (note (6)(d))	23,741	1	14,230	-	26,988	1	<b>Non-Current liabilities:</b>							
1600	Property, plant and equipment (note (6)(e) and 8)	1,102,028	27	946,666	24	910,080	22	2540	Long-term borrowings (note (6)(j) and (8))	22,615	1	-	-	48,565	1
1755	Right-of-use assets (note (6)(f))	196,357	5	117,984	3	122,666	3	2550	Non-current provisions (note (6)(l))	21,677	-	-	-	-	-
1760	Investment property, net (note (6)(g) and 8)	101,188	2	101,290	3	104,877	3	2570	Deferred tax liabilities	65,487	2	65,487	2	89,559	2
1840	Deferred tax assets	40,763	1	50,363	1	50,999	1	2580	Non-current lease liabilities (note (6)(k))	57,217	1	1,755	-	1,755	-
1920	Guarantee deposits paid	6,558	-	9,038	-	9,111	-	2645	Guarantee deposits received	1,095	-	1,220	-	1,244	-
1980	Other non-current financial assets	-	-	-	-	10,028	-			<u>168,091</u>	<u>4</u>	<u>68,462</u>	<u>2</u>	<u>141,123</u>	<u>3</u>
1990	Other non-current assets (note (6)(h))	12,711	-	42,589	1	23,932	-		<b>Total liabilities</b>	<u>745,234</u>	<u>18</u>	<u>598,189</u>	<u>15</u>	<u>657,648</u>	<u>16</u>
		<u>1,483,346</u>	<u>36</u>	<u>1,282,160</u>	<u>32</u>	<u>1,258,681</u>	<u>30</u>		<b>Equity: (note (6)(p))</b>						
								3110	<b>Ordinary share</b>	<u>744,172</u>	<u>18</u>	<u>744,172</u>	<u>19</u>	<u>744,172</u>	<u>18</u>
								3200	<b>Capital surplus</b>	<u>440,035</u>	<u>11</u>	<u>440,035</u>	<u>11</u>	<u>440,035</u>	<u>11</u>
									<b>Retained earnings:</b>						
								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	1,697,638	41	1,750,151	44	1,778,995	43
										<u>2,248,421</u>	<u>54</u>	<u>2,281,666</u>	<u>57</u>	<u>2,310,510</u>	<u>56</u>
								3410	<b>Exchange differences on translation of foreign financial statements</b>	<u>(7,604)</u>	<u>-</u>	<u>(46,005)</u>	<u>(1)</u>	<u>(24,798)</u>	<u>-</u>
								3500	<b>Treasury shares</b>	<u>(31,100)</u>	<u>(1)</u>	<u>(31,100)</u>	<u>(1)</u>	<u>(31,100)</u>	<u>(1)</u>
									<b>Total equity</b>	<u>3,393,924</u>	<u>82</u>	<u>3,388,768</u>	<u>85</u>	<u>3,438,819</u>	<u>84</u>
<b>Total assets</b>		<u>\$ 4,139,158</u>	<u>100</u>	<u>3,986,957</u>	<u>100</u>	<u>4,096,467</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 4,139,158</u>	<u>100</u>	<u>3,986,957</u>	<u>100</u>	<u>4,096,467</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

		For the three months ended September 30,				For the nine months ended September 30,			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	<b>Operating revenues</b> (note (6)(r))	\$ 504,659	100	459,789	100	1,451,962	100	1,438,962	100
5110	<b>Cost of sales</b> (notes (6)(c), (6)(n), (6)(s), (7) and (12))	409,237	81	397,347	86	1,189,467	82	1,216,209	85
5900	<b>Gross profit</b>	95,422	19	62,442	14	262,495	18	222,753	15
	<b>Operating expenses</b> (notes (6)(b), (6)(n), (6)(s), (7) and (12))								
6100	Selling expenses	28,909	6	25,677	6	82,375	6	75,870	5
6200	Administrative expenses	40,589	8	33,570	7	113,531	7	108,714	8
6300	Research and development expenses	18,781	4	18,518	4	58,755	4	66,279	4
		88,279	18	77,765	17	254,661	17	250,863	17
6900	<b>Net operating income (loss)</b>	7,143	1	(15,323)	(3)	7,834	1	(28,110)	(2)
	<b>Non-operating income and expenses:</b>								
7100	Interest income	9,121	2	6,924	1	23,307	1	27,200	2
7190	Other income	869	-	1,427	-	3,776	-	9,193	-
7110	Rental income (note (6)(m))	41	-	4,390	1	113	-	13,255	1
7230	Foreign exchange gain (losses), net (note (6)(t))	(27,224)	(6)	33,422	7	25,688	2	62,192	4
7050	Finance costs	(1,427)	-	(1,115)	-	(4,454)	-	(4,201)	-
7060	Shares of loss of associates and joint ventures accounted for using equity method(note (6)(d))	(597)	-	(4,513)	(1)	(4,353)	-	(11,133)	(1)
7590	Miscellaneous disbursements	(2,061)	-	(602)	-	(2,328)	-	(5,450)	-
		(21,278)	(4)	39,933	8	41,749	3	91,056	6
7900	<b>Profit (loss) before tax</b>	(14,135)	(3)	24,610	5	49,583	4	62,946	4
7950	Less: Tax expenses (income) (note (6)(o))	(2,827)	(1)	13,354	3	9,211	1	30,307	2
	<b>Profit (loss)</b>	(11,308)	(2)	11,256	2	40,372	3	32,639	2
8300	<b>Other comprehensive income:</b>								
8360	<b>Items that will be reclassified subsequently to profit or loss:</b>								
8361	Exchange differences on translation	19,640	4	32,485	7	48,001	3	2,898	-
8399	Income tax related to components of other comprehensive income that will be reclassified subsequently to profit or loss (note (6)(o))	3,928	1	6,497	1	9,600	1	580	-
	Components of other comprehensive income that will be reclassified to profit or loss	15,712	3	25,988	6	38,401	2	2,318	-
8300	<b>Other comprehensive income</b>	15,712	3	25,988	6	38,401	2	2,318	-
8500	<b>Comprehensive income</b>	<u>\$ 4,404</u>	<u>1</u>	<u>37,244</u>	<u>8</u>	<u>78,773</u>	<u>5</u>	<u>34,957</u>	<u>2</u>
	<b>Earnings per common share</b> (note (6)(q))								
9750	<b>Basic earnings (loss) per share (expressed in dollars)</b>	<u>\$ (0.15)</u>		<u>0.15</u>		<u>0.55</u>		<u>0.44</u>	
9850	<b>Diluted earnings (loss) per share (expressed in dollars)</b>	<u>\$ (0.15)</u>		<u>0.15</u>		<u>0.55</u>		<u>0.44</u>	

See accompanying notes to consolidated financial statements.

