

**SHUNSIN TECHNOLOGY HOLDINGS LIMITED
AND SUBSIDIARY**

Consolidated Financial Statements

With Independent Auditors' Review Report

For three months ended of 2023 and 2022

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Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China. The independent auditors' audit 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' audit report and consolidated financial statements, the Chinese version shall prevail.

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REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors of ShunSin Technology Holdings Limited:

Introduction

We have reviewed the accompanying consolidated balance sheets of SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES Company and its subsidiaries as of March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Review Standards 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.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES Company and its subsidiaries as of March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG

Reviewed only, not audited in accordance with auditing standards
SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets

March 31 2023 、December 31 2022 and March 31 2022

Expressed in Thousands of New Taiwan Dollars

		2023.3.31		2022.12.31		2022.3.31				2023.3.31		2022.12.31		2022.3.31	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and equities		Amount	%	Amount	%	Amount	%
11xx	Current assets:							21xx	Current liabilities:						
1100	Cash and cash equivalents (note 6 (1))	\$ 7,628,246	52	8,819,738	54	8,993,593	60	2100	Short-term loans (note 6 (3), (12) and 8)	\$ 4,183,946	28	4,327,134	27	3,164,706	21
1110	Current financial assets at fair value through profit or loss (note 6 (2))	-	-	6,004	-	-	-	2120	Financial liabilities at fair value through profit or loss-current (note 6 (2))	6,756	-	-	-	-	-
1137	Financial assets at amortized costs- current (note 6 (3), (13) and 8)	21,927	-	61,732	-	62,120	-	2130	Current contract liabilities (note 6 (21))	58,568	-	59,862	-	165	-
1140	Current contract assets (note 6 (21) and 7)	428,519	3	408,006	3	421,156	3	2170	Accounts payable	435,319	3	622,933	4	331,169	2
1151	Notes receivable (note 6 (4) and (21))	6,647	-	-	-	-	-	2180	Accounts payable to related parties (note 7)	2,192	-	8,100	-	8,815	-
1170	Accounts receivable (note 6 (4) and (21))	798,889	5	968,455	6	379,741	3	2200	Other payables (note 6 (22))	516,467	4	662,723	4	435,888	3
1181	Accounts receivable — related parties (note 6 (4), (21) and 7)	41,647	-	63,785	-	165,462	1	2220	Other payables to related parties (note 7)	16,161	-	16,173	-	43,535	-
1206	Other receivables (note 6 (5), (7) and 7)	37,214	-	32,178	-	50,298	-	2230	Current tax liabilities	34,208	-	28,748	-	134,075	1
1220	Current tax assets	20,062	-	20,062	-	-	-	2280	Current lease liabilities (note 6 (15))	19,093	-	21,247	-	28,127	-
1310	Inventories (note 6 (6))	637,880	5	801,660	5	1,154,606	8	2321	Bonds payable, current portion (note 6 (14))	-	-	1,506,376	9	1,482,657	10
1410	Prepayments	105,298	1	76,653	1	271,154	2	2322	Long-term borrowings, current portion (note 6 (3), (13) and 8)	198,690	2	198,690	1	839,350	6
1470	Other current assets	2,557	-	3,388	-	3,054	-	2399	Other current liabilities	4,539	-	6,759	-	60,867	-
		<u>9,728,886</u>	<u>66</u>	<u>11,261,661</u>	<u>69</u>	<u>11,501,184</u>	<u>77</u>			<u>5,475,939</u>	<u>37</u>	<u>7,458,745</u>	<u>45</u>	<u>6,529,354</u>	<u>43</u>
15xx	Non-current assets:							25xx	Non-current liabilities:						
1510	Financial assets measured at fair value through profit or loss-non-current (note 6 (2))	349,221	3	325,238	2	383,161	3	2540	Long-term loans (note 6 (3), (13) and 8)	1,653,825	11	1,725,125	10	1,145,200	8
1535	Financial assets at amortized costs- non -current (note 6 (3), (13) and 8)	5,445	-	8,010	-	-	-	2570	Deferred tax liabilities	278,492	2	309,026	2	331,770	2
1600	Property, plant and equipment (note 6 (9), 7 and 9)	3,893,707	26	3,946,760	24	2,462,085	16	2580	Non-current lease liabilities (note 6 (15))	30,656	-	34,635	-	1,424	-
1755	Right-of-use assets (note 6 (10))	326,752	2	330,849	2	306,188	2	2630	Long-term deferred revenue	123,518	1	81,701	1	91,867	1
1780	Intangible assets (note 6 (11))	1,419	-	1,566	-	1,438	-	2645	Guarantee deposits received	4,748	-	4,884	-	12,487	-
1840	Deferred tax assets	404,372	3	395,789	3	291,773	2			<u>2,091,239</u>	<u>14</u>	<u>2,155,371</u>	<u>13</u>	<u>1,582,748</u>	<u>11</u>
1915	Prepayments for business facilities(note 9)	8,480	-	8,422	-	13,268	-	2xxx	Total liabilities	<u>7,567,178</u>	<u>51</u>	<u>9,614,116</u>	<u>58</u>	<u>8,112,102</u>	<u>54</u>
1920	Guarantee deposits paid	<u>16,454</u>	<u>-</u>	<u>14,017</u>	<u>-</u>	<u>11,901</u>	<u>-</u>	31xx	Total equity attributable to owners of parent (note 6 (8), (14), (18) and (19)):						
		5,005,850	34	5,030,651	31	3,469,814	23	3110	Ordinary share	<u>1,074,648</u>	<u>7</u>	<u>1,074,648</u>	<u>7</u>	<u>1,074,648</u>	<u>7</u>
								3200	Capital surplus	<u>2,943,670</u>	<u>20</u>	<u>2,933,948</u>	<u>18</u>	<u>2,963,428</u>	<u>20</u>
								3300	Retained earnings:						
								3310	Legal reserve	513,551	4	513,551	3	473,243	3
								3320	Special reserve	298,036	2	298,036	2	253,000	2
								3350	Unappropriated retained earnings	<u>1,772,420</u>	<u>12</u>	<u>1,717,906</u>	<u>11</u>	<u>1,771,959</u>	<u>12</u>
										<u>2,584,007</u>	<u>18</u>	<u>2,529,493</u>	<u>16</u>	<u>2,498,202</u>	<u>17</u>
								3400	Other equity interest:						
								3410	Exchange differences on translation of foreign financial statements	<u>(85,770)</u>	<u>-</u>	<u>(162,447)</u>	<u>(1)</u>	<u>122,100</u>	<u>1</u>
								3500	Treasury shares	<u>(151,236)</u>	<u>(1)</u>	<u>(151,236)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
									Total equity attributable to owners of parent	<u>6,365,319</u>	<u>44</u>	<u>6,224,406</u>	<u>39</u>	<u>6,658,378</u>	<u>45</u>
								36xx	Non-controlling interests (note 6 (8))	<u>802,239</u>	<u>5</u>	<u>453,790</u>	<u>3</u>	<u>200,518</u>	<u>1</u>
								3xxx	Total equity	<u>7,167,558</u>	<u>49</u>	<u>6,678,196</u>	<u>42</u>	<u>6,858,896</u>	<u>46</u>
1xxx	Total assets	<u>\$ 14,734,736</u>	<u>100</u>	<u>16,292,312</u>	<u>100</u>	<u>14,970,998</u>	<u>100</u>	2-3xxx	Total liabilities and equity	<u>\$ 14,734,736</u>	<u>100</u>	<u>16,292,312</u>	<u>100</u>	<u>14,970,998</u>	<u>100</u>

See accompanying notes to consolidated financial statements

Chairman: Hsu, Wen-Yi

Manager: Hsu, Wen-Yi

General Accountant: Wang, Yao-Wei

Reviewed only, not audited in accordance with auditing standards
SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES
Consolidated Statements of Profit or Loss and Other Comprehensive Income
For Three Months Ended March 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earning Per Share)

		From January to March 2023		From January to March 2022	
		Amount	%	Amount	%
4000	Operating revenue (note 6 (21) and 7):				
4110	Sales revenue	\$ 1,325,311	100	817,527	100
4190	Loss: Sales discounts and allowances	125	-	331	-
	Operating Revenue	1,325,186	100	817,196	100
5000	Operating costs (note 6 (6), (9), (10), (11), (15), (16) and 7)	1,099,389	83	794,903	97
5900	Gross profit from operations	225,797	17	22,293	3
6000	Operating expenses (note 6 (9), (10), (11), (15), (16), (19), (22) and 7):				
6100	Selling expenses	11,744	1	9,589	1
6200	Administrative expenses	121,605	9	82,213	10
6300	Research and development expenses	78,773	6	82,453	10
	Total operating expenses	212,122	16	174,255	21
6900	Net operating profits (losses)	13,675	1	(151,962)	(18)
7000	Non-operating income and expenses (note 6 (14), (15), (23) and 7) :				
7100	Interest revenue	37,533	3	54,574	7
7010	Other income	31,790	2	17,969	2
7020	Other gains and losses	2,644	-	(38,583)	(5)
7050	Finance costs	(39,254)	(3)	(21,507)	(2)
	Total non-operating income and expenses	32,713	2	12,453	2
7900	Profit (Loss) from continuing operations before tax	46,388	3	(139,509)	(16)
7950	Loss: Tax expense (benefit) (note 6 (17))	(29,323)	(2)	(36,627)	(4)
8200	Profit (Loss)	75,711	5	(102,882)	(12)
8300	Other comprehensive income:				
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	88,020	7	427,529	52
8399	Loss: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
8300	Other comprehensive income, net	88,020	7	427,529	52
8500	Total comprehensive income (loss)	\$ 163,731	12	324,647	40
	Profit, attributable to:				
8610	Owners of parent	\$ 54,514	3	(100,727)	(12)
8620	Non-controlling interests	21,197	2	(2,155)	-
		\$ 75,711	5	(102,882)	(12)
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 131,191	10	319,409	39
8720	Non-controlling interests	32,540	2	5,238	1
		\$ 163,731	12	324,647	40
	Basic earnings per share (expressed in New Taiwan Dollars) (note 6 (20))				
9750	Basic earnings per share	\$ 0.52		(0.94)	
9850	Diluted earnings per share	\$ 0.50		(0.94)	

See accompanying notes to consolidated financial statements

Chairman: Hsu, Wen-Yi

Manager: Hsu, Wen-Yi

General Accountant: Wang, Yao-Wei

Reviewed only, not audited in accordance with auditing standards
SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

From January 1 to March 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent											
Retained earnings						Exchange differences on translation of foreign financial statements	Treasury shares	Total equity attributable to owners of parent	Non- controlling interests	Total equity	
Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropria ted retained earnings	Total						
Balance as of January 1, 2022	\$ 1,074,648	2,963,425	473,243	253,000	1,872,686	2,598,929	(298,036)	-	6,338,966	188,766	6,527,732
Loss	-	-	-	-	(100,727)	(100,727)	-	-	(100,727)	(2,155)	(102,882)
Other comprehensive income (loss)	-	-	-	-	-	-	420,136	-	420,136	7,393	427,529
Total comprehensive income (loss)	-	-	-	-	(100,727)	(100,727)	420,136	-	319,409	5,238	324,647
Changes in ownership interests in subsidiaries	-	3	-	-	-	-	-	-	3	(3)	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	6,517	6,517
Balance as of March 31, 2022	\$ 1,074,648	2,963,428	473,243	253,000	1,771,959	2,498,202	122,100	-	6,658,378	200,518	6,858,896
Balance as of January 1, 2023	\$ 1,074,648	2,933,948	513,551	298,036	1,717,906	2,529,493	(162,447)	(151,236)	6,224,406	453,790	6,678,196
Profit	-	-	-	-	54,514	54,514	-	-	54,514	21,197	75,711
Other comprehensive income (loss)	-	-	-	-	-	-	76,677	-	76,677	11,343	88,020
Total comprehensive income (loss)	-	-	-	-	54,514	54,514	76,677	-	131,191	32,540	163,731
Changes in ownership interests in subsidiaries	-	9,722	-	-	-	-	-	-	9,722	(9,722)	-
Share-based payment transactions	-	-	-	-	-	-	-	-	-	28,312	28,312
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	297,319	297,319
Balance as of March 31, 2023	\$ 1,074,648	2,943,670	513,551	298,036	1,772,420	2,584,007	(85,770)	(151,236)	6,365,319	802,239	7,167,558

