Stock code：6451

SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARY

Consolidated Financial Statements

With Independent Auditors' Review Report

For three months ended of 2024 and 2023

Address: **Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands**

Telephone: **02-22688368**

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.

Menu

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, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, 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, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG

SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets

March 31 2024、December 31 2023 and March 31 2023

Expressed in Thousands of New Taiwan Dollars

		2024.3.31		2023.12.31		2023.3.31	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
11xx	**Current assets:**						
1100	Cash and cash equivalents (note 6 (1))	$ 7,948,370	53	8,070,508	55	7,628,246	52
1137	Financial assets at amortized costs- current (note 6 (3), (11), (12) and 8)	21,152	-	21,125	-	21,927	-
1140	Current contract assets (note 6 (20) and 7)	290,866	2	280,459	2	428,519	3
1151	Notes receivable (note 6 (4) and (20))	20,507	-	-	-	6,647	-
1170	Accounts receivable (note 6 (4) and (20))	679,338	5	718,183	5	798,889	5
1181	Accounts receivable－related parties (note 6 (4), (20) and 7)	15,151	-	66	-	41,647	-
1206	Other receivables (note 6 (2) and (5))	129,856	1	125,943	1	37,214	-
1220	Current tax assets	25,429	-	4,246	-	20,062	-
1310	Inventories (note 6 (6))	368,346	2	371,596	2	637,880	5
1410	Prepayments	175,108	1	99,521	1	105,298	1
1470	Other current assets	2,371	-	1,778	-	2,557	-
		9,676,494	64	9,693,425	66	9,728,886	66
15xx	**Non-current assets:**						
1510	Financial assets measured at fair value through profit or loss-non-current (note 6 (2))	112,260	1	147,577	1	349,221	3
1535	Financial assets at amortized costs- non -current (note 6 (3), (11), (12) and 8)	-	-	-	-	5,445	-
1600	Property, plant and equipment (note 6 (8) and 9)	4,373,098	29	4,161,066	28	3,893,707	26
1755	Right-of-use assets (note 6 (9))	407,463	3	400,698	3	326,752	2
1780	Intangible assets (note 6 (10))	1,301	-	1,461	-	1,419	-
1840	Deferred tax assets	357,498	3	322,898	2	404,372	3
1915	Prepayments for business facilities (note 6 (8) and 9)	59,188	-	4,027	-	8,480	-
1920	Guarantee deposits paid	18,276	-	19,959	-	16,454	-
		5,329,084	36	5,057,686	34	5,005,850	34
1xxx	**Total assets**	**$ 15,005,578**	**100**	**14,751,111**	**100**	**14,734,736**	**100**