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

**SINHER TECHNOLOGY INC. AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the nine months ended September 30, 2024 and 2023**

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

		Retained earnings				Exchange differences on translation of foreign financial statements	Treasury shares	Total equity
		Ordinary shares	Capital surplus	Legal reserve	Special reserve	Ordinary shares		
<b>A1</b>	<b>Balance at January 1, 2023</b>	\$ 744,172	440,035	483,811	42,710	1,880,180	(27,116)	3,532,692
	Appropriation and distribution of retained earnings:							
B1	Legal reserve appropriated	-	-	20,588	-	(20,588)	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(128,830)	-	(128,830)
B17	Reversal of special reserve	-	-	-	(15,594)	15,594	-	-
		-	-	20,588	(15,594)	(133,824)	-	(128,830)
D1	Profit for the nine months ended September 30, 2023	-	-	-	-	32,639	-	32,639
D3	Other comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	2,318	2,318
D5	Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	32,639	2,318	34,957
<b>Z1</b>	<b>Balance at September 30, 2023</b>	<u>\$ 744,172</u>	<u>440,035</u>	<u>504,399</u>	<u>27,116</u>	<u>1,778,995</u>	<u>(24,798)</u>	<u>3,438,819</u>
<b>A1</b>	<b>Balance at January 1, 2024</b>	\$ 744,172	440,035	504,399	27,116	1,750,151	(46,005)	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 nine months ended September 30, 2024	-	-	-	-	40,372	-	40,372
D3	Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	38,401	38,401
D5	Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	40,372	38,401	78,773
<b>Z1</b>	<b>Balance at September 30, 2024</b>	<u>\$ 744,172</u>	<u>440,035</u>	<u>504,778</u>	<u>46,005</u>	<u>1,697,638</u>	<u>(7,604)</u>	<u>3,393,924</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 Cash Flows**

**For the three months and nine months ended September 30, 2024 and 2023**

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

		For the nine months ended September 30,	
		2024	2023
AAAA	<b>Cash flows from (used in) operating activities:</b>		
A10000	<b>Profit before tax</b>	\$ 49,583	62,946
A20000	<b>Adjustments:</b>		
20010	<b>Adjustments to reconcile profit (loss):</b>		
20100	Depreciation expense	98,115	102,523
20200	Amortization expense	3,056	4,176
A20300	Expected credit loss	1,254	495
A20900	Interest expense	4,454	4,201
A21200	Interest income	(23,307)	(27,200)
A22300	Shares of loss of associates and joint ventures accounted for using equity method	4,353	11,133
A29900	Others	597	(99)
A20010	<b>Total adjustments to reconcile profit (loss)</b>	88,522	95,229
A30000	<b>Changes in operating assets and liabilities:</b>		
A31000	<b>Changes in operating assets</b>		
A31150	Decrease (increase) in notes receivable and accounts receivable	(66,777)	4,694
A31200	Decrease (increase) in inventories	(114,254)	9,674
A31240	Decrease in other current assets	2,497	4,192
A31250	Increase in other current financial assets	(664)	(1,223)
A31000	<b>Total changes in operating assets</b>	(179,198)	17,337
A32000	<b>Changes in operating liabilities:</b>		
A32150	Increase in accounts payable	72,330	52,701
A32180	Increase (decrease) in other payables	14,720	(34,824)
A32000	<b>Total changes in operating liabilities</b>	87,050	17,877
A30000	<b>Total changes in operating assets and liabilities</b>	(92,148)	35,214
A20000	<b>Total adjustments</b>	(3,626)	130,443
A33000	Cash inflow generated from operations	45,957	193,389
A33100	Interest received	22,979	30,469
A33300	Interest paid	(4,179)	(3,376)
A33500	Income taxes paid	(34,496)	(64,841)
AAAA	<b>Net cash flows from (used in) operating activities</b>	30,261	155,641
BBBB	<b>Cash flows from (used in) investing activities:</b>		
B01800	Acquisition of investments accounted for using equity method	(12,486)	-
B02700	Acquisition of property, plant and equipment	(203,019)	(69,965)
B02800	Proceeds from disposal of property, plant and equipment	-	1,005
B03700	Increase in guarantee deposits paid	-	(2,095)
B03800	Decrease in guarantee deposits paid	2,480	-
B04500	Acquisition of intangible assets	(3,012)	(1,991)
B05350	Acquisition of right-of-use assets	-	(27,221)
B06600	Increase in other non-current financial assets	-	(10,028)
B06700	Increase in other non-current assets	-	(11,233)
BBBB	<b>Net cash flows from (used in) investing activities</b>	(216,037)	(121,528)
CCCC	<b>Cash flows from (used in) financing activities:</b>		
C00100	Increase in short-term borrowings	26,657	57,121
C00200	Decrease in short-term borrowings	(104,406)	(107,159)
C01600	Proceeds from long-term borrowings	88,856	57,121
C01700	Repayments of long-term borrowings	(8,886)	(4,394)
C03100	Increase (decrease) in guarantee deposits received	(125)	1
C04020	Payment of lease liabilities	(697)	(254)
C04500	Cash dividends paid	(73,617)	(128,830)
CCCC	<b>Net cash flows from (used in) financing activities</b>	(72,218)	(126,394)
DDDD	<b>Effect of exchange rate changes on cash and cash equivalents</b>	30,546	2,367
EEEE	<b>Net decrease in cash and cash equivalents</b>	(227,448)	(89,914)
E00100	<b>Cash and cash equivalents at beginning of period</b>	1,734,159	1,847,969
E00200	<b>Cash and cash equivalents at end of period</b>	<u>\$ 1,506,711</u>	<u>1,758,055</u>

See accompanying notes to financial statements.