See accompanying notes to consolidated financial statements

Chairman: Hsu, Wen-Yi

Manager: Hsu, Wen-Yi

General Accountant: Wang, Yao-Wei

Reviewed only, not audited in accordance with auditing standards
SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For Three Months Ended March 31, 2023 and 2022

	From January to March, 2023	From January to March, 2022
Cash flows from operating activities:		
Profit (Loss) before tax	\$ 46,388	(139,509)
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	118,544	122,038
Amortization expense	156	114
Net (profit) loss on financial assets and liabilities at fair value through profit or loss	(13,613)	35,888
Interest expense	39,254	21,507
Interest income	(37,533)	(54,574)
Share-based payments	28,312	-
Gain on bond redemption	(7,500)	-
Gain from modification of lease	-	(5)
Total adjustments to reconcile profit (loss)	127,620	124,968
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	(20,513)	(91,652)
Notes receivable	(6,647)	-
Accounts receivable	169,566	274,030
Accounts receivable—related parties	22,138	(64,004)
Other receivables	(12,697)	9,743
Inventories	163,780	(13,151)
Prepayments	(28,645)	17,357
Other current assets	831	769
Total changes in operating assets	287,813	133,092
Changes in operating liabilities:		
Contract liabilities	(1,294)	-
Accounts payable	(187,614)	(287,889)
Accounts payable—related parties	(5,908)	(2,670)
Other payable	4,313	(74,323)
Other payable—related parties	(64)	(1,405)
Other current liabilities	(2,220)	(27,549)
Long-term deferred income	41,817	219
Total changes in operating liabilities	(150,970)	(393,617)
Total changes in operating assets and liabilities	136,843	(260,525)
Total adjustments	264,463	(135,557)
Cash inflow generated from operations	310,851	(275,066)
Interest received	45,194	43,499
Interest paid	(32,853)	(12,924)
Income taxes paid	-	(1,899)
Net cash flows from (used in) operating activities	323,192	(246,390)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized costs	(10,500)	-
Proceeds from disposal of financial assets at amortized cost	53,714	-
Proceeds from disposal of non-current assets classified as held for sale	-	281
Acquisition of property, plant and equipment	(172,569)	(223,199)
Decrease (Increase) in guarantee deposits paid	(2,437)	(475)
Acquisition of intangible assets	-	(515)
Decrease (Increase) in prepayments for business facilities	(1,678)	16,369
Net cash flows from (used in) investing activities	(133,470)	(207,539)
Cash flows from (used in) financing activities:		
Increase in short-term loans	3,692,001	3,093,724
Decrease in short-term loans	(3,835,189)	(3,071,258)
Repayments of bonds	(1,500,000)	-
Repayments of long-term loans	(60,900)	-
Increase (Decrease) in guarantee deposits received	(136)	7,829
Payments of lease liabilities	(6,812)	(9,992)
Changes in non-controlling interests	297,319	6,517
Net cash flows from (used in) financing activities	(1,413,717)	26,820
Effect of exchange rate changes on cash and cash equivalents	32,503	353,803
Net decrease in cash and cash equivalents	(1,191,492)	(73,306)
Cash and cash equivalents at beginning of period	8,819,738	9,066,899
Cash and cash equivalents at end of period	\$ 7,628,246	8,993,593

See accompanying notes to consolidated financial statements

Chairman: Hsu, Wen-Yi

Manager: Hsu, Wen-Yi

General Accountant: Wang, Yao-Wei

Reviewed only, not audited in accordance with auditing standards
ShunSin Technology Holdings Limited and Its Subsidiaries
Notes to Consolidated Financial Statements
For three months ended of 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. History of the Company

ShunSin Technology Holdings Limited (formerly known as Amtec Holdings Limited, hereinafter referred to as “the Company”) was established in the Cayman Islands on January 8, 2008, and set up a branch in Taiwan on July 4, 2013. On Approval dates August 28, 2013, the Company was renamed as ShunSin Technology Holdings Limited and changed the Chinese name of Amtec Holding Limited to ShunSin Technology Holdings Limited through the Board of Directors resolution. The Company’s stock was listed on the Taiwan Stock Exchange on January 26, 2015. The Company and its subsidiaries (hereinafter referred to as “the Group”) are mainly engaged in the assembly, testing and sales of various integrated circuits related to semiconductors.

2. Approval dates and procedures of consolidated financial statements

The consolidated financial report was issued and authorized by the Board of Directors on May 10, 2023.

3. New standards, amendments and interpretations adopted:

- (1) 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’s adoption of the newly revised International Financial Reporting Standards from January 1, 2023, and it does not cause significant impact on consolidated financial report.

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

- (2) The impact of IFRS issued by IASB but not yet endorsed by FSC

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

New or Amended Standards	Main revision contents	Effective date per IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments have removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the	2024/1/1

Reviewed only, not audited in accordance with auditing standards

ShunSin Technology Holdings Limited and Its Subsidiaries

Notes to Consolidated Financial Statements

reporting date and have substance.

The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.

Amendments to IAS 1 “Non-current Liabilities with Covenants”	After reconsidering certain aspects of the 2020 amendments ¹ , new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current.	2024/1/1
	Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	

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 results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following 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 Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- IFRS16 “Requirements for Sale and Leaseback Transactions”

4. Summary of Major Accounting Policies

The major accounting policies adopted in this consolidated financial report are the same as those in 2022, except for the following. Please refer to the note 4 in consolidated financial report of 2022 for relative information.

(1) Statement on compliance

This consolidated financial report is prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Guidelines” and the International Financial Reporting Standards, International Accounting Standards, Interpretation and Interpretation Bulletin (hereinafter referred to as the “International Financial Reporting Standards Accredited by the Financial Supervisory Commission”).

Reviewed only, not audited in accordance with auditing standards
ShunSin Technology Holdings Limited and Its Subsidiaries
Notes to Consolidated Financial Statements

(2) Basic of consolidation

The principles for preparing consolidated financial report are consistent with those in 2022, please refer to note 4 (3) in consolidated financial report of 2022 for relative information.

Subsidiaries included in consolidated financial reports:

Investor	Name of subsidiary	Primary Business	Shareholding Ratio		
			2023.3.31	2022.12.31	2022.3.31
The Company	ShunSin Technology Holdings (Hong Kong) Limited (hereinafter referred to as ShunSin (Hong Kong))	Holding Company	91.80%	91.80%	91.80%
The Company	ShunSin Technology (Samoa) Corporation Limited (hereinafter referred to as ShunSin (Samoa))	Overseas material and equipment purchase	100.00%	100.00%	100.00%
The Company	ShunYun Technology Holdings Limited (hereinafter referred to as ShunYun (Cayman))	Sales of high-speed optical transceiver module	- %	- %	100.00% (Note 3)
ShunSin (Samoa)	ShunSin (Hong Kong)	Holding Company	8.20%	8.20%	8.20%
ShunSin (Hong Kong)	ShunSin Technology (Zhongshan) Limited (hereinafter referred to as ShunSin (Zhongshan))	Assembly, testing and sales of high-speed optical transceiver module, high-frequency wireless communication module and various integrated circuits	100.00%	100.00%	100.00%
ShunSin (Hong Kong)	ShunYun Technology (Zhongshan) Limited (hereinafter referred to as ShunYun (Zhongshan))	Optical transceivers manufacturing	78.05% (Note 1)	86.77%	100.00%
ShunSin (Zhongshan)	Talentek Microelectronics (Hefei) Limited (hereinafter referred to as Talentek (Hefei))	Design, R&D, measurement and sales of electrical equipment, communication equipment and automation	39.68% (Note 2)	43.89%	44.58%
ShunYun (Zhongshan)	ShunYun Technology Holdings (Hong Kong) Limited (hereinafter referred to ShunYun (Hong Kong))	Holding Company	100.00%	100.00%	100.00%
ShunYun (Hong Kong)	ShunYun (Cayman)	Sales of high-speed optical transceiver module	100.00%	100.00%	- % (Note 3)
ShunYun (Cayman)	ShunYun Technology (Ha Noi, Vietnam) Limited (hereinafter referred to	Optical transceivers manufacturing	100.00%	100.00%	100.00%

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	ShunYun (HaNoi))				
ShunYun (Cayman)	ShunSin Technology (Bac Giang, Vietnam) Limited (hereinafter referred to ShunSin (Bac Giang))	Optical transceivers manufacturing	100.00%	100.00%	100.00%

Note 1: The Company was approved by Board of Directors on August 26, 2022 and November 10, 2022 that ShunYun (Zhongshan) increases its capital and retains 13.23% and 8.72% shares respectively for employees to subscribe. The Company's holding ratio to ShunYun (Zhongshan) dropped from 100% to 78.05% and the Company still controls ShunYun (Zhongshan). The cash capital increase procedure and the change registration has been completed on January 30, 2023.

Note 2: Talentek (Hefei) was approved by shareholders' meeting on June 25, 2021 to increase its capital by RMB 12,000 thousand. Talentek (Hefei) was approved to implement share incentive plan of by shareholders' meeting on December 31, 2021. After the increasing capital and share incentive plan are fully completed, the actual shareholding ratio ShunSin (Zhongshan) hold is 39.68% according to invested capital as of March 31, 2023. Although the shareholding ratio of ShunSin (Zhongshan) in Talentek (Hefei) is less than 50%, according to the overall shareholding ratio of ShunSin (Zhongshan) and its related parties which is still the largest shareholder, it is still considered to have control over Talentek (Hefei).

Note 3: ShunYun (Hong Kong) purchased 100% equity of the Company's subsidiary, ShunYun (Cayman), on June 28, 2022. It has acquired 100% of ShunYun (Cayman).

Subsidiaries not included in the consolidated financial report: None.

(3) Income tax

The Group measured and disclose midterm income tax expense in accordance with the Guidelines and section B12 of IAS 34 "Interim Financial Reporting".

Income tax expense are recognized as current tax expense and defer tax expense under the calculation with the interim reported income before tax times the best estimation of effective tax rate from Management.

Income tax which are recognized in equity or other comprehensive income are measured with applicable tax rate base on the temporary difference between booking amount and taxable basis when expected to be realized or paid off.

5. Major Sources of Uncertainty in Accounting Judgments, Estimates and Assumptions

While preparing consolidated financial report based on the Guidelines and IAS 34 "Interim Financial Reporting", Management has to make judgements, estimations, and assumptions, and those would affect reported assets, liabilities, revenues, and expenses under adopted accounting policy. Actual consequence may differ from those estimated.

Major sources of uncertainty in accounting judgments, estimates and assumptions are consistent with note 5 in the consolidated financial report of 2022 while preparing.

6. Description of important accounting items

There is no material difference the description of material accounting subjects in the consolidated financial report with those in the 2022. Please refer to note 6 of the consolidated financial report in

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2022 for relative information.

(1) Cash and cash equivalents

	2023.3.31	2022.12.31	2022.3.31
Cash on hand	\$ 112	114	63
Current deposit	5,888,229	5,284,123	1,498,931
Times deposit	1,739,905	3,535,501	7,494,599
Cash and cash equivalents as shown in the consolidated cash flow statement	\$ 7,628,246	8,819,738	8,993,593

For the disclosure of interest rate risk and sensitivity analysis of the Group's financial assets, please refer to note 6 (24) for details.

(2) Financial assets (liabilities) at fair value through profit or loss

A. Current

	2023.3.31	2022.12.31	2022.3.31
Financial assets (liabilities) held for trading:			
Non hedging derivatives			
Forward foreign exchange contract	\$ (6,756)	-	-
SWAP contract	-	6,004	-
Total	\$ (6,756)	6,004	-

The Group engages in derivative financial commodity transactions to avoid exchange rate risks and interest rate risks exposed by business activities. The details of the Group's derivative instruments reported as financial assets measured at fair value through profit or loss due to the absence of hedge accounting on March 31, 2023, December 31, 2022 and March 31, 2022 are as follows:

Forward foreign exchange contract:

2023.3.31			
Contract amount	Currency	Period	Fair value asset (liability)
USD 20,000	USD to RMB	2023.5.8~2023.6.26	\$ (6,756)

SWAP contract:

2022.12.31			
Contract amount	Currency	Period	Fair value asset (liability)
CNY 378,000	Sell NTD/Buy RMB	2023.1.13	\$ 6,004

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B. Non-current

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u>
Financial assets designated at fair value through profit and loss:			
Non-derivative financial assets			
Stocks of domestic unlisted companies	\$ 23,006	19,913	21,605
Stocks of foreign unlisted companies	105,922	86,118	95,538
Private Equity	220,293	219,207	266,018
	<u>\$ 349,221</u>	<u>325,238</u>	<u>383,161</u>

Please refer to note 6 (23) for the amount recognized as profit or loss in the fair value re-measurement.