		2024.3.31		2023.12.31		2023.3.31	
	Liabilities and equities	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
21xx	**Current liabilities:**						
2100	Short-term loans (note 6 (3), (11) and 8)	$ 4,377,123	29	4,438,513	30	4,183,946	28
2120	Financial liabilities at fair value through profit or loss-current (note 6 (2))	42	-	-	-	6,756	-
2130	Current contract liabilities (note 6 (20))	110,201	1	67,564	1	58,568	-
2170	Accounts payable	389,226	3	320,688	2	435,319	3
2180	Accounts payable to related parties (note 7)	3,105	-	4,655	-	2,192	-
2200	Other payables (note 6 (21))	548,231	4	614,821	4	516,467	4
2220	Other payables to related parties (note 7)	5,926	-	5,729	-	16,161	-
2230	Current tax liabilities	70,642	-	42,605	-	34,208	-
2280	Current lease liabilities (note 6 (14))	62,604	-	57,102	-	19,093	-
2322	Long-term borrowings, current portion (note 6 (3), (12) and 8)	1,430,805	10	1,528,536	11	198,690	2
2399	Other current liabilities	17,303	-	25,833	-	4,539	-
		7,015,208	47	7,106,046	48	5,475,939	37
25xx	**Non-current liabilities:**						
2540	Long-term loans (note 6 (3), (12) and 8)	-	-	-	-	1,653,825	11
2570	Deferred tax liabilities	246,009	2	238,278	2	278,492	2
2580	Non-current lease liabilities (note 6 (14))	52,092	-	50,814	-	30,656	-
2630	Long-term deferred revenue	106,334	1	109,183	1	123,518	1
2645	Guarantee deposits received	1,226	-	4,961	-	4,748	-
		405,661	3	403,236	3	2,091,239	14
2xxx	**Total liabilities**	7,420,869	50	7,509,282	51	7,567,178	51
31xx	**Total equity attributable to owners of parent (note 6 (7), (17) and (18)):**						
3110	Ordinary share	1,074,648	7	1,074,648	7	1,074,648	7
3200	Capital surplus	2,906,416	19	2,903,693	20	2,943,670	20
3300	Retained earnings:						
3310	Legal reserve	534,118	4	534,118	4	513,551	4
3320	Special reserve	162,447	1	162,447	1	298,036	2
3350	Unappropriated retained earnings	2,058,040	14	2,143,560	15	1,772,420	12
		2,754,605	19	2,840,125	20	2,584,007	18
3400	Other equity interest:						
3410	Exchange differences on translation of foreign financial statements	14,803	-	(376,209)	(3)	(85,770)	-
3500	Treasury shares	(108,347)	(1)	(108,347)	(1)	(151,236)	(1)
	Total equity attributable to owners of parent	6,642,125	44	6,333,910	43	6,365,319	44
36xx	**Non-controlling interests (note 6 (7))**	942,584	6	907,919	6	802,239	5
3xxx	**Total equity**	7,584,709	50	7,241,829	49	7,167,558	49
2-3xxx	**Total liabilities and equity**	**$ 15,005,578**	**100**	**14,751,111**	**100**	**14,734,736**	**100**

See accompanying notes to consolidated financial statements

Chairman: Chiang, Shang-Yi **Manager: Hsu, Wen-Yi** **General Accountant: Wang, Yao-Wei** **會計主**

SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Profit or Loss and Other Comprehensive Income

For Three Months Ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for Earning Per Share)

		From January to March 2024		From January to March 2023	
		Amount	%	Amount	%
4000	**Operating revenue (note 6 (20) and 7):**				
4110	Sales revenue	$ 925,433	100	1,325,311	100
4190	Loss: Sales discounts and allowances	5	-	125	-
	Operating Revenue	925,428	100	1,325,186	100
5000	**Operating costs (note 6 (6), (8), (9), (10), (14), (15), (21) and 7)**	780,710	84	1,099,389	83
5900	**Gross profit from operations**	144,718	16	225,797	17
6000	**Operating expenses (note 6 (8), (9), (10), (14), (15), (18), (21) and 7):**				
6100	Selling expenses	11,347	1	11,744	1
6200	Administrative expenses	114,088	12	121,605	9
6300	Research and development expenses	80,969	9	78,773	6
	Total operating expenses	206,404	22	212,122	16
6900	**Net operating profits (losses)**	(61,686)	(6)	13,675	1
7000	**Non-operating income and expenses (note 6 (13), (14) and (22)):**				
7100	Interest revenue	49,354	5	37,533	3
7010	Other income	19,014	2	31,790	2
7020	Other gains and losses	(67,783)	(7)	2,644	-
7050	Finance costs	(44,504)	(5)	(39,254)	(3)
	Total non-operating income and expenses	(43,919)	(5)	32,713	2
7900	**Profit (Loss) from continuing operations before tax**	(105,605)	(11)	46,388	3
7950	**Loss: Tax benefit (note 6 (16))**	(13,489)	(1)	(29,323)	(2)
8200	**Profit (Loss)**	(92,116)	(10)	75,711	5
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	406,878	44	88,020	7
8399	Loss: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
8300	**Other comprehensive income, net**	406,878	44	88,020	7
8500	**Total comprehensive income**	**$ 314,762**	**34**	**163,731**	**12**
	Profit, attributable to:				
8610	Owners of parent	$ (85,520)	(9)	54,514	3
8620	Non-controlling interests	(6,596)	(1)	21,197	2
		$ (92,116)	**(10)**	**75,711**	**5**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 305,492	33	131,191	10
8720	Non-controlling interests	9,270	1	32,540	2
		$ 314,762	**34**	**163,731**	**12**
	Basic earnings per share (expressed in New Taiwan Dollars) (note 6 (19))				
9750	Basic earnings (losses) per share	**$ (0.81)**		**0.52**	
9850	Diluted earnings (losses) per share	**$ (0.81)**		**0.50**	