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

**SINHER TECHNOLOGY INC. AND SUBSIDIARIES**

**Notes to The Consolidated Financial Statements**

**September 30, 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 nine months ended September 30, 2024 were authorized for issuance by the Board of Directors on November 7, 2024.

**(3) New standards, amendments and interpretations adopted**

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

- (a) 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 IAS 21 "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"	<p>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.</p> <ul style="list-style-type: none"><li>• A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across</li></ul>	January 1, 2027

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

## SINHER TECHNOLOGY INC. AND SUBSIDIARIES

### Notes to The Consolidated Financial Statements

September 30, 2024 and 2023

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

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.

Annual Improvements to  
IFRS Accounting  
Standards

This amendment clarifies:

January 1, 2026

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
  - 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.

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

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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 for the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 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
			September 30, 2024	December 31, 2023	September 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%	
The Company	Profit Earn International Co., Ltd. (Profit)	General investing	100%	100%	100%	

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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 recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting

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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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Cash on hand	\$ 3,117	662	2,453
Checking accounts and demand deposits	397,901	635,325	501,982
Time deposits	1,105,693	1,098,172	1,253,620
	<b>\$ 1,506,711</b>	<b>1,734,159</b>	<b>1,758,055</b>

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

(b) Notes and accounts receivable

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	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Notes receivable	\$ 159	195	59
Accounts receivable	745,188	678,375	754,517
	745,347	678,570	754,576
Less: loss allowance	(2,264)	(947)	(1,110)
	<b>\$ 743,083</b>	<b>677,623</b>	<b>753,466</b>

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:

<b>September 30, 2024</b>			
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Aging under 120 days	\$ 660,537	0.037%	246
Aging 121~150 days	78,958	0.360%	283
Aging 151~240 days	4,291	4.055%	174
Aging over 241 days	1,561	100%	1,561
	<b>\$ 745,347</b>		<b>2,264</b>
<b>December 31, 2023</b>			
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
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
	<b>\$ 678,570</b>		<b>947</b>
<b>September 30, 2023</b>			
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Aging under 120 days	\$ 666,549	0.017%	111
Aging 121~150 days	84,028	0.233%	196
Aging 151~240 days	3,266	2.143%	70
Aging over 241 days	733	100%	733
	<b>\$ 754,576</b>		<b>1,110</b>

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

	For the Nine months ended September 30,	
	2024	2023
Balance on January 1	\$ 947	1,598
Impairment loss recognized	1,254	495
Amounts written off	-	(983)
Foreign exchange (gains) losses	63	-
Balance on September 30	<u>\$ 2,264</u>	<u>1,110</u>

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

(c) Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Raw materials	\$ 117,330	105,934	109,883
Work in progress	69,855	37,251	42,615
Finished goods	187,531	117,277	147,584
	<u>\$ 374,716</u>	<u>260,462</u>	<u>300,082</u>

For the three months ended September 30, 2024 and 2023 and for nine months ended September 30, 2024 and 2023, the details of cost of goods sold were as follows:

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Cost of goods sold	\$ 392,780	394,368	1,147,244	1,215,635
Loss for market price decline and obsolete and slow-moving inventories / gain from price recovery of inventories	16,423	3,187	45,126	9,165
Income from sale of scraps	(2,403)	(2,547)	(9,135)	(10,930)
Unallocated manufacturing overhead	2,437	2,339	6,232	2,339
	<u>\$ 409,237</u>	<u>397,347</u>	<u>1,189,467</u>	<u>1,216,209</u>

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

(d) Investments accounted for using equity method

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

	September 30, 2024	December 31, 2023	September 30, 2023
Associates	<u>\$ 23,741</u>	<u>14,230</u>	<u>26,988</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
The carrying amount of individually insignificant associates' equity	<u>\$ 23,741</u>	<u>14,230</u>	<u>26,988</u>

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Attributable to the Group:				
Loss from continuing operations	<u>\$ (597)</u>	<u>(4,513)</u>	<u>(4,353)</u>	<u>(11,133)</u>

- (iii) SuZhou SenYuan TongWei Technology Co., Ltd (hereinafter referred to as SYTW) had a capital reduction to cover its loss of CNY7,500 thousand (approximately \$34,088 thousand) and a cash capital increase in fiscal year 2024, and the Group had participated in the cash capital increase of the SYTW in proportion to its ownership in the third quarter of fiscal year 2024 for an amount of \$12,486 thousand. The Group has not assigned any employees to supervise the financial, personnel and operational activities of the SYTW, and therefore does not have the absolute power and ability to dominate the relevant activities and changes in remuneration of the SYTW. In summary, the Group assesses that it has only significant influence over SYTW.

- (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 September 30, 2024, December 31 and September 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 September 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 nine months ended September 30, 2024 and 2023 are calculated based on financial reports that have not been reviewed by independent auditors.