(3) Financial assets at amortized cost

A. Current

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u>
Restricted bank deposits	<u>\$ 21,927</u>	<u>61,732</u>	<u>62,120</u>

ShunYun (Zhongshan), a subsidiary of the Group, applied to the customs for the qualification of import and export goods, with customs deposit amounting to NTD 8,862 thousand (RMB 2,000 thousand), NTD 61,732 thousand (RMB 14,000 thousand) and NTD 54,120 thousand (RMB 12,000 thousand) on March 31, 2023, December 31, 2022 and March 31, 2022 respectively.

The Group used the bank loans on March 31, 2023 and 2022. According to the deal of bank, the Group saved NTD 13,065 thousand and NTD 8,000 thousand into the syndicated loan interest custody account respectively.

B. Non-current

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u>
Restricted bank deposits	<u>\$ 5,445</u>	<u>8,010</u>	<u>-</u>

The Group used the long-term loans on March 31, 2023 and December 31, 2022. According to the deal of contract, the Group saved NTD 5,445 thousand and NTD 8,000 thousand into the syndicated loan interest custody account respectively.

The Group recognized as financial assets measured at amortized cost, whose intension is to hold the asset to maturity to collect contractual cash flow which is solely payment of principal and interest on the principal amount outstanding.

Please refer to note 8 for the details of customs deposit and collateral for long-term loans as

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of March 31, 2023, December 31, 2022 and March 31, 2022.

(4) Notes receivable and accounts receivable

	2023.3.31	2022.12.31	2022.3.31
Notes receivable	\$ 6,647	-	-
Accounts receivable	798,889	968,455	379,741
Accounts receivable-related party	41,647	63,785	165,462
	\$ 847,183	1,032,240	545,203

Accounts receivable of the Group is not discounted or provided as collateral.

The Group uses the simplified method of estimating the anticipated credit loss for all accounts receivable, that is to say, the Group estimates anticipated credit losses based on the duration of those. In order to measure the abovementioned, the Group categorized its clients based on common credit risk about the ability to pay off the due amount, considered foresighted information which includes information on the overall economy and related industries. According to historical experience on the credit loss of the Group, there is no significant difference in the loss patterns of different client groups, so the Group does not further classify clients into groups.

The anticipated credit loss of notes receivable and accounts receivable of the Group on March 31, 2023, December 31, 2022 and March 31, 2022, are analyzed as follows:

	2023.3.31		
	Book value of notes receivable and accounts receivable	Weighted average anticipated credit loss rate (%)	Provision against anticipated credit losses during the continuance of existence
Not overdue	\$ 794,784	-	-
Past due 1-30 days	39,056	-	-
Past due 31-60 days	3,619	-	-
Past due 61-90 days	2,239	-	-
Past due 121-365 days	7,485	-	-
	\$ 847,183		-

	2022.12.31		
	Book value of accounts receivable	Weighted average anticipated credit loss	Provision against anticipated credit losses

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		<u>rate (%)</u>	<u>during the continuance of existence</u>
Not overdue	\$ 1,009,106	-	-
Past due 1-30 days	3,823	-	-
Past due 31-60 days	815	-	-
Past due 61-90 days	16,606	-	-
Past due 91-120 days	1,890	-	-
	<u>\$ 1,032,240</u>		<u>-</u>

2022.3.31

	<u>Book value of accounts receivable</u>	<u>Weighted average anticipated credit loss rate (%)</u>	<u>Provision against anticipated credit losses during the continuance of existence</u>
Not overdue	\$ 456,791	-	-
Past due 1-30 days	81,684	-	-
Past due 31-60 days	5,001	-	-
Past due 61-90 days	116	-	-
Past due 91-120 days	86	-	-
Past due 121-365 days	1,525	-	-
	<u>\$ 545,203</u>		<u>-</u>

There is no need to recognize anticipated credit losses during the duration after assessment on March 31, 2023, December 31, 2022 and March 31, 2022.

Financial assets aforementioned are not used as guarantees for short-term loans and line of credit.

(5) Other receivables

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u>
Other receivables	<u>\$ 37,214</u>	<u>32,178</u>	<u>50,298</u>

Other receivables of the Group were not overdue on March 31, 2023, December 31, 2022 and March 31, 2022.

(6) Inventories

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u>
Raw materials	\$ 605,465	718,822	1,121,879
Work-in-process	10,537	38,183	19,819

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Finished products (including semi-finished products)	21,878	44,655	12,908
	<u>\$ 637,880</u>	<u>801,660</u>	<u>1,154,606</u>

Operating costs recognized by the Group:

	From January to March 2023	From January to March 2022
Cost of selling inventories	\$ 1,085,837	789,887
Loss allowance for inventory valuation losses and slow-moving inventories recognized as current operating costs	7,593	300
Inventory Obsolescence	2,690	2,414
Unallocated manufacturing overhead	3,592	3,679
Revenue from sale of scraps	(323)	(1,377)
	<u>\$ 1,099,389</u>	<u>794,903</u>

As of March 31, 2023, December 31, 2022 and March 31, 2022, the inventory of the Group has not been provided as a pledge guarantee.

(7) Non-current assets classified as held for sale

In order to optimize assets and raise efficiency of operation, after obtaining management's approval on July 30, 2021, Board of Directors approved to sell ShunSin (Zhongshan)'s equipment to Triple Win Technology (Shenzhen) Co., Ltd on October 28, 2021. The book value of the equipment is 507,203 thousand (RMB 118,111 thousand). The Group transferred the equipment to non-current assets classified as held for sale with its book value. Among part of the aforementioned machinery and equipment for sale, 4,110 thousand (RMB 946 thousand) was transferred back to self-use in December 2021, while the remaining machinery and equipment for sale were sold at their book value in March 2022 and from October to December of 2021. The disposal price was 24,532 thousand (RMB 5,651 thousand) and 484,462 thousand (RMB 111,514 thousand), and the gain on the disposal was 0. As of March 31, 2023, December 31, 2022 and March 31, 2022, the aforementioned remaining amount of 0 thousand, 0 thousand and 28,797 thousand has not yet been received respectively, which is listed under other receivables.

(8) Changes in ownership interests in subsidiaries and subsidiaries with significant non-controlling interests

A. Subsidiary issues new shares for cash capital increase, and the Company still maintains control over it.

ShunYun (Zhongshan) issued 37,550 thousand shares for the cash capital increase from

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January 1 to March 31, 2023. In order to encourage outstanding employees to continue working in the Group, the Company gave up subscription and reserved them for employees of 100% owned subsidiary. Hence the shareholding rate of the Company toward ShunYun (Zhongshan) decreased by 8.72%.

Talentek (Hefei) has finished the cash capital increase from January 1 to March 31, 2023 and 2022, hence the shareholding rate of the Company toward Talentek (Hefei) decreased by 4.21% and 0.84%.

The impact of changes in the Group's ownership interest in the aforementioned subsidiary to equity attributable to parent company is listed below:

	From January to March 2023	From January to March 2022
ShunYun (Zhongshan)	\$ (16,355)	-
Talentek (Hefei)	26,077	3
	\$ 9,722	3

B. The non-controlling interests of subsidiaries that are significant to the Group are as follows:

Name of subsidiary	Main place of business/ Country where the company is registered	Proportion of ownership interests and voting rights of non-controlling interests		
		2023.3.31	2022.12.31	2022.3.31
ShunYun (Zhongshan)	China	21.95%	13.23%	- %
Talentek (Hefei)	China	60.32%	56.11%	55.42%

The following information on the aforementioned subsidiaries has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. This information has reflected the fair value adjustments made and the relevant difference in accounting principles on the acquisition date. Intra-group transactions were not eliminated in this information.

The summary of financial information of ShunYun (Zhongshan) is as follows:

	2023.3.31	2022.12.31	2022.3.31
Current assets	\$ 1,216,933	1,565,362	979,463
Non-current assets	1,981,563	1,348,688	165,414
Current liabilities	(755,406)	(887,178)	(503,269)
Non-current liabilities	(45,468)	(45,814)	(5,122)
Net asset	\$ 2,397,622	1,981,058	636,486
Book value of ending balance on non-controlling interests	\$ 565,719	279,438	-

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	From January to March 2023	From January to March 2022
Operating revenue	\$ 140,691	54,605
Profit (Loss)	\$ 145,619	(29,453)
Other comprehensive income (loss)	43,672	(22,805)
Total comprehensive income (loss)	\$ 189,291	(52,258)

The summary of financial information of Talentek (Hefei) is as follows:

	2023.3.31	2022.12.31	2022.3.31
Current assets	\$ 309,127	180,711	231,223
Non-current assets	235,086	248,062	218,948
Current liabilities	(124,523)	(88,966)	(53,825)
Non-current liabilities	(27,581)	(29,073)	(34,532)
Net asset	\$ 392,109	310,734	361,814
Book value of ending balance on non-controlling interests	\$ 236,520	174,352	200,518

	From January to March 2023	From January to March 2022
Operating revenue	\$ 83,969	67,257
Loss	\$ (18,718)	(3,996)
Other comprehensive income (loss)	3,048	13,442
Total comprehensive income (loss)	\$ (15,670)	9,446

(9) Property, plant and equipment

The changes in the costs, depreciation and impairment losses of the real estate, plant and equipment of the Group from January 1 to March 31, 2023 and 2022 are as follows:

	Housing and building	Machiner y and equipment	Office equipment (including computer communic ation equipment)	Inspection equipment	Other equipment	Lease improvement	Unfinishe d constructi on and equipment to be inspected	Total
Cost:								
Balance as of January 1, 2023	\$ 1,273,114	2,850,187	74,925	666,161	403,220	54,466	1,765,850	7,087,923
Acquisition	-	4,328	2,065	915	3,340	47	6,080	16,775
Disposal	-	-	(140)	-	(299)	-	-	(439)
Re-classification(Note 1)	-	-	-	9,889	1,338	-	(9,607)	1,620
Impact of exchange rate changes	6,295	13,040	512	2,519	3,010	270	26,400	52,046
Balance as of March 31, 2023	\$ 1,279,409	2,867,555	77,362	679,484	410,609	54,783	1,788,723	7,157,925
Balance as of January 1, 2022	\$ 1,253,510	2,471,996	75,090	668,513	374,460	46,897	213,247	5,103,713
Acquisition	-	30,245	79	13,702	5,767	449	131,707	181,949
Disposal	-	-	(717)	(321)	(12,307)	-	-	(13,345)
Re-classification(Note 1)	-	67,967	-	-	1,728	-	(54,184)	15,511

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Impact of exchange rate changes	48,621	99,652	2,857	26,767	14,128	1,830	9,786	203,641
Balance as of March 31, 2022	\$ 1,302,131	2,669,860	77,309	708,661	383,776	49,176	300,556	5,491,469
Accumulated depreciation and impairment losses:								
Balance as of January 1, 2023	\$ 343,459	1,863,102	66,210	521,965	319,211	27,216	-	3,141,163
Depreciation	13,060	65,933	1,297	12,565	15,723	1,446	-	110,024
Disposal	-	-	(140)	-	(299)	-	-	(439)
Impact of exchange rate changes	1,669	6,117	411	2,751	2,390	132	-	13,470
Balance as of March 31, 2023	\$ 358,188	1,935,152	67,778	537,281	337,025	28,794	-	3,264,218
Balance as of January 1, 2022	\$ 284,128	1,711,308	63,395	490,519	250,334	20,855	-	2,820,539
Depreciation	13,298	56,170	1,168	18,689	19,945	1,292	-	110,562
Disposal	-	-	(717)	(321)	(12,307)	-	-	(13,345)
Impact of exchange rate changes	11,937	67,673	2,414	19,057	9,707	840	-	111,628
Balance as of March 31, 2022	\$ 309,363	1,835,151	66,260	527,944	267,679	22,987	-	3,029,384
Carrying amount:								
Balance as of January 1, 2023	929,655	987,085	8,715	144,196	84,009	27,250	1,765,850	3,946,760
Balance as of March 31, 2023	\$ 921,221	932,403	9,584	142,203	73,584	25,989	1,788,723	3,893,707
Balance as of March 31, 2022	\$ 992,768	834,709	11,049	180,717	116,097	26,189	300,556	2,462,085

Note 1: From January 1 to March 31, 2023 and 2022, the amounts reclassified from prepayments for business facilities are \$1,620 thousand and \$15,511 thousand respectively.