See accompanying notes to consolidated financial statements

Chairman: Chiang, Shang-Yi **Manager: Hsu, Wen-Yi** **General Accountant: Wang, Yao-Wei**

SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

From January 1 to March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
			Retained earnings								
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
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**
Balance as of January 1, 2024	$ 1,074,648	2,903,693	534,118	162,447	2,143,560	2,840,125	(376,209)	(108,347)	6,333,910	907,919	7,241,829
Loss	-	-	-	-	(85,520)	(85,520)	-	-	(85,520)	(6,596)	(92,116)
Other comprehensive income (loss)	-	-	-	-	-	-	391,012	-	391,012	15,866	406,878
Total comprehensive income (loss)	-	-	-	-	(85,520)	(85,520)	391,012	-	305,492	9,270	314,762
Changes in ownership interests in subsidiaries	-	2,723	-	-	-	-	-	-	2,723	(2,723)	-
Share-based payment transactions	-	-	-	-	-	-	-	-	-	28,118	28,118
Balance as of March 31, 2024	**$ 1,074,648**	**2,906,416**	**534,118**	**162,447**	**2,058,040**	**2,754,605**	**14,803**	**(108,347)**	**6,642,125**	**942,584**	**7,584,709**

See accompanying notes to consolidated financial statements

Chairman: Chiang, Shang-Yi **Manager: Hsu, Wen-Yi** **General Accountant: Wang, Yao-Wei**

SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For Three Months Ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	From January to March, 2024	From January to March, 2023
Cash flows from operating activities:		
Profit (Loss) before tax	$ (105,605)	46,388
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	147,899	118,544
Amortization expense	212	156
Net loss (profit) on financial assets and liabilities at fair value through profit or loss	39,910	(13,613)
Interest expense	44,504	39,254
Interest income	(49,354)	(37,533)
Share-based payments	28,118	28,312
Gain on bond redemption	-	(7,500)
Net gain on disposal and scrapping of property, plant and equipment	(390)	-
Property, plant and equipment transferred to expenses	65	-
Total adjustments to reconcile profit (loss)	210,964	127,620
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	(10,407)	(20,513)
Notes receivable	(20,507)	(6,647)
Accounts receivable	38,845	169,566
Accounts receivable－related parties	(15,085)	22,138
Other receivables	709	(12,697)
Inventories	3,250	163,780
Prepayments	(5,315)	(28,645)
Other current assets	(593)	831
Total changes in operating assets	(9,103)	287,813
Changes in operating liabilities:		
Contract liabilities	42,637	(1,294)
Accounts payable	68,538	(187,614)
Accounts payable－related parties	(1,550)	(5,908)
Other payable	(27,241)	4,313
Other payable－related parties	197	(64)
Other current liabilities	(8,530)	(2,220)
Long-term deferred income	(2,849)	41,817
Total changes in operating liabilities	71,202	(150,970)
Total changes in operating assets and liabilities	62,099	136,843
Total adjustments	273,063	264,463
Cash inflow generated from operations	167,458	310,851
Interest received	44,732	45,194
Interest paid	(43,082)	(32,853)
Income taxes paid	(3,955)	-
Net cash flows from (used in) operating activities	165,153	323,192
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
Increase in prepayments for investments	(70,272)	-
Acquisition of property, plant and equipment	(252,406)	(172,569)
Proceeds from disposal of property, plant and equipment	390	-
Decrease (Increase) in guarantee deposits paid	1,683	(2,437)
Increase in prepayments for business facilities	(56,481)	(1,678)
Net cash flows from (used in) investing activities	(377,086)	(133,470)
Cash flows from (used in) financing activities:		
Increase in short-term loans	65,104	3,692,001
Decrease in short-term loans	(126,494)	(3,835,189)
Repayments of bonds	-	(1,500,000)
Repayments of long-term loans	(138,648)	(60,900)
Decrease in guarantee deposits received	(3,735)	(136)
Payments of lease liabilities	(8,875)	(6,812)
Changes in non-controlling interests	-	297,319
Net cash flows from (used in) financing activities	(212,648)	(1,413,717)
Effect of exchange rate changes on cash and cash equivalents	302,443	32,503
Net decrease in cash and cash equivalents	(122,138)	(1,191,492)
Cash and cash equivalents at beginning of period	8,070,508	8,819,738
Cash and cash equivalents at end of period	$ 7,948,370	7,628,246