- (e) Property, plant and equipment



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

	<b>Land</b>	<b>Buildings and construction</b>	<b>Machinery equipment</b>	<b>Office and other facilities equipment</b>	<b>Unfinished construction and equipment under acceptance</b>	<b>Total</b>
<b>Cost or deemed cost:</b>						
Balance on January 1, 2024	\$ 362,813	515,219	565,693	59,694	118,824	1,622,243
Additions	-	51,718	6,847	1,590	138,874	199,029
Disposals	-	(3,370)	(36,342)	(4,699)	-	(44,411)
Effect of movements in exchange rates	-	15,106	12,483	1,551	5,218	34,358
Reclassifications	-	30,000	3,677	1,083	(5,162)	29,598
Balance on September 30, 2024	<u><b>\$ 362,813</b></u>	<u><b>608,673</b></u>	<u><b>552,358</b></u>	<u><b>59,219</b></u>	<u><b>257,754</b></u>	<u><b>1,840,817</b></u>
Balance on January 1, 2023	\$ 362,813	549,654	650,121	66,187	4,425	1,633,200
Additions	-	2,520	11,170	1,769	53,948	69,407
Reclassification to investment property	-	(21,550)	-	-	-	(21,550)
Disposals	-	(9,677)	(90,687)	(6,758)	-	(107,122)
Effect of movements in exchange rates	-	476	444	53	229	1,202
Reclassifications	-	450	1,863	995	(3,697)	(389)
Balance on September 30, 2023	<u><b>\$ 362,813</b></u>	<u><b>521,873</b></u>	<u><b>572,911</b></u>	<u><b>62,246</b></u>	<u><b>54,905</b></u>	<u><b>1,574,748</b></u>
<b>Accumulated depreciation and impairments:</b>						
Balance on January 1, 2024	\$ -	247,616	384,790	43,171	-	675,577
Depreciation for the period	-	23,251	58,644	6,142	-	88,037
Disposals	-	(3,370)	(36,162)	(4,684)	-	(44,216)
Effect of movements in exchange rates	-	8,270	9,809	1,312	-	19,391
Balance on September 30, 2024	<u><b>\$ -</b></u>	<u><b>275,767</b></u>	<u><b>417,081</b></u>	<u><b>45,941</b></u>	<u><b>-</b></u>	<u><b>738,789</b></u>
Balance on January 1, 2023	\$ -	233,757	399,142	42,677	-	675,576
Depreciation for the period	-	21,898	67,109	7,341	-	96,348
Reclassification to investment property	-	(1,362)	-	-	-	(1,362)
Disposals	-	(9,677)	(90,282)	(6,646)	-	(106,605)
Effect of movements in exchange rates	-	314	352	45	-	711
Balance on September 30, 2023	<u><b>\$ -</b></u>	<u><b>244,930</b></u>	<u><b>376,321</b></u>	<u><b>43,417</b></u>	<u><b>-</b></u>	<u><b>664,668</b></u>
<b>Carrying amounts:</b>						
Balance on January 1, 2024	<u><b>\$ 362,813</b></u>	<u><b>267,603</b></u>	<u><b>180,903</b></u>	<u><b>16,523</b></u>	<u><b>118,824</b></u>	<u><b>946,666</b></u>
Balance on September 30, 2024	<u><b>\$ 362,813</b></u>	<u><b>332,906</b></u>	<u><b>135,277</b></u>	<u><b>13,278</b></u>	<u><b>257,754</b></u>	<u><b>1,102,028</b></u>
Balance on January 1, 2023	<u><b>\$ 362,813</b></u>	<u><b>315,897</b></u>	<u><b>250,979</b></u>	<u><b>23,510</b></u>	<u><b>4,425</b></u>	<u><b>957,624</b></u>
Balance on September 30, 2023	<u><b>\$ 362,813</b></u>	<u><b>276,943</b></u>	<u><b>196,590</b></u>	<u><b>18,829</b></u>	<u><b>54,905</b></u>	<u><b>910,080</b></u>

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- (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 \$137,042 thousand, and as of September 30, 2024 the above price had been paid for \$130,279 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 \$144,646 thousand, and as of September 30, 2024 the above price had been paid for \$101,252 thousand.

- (ii) Pledged as collateral

As of September 30, 2024, December 31, and September 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>3,992</u>
Balance on September 30, 2024	<u><b>\$ 211,855</b></u>
Balance on January 1, 2023	\$ 71,865
Addition	28,866
Reclassified to investment property	(1,040)
Transfer-in from other non-current asset	33,625
Decrease	(1,806)
Effect of movements in exchange rates	<u>96</u>
Balance on September 30, 2023	<u><b>\$ 131,606</b></u>
Depreciation and impairments loss:	
Balance on January 1, 2024	\$ 9,603
Depreciation for the year	5,471
Effect of movements in exchange rates	<u>424</u>
Balance on September 30, 2024	<u><b>\$ 15,498</b></u>
Balance on January 1, 2023	\$ 7,559
Depreciation for the year	1,618
Reclassified to investment property	(92)
Decrease	(161)
Effect of movements in exchange rates	<u>16</u>
Balance on September 30, 2023	<u><b>\$ 8,940</b></u>

Book Value:

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Balance on January 1, 2024	<u>\$ 117,984</u>
Balance on September 30, 2024	<u>\$ 196,357</u>
Balance on January 1, 2023	<u>\$ 64,306</u>
Balance on September 30, 2023	<u>\$ 122,666</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:

	<b>Buildings and constructions</b>	<b>Land</b>	<b>Total</b>
<b>Cost or deemed cost:</b>			
Balance on January 1, 2024	\$ 108,547	6,082	114,629
Effect of movements in exchange rates	4,917	275	5,192
Balance on September 30, 2024	<u>\$ 113,464</u>	<u>6,357</u>	<u>119,821</u>
Balance on January 1, 2023	\$ 88,960	5,153	94,113
Transfer-in from property, plant and equipment	21,550	-	21,550
Transfer-in from right-of-use asset	-	1,040	1,040
Effect of movements in exchange rates	245	13	258
Balance on September 30, 2023	<u>\$ 110,755</u>	<u>6,206</u>	<u>116,961</u>
<b>Depreciation and impairments loss:</b>			
Balance on January 1, 2024	\$ 12,663	676	13,339
Depreciation for the year	4,503	104	4,607
Effect of movements in exchange rates	655	32	687
Balance on September 30, 2024	<u>\$ 17,821</u>	<u>812</u>	<u>18,633</u>
Balance on January 1, 2023	\$ 5,577	458	6,035
Depreciation for the year	4,454	103	4,557
Transfer-in from property, plant and equipment & right-of-use asset	1,362	92	1,454
Effect of movements in exchange rates	36	2	38
Balance on September 30, 2023	<u>\$ 11,429</u>	<u>655</u>	<u>12,084</u>