(10) Right-of-use asset

The cost and depreciation of the Group's leased land, building and transportation equipment, etc., and its changes are as follows:

	Land	Building	Vehicle	Total
Cost:				
Balance as of January 1, 2023	\$ 295,505	153,473	6,285	455,263
Impact of exchange rate changes	4,064	2,051	31	6,146
Balance as of March 31, 2023	\$ 299,569	155,524	6,316	461,409
Balance as of January 1, 2022	\$ 280,657	98,914	7,801	387,372
Decrease (contract modified)	-	(584)	-	(584)
Impact of exchange rate changes	9,810	3,495	303	13,608
Balance as of March 31, 2022	\$ 290,467	101,825	8,104	400,396
Accumulated depreciation of right-of-use assets:				
Balance as of January 1, 2023	\$ 21,432	100,787	2,195	124,414
Depreciation	2,159	5,799	562	8,520
Impact of exchange rate changes	313	1,400	10	1,723
Balance as of March 31, 2023	\$ 23,904	107,986	2,767	134,657
Balance as of January 1, 2022	\$ 12,193	63,091	4,341	79,625
Depreciation	2,092	8,676	708	11,476
Impact of exchange rate changes	486	2,436	185	3,107
Balance as of March 31, 2022	\$ 14,771	74,203	5,234	94,208
Carrying amount:				
Balance as of January 1, 2023	\$ 274,073	52,686	4,090	330,849
Balance as of March 31, 2023	\$ 275,665	47,538	3,549	326,752

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Balance as of March 31, 2022	<u>\$ 275,696</u>	<u>27,622</u>	<u>2,870</u>	<u>306,188</u>
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(11) Intangible assets

The cost, amortization and impairment losses of the Group' intangible assets from January 1 to March 31, 2023 and 2022 are as follows:

	Cost of computer software
Cost:	
Balance as of January 1, 2023	\$ 32,499
Disposal	(333)
Impact of exchange rate changes	159
Balance as of March 31, 2023	<u>\$ 32,325</u>
Balance as of January 1, 2022	\$ 30,888
Acquisition	515
Impact of exchange rate changes	1,210
Balance as of March 31, 2022	<u>\$ 32,613</u>
Amortization and impairment losses:	
Balance as of January 1, 2023	\$ 30,933
Amortization	156
Disposal	(333)
Impact of exchange rate changes	150
Balance as of March 31, 2023	<u>\$ 30,906</u>
Balance as of January 1, 2022	\$ 29,899
Amortization	114
Impact of exchange rate changes	1,162
Balance as of March 31, 2022	<u>\$ 31,175</u>
Carrying amount:	
Balance as of January 1, 2023	<u>\$ 1,566</u>
Balance as of March 31, 2023	<u>\$ 1,419</u>
Balance as of March 31, 2022	<u>\$ 1,438</u>

The amortization expenses of intangible assets are reported under the consolidated income statement as follows:

	From January to March 2023	From January to March 2022
Operating costs	\$ 28	28

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Operating expenses	128	86
	<u>\$ 156</u>	<u>114</u>

(12) Short-term loans

The details of the short-term loans of the Group are as follows:

	2023.3.31	2022.12.31	2022.3.31
Unsecured bank loans	\$ 4,183,946	4,327,134	3,164,706
Total	<u>\$ 4,183,946</u>	<u>4,327,134</u>	<u>3,164,706</u>
Line of credit	<u>\$ 5,376,997</u>	<u>3,884,944</u>	<u>4,039,935</u>
Interest rate range (%)	<u>1.90%-5.42%</u>	<u>0.75%-5.16%</u>	<u>0.76%~1.07%</u>

(13) Long-term loans

The details of the long-term loans of the Group are as follows:

	2023.3.31		
	Currency	Period	Amount
Syndicated loan from China CITIC Bank	NTD	2022.12~2024.12	\$ 695,415
Unsecured loan from MUFG Bank	USD	2021.12~2024.12	852,600
Unsecured loan from E.SUN Bank	USD	2021.12~2024.12	304,500
Subtotal			1,852,515
Less: past due within one year			(198,690)
Total			<u>\$ 1,653,825</u>
Line of credit			<u>\$ -</u>
Interest rate range (%)			<u>2.08-6.18</u>

	2022.12.31		
	Currency	Period	Amount
Syndicated loan from China CITIC Bank	NTD	2022.12~2024.12	\$ 695,415
Unsecured loan from MUFG Bank	USD	2021.12~2024.12	859,880
Unsecured loan from E.SUN Bank	USD	2021.12~2024.12	368,520
Subtotal			1,923,815
Less: past due within one year			(198,690)
Total			<u>\$ 1,725,125</u>
Line of credit			<u>\$ 1,076,250</u>
Interest rate range (%)			<u>1.85-5.90</u>

	2022.3.31		
	Currency	Period	Amount

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Syndicated loan from China CITIC Bank	NTD	2020.10~2022.12	\$	840,000
Less: deferred financing fee				(650)
Unsecured loan from MUFG Bank	USD	2021.12~2024.12		801,640
Unsecured loan from E.SUN Bank	USD	2021.12~2024.12		343,560
Subtotal				1,984,550
Less: past due within one year				(839,350)
Total			\$	1,145,200
Line of credit			\$	1,300,000
Interest rate range (%)				1.85~1.90

The Group started to use syndicated loan in October 2020. According to the contract, the amount deposited into the joint loan interest custody account is 8,000 thousand. Please refer to note 8 for more information on the collateral loans. And please refer to note 6 (13) in the consolidated financial report of 2022 for relative information.

On March 31, 2023 and December 31, 2022, the amount of 198,690 thousand in the syndicated loan was classified as due within one year due to contractual requirement of repayment on June 26, 2023. On March 31, 2022, the loan of 839,300 thousand for the syndicated loan has not yet been extended and is due on December 26, 2022, so it is classified as current portion.

(14) Convertible bonds payable

	2023.3.31	2022.12.31	2022.3.31
The total amount of convertible bonds issued	\$ 1,500,000	1,500,000	1,500,000
Less: amount of discount on issuing convertible bonds	142,650	142,650	142,650
Underwriting expenses	7,294	7,294	7,294
Compound present value of bonds converted at issuance	1,350,056	1,350,056	1,350,056
Amortization of Company debt payable at discount	149,944	148,820	125,101
Cost of convertible bonds issue at premium	7,500	7,500	7,500
Less: pay off convertible bonds payable expired	1,507,500	-	-
Ending balance of convertible bonds payable	\$ -	1,506,376	1,482,657

The Group's convertible bonds are fully paid off on February 12, 2023.

The expiration dates of First unsecured convertible bonds is February 12, 2023, so the Group reclassified the convertible bonds of December 31, 2022 and March 31, 2022 as current liabilities. During January 1 to March 31, 2023 and 2022, the Group did not issue and repurchase the bonds,

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please refer to note 6 (14) in the consolidated financial report of 2021 for relative information.
Equity composition item under capital reserve-stock option, the details are as follows:

	From January to March 2023	From January to March 2022
Closing balance (Initial balance)	\$ -	<u>129,000</u>

The convertible corporate bonds of the Group expired on February 12, 2023, and the originally recognized capital surplus - share options have expired and have been transferred to capital surplus - the recognition of equity composition through the issuance of convertible corporate bonds - expired share options.

(15) Lease Liability

The Group's booking value of lease liabilities are as follows:

	2023.3.31	2022.12.31	2022.3.31
Current	\$ 19,093	21,247	28,127
Non-current	30,656	34,635	1,424
Total	<u>\$ 49,749</u>	<u>55,882</u>	<u>29,551</u>

Please refer to note 6 (24) for analysis of expiration.

Amounts recognized in profit or loss are as follows:

	From January to March 2023	From January to March 2022
Interest expense from lease liabilities	<u>\$ 787</u>	<u>270</u>
Expense of short-term lease	<u>7,661</u>	<u>2,978</u>
Expense of low-value leasing asset (not include low-value short-term lease)	<u>22</u>	<u>8</u>

Amounts recognized in cash flow statement are as follows:

	From January to March 2023	From January to March 2022
Total cash used in operating activity	\$ 8,470	3,256
Total cash used in financing activity	6,812	9,992
Total cash used in lease	<u>\$ 15,282</u>	<u>13,248</u>

A. Lease of land, buildings and constructions

The Group leases land, houses and buildings as operating site and factory. The leasing periods of land is usually 30 to 50 years, the leasing periods of buildings and constructions are usually 1 to 3 years, and some leases include the option to extend the same period as the original contract when the lease period expires.

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B. Other leases

The Group leases transportation equipment for a period of 2 to 4 years.

Besides, the rental periods of office, parking lot, staff dorm, and machinery are 1 to 3 years, which are short term or low value lease, the Group chose to apply exemption recognition requirements instead of recognizing its relative right-of-use assets and lease liabilities.

(16) Employee benefit

The pension expenses of the Group from January 1 to March 31, 2023 and 2022 have been allocated to the labor insurance bureau and the local competent authority of the consolidated foreign subsidiaries. The details of the expenses reported by the Group are as follows:

	From January to March 2023	From January to March 2022
Operating costs	\$ 7,141	7,516
Operating expenses	5,835	5,989
	<u>\$ 12,976</u>	<u>13,505</u>

(17) Income tax

A. The income tax expense (benefit) details of the Group from January 1 to March 31, 2023 and 2022 are as follows:

	From January to March 2023	From January to March 2022
Current		
Current period	\$ 9,204	45,406
Deferred income tax benefits		
Occurrence and reversal of temporary differences	(38,527)	(82,033)
Income tax expense (benefit)	<u>\$ (29,323)</u>	<u>(36,627)</u>

B. Examination and approval of income tax

The Company are exempt from income tax and do not need to declare profit-making enterprise income tax according to the law of the country where the Company is established. The income tax return of the Company's Taiwan Branch and the ShunYun (Cayman)'s Taiwan Branch have been approved by the taxation authorities through 2019 and 2020, respectively.

(18) Capital and other equities

The Group has no significant changes in capital and other equity in the period of January 1 to March 31 for 2023 and 2022, except for the following. Please refer to note 6 (18) in the

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consolidated financial report of 2022 for relative information.

A. Capital surplus

The capital surplus balance of the Company is as follows:

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u>
Share premium	\$ 2,689,050	2,689,050	2,689,050
Changes in ownership interests in subsidiaries	77,366	67,644	97,124
Employee stock option-expired	4,841	4,841	4,841
Treasury share transactions	37,810	37,810	37,810
Share payment transactions of its subsidiaries	5,603	5,603	5,603
Issuance of stock option embedded in convertible bonds	-	129,000	129,000
Issuance of stock option embedded in expired convertible bonds	129,000	-	-
	<u>\$ 2,943,670</u>	<u>2,933,948</u>	<u>2,963,428</u>

B. Retained earnings distribution

According to Charter of the Company, the Company's earnings distribution for 2022 and 2021 were decided by the shareholders' meeting on May 10, 2023 and 2022 respectively.

The dividend distribution are as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Dividend per share (USD)</u>	<u>Amount</u>	<u>Dividend per share (USD)</u>	<u>Amount</u>
Dividend distributed to ordinary shareholders:				
Cash	\$ 1.17	<u>123,585</u>	2.56	<u>275,110</u>

Information for retained earnings distribution approved by Board of Directors on May 10, 2023 and 2022 respectively could be inquired on Market Observation Post System.