See accompanying notes to consolidated financial statements

Chairman: Chiang, Shang-Yi **Manager: Hsu, Wen-Yi** **General Accountant: Wang, Yao-Wei**

ShunSin Technology Holdings Limited and Its Subsidiaries
Notes to Consolidated Financial Statements
For three months ended of 2024 and 2023
(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 statements were authorized for issuance by the Board of Directors on May 14, 2024.

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, 2024, and it does not cause significant impact on consolidated financial report.

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS16 "Lease Liability in a Sale and Leaseback"

(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
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information	2027/1/1

for users, and will affect all the entities.

- A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities.
- Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.
- Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

The Group is evaluating the impact of its initial adoption of the above mentioned standards or interpretations on presentation and disclosure in 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"
- Amendments to IAS21 "Lack of Exchangeability"

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

4. Summary of Major Accounting Policies

The major accounting policies adopted in this consolidated financial report are the same as those in 2023, except for the following. Please refer to the note 4 in consolidated financial report of 2023 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").

(2) Basic of consolidation

The principles for preparing consolidated financial report are consistent with those in 2023, please refer to note 4 (3) in consolidated financial report of 2023 for relative information.

Subsidiaries included in consolidated financial reports:

			Shareholding Ratio		
Investor	**Name of subsidiary**	**Primary Business**	**2024.3.31**	**2023.12.31**	**2023.3.31**
The Company	ShunSin Technology Holdings (Hong Kong) Limited (hereinafter referred to ShunSin (Hong Kong))	Holding Company	92.59% (Note 1)	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%
ShunSin (Samoa)	ShunSin (Hong Kong)	Holding Company	7.41% (Note 1)	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))	High-speed optical transceivers manufacturing	78.05%	78.05%	78.05%
ShunSin (Hong Kong)	ShunSin Technology (Vietnam) Company Limited (hereinafter referred to ShunSin (HaNoi))	Assembly, testing and sales of high-speed optical transceiver module, high-frequency wireless communication module and various	100.00% (Note 2)	- %	- %

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

		integrated circuits			
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	39.21%	39.21% (Note 3)	39.68% (Note 3)
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 Technology Holdings Limited (hereinafter referred to ShunYun (Cayman))	Sales of high-speed optical transceiver module	100.00%	100.00%	100.00%
ShunYun (Cayman)	ShunYun Technology (Ha Noi,Vietnam) Limited (hereinafter referred to ShunYun (HaNoi))	High-speed optical transceivers manufacturing	100.00%	100.00%	100.00%
ShunYun (Cayman)	ShunSin Technology (Bac Giang, Vietnam) Limited (hereinafter referred to ShunSin (Bac Giang))	High-speed optical transceivers manufacturing	100.00%	100.00%	100.00%
Talentek (Hefei))	Talentek Microelectronics (Zhongshan) Limited (hereinafter referred to as Talentek (Zhongshan))	Design, R&D, measurement and sales of electrical equipment, communication equipment and automation	100.00% (Note 4)	- %	- %

Note 1: The company increased its capital in ShunSin (Hong Kong) by US$ 12,291 thousand on February 1, 2024, resulting in the company's shareholding ratio in ShunSin (Hong Kong) from 91.80% to 92.59%, while the shareholding ratio of ShunSin