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**Carry Amount:**

Balance on January 1, 2024	\$	<u>95,884</u>	<u>5,406</u>	<u>101,290</u>
Balance on September 30, 2024	\$	<u>95,643</u>	<u>5,545</u>	<u>101,188</u>
Balance on January 1, 2023	\$	<u>83,383</u>	<u>4,695</u>	<u>88,078</u>
Balance on September 30, 2023	\$	<u>99,326</u>	<u>5,551</u>	<u>104,877</u>

**Fair Value:**

Balance on January 1, 2024	<u>198,516</u>
Balance on September 30, 2024	<u>198,516</u>
Balance on January 1, 2023	<u>176,675</u>
Balance on September 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 September 30, 2024, December 31, and September 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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Prepayment for contract signing of factory building	\$ -	30,000	10,000
Other	12,711	12,589	13,932
Total other non-current assets	<u>\$ 12,711</u>	<u>42,589</u>	<u>23,932</u>

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 thousand. The transfer procedures have not been completed and are listed under other non-current assets. As of September 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

	<u>September 30, 2024</u>		
	<u>Currency</u>	<u>Range of interest rates</u>	<u>Amount</u>
Unsecured bank loans	USD	2.85 ~ 3.25%	<u>\$ 27,138</u>
Unused short-term credit lines			<u>\$ 99,462</u>

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	<b>December 31, 2023</b>		
	<b>Currency</b>	<b>Range of interest rates</b>	<b>Amount</b>
Unsecured bank loans	USD	2.37 ~ 5.57%	<u><u>\$ 101,684</u></u>
Unused short-term credit lines			<u><u>\$ 429,596</u></u>

	<b>September 30, 2023</b>		
	<b>Currency</b>	<b>Range of interest rates</b>	<b>Amount</b>
Unsecured bank loans	USD	2.37 ~ 5.57%	<u><u>\$ 101,545</u></u>
Unused short-term credit lines			<u><u>\$ 454,775</u></u>

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

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

(j) Long-term borrowings

The details of long-term borrowings were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Secured bank loans	\$ 135,690	51,924	52,980
Less: current portion	(113,075)	(51,924)	(4,415)
Total	<u><u>\$ 22,615</u></u>	<u><u>-</u></u>	<u><u>48,565</u></u>
Unused credit lines	<u><u>\$ -</u></u>	<u><u>121,156</u></u>	<u><u>123,620</u></u>
Range of interest rate	<u><u>2.7% ~ 3.35%</u></u>	<u><u>2.90%</u></u>	<u><u>2.90%</u></u>

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

<b>Term</b>	<b>Amounts</b>
2024/10/01 ~ 2025/09/30	\$ 113,075
2025/10/01 ~ 2026/02/14	22,615
	<u><u>\$ 135,690</u></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

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The lease liabilities of the Group were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Current	<u>\$ 2,887</u>	<u>256</u>	<u>256</u>
Non-current	<u>\$ 57,217</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 September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Interest on lease liabilities	<u>\$ 188</u>	<u>-</u>	<u>972</u>	<u>9</u>
Expenses relating to short-term leases	<u>\$ 642</u>	<u>1,461</u>	<u>2,789</u>	<u>4,042</u>
Expenses relating to lease of low-value assets (excluding short-term leases of low-value assets)	<u>\$ 45</u>	<u>45</u>	<u>136</u>	<u>136</u>

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

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Total cash outflow for leases	<u>\$ 4,594</u>	<u>4,441</u>

(i) Leases of land

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.

(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) Provision

The provisions of the Group were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Non-current	<u>\$ 21,677</u>	<u>-</u>	<u>-</u>

The movements in the provisions were as follows:

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	<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Balance on January 1	\$ -	-
Addition	21,486	-
Amortization	191	-
Balance on September 30	<b>\$ 21,677</b>	<b>-</b>

The Group 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**

The Group subleased several properties and parking spaces. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risk and rewards incidental to the ownership of the assets, or these leases are short-term leases and are adapted for exemption. For the three months ended September 30, 2024 and 2023 and for nine months ended September 30, 2024 and 2023, the income recognized in profit or loss under the operating lease were \$41 thousand, \$4,390 thousand, \$113 thousand and \$13,255 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:

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Cost of sales and operating expenses	\$ 42	39	126	118

**(ii) Defined contribution plans**

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

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Cost of sales and operating expenses	\$ 14,851	13,575	40,850	39,893

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(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		For the nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Current tax expense (income)	\$ (2,827)	13,354	9,211	30,307

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

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translation	\$ 3,928	6,497	9,600	580

(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 nine months ended September 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.

(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



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will be held to decide this matter. The total distribution shall not be less than 10% of the remaining earnings calculated by the above items.

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

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

1) Legal reserve

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

2) Special reserve

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

3) Earnings distribution

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 (loss) per share were calculated as follows:

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	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
<b>Basic earnings per share:</b>				
Profit (loss) attributable to ordinary shareholders of the Company	<u>\$ (11,308)</u>	<u>\$ 11,256</u>	<u>40,372</u>	<u>32,639</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 (loss) per share (in dollars)	<u>\$ (0.15)</u>	<u>\$ 0.15</u>	<u>0.55</u>	<u>0.44</u>
<b>Diluted earnings per share:</b>				
Profit (loss) attributable to ordinary shareholders of the Company (after adjustment of potential diluted ordinary shares)	<u>\$ (11,308)</u>	<u>\$ 11,256</u>	<u>40,372</u>	<u>32,639</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	-	76	87	181
Weighted average number of ordinary shares (after adjustment of potential diluted ordinary shares)	<u>73,617</u>	<u>73,693</u>	<u>73,704</u>	<u>73,798</u>
Diluted earnings (loss) per share (in dollars)	<u>\$ (0.15)</u>	<u>\$ 0.15</u>	<u>0.55</u>	<u>0.44</u>

The Company recorded a net loss before tax from July 1 to September 30, 2024, so no diluted loss per share was calculated.