C. Treasury Stock

On August 26, 2022, the Company was approved by Board of Directors to repurchase 3,000 thousand shares as treasury stock in order to transfer them to employee. The scheduled execution period is from August 29, 2022 to October 28, 2022, and the repurchase price range is NTD 59 to NTD 100. The Company intended to repurchase fully 3,000 thousand shares before October 28, 2022, however, considering the willingness of employees to purchase and the efficiency of capital use, the Company does not complete the whole 3,000 thousand shares. As of October 28, 2022, the deadline of repurchasing treasury stock, the Company

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had repurchased 1,802 thousand share, with the average price \$83.93 per share, and the amount of repurchased shares 151,236 thousand. According to “Repurchase of shares and transfer of employee method”, the repurchased share could be transferred to employees in batches. On March 14, 2023, the Company was approved by Board of Directors to execute the first transfer, and the number of transferred shares was 627 thousand shares. Chairman was authorized by Board of Directors to determine and announce the record date and payment period of transferring.

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before their transfer.

(19) Share-based payment

The share-based payment of the Group from January 1 to March 31, 2023 has no significant changes except for the following mentioned. Please refer to the note 6 (19) in the consolidated financial report of 2022 for relative information.

A. The information about employee stock options is as follows:

The details of the employee stock option certificates of ShunYun (Zhongshan), a subsidiary of the Company, are as follow:

	Unit: 1,000	
	From January to March 2023	
	1st time share granted	2nd time share granted
Outstanding stock as of January 1	44,450	37,550
Grant quantity in current period	-	-
Quantity lost in current period		
Quantity executed in current period	-	-
Overdue expiration of the current period	-	-
Outstanding stock as of March 31	44,450	37,550
Executable as of March 31	44,450	37,550

B. Relative information of Policy Governing First Share Repurchased and Transferred to Employees

The Company transferred treasury stock to employees in accordance with the approval by Board of Directors on August 26, 2022 which is based on the Policy Governing First Share Repurchased and Transferred to Employees. As of May 10, 2023, the Company hasn't decided the subscription date.

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C. Expenses for employees of the share-based payment

The expenses incurred by the Group in the period of January 1 to March 31, 2023 and 2022 due to the share-based payment are as follows:

	From January to March 2023	From January to March 2022
Expense from employee stock option	\$ 28,312	-

(20) Earnings per share

The Company's basic earnings per share are calculated as follows:

		Unit: 1,000
	From January to March 2023	From January to March 2022
Basic earnings per share of the Company		
Net profit for the current period	\$ 54,514	(100,727)
Weighted average number of outstanding shares	105,663	107,465
Basic earnings per share (NT\$)	\$ 0.52	(0.94)
Diluted earnings per share of the Company		
Net profit for the current period	\$ 54,514	(100,727)
The impact of potential common stocks with diluting effect		
Fair value assessment of embedded derivatives (such as trading rights)	-	-
Expected reduction in interest expense for convertible bonds conversion	1,124	-
Net profit for the current period	\$ 55,638	(100,727)
Weighted average number of outstanding shares	105,663	107,465
The impact of potential common stocks with diluting effect		
Employees' remuneration	198	-
The impact of convertible bonds	4,660	-
Weighted average number of outstanding shares	110,521	107,465
Diluted earnings per share (NT\$)	\$ 0.50	(0.94)

The convertible bonds of the Group and the profit sharing bonus to employees are potential common stocks from January 1 to March 31, 2022, but due to their anti-dilution effect, they are not included in the calculation of diluted earnings per share from January 1 to March 31, 2022.

(21) Revenues from customers' contract

A. Disaggregation of revenue

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	<u>From January to March 2023</u>	<u>From January to March 2022</u>
Primary geographical markets:		
US	\$ 716,926	209,424
Singapore	350,314	236,610
China	129,217	142,037
Taiwan	78,589	180,345
Other countries	50,140	48,780
	<u>\$ 1,325,186</u>	<u>817,196</u>

B. Remaining balance of contracts

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u>
Notes receivable	\$ 6,647	-	-
Accounts receivable (including related party)	840,536	1,032,240	545,203
Total amount	<u>\$ 847,183</u>	<u>1,032,240</u>	<u>545,203</u>
Contract assets	<u>\$ 428,519</u>	<u>408,006</u>	<u>421,156</u>
Contract liabilities	<u>\$ 58,568</u>	<u>59,862</u>	<u>165</u>

The Group has assessed that there is no need to recognize loss allowance for contract assets as of March 31, 2023, December 31 and March 31, 2022.

The variation of contract liabilities comes from the difference between meeting performance obligations and payment timing of customers.

(22) Profit sharing bonus of employees and directors

The Company shall allocate profit sharing bonus to the employees with no less than 5% of the current year's profits before the payment of employees' and the directors' profit sharing bonus. The Company may allocate no more than 0.1% of the profits of the current year for the profit sharing bonus of directors.

The Company accrued profit sharing bonus to employees from January 1 to March 31, 2023 is \$2,257 thousand, and \$45 thousand for the directors. The Company did not recognize any remuneration to employees and directors due to the net loss before tax during first quarter of 2022. The bonus of employees and directors are calculated based on income before tax times the certain percentage of employees and directors ruled by the memorandum of association, and recognized operating costs and operating expenses for each period. If there is a difference between the actual allocated amount and the estimated amount in the next year, it will be treated according to the changes in the accounting estimates, and the difference will be

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classified as the profit and loss of the next year. If Board of Directors decides to pay employee bonus with stocks, the calculating basis of stock is based on the previous day's closing price of Board of Directors meeting.

The Company accrued profit sharing bonus to employees for 2022 and 2021 are \$18,000 thousand and \$43,333 thousand respectively, and \$252 thousand and \$465 thousand for the directors. There is no difference between the estimated amount and the amount of determined by the Board of Directors for the year of 2022 and the year of 2021. Related information is available at the MOPS.

(23) Non-operating gains and losses

A. Interest income

Interest incomes of the Group are as follows:

	From January to March 2023	From January to March 2022
Bank deposit interest	\$ 37,533	54,574

B. Other incomes

Other incomes of the Group are as follows:

	From January to March 2023	From January to March 2022
Incomes from government subsidy	\$ 21,945	13,866
Other incomes	9,845	4,103
Total amount of other incomes	\$ 31,790	17,969

C. Other profits and losses

Other profits and losses of Group are as follows:

	From January to March 2023	From January to March 2022
Net profits (losses) of foreign currency exchange	\$ (10,895)	4,730
(Profits) Losses from financial assets/liabilities at fair value through profit and loss	13,613	(35,888)
Other losses	(74)	(7,425)
	\$ 2,644	(38,583)

D. Financial costs

The financial costs of the Group are as follows:

From January to March 2023	From January to March 2022
---------------------------------------	---------------------------------------

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Interest expenses from bank loans	\$	37,343	13,414
Interest expenses of convertible bonds		1,124	7,823
Interest expenses of lease liabilities		787	270
	\$	39,254	21,507

(24) Financial instruments

The fair value of financial instrument and the situation of credit risk and market risk resulted from financial instrument have no significant changes compared with the consolidated financial report of 2022, except for the following mentioned. Please refer to the note 6 (24) in the consolidated financial report of 2022 for relative information.

A. Credit risks

(a) Credit exposure risk

The book value of financial assets and contract assets represent the maximum amount of credit exposure risk.

(b) Concentration of credit risk

On March 31, 2023, December 31, 2022 and March 31, 2022, 85%, 90% and 82% of the accounts receivable balance of the Group were composed of several customers respectively, which made the Group have a significant concentration of credit risk.

(c) Credit risks of receivables

For credit exposure risk information of notes receivable and accounts receivable, please refer to note 6 (4) for details and note 6 (5) for details of other receivables. The other receivables listed above are all financial assets with low credit risk. Therefore, the allowance loss during the period is measured by the amount of anticipated credit loss for 12 months.

B. Liquidity risk

The following table shows the contract maturity date of financial liabilities, which includes estimated interest.

	Book value	Cash flow of the contract	Within 1 year	1-2 years	2-5 years	More than 5 years
March 31, 2023						
Non-derivative financial liabilities						
Short-term loans	\$ 4,183,946	4,191,899	4,191,899	-	-	-
Accounts payable (including related parties)	437,511	437,511	437,511	-	-	-
Other payables (including related parties)	532,628	532,628	532,628	-	-	-
Long-term loans	1,852,515	2,036,030	266,157	1,769,873	-	-
Lease liabilities	49,749	53,890	21,551	19,188	13,151	-
Guarantee deposits received	4,748	4,748	820	-	3,928	-

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Subtotal	7,061,097	7,256,706	5,450,566	1,789,061	17,079	-
Derivative financial liabilities						
Forward foreign exchange contract:						
Outflow	6,756	(606,427)	(606,427)	-	-	-
Inflow	-	599,671	599,671	-	-	-
Subtotal	6,756	(6,756)	(6,756)	-	-	-
Total	\$ 7,067,853	7,249,950	5,443,810	1,789,061	17,079	-

December 31, 2022

Non-derivative financial liabilities						
Short-term loans	\$ 4,327,134	4,330,104	4,330,104	-	-	-
Accounts payable (including related parties)	631,033	631,033	631,033	-	-	-
Other payables (including related parties)	678,896	678,896	678,896	-	-	-
Convertible bonds payable (including derivative financial assets)	1,506,376	1,500,000	1,500,000	-	-	-
Long-term loans	1,923,815	2,212,620	413,498	1,799,122	-	-
Lease liabilities	55,882	60,757	23,958	19,174	17,625	-
Guarantee deposits received	4,884	4,884	1,015	-	3,869	-
	\$ 9,128,020	9,418,294	7,578,504	1,818,296	21,494	-

March 31, 2022

Non-derivative financial liabilities						
Short-term loans	\$ 3,164,706	3,172,869	3,172,869	-	-	-
Accounts payable (including related parties)	339,984	339,984	339,984	-	-	-
Other payables (including related parties)	479,423	479,423	479,423	-	-	-
Convertible bonds payable (including derivative financial assets)	1,482,657	1,500,000	1,500,000	-	-	-
Long-term loans	1,984,550	2,067,174	884,694	21,658	1,160,822	-
Lease liabilities	29,551	29,993	28,555	1,438	-	-
Guarantee deposits received	12,487	12,487	11,811	-	90	586
	\$ 7,493,358	7,601,930	6,417,336	23,096	1,160,912	586

C. Exchange rate risk

(a) Exchange rate exposure risk

The financial assets and liabilities of the Group exposed to significant foreign currency exchange rate risks are as follows:

	2023.3.31			2022.12.31			2022.3.31		
	Foreign currency (in thousands)	Exchange rate (NT\$)	NT\$	Foreign currency (in thousands)	Exchange rate (NT\$)	NT\$	Foreign currency (in thousands)	Exchange rate (NT\$)	NT\$
<u>Financial assets</u>									
<u>Monetary items</u>									
RMB	427,333	4.4310	1,893,510	695	4.4058	3,062	405,442	4.5060	1,826,920
USD	19,136	30.4503	582,696	37,683	30.7095	1,157,227	17,980	28.6250	514,678
Yen	6,568	0.2285	1,501	12,868,122	0.2324	2,990,283	3,010	0.2352	708
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	2,066	30.4540	62,918	13,566	30.6865	416,293	35,026	28.6296	1,002,781
Yen	13,968	0.2287	3,195	12,867,203	0.2324	2,990,334	7,868	0.2345	1,845

(b) Sensitivity analysis

The exchange rate risk of the Group mainly comes from the foreign currency-

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denominated cash and the cash equivalents, accounts receivable and other receivables, accounts payable and other payables, etc., which generate foreign currency exchange gains and losses during the conversion. On March 31, 2023 and 2022, when the Taiwan dollar devalues by 0.25% against the US dollar, the Chinese Yuan and the Japanese Yen, while all other factors remain unchanged, the net profit before tax from January 1 to March 31, 2023 and 2022 will increase by approximately \$6,030 thousand and \$3,344 thousand, respectively.

(c) Exchange gains and losses of monetary items

Due to the variety of functional currencies in the Group, the exchange gains and losses of monetary items are disclosed by the method of exchange consolidation. The exchange gains (losses) of foreign currencies from January 1 to March 31, 2023 and 2022 including realized and unrealized ones, are (\$10,895) thousand and \$4,730 thousand, respectively.

D. Interest rate analysis

The fixed deposit part of the Group belongs to floating interest rate, but the market interest rate does not change much, so the change of interest rate does not cause significant cash flow risk.

The interest rate of the Group's long-term loans is floating interest rate. The following sensitivity analysis based on the exposure to interest rate risk for long-term loans on reporting date. The analysis of floating interest rate liability is based on the assumption that the liability is outstanding for whole year. The rate of change used when reporting interest rates within the Group to key management is an increase or decrease of 0.25% in interest rates, which also represents management's assessment of the reasonably possible range of changes in interest rates.

If the interest rate increases or decreases by 0.25% and all other variables remain unchanged, the Group's net income before tax from January 1 to March 31, 2023 and 2022 will decrease or increase by 723 thousand and 716 thousand respectively, mainly due to the Group's floating interest rate loans.

E. Information on fair value

(a) Types and fair value of financial instruments

The book amount and fair value (including fair value-grade information, but not a reasonable approximation of fair value to the book value of financial instruments measured by fair value, and investment in equity instruments without quotation and reliable measurement of fair value in the flexible market, there is no need to disclose fair value information according to regulations.) of the financial assets and financial

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liabilities of the Group are listed as follows:

2023.3.31					
	Book value	Fair value			Total amount
		Grade 1	Grade 2	Grade 3	
Financial assets at fair value through profit or loss					
Domestic unlisted stocks	\$ 23,006	-	-	23,006	23,006
Non-listed foreign shares	105,922	-	-	105,922	105,922
Private fund	220,293	-	-	220,293	220,293
Subtotal	349,221	-	-	349,221	349,221
Financial assets measured at amortized costs					
Cash and cash equivalents	7,628,246	-	-	-	-
Restricted bank deposit	27,372	-	-	-	-
Notes receivable and accounts receivable (including related parties)	847,183	-	-	-	-
Other receivables	37,214	-	-	-	-
Guarantee deposits paid	16,454	-	-	-	-
Subtotal	8,556,469	-	-	-	-
Total amounts	\$ 8,905,690	-	-	349,221	349,221
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities -current	\$ 6,756	-	6,756	-	6,756
Financial liabilities at amortized costs					
Short-term loans	4,183,946	-	-	-	-
Accounts payable (including related parties)	437,511	-	-	-	-
Other payables (including related parties)	532,628	-	-	-	-
Long-term loans	1,852,515	-	-	-	-
Lease liabilities	49,749	-	-	-	-
Guarantee deposits received	4,748	-	-	-	-
Subtotal	7,061,097	-	-	-	-
Total amounts	\$ 7,067,853	-	6,756	-	6,756
2022.12.31					
	Book value	Fair value			Total amount
		Grade 1	Grade 2	Grade 3	
Financial assets at fair value through profit or loss					
Derivative financial assets -current	\$ 6,004	-	6,004	-	6,004
Domestic unlisted stocks	19,913	-	-	19,913	19,913
Non-listed foreign shares	86,118	-	-	86,118	86,118
Private fund	219,207	-	-	219,207	219,207
Subtotal	331,242	-	6,004	325,238	331,242
Financial assets measured at amortized costs					

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Cash and cash equivalents	8,819,738	-	-	-	-
Restricted bank deposit	69,742	-	-	-	-
Notes receivable and accounts receivable (including related parties)	1,032,240	-	-	-	-
Other receivables	32,178	-	-	-	-
Guarantee deposits paid	14,017	-	-	-	-
Subtotal	9,967,915	-	-	-	-
Total amounts	\$ 10,299,157	-	6,004	325,238	331,242
Financial liabilities at amortized costs					
Short-term loans	\$ 4,327,134	-	-	-	-
Accounts payable (including related parties)	631,033	-	-	-	-
Other payables (including related parties)	678,896	-	-	-	-
Convertible bond-liability component	1,506,376	-	-	-	-
Long-term loans	1,923,815	-	-	-	-
Lease liabilities	55,882	-	-	-	-
Guarantee deposits received	4,884	-	-	-	-
Total amounts	\$ 9,128,020	-	-	-	-
2022.3.31					
Fair value					
	Book value	Grade 1	Grade 2	Grade 3	Total amount
Financial assets at fair value through profit or loss					
Domestic unlisted stocks	\$ 21,605	-	-	21,605	21,605
Non-listed foreign shares	95,538	-	-	95,538	95,538
Private fund	266,018	-	-	266,018	266,018
Subtotal	383,161	-	-	383,161	383,161
Financial assets measured at amortized costs					
Cash and cash equivalents	8,993,593	-	-	-	-
Restricted bank deposit	62,120	-	-	-	-
Notes receivable and accounts receivable (including related parties)	545,203	-	-	-	-
Other receivables	50,298	-	-	-	-
Guarantee deposits paid	11,901	-	-	-	-
Subtotal	9,663,115	-	-	-	-
Total amounts	\$ 10,046,276	-	-	383,161	383,161
Financial liabilities at amortized costs					
Short-term loans	\$ 3,164,706	-	-	-	-
Accounts payable (including related parties)	339,984	-	-	-	-
Other payables (including related parties)	479,423	-	-	-	-
Convertible bond-liability component	1,482,657	-	-	-	-
Long-term loans	1,984,550	-	-	-	-

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Lease liabilities	29,551	-	-	-	-
Guarantee deposits received	12,487	-	-	-	-
Total amounts	<u>\$ 7,493,358</u>	-	-	-	-

(b) Fair value assessment technique for measuring financial instruments at fair value

(I) Non-derivative financial instruments

The financial instrument held by the Group without an active market is an equity instrument or beneficiary certificate without open price, and its fair value is listed as the following by its kind and attributes:

(i) Equity instrument without open price: to use comparable company method and comparable transaction method. The main assumption of comparable company method is based on the profit after tax or the enterprise value of the investee and the listed earnings and enterprise value-to-sales multiplier derived from the market prices of comparable companies. This estimate has adjusted for the discounted effect of the lack of marketability of the equity securities.

(ii) Beneficiary certificate without open price: The fair value is estimated using the asset method. Total value of the beneficiary certificate is determined by the value covered by it.

(II) Derivative financial instruments

The right of conversion, redemption and sale of convertible bonds payable is estimated at fair value according to the appraisal report of external experts. The evaluation model is a binary tree convertible bond evaluation model, which uses market basis including stock price volatility, risk-free interest rate, risk discount rate and liquidity risk to observe the input value to reflect the fair value of options.

SWAP contract are usually evaluated based on the bank statement.

(c) Statement of changes of Grade 3

	From January to March 2023			From January to March 2022		
	Domestic unlisted stocks	Non-listed foreign company shares	Private equity fund	Domestic unlisted stocks	Non-listed foreign company shares	Private equity fund
Balance on January 1	\$ 19,913	86,118	219,207	20,704	113,643	271,655
Gains/ Losses:						
Recognized in gains/ losses	3,229	19,421	2	187	(21,997)	(15,803)
The impact of exchange rate	(136)	383	1,084	714	3,892	10,166
Balance on March 31	<u>\$ 23,006</u>	<u>105,922</u>	<u>220,293</u>	<u>21,605</u>	<u>95,538</u>	<u>266,018</u>

The above mentioned profits/ losses are recognized in other profits and losses.

(d) Quantified information on significant unobservable inputs (Grade 3) used in fair value

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measurement

Main composition of fair value classified as Grade 3 of the Group is financial assets at fair value through profit or loss.

Investments in equity instruments classified as the Grade 3 non-active market have significant unobservable input values in the plural. The significant unobservable input values of equity instruments investment in non-active markets are independent of each other, so there is no correlation between them.

The quantitative information of significant unobservable input values is listed as follows:

Items	Evaluation technologies	Significant unobservable input value	The relationship between significant unobservable input values and fair value
Financial assets at fair value through profit or loss – equity vehicle investment without active market	Refer to Listed (OTC) Company Act and Comparable transaction method	• Price-to-Revenue ratio (3.72 on 2023.3.31 and 3.81 on 2022.12.31) • P/E ratio multiplier (10.83 on 2022.3.31) • Multiplier of enterprise value-to-sales (2.12 on 2023.3.31, 1.85 on 2022.12.31 and 2.85 on 2022.3.31) • Lack of market liquidity discounts: Price-to-Revenue ratio (28% on 2023.3.31 and 2022.12.31)	• The higher the multiplier, the higher the fair value • The higher the discount for lack of market liquidity, the lower the fair value
		P/E ratio multiplier: 20% on 2022.3.31	
		Multiplier of enterprise value-to-sales: 37% on 2023.3.31, 37% on	

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2022.12.31 and 10% on
2022.3.31)

Financial assets at fair value through profit or loss- Private fund investment consideration	Net asset value method	Net asset value	• The higher the net asset value, the higher the fair value
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(e) A sensitivity analysis of the fair value of the Grade 3 to reasonable alternative assumptions

The fair value measurement of financial instruments by Group is reasonable, but different evaluation models or parameters may lead to different evaluation results. For financial instruments classified as the Grade 3, if the evaluation parameters change, the impact on current profits and losses is as follows:

			Changes in fair value reflecting in current profits and losses	
		Move up or down	Favorable change	Unfavorable change
March 31, 2023				
Financial assets measured at fair value through profit and loss				
Equity instrument investment in non-active market	Price-to-Revenue ratio	5%	5,273	(5,273)
Equity instrument investment in non-active market	Enterprise value-to-Sales ratio	5%	1,150	(1,150)
December 31, 2022				
Financial assets measured at fair value through profit and loss				
Equity instrument investment in non-active market	P/E ratio	5%	4,308	(4,308)
Equity instrument investment in non-active market	Enterprise value-to-Sales ratio	5%	994	(994)
March 31, 2022				
Financial assets measured at fair value through profit and loss				
Equity instrument investment in non-active market	P/E ratio	5%	10,803	(10,803)
Equity instrument investment in non-active market	Enterprise value-to-Sales ratio	5%	1,066	(1,066)

The favorable and unfavorable changes of the Group refer to the fluctuations of the fair value, which is calculated based on the evaluation technology according to the varying degrees of unobservable input parameters. If the fair value of a financial instrument is affected by more than one input value, the above table only reflects the impact of changes

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in a single input value and does not take into account the correlation and variability between input values.

(f) Offsetting of financial assets and liabilities

The Group has transactions in financial instruments that are subject to the provisions of paragraph 42 of the IAS 32 endorsed by FSC, and the financial assets and financial liabilities related to such transactions are expressed on the balance sheet as a net amount. The following table lists the relevant information about the offset of the above financial assets and financial liabilities:

2022.3.31					
Financial assets subject to offset, offset settlement agreement or similar agreements					
Total amount of recognized financial assets (a)	Offset financial liabilities recognized in balance sheet (b)	Net amount of financial assets in balance sheet (c)=(a)-(b)	Relative amount not offset in balance sheet (d)		
			Financial instrument	Cash collateral received	Net amount (e)=(c)-(d)
Other financial assets	830,270	830,270	-	-	-

2022.3.31					
Financial assets subject to offset, offset settlement agreement or similar agreements					
Total amount of recognized financial liabilities (a)	Offset financial assets recognized in balance sheet (b)	Net amount of financial liabilities in balance sheet (c)=(a)-(b)	Relative amount not offset in balance sheet (d)		
			Financial instrument	Cash collateral received	Net amount (e)=(c)-(d)
Short-term loans	830,270	830,270	-	-	-

The Company did not engage in the above transactions on March 31, 2023 and December 31, 2022.

(25) Financial risk management

The target and policy of financial risk management of the Group has no significant changes compared with note 6 (25) in the consolidated financial report of 2022.

(26) Capital management

The target, policy, and procedure of capital management of the Group are consistent with those in the consolidated financial report of 2022, the quantified data summary of capital management has no significant changes compared with the consolidated financial report of 2022. Please refer to the note 6 (26) in the consolidated financial report of 2022 for relate information.

(27) Investment and financing activities in non-cash transactions

For the year ended March 31, 2022 and 2021, the Group's non-cash investing and financing activities were derived from acquisition right-of-use asset through finance leasing and the amortization of convertible bonds discount. Please refer to notes 6(9), (13) and (14) for related

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information.