(r) Revenue from contracts with customers

(i) Disaggregation of revenue

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	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Primary geographical markets:				
Taiwan	\$ 32,311	27,608	76,742	95,530
China	256,188	248,979	764,661	802,823
Singapore	169,533	150,086	499,422	457,153
Japan	30,170	28,242	77,440	78,290
Other	16,457	4,874	33,697	5,166
	<u>\$ 504,659</u>	<u>459,789</u>	<u>1,451,962</u>	<u>1,438,962</u>
Major product:				
Hinge components	\$ 503,065	453,365	1,444,851	1,426,882
Other	1,594	6,424	7,111	12,080
Total	<u>\$ 504,659</u>	<u>459,789</u>	<u>1,451,962</u>	<u>1,438,962</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 \$2,913 thousand and the remuneration to directors amounted to \$477 thousand for nine months ended September 30, 2024, respectively. There is no remuneration to employees and directors due to the loss before tax for three months ended September 30, 2024.

The remuneration to employees amounted to \$830 thousand and \$2,647 thousand and the remuneration to directors amounted to \$136 thousand and \$433 thousand for the three months ended September 30, 2023 and for nine months ended September 30, 2023, respectively.

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

The remunerations to employees amounted to \$530 thousand and \$14,739 thousand and the

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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.

	<b>Carrying Amount</b>	<b>Contractual cash flows</b>	<b>Within a year</b>	<b>1-2 years</b>	<b>Over 2 years</b>
<b>September 30, 2024</b>					
Non-derivative financial liabilities:					
Secured bank loan	\$ 135,690	(138,136)	(114,526)	(23,610)	-
Unsecured bank loan	27,138	(27,173)	(27,173)	-	-
Accounts payable	259,588	(259,588)	(259,588)	-	-
Other payables	174,455	(174,455)	(174,455)	-	-
Non-current provision	21,677	(28,000)	-	-	(28,000)
Lease liabilities (including current and non-current)	60,104	(67,388)	(3,638)	(3,449)	(60,301)
Guarantee deposits received	1,095	(1,095)	-	-	(1,095)
	<b>\$ 679,747</b>	<b>(695,835)</b>	<b>(579,380)</b>	<b>(27,059)</b>	<b>(89,396)</b>
<b>December 31, 2023</b>					
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)	-	-
Lease liabilities (including current and non-current)	2,011	(2,039)	(263)	(263)	(1,513)
Guarantee deposits received	1,220	(1,220)	-	-	(1,220)
	<b>\$ 507,738</b>	<b>(509,389)</b>	<b>(506,393)</b>	<b>(263)</b>	<b>(2,733)</b>

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#### September 30, 2023

Non-derivative financial liabilities:

Secured bank loan	\$	52,980	(54,461)	(4,476)	(49,985)	-
Unsecured bank loan	\$	101,545	(102,123)	(102,123)	-	-
Accounts payable		214,385	(214,385)	(214,385)	-	-
Other payables		186,139	(186,139)	(186,139)	-	-
Lease liabilities (including current and non-current)		2,011	(2,039)	(263)	(263)	(1,513)
Guarantee deposits received		1,244	(1,244)	-	-	(1,244)
	\$	<u>558,304</u>	<u>(560,391)</u>	<u>(507,386)</u>	<u>(50,248)</u>	<u>(2,757)</u>

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:

		September 30, 2024			December 31, 2023			(In thousands of foreign currency) September 30, 2023		
		Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets										
Monetary items										
USD	\$	30,740	USD/NTD	972,906	20,269	USD/NTD	622,351	21,088	USD/NTD	680,509
			=31.65			=30.705			=32.27	
USD		25,838	USD/CNY	818,932	27,308	USD/CNY	836,905	28,900	USD/CNY	916,086
			=7.0074			=7.0827			=7.1798	
Financial liabilities										
USD		16,409	USD/CNY	520,078	14,767	USD/CNY	452,558	15,132	USD/CNY	479,655
			=7.0074			=7.0827			=7.1798	

##### 2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, accounts payable, and other payables that are denominated in foreign currency. A weakening (strengthening) 5% of each foreign currency against the functional currency for the nine months ended September 30, 2024 and 2023 would have affected the net profit before tax as follows, the analysis is performed on the same basis for both periods.

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	For the nine months ended September 30,	
	2024	2023
USD (against the NTD)		
5% of appreciation	\$ 48,645	34,025
5% of depreciation	(48,645)	(34,025)
USD (against the CNY)		
5% of appreciation	14,943	21,822
5% of depreciation	(14,943)	(21,822)

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 \$(27,224) thousand, \$33,422 thousand, \$25,688 thousand and \$62,192 thousand three months and nine months ended September 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 \$441 thousand for the nine months ended September 30, 2024 and net profit before tax would have increased or decreased by \$651 thousand for the nine months ended September 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

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:

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		September 30, 2024				
		Carrying	Fair Value			
		amount	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost:						
Cash and cash equivalents	\$	1,506,711	-	-	-	-
Notes receivable and accounts receivable, net		743,083	-	-	-	-
Other current financial assets		21,698	-	-	-	-
Guarantee deposits paid		6,558	-	-	-	-
	\$	2,278,050	-	-	-	-
Financial liabilities measured at amortized cost:						
Secured bank loan	\$	135,690	-	-	-	-
Unsecured bank loan		27,138	-	-	-	-
Accounts payable		259,588	-	-	-	-
Other payables		174,455	-	-	-	-
Non-current provision		21,677	-	-	-	-
Lease liabilities (including current and non-current)		60,104	-	-	-	-
Guarantee deposits received		1,095	-	-	-	-
	\$	679,747	-	-	-	-
		December 31, 2023				
		Carrying	Fair Value			
		amount	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost:						
Cash and cash equivalents	\$	1,734,159	-	-	-	-
Notes receivable and accounts receivable, net		677,623	-	-	-	-
Other current financial assets		20,706	-	-	-	-
Guarantee deposits paid		9,038	-	-	-	-
	\$	2,441,526	-	-	-	-