The adjustment of liabilities from financing activities are as follows:

	2023.1.1	Cash flow	Non-cash changes						2023.3.31
			Discount and amortization	Exchange rate changes	Fair value changes	Acquire	Reduce	Others	
Short-term loans	\$ 4,327,134	(143,188)	-	-	-	-	-	-	4,183,946
Long-term loans	1,923,815	(60,900)	-	(10,400)	-	-	-	-	1,852,515
Bonds payable	1,506,376	(1,500,000)	1,124	-	-	-	-	(7,500)	-
Lease liabilities	55,882	(6,812)	-	679	-	-	-	-	49,749
Total liabilities from financing activities	<u>\$ 7,813,207</u>	<u>(1,710,900)</u>	<u>1,124</u>	<u>(9,721)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,500)</u>	<u>6,086,210</u>

	2022.1.1	Cash flow	Non-cash changes						2022.3.31
			Discount and amortization	Exchange rate changes	Fair value changes	Acquire	Reduce	Others	
Short-term loans	\$ 3,142,240	22,466	-	-	-	-	-	-	3,164,706
Long-term loans	1,945,900	-	-	38,000	-	-	-	650	1,984,550
Bonds payable	1,474,834	-	7,823	-	-	-	-	-	1,482,657
Lease liabilities	39,109	(9,992)	-	1,023	-	-	(589)	-	29,551
Total liabilities from financing activities	<u>\$ 6,602,083</u>	<u>12,474</u>	<u>7,823</u>	<u>39,023</u>	<u>-</u>	<u>-</u>	<u>(589)</u>	<u>650</u>	<u>6,661,464</u>

7. Related-party transactions:

(1) Parent Company and ultimate controlling party

Foxconn (Far East) Limited is the parent company of the Group, holding 59.52% of the outstanding common shares of the Group as of March 31, 2023, December 31, 2022 and March 31, 2022. Hon Hai Precision Industry Co., Ltd. is the ultimate controller of the Group to which the Group belongs. Hon Hai Precision Industry Co., Ltd. has prepared a consolidated financial report for public use.

(2) Names and relationship with related parties

During the period covered by this consolidated financial report, the following persons have business relations with the Group:

Name of related parties	Relation with Group
Hon Hai Precision Industry Co., Ltd.	Ultimate controller
Foxconn OE Technologies Singapore Pte. Ltd.	Its ultimate controller is the same as that of Group
Foxconn Interconnect Technology Limited	Its ultimate controller is the same as that of Group
Fortunebay Technology Pte. Ltd.	Its ultimate controller is the same as that of Group
Hong Fujin Precision Industry (Shenzhen) Limited Company	Its ultimate controller is the same as that of Group
Shenzhen Fu Neng New Energy Technology Co., Ltd.	Its ultimate controller is the same as that of Group
Futaihua Industry (Shenzhen) Co., Ltd.	Its ultimate controller is the same as that of Group
Triple Win Technology (Shenzhen) Co., Ltd.	Its ultimate controller is the same as that of Group
Foxcavity Precision Industry (Shenzhen) Co., Ltd.	Its ultimate controller is the same as that of Group

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Shenzhen Fulian Fugui Precision Industry Co.,Ltd	Its ultimate controller is the same as that of Group
Icana Technology Limited	Its ultimate controller is the same as that of Group
Champ Tech Optical (Foshan) Corporation	Other related parties (affiliates of the ultimate controller)

(3) Major transactions with related parties

A. Sales

The significant sales amount of the Group to the related parties is as follows:

	From January to March 2023	From January to March 2022
Other related parties	\$	
Foxconn Interconnect Technology Limited	32,453	142,434
Others	421	249
	\$ 32,874	142,683

The selling price for related parties approximated the market price. The credit terms are within four months, which is approximated to that with the general customer.

B. Purchase

The purchase amount of the Group from the related parties is as follows:

	From January to March 2023	From January to March 2022
Other related parties	\$ 7,132	13,217

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors. Payment terms are all within four months, and there is no significant difference with the general vendors.

C. Expenses for professional services

The details of management service fees and legal fees paid by the Group to the related parties are as follows:

	From January to March 2023	From January to March 2022
Ultimate controller	\$ -	269

D. Accounts receivable from related parties

Details of the receivables of the related parties of the Group are as follows:

Account items	Related-party categories	2023.3.31	2022.12.31	2022.3.31
Accounts receivable	Other related parties			

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	Foxconn Interconnect Technology Limited	\$ 41,501	63,634	163,266
	Triple Win Technology (Shenzhen) Co., Ltd.	-	-	2,106
	Others	146	151	90
Subtotal		41,647	63,785	165,462
Other receivables	Triple Win Technology (Shenzhen) Co., Ltd.	-	-	28,797
		<u>\$ 41,647</u>	<u>63,785</u>	<u>194,259</u>

As of March 31, 2023, December 31, 2022 and March 31, 2022, no allowance for loss is required for the above-mentioned related parties.

E. Contract assets

The details of the contract assets of the Group to related parties are as follows:

Account items	Types of related parties	2023.3.31	2022.12.31	2022.3.31
Contract assets	Other related parties	<u>\$ 25</u>	<u>10</u>	<u>-</u>

F. Property trading

Details of the Group's disposal of property, plant and equipment are as follows:

Related-party categories	From January to March 2023		From January to March 2022	
	Proceeds	Gain (loss) on disposal	Proceeds	Gain (loss) on disposal
Triple Win Technology (Shenzhen) Co., Ltd.	<u>\$ -</u>	<u>-</u>	<u>24,532</u>	<u>-</u>

As of March 31, 2023 and 2022, the remaining sale price of RMB 0 thousand and 28,797 thousand have not been received respectively, and it is recognized as other receivables.

G. Payables to related parties

The details of the amount payable by the Group to its related parties are as follows:

Account	Related-party categories	2023.3.31	2022.12.31	2022.3.31
Accounts payable to related parties	Other related parties	<u>\$ 2,192</u>	<u>8,100</u>	<u>8,815</u>
Other payables to related parties	Ultimate controller	-	-	1,532
	Other related parties			
	Foxcavity Precision Industry (Shenzhen) Co., Ltd.	10,515	10,464	10,702

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Futaihua Industry (Shenzhen) Co., Ltd.	235	117	21,971
Others	5,411	5,592	9,330
	16,161	16,173	43,535
	<u>\$ 18,353</u>	<u>24,273</u>	<u>52,350</u>

(4) Remuneration of major management personnel

Key management personnel compensation comprised:

	From January to March 2023	From January to March 2022
Short-term employee benefits	\$ 3,536	4,101
Post-employment benefits	72	113
	<u>\$ 3,608</u>	<u>4,214</u>

8. Pledged assets

Book value list of pledged assets of the Group is as follows:

Pledged asset	Object	2023.3.31	2022.12.31	2022.3.31
Restricted bank deposit (recognized as financial assets measured at amortized cost-current)	Customs deposit	\$ 8,862	61,732	54,120
Restricted bank deposit (recognized as financial assets measured at amortized cost-current)	Short-term loans and long-term loans (including current portion)	13,065	-	8,000
Restricted bank deposit (recognized as financial assets measured at amortized cost-non-current)	Long-term loan	5,445	8,010	-
Total		<u>\$ 27,372</u>	<u>69,742</u>	<u>62,120</u>

9. Material contingent liabilities and unrecognized contractual commitments

As of March 31, 2023, December 31, 2022 and March 31, 2022, the Group has signed contracts for the purchase of property, plant and equipment with a price of 2,304,910 thousand, 2,274,033 thousand and 1,747,950 thousand, respectively, and the paid amounts are 1,617,186 thousand, 1,357,374 thousand and 932,319 thousand respectively, which are recognized as property, plant and equipment.

10. Major disaster losses: None.

11. Major subsequent events: None.

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12. Others

(1) The functions of employee welfare, depreciation, depletion and amortization are summarized as follows:

Items	Functions	From January to March 2023			From January to March 2022		
		Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefit expenses							
Salary expenses		109,289	114,514	223,803	88,665	72,145	160,810
Health insurance expenses		4,491	3,396	7,887	4,280	3,290	7,570
Pension expenses		7,141	5,835	12,976	7,516	5,989	13,505
Other employee benefit expenses		4,503	4,500	9,003	11,265	12,436	23,701
Depreciation expenses		103,384	15,160	118,544	104,563	17,475	122,038
Amortization expenses		28	128	156	28	86	114

(2) Seasonal characteristic:

The operation of the Group is not affected by seasonal or cyclical factors.

13. Disclosure of Note

(1) Information on major transactions

From January 1 to March 31, 2023, the Group shall disclose the information on the major transactions subject to the Guidelines:

A. Loan to other parties:

Unit: NT\$1,000

No	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended March 31, 2023	Balance at March 31, 2023	Actual amount drawn down (Note 2)	Interest rate (%)	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans
													Item	Value		
0	The Company	ShunYun (Cayman)	Other receivables	Y	452,768 (RMB 101,860)	451,342 (RMB 101,860)	-	-	2	-	Business operation	-	-	-	636,532 (Note 2)	2,546,128 (Note 2)
0	The Company	ShunSin (Bac Giang)	Other receivables	Y	548,640 (USD 18,000)	548,100 (USD 18,000)	334,950 (USD 11,000)	-	2	-	Business operation	-	-	-	636,532 (Note 2)	2,546,128 (Note 2)
1	ShunYun (Cayman)	ShunYun (Hong Kong)	Other receivables	Y	542,544 (USD 17,800)	542,010 (USD 17,800)	542,010 (USD 17,800)	-	2	-	Business operation	-	-	-	9,128,296 (Note 3)	9,128,296 (Note 3)

Note 1: The method of filling in the nature of capital loan is as follows:

(1) For business trading, please fill in 1.

(2) If short-term financing is necessary, please fill in 2.

Note 2: When the company has the need for short-term financing to lend others, the total amount of loan shall not exceed 40% of the Company's net value, and the loan to individual entity shall not exceed 10% of the Company's net value.

Note 3: The policy for loans to subsidiaries which ShunYun (Cayman) directly own 100% voting shares is as follows: the total amount shall not exceed 400% of the lender's net worth, and the limit for individual objects shall not exceed 400% of the lender's net worth.

Note 4: The aforementioned transactions between consolidated entities have been offset at the time of preparing consolidated financial statements.

B. Endorsement/Guarantee provided:

No	Guarantor/Endorser	Party being guaranteed/endorsed		Limited on guarantees/endorsements	Maximum outstanding guarantee/endorsement	Outstanding guarantee/endorsement	Amount of guarantees/endorsements	Ratio of accumulated guarantee/endorsement	Limit on total amount of guarantees/endorsements	Provision of guarantees/endorsements by	Provision of guarantees/endorsements	Provision of guarantees/endorsements	Amount of guarantees/endorsement
		Company name	Relationship with the										

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			guarantor/ endorser (Note1)	provided for a single party(Note2)	endorsement amount as of March 31, 2023	amount as of March 31, 2023	secured with collateral	endorsement amount to net asset value of the guarantor/ endorser company (%)	endorsements period	parent company to subsidiary (Note2)	endorsements by subsidiary to parent company	endorsements to the party in Mainland China	Ints secured with collateral
0	The Company	ShunYun (Cayman)	2	3,182,660	1,828,800 (USD 60,000)	1,827,000 (USD 60,000)	1,218,000 (USD 40,000)	-	28.70%	6,365,319	Y	N	N

Note 1: Relationship between guarantor and guarantee:

1. Business transaction
2. The Company directly or indirectly holds more than 50% of their voting shares.
3. The party directly or indirectly holds more than 50% of the Company's voting shares.

Note 2: The total guarantees and endorsements of the Company to others should not be in excess of the Company's net value, and for a single party should not be in excess of 50% of the Company's net value.

C. Marketable securities held as of March 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

Holding company	Types and names of marketable securities	Relations with securities issuers	Account subjects	Closing period				Remarks
				Number of share	Book value	Shareholding ratio	Fair value	
ShunSin (Samoa)	Stocks: Dyna Image Corp	—	Financial assets measured at fair value through profit or loss-non-current	540,000	23,006	5.56%	23,006	
ShunSin (Zhongshan)	Stocks: Lansus Technologies Corporation Limited	—	"	3,044,625	105,922	0.76%	105,922	
ShunSin (Zhongshan)	Private Fund: Ji Nan Fu Jie industrial investing joint venture	—	"	-	220,293	6.67%	220,293	

D. Accumulative purchase or sale of the same securities amounted to NT\$300 million or more than 20% of the paid-in capital: none.

E. The amount for acquiring real estate is \$300 million or more than 20% of the paid-in capital: none.

F. The amount for disposing of real estate amounted to \$300 million or more than 20% of the paid-in capital: none.

G. The amount of goods purchased and sold reaches \$100 million or more than 20% of the paid-in capital with the related parties:

Companies purchasing and selling goods	Counter party	relation	Transaction situation				Reason of trading terms differs from normal transaction		Notes receivable (payable), accounts receivable (payable)		Remarks
			Purchase/ (sale)	Amount	Ratio of total purchase (sales)	Credit period	Unit price	Credit period	Balance	Ratio to total notes receivable, accounts receivable (payable)	
ShunSin (Zhongshan)	The Company	Parent company	Sale	140,432	69.45%	4 months	-		76,268	65.45%	Note 2
ShunYun (Zhongshan)	ShunYun (Cayman)	Parent company	Sale	134,142	95.35%	4 months			-	- %	Note 2
ShunYun (Ha Noi)	ShunYun (Cayman)	Parent company	Sale	299,850	99.97%	4 months			699,850	100.00%	Note 2

Note 1: The price is calculated at the agreed price.

Note 2: The above transactions with the consolidated entities have been written off at the time of preparing the consolidated financial statements.

H. Receivables of related parties amounted to \$100 million or more than 20% of the capital receivable:

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Companies that account for receivables	Companies that account for receivables	Relation	Related parties of receivables Balance of amounts	Turnover rate %	Overdue receivables of Related parties		Related parties of receivables Amount recovered after the period (Note 2)	setting aside for allowance for bad debt
					Amount	Treatment		
ShunYun (Ha Noi)	ShunYun (Cayman)	Affiliate	Accounts receivable (Note 1): 699,850	2.02	-		-	-
The Company	ShunSin (Bac Giang)	Parent and subsidiary company	Other receivable (Note 1): 334,950	-	-		334,950	-
ShunSin (Zhongshan)	The Company	Parent and subsidiary company	Other receivable (Note 1): 1,833,735	-	-		210,855	-
ShunSin (Zhongshan)	ShunYun (Zhongshan)	Affiliate	Other receivable (Note 1): 343,988	-	-		-	-
ShunYun (Zhongshan)	ShunYun (Cayman)	Affiliate	Other receivable (Note 1): 761,211	-	-		-	-
ShunYun (Cayman)	ShunYun (Zhongshan)	Affiliate	Other receivable (Note 1): 293,489	-	-		-	-
ShunYun (Cayman)	ShunYun (Ha Noi)	Affiliate	Other receivable (Note 1): 1,247,254	-	-		-	-
ShunYun (Cayman)	ShunYun (Hong Kong)	Affiliate	Other receivable (Note 1): 542,010	-	-		-	-

Note 1: The aforementioned transactions between consolidated entities have been written off in the preparation of consolidated financial statements.

Note 2: As of May 4, 2023.

I. Engaging in derivatives trading: Please refer to note 6 (2) for details.

J. Business relations and important transactions between parent and subsidiary companies:

No. (Note 1)	Trader's name	Business trading objects	Relation between trader (Note 2)	Transaction situation			
				Subject	Amount	Transaction conditions	Ratio to consolidated total operating income or total assets (Note 3)
0	The Company	ShunSin (Zhongshan)	1	Purchases	140,432	The price is based on the price agreed by both	10.60
0	"	"	1	Other payables	1,833,735	Pay/receive on behalf, no general customers for comparison	12.44
2	ShunYun (Cayman)	ShunYun (Zhongshan)	3	Contract liabilities	110,215	Recognition by completion ratio	0.75
2	"	"	3	Purchases	134,142	The price is based on the price agreed by both	10.12
2	"	"	3	Other payables	761,211	Pay/receive on behalf, no general customers for comparison	5.17
2	"	ShunYun (Ha Noi)	3	Contract liabilities	440,067	Recognition by completion ratio	2.99
2	"	"	3	Purchases	299,850	The price is based on the price agreed by both	22.62
2	"	"	3	Accounts payable	699,850	Within 4 months	4.75
3	ShunYun (Zhongshan)	ShunSin (Zhongshan)	3	Other payables	343,988	Pay/receive on behalf, no general customers for comparison	2.33
3	"	ShunYun (Cayman)	3	Other payables	293,489	Pay/receive on behalf, no general customers for comparison	-

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4	ShunYun (Ha Noi)	ShunYun (Cayman)	3	Other payables	1,247,254	Pay/receive on behalf, no general customers for comparison	8.46
5	ShunYun (Hong Kong)	ShunYun (Cayman)	3	Other payables	542,010	Capital Loan, no general customers for comparison	3.68
6	ShunSin (Bac Giang)	The Company	2	Other payables	334,950	Capital Loan, no general customers for comparison	2.27

Note 1: The information of business transactions between the parent company and the subsidiary company shall be indicated in the No. column respectively. The No. shall be entered as follows:

1. Fill in 0 for parent company.
2. Subsidiaries are numbered in sequence starting with 1.

Note 2: There are three types of relationships with a trader, which can be labeled as follows:

1. Parent company to subsidiary company.
2. Subsidiary company to parent company.
3. Subsidiary company to subsidiary company.

Note 3: The calculation of the transaction amount to the consolidated total revenue or the ratio of total assets shall be carried out in the form of the closing balance to the consolidated total assets if it belongs to the subject of assets and liabilities. In the case of subject of profit and loss, the cumulative amount at closing period shall be calculated on the basis of the consolidated total revenue.

Note 4: It is hereby disclosed that the balance sheet accounts for more than 1% of the consolidated total assets and the subject of profit and loss accounts for more than 10% of the total revenue.

Note 5: The aforementioned transactions between consolidated entities have been written off in the preparation of consolidated financial statements.

(2) Information on re-investment business:

The information of the reinvested business of the Group from January 1 to March 31, 2023, is as follows (excluding the invested company in mainland China):

Name of investment company	Name of invested company	Location	Main business contents	Original investment amounts (Note 3)		Shareholding at the closing period			Net income (losses) of investee (Note 1)	Share of profits/losses of investee (Note 1 and 2)	Note
				March 31, 2023	December 31, 2022	Shares	Percentage of ownership	Carrying value (Note 1 and 2)			
The Company	ShunSin (Hong Kong)	Hong Kong	Holding Company	3,134,106	3,134,106	830,455,240	91.80%	9,668,926	49,865	45,776	subsidiary
The Company	ShunSin (Samoa)	Samoa	Overseas material and equipment procurement	472,575 (Note 6)	287,928	15,516,327	100.00%	878,957	7,342	7,342	subsidiary
ShunSin (Samoa)	ShunSin (Hong Kong)	Hong Kong	Holding Company	287,622	287,622	74,183,976	8.20%	863,673	49,865	4,089	affiliate
ShunYun (Cayman)	ShunYun (Ha Noi)	Vietnam	Produce high speed optical transceiver	180,234	180,234	(Note 4)	100.00%	492,429	159,444	159,444	affiliate
ShunYun (Cayman)	ShunSin (Bac Giang)	Vietnam	Produce high speed optical transceiver	1,655,196	1,655,196	(Note 4)	100.00%	1,707,877	(1,544)	(1,544)	affiliate
ShunYun (Zhongshan)	ShunYun (Hong Kong)	Hong Kong	Holding Company	1,206,830 (Note 5)	781,478	39,000,000	100.00%	1,742,154	150,441	150,441	affiliate
ShunYun (Hong Kong)	ShunYun (Cayman)	Cayman	Holding Company	1,699,090 (Note 7)	1,274,008	58,279,661	100.00%	2,282,074	150,454	150,454	affiliate

Note 1: According to the financial statements checked by CPA of the parent company, the invested company shall be appraised and recognized at equity.

Note 2: Long-term and current investment gains and losses at the closing period have been written off in the preparation of consolidated financial statements.

Note 3: The above original investment amount is calculated at historical exchange rate.

Note 4: ShunYun (Ha Noi) and ShunSin (Bac Giang) does not issue shares due to it is limited corporation thus it has no shares.

Note 5: ShunYun (Zhongshan) has invested total US\$ 14,000 thousand as of March 31, 2023.

Note 6: The Company has invested total US\$ 6,006 thousand as of March 31, 2023.

Note 7: ShunYun (Hong Kong) has invested total US\$ 14,000 thousand as of March 31, 2023.

(3) Information on investment in Mainland China:

Reviewed only, not audited in accordance with auditing standards
ShunSin Technology Holdings Limited and Its Subsidiaries
Notes to Consolidated Financial Statements

A. Name of mainland invested company, main business contents and other related information:

Unit: NTS 1,000

Name of investee	Main business and products	Paid-in capital	Method of investment (Note1)	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2023	Net income (losses) of investee	Percentage of ownership	Share of profits/losses of investee (Note 2 and 3)	Carrying value as of March 31, 2023 (Note 2 and 3)	Accumulated inward remittance of earnings as of March 31, 2023
					Outflow	Inflow						
ShunSin (Zhongshan)	Assembly, testing and sales of SiP products and other types of integrated circuits	3,030,692 (RMB 722,637)	(2)	Note 4	Note 4	Note 4	Note 4	(73,573) (RMB (16,567))	100.00%	(73,573) (RMB (16,567))	8,756,278 (RMB 1,978,257)	Note 4
TalenteK (Hefei)	Design, R&D, testing and sales of electrical equipment, communication equipment and automation equipment	196,114 (RMB 44,526)	(2)	Note 4	Note 4	Note 4	Note 4	(18,718) (RMB (4,215))	39.68%	(7,952) (RMB (1,791))	155,590 (RMB 35,112)	Note 4
ShunYun (Zhongshan)	Produce high speed optical transceiver	1,645,231 (RMB 373,496)	(2)	Note 4	Note 4	Note 4	Note 4	145,619 (RMB 32,790)	78.05%	113,656 (RMB 25,592)	1,871,344 (RMB 422,311)	Note 4

Note 1: The investment modes can be divided into the following three categories, which can be labeled as categories.

- (1) Direct investment in mainland China.
- (2) Indirect investment in mainland China through investment in ShunSin (Hong Kong).
- (3) Indirect investment in mainland China through investment in ShunSin (Zhongshan).

Note 2: According to the financial statements checked by CPA of the parent company, the invested company is evaluated and listed at equity.

Note 3: Long-term and current investment gains and losses at closing period have been written off at the time of compiling the consolidated financial statements.

Note 4: The Company is not a Taiwan company, so there is no such amount.

Note 5: The book value of the investment at the end of the period of 8,756,278 thousand has deducted the unrealized benefits of the fixed assets sold to affiliated companies which amounting to 9,774 thousand. This unrealized benefit has been recognized in the book value of the investment at the end of the period and the investment profit or loss recognized in the current period.

Note 6: The above paid-in capital is calculated at historical exchange rate, the book value held at the closing period is calculated at the exchange rate of March 31, 2023 (exchange rate at closing period RMB: NTD = 1: 4.4312), and the remainder is calculated at the average exchange rate (RMB: NTD = 1: 4.4410).

B. Investment limits in mainland China: Not applicable.

C. Major transactions with mainland invested companies:

For the major direct or indirect transactions between the Group and the mainland invested company from January 1 to March 31, 2023 (which were written off at the time of compiling the consolidated financial report), please refer to “Information on Major Transactions”.

(4) Information of major shareholders:

Unit: Share

Name of major shareholder	Shares	Number of shares held	Shareholding ratio
Foxconn (Far East) Limited		63,964,800	59.52%

- (a) The main shareholder information in this table is calculated by Taiwan Depository and Clearing Company on the last business day at the end of each quarter. The total number of ordinary shares and special shares held by the shareholders who have completed the delivery of the company without physical registration (including treasury shares) is more than 5%.
- (b) The information aforementioned if shareholders deliver their shares to the trust was disclosed by the individual trustee who opened the trust account. As for shareholders who handle the declaration of insider shareholdings that hold more than 10% of their shares in accordance with the Securities Exchange Act, their shareholdings include their shareholdings plus their delivery to the trust and the use of decision making shares in the trust property, please refer to the Market Observation Post System for information on insider equity declaration.

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Notes to Consolidated Financial Statements

14. Information on Departments

There is only one reporting department in the Group, so please refer to the consolidated balance sheet and consolidated income statement for the information on operating department.