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**Financial liabilities**

**measured at amortized**

**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	-	-	-	-
	<b>\$</b>	<b>507,738</b>	-	-	-	-

**September 30, 2023**

	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets measured at amortized cost:</b>					
Cash and cash equivalents	\$ 1,758,055	-	-	-	-
Notes receivable and accounts receivable, net	753,466	-	-	-	-
Other current and non- current financial assets	25,533	-	-	-	-
Guarantee deposits paid	9,111	-	-	-	-
	<b>\$ 2,546,165</b>	-	-	-	-

**Financial liabilities**

**measured at amortized**

**cost:**

Secured bank loan	\$	52,980	-	-	-	-
Unsecured bank loan		101,545	-	-	-	-
Accounts payable		214,385	-	-	-	-
Other payables		186,139	-	-	-	-
Lease liabilities (including current and non-current)		2,011	-	-	-	-
Guarantee deposits received		1,244	-	-	-	-
	<b>\$</b>	<b>558,304</b>	-	-	-	-

There were no transfers of financial instruments between any levels for the nine months ended September 30, 2024 and 2023.

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



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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.

(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

Management believes that the objectives, policies and processes of capital management of the Group have been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. Also, management believes that there were no significant changes in the Group's capital management information as disclosed in Note (6)(v) for the year ended December 31, 2023..

(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:

	<b>January 1, 2024</b>	<b>Cash flow</b>	<b>Non-cash changes New additions and others in this period</b>	<b>Exchange movement</b>	<b>September 30, 2024</b>
Short-term borrowings	\$ 101,684	(77,749)	-	3,203	27,138
Long-term borrowings	51,924	79,970	-	3,796	135,690
Guarantee deposits received	1,220	(125)	-	-	1,095
Lease liabilities	2,011	(697)	58,790	-	60,104
Total liabilities from financing activities	<u>\$ 156,839</u>	<u>1,399</u>	<u>58,790</u>	<u>6,999</u>	<u>224,027</u>

	<b>January 1, 2023</b>	<b>Cash flow</b>	<b>Non-cash changes Exchange movement</b>	<b>September 30, 2023</b>
Short-term borrowings	\$ 151,530	(50,038)	53	101,545
Long-term borrowings	-	52,727	253	52,980
Guarantee deposits received	1,243	1	-	1,244

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Lease liabilities	2,265	(254)	-	2,011
Total liabilities from financing activities	<b>\$ 155,038</b>	<b>2,436</b>	<b>306</b>	<b>157,780</b>

**(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.

<b>Name of related party</b>	<b>Relationship with the Group</b>
Daher Mold Co. (Daher)	Same chairman with the Company
SuZhou SenYuan TongWei Technology Co., Ltd (SYTW)	An associate

**(b) Significant transaction with related parties**

For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the Group purchased some fixtures and consumable material from its related parties amounting to \$4,340 thousand, \$3,766 thousand, \$11,766 thousand and \$12,382 thousand, recognized as operating cost and researching and developing cost respectively. As of September 30, 2024, December 31, 2023 and September 30, 2023, the outstanding balance was \$6,784 thousand, \$5,013 thousand and \$5,634 thousand, respectively, were recognized as other payables.

The Group participated in the cash capital increase of the investment company SYTW based on its shareholding ratio in the third quarter of 2024, with a total amount of \$12,486 thousand.

**(c) Key management personnel compensation**

Key management personnel compensation comprised of:

	<b>Three months ended September 30, 2024</b>	<b>Three months ended September 30, 2023</b>	<b>Nine months ended September 30, 2024</b>	<b>Nine months ended September 30, 2023</b>
Short-term employee benefits \$	3,322	3,890	11,371	12,219
Post-employment benefits	104	114	332	342
<b>\$</b>	<b>3,426</b>	<b>4,004</b>	<b>11,703</b>	<b>12,561</b>

**(8) Pledged assets:**

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

<b>Pledged assets</b>	<b>Pledged to secure</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Property, plant and equipment	Long-term borrowings limit	\$ 93,095	94,517	98,116

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Investment properties	Long-term borrowings limit	95,643	95,884	99,236
		<u>\$ 188,738</u>	<u>190,401</u>	<u>197,352</u>

**(9) Commitments and contingencies:**

- (a) For the information on the Group's bank credit lines, guarantees and endorsements please refer to note (13)(a).
- (b) Unrecognized contractual commitments:
- (c) As of September 30, 2024, December 31 and September 30, 2023, the future payments for the purchase of the Group's plant and constructions amounted to \$71,350 thousand, \$225,120 thousand and \$185,730 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 September 30,					
	2024			2023		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	123,217	28,484	151,701	114,698	30,111	144,809
Labor and health insurance	11,059	2,357	13,416	9,701	1,921	11,622
Pension	13,109	1,784	14,893	11,913	1,701	13,614
Others	7,426	1,580	9,006	6,798	1,450	8,248
Depreciation	24,689	7,457	32,146	26,502	5,696	32,198
Amortization	244	679	923	321	1,095	1,416

By item \ By function	For the nine months ended September 30,					
	2024			2023		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	368,225	88,532	456,757	358,713	95,505	454,218
Labor and health insurance	30,234	6,721	36,955	29,781	6,479	36,260
Pension	35,770	5,206	40,976	34,948	5,063	40,011
Others	20,626	4,555	25,181	21,101	4,842	25,943
Depreciation	76,028	22,087	98,115	85,109	17,414	102,523
Amortization	971	2,085	3,056	945	3,231	4,176

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(b) Seasonality of operations

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

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the nine months ended September 30, 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 Endorsement	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Kunshan Wanhe	(Note 2)	1,018,177	187,740 (US\$6,000)	-	-	-	-%	1,696,962	Y	-	Y
0	"	Chongqing SNR	(Note 2)	1,018,177	312,900 (US\$10,000)	123,455 (US\$3,900)	27,138 (US\$6,000)	-	3.64%	1,696,962	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 not included): None.

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

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

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

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

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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)	(173,663)	(35) %	Depending on the demand for funding, OA 120	Same as selling to other clients	Depending on the demand for funding, OA 120	Accounts Receivable 160,212	77 %	Note 1
"	Kunshan Wanhe	"	(Sales)	(219,242)	(44) %	"	"	"	Note 2	- %	"
Kunshan Wanhe	Chongqing SNR	Ultimately the parent company is the same	(Sales)	(103,607)	(12) %	Depending on the demand for funding, OA 120	Same as selling to other clients	Depending on the demand for funding, OA 120	Accounts Receivable 119,190	24 %	"
Kunshan Wanhe	The Company	The parent company	Purchases	219,242	41 %	Depending on the demand for funding, OA 120	Same as selling to other clients	Depending on the demand for funding, OA 120	Note 2	- %	"
Chongqing SNR	The Company	The parent company	Purchases	173,663	44 %	"	"	"	Accounts Payable (160,212)	(47) %	"
Chongqing SNR	Kunshan Wanhe	Ultimately the parent company is the same	Purchases	103,607	26 %	"	"	"	Accounts Payable (119,190)	(35) %	"

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

Note 2 : The amount of advance receipts (payments) on September 30, 2024 was \$23,574 thousand.

(viii) Information regarding receivables from related-parties exceeding 100 million or 20% of the

Company's paid-in capital:

(In thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent (note 1)	Allowance for bad debts	Note
					Amount	Action taken			
The Company	Chongqing SNR	100% owned sub-subsidiary	160,212	1.39	86,175	Enhanced Collection	Accounts Receivable 21,991	-	Note 2
Kunshan Wanhe	Chongqing SNR	Ultimately the parent company is the same	119,190	1.30	-	Enhanced Collection	Accounts Receivable 13,715	-	"

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.

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

(In thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of Relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Chongqing SNR	1	Sales Revenue	173,663	The price is marked-up based on operating cost. Depending on the funding demand, and the credit term is OA 120 days.	11.96%
0	"	Chongqing SNR	1	Accounts Receivable	160,212	"	3.87%
0	"	Kunshan Wanhe	1	Sales Revenue	219,242	"	15.01%

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1	Kunshan Wanhe	Chongqing SNR	3	Sales Revenue	103,607	"	7.14%
1	"	"	3	Accounts Receivable	119,190	"	2.88%

Note 1: The numbers are filled in as follows:

- 1.0 represents the Company.
- Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Relationship with the transactions is labeled as follows:

- Represents the transactions from the parent company to its subsidiaries.
- Represents the transactions from the subsidiaries to the parent company.
- Represents the transactions between the subsidiaries.

Note3: The transactions have been eliminated in the consolidated financial statement.

#### (b) Information on investments:

The following are the information on investees for the nine months ended September 30, 2024 (excluding information on investees in Mainland China):

(In thousands of foreign currency)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2024			Net income (losses) of investee	Share of profit/losses of investee	Note
				September 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%	1,034,913	(4,680)	(4,680)	Subsidiary
"	Profit	Samoa	"	-	-	-	100%	999	(300)	(300)	"
"	Sinher Vietnam	Vietnam	Manufacturing and selling hinges components	217,077	217,077	-	100%	215,824	362	362	"
	Total			<u>\$ 945,034</u>	<u>945,034</u>			<u>1,251,736</u>		<u>(4,618)</u>	
MOI	Sinher (H.K.) Limited	Hong Kong	General Investing	\$ 325,579	325,579	10,600,000	100%	835,866	(1,926)	(1,926)	A sub-subsidiary company
"	Cingher (H.K.) Limited	Hong Kong	"	402,378	402,378	13,200,000	100%	193,848	(2,754)	(2,754)	"
	Total			<u>\$ 727,957</u>	<u>727,957</u>			<u>1,029,714</u>		<u>(4,680)</u>	
Profit	Great Info	Samoa	Sell of hinge components	USD -	USD -	-	100%	24 (USD1)	(63) (USD(2))	(63) (USD(2))	"
"	Top Trading	Anguilla	"	USD -	USD -	-	100%	975 (USD31)	(237) (USD(7))	(237) (USD(7))	"
								<u>999</u>		<u>(300)</u>	

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

#### (c) Information on investment in Mainland China:

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

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Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated Outflow of investment from Taiwan as of September 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)	(1,926) (CNY(433))	1000%	(1,926) (CNY(433))	828,199	-
Chongqing SNR	Manufacturing and selling hinges components	391,042 (USD13,200)	(Note 1) & (Note 5)	391,042 (USD13,200)	-	-	391,042 (USD13,200)	(2,754) (CNY(620))	100%	(2,754) (CNY(620))	193,831	-
Qianquan	Manufacturing and selling hinges components	13,299 (CNY2,700)	(Note 6)	-	-	-	-	639 (CNY144)	100%	639 (CNY144)	800 (CNY177)	-
SYTW	Research, manufacturing and selling fans related productions	80,034 (CNY18,500)	(Note 7) & (Note 8)	-	-	-	-	(7,466) (CNY(1,680))	49%	(4,353) (CNY(980))	23,741 (CNY5,249)	-

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

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

Note 3: The amounts shown in the table were translated into New Taiwan Dollars at the three months ended September 30, 2024 average exchange rates.

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

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

Note 6: An investee company established by Kunshan Wanhe with its own capital.

Note 7: An investee company invested by Kunshan Wanhe with its own capital.

Note 8: The registered capital of SYTW is CNY \$18,500 thousand (with a capital of CNY \$20,000 thousand, reduced by CNY \$7,500 thousand and increased by CNY \$6,000 thousand in 2024)

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

(In thousands of foreign currency)

Accumulated Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
710,218 (USD23,800)	710,218 (USD23,800)	2,036,354

#### (iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, for the time ended September 30, 2024, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

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

(Unit: Shares)

Major shareholders	Shares	Total Shares Owned	Ownership Percentage
Su, Ting Hung		6,028,359	8.10%

Note:

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

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**(14) Segment information:**

This segment is mainly involved in the manufacturing of hinge components business. Therefore, the Group does not need to disclose segment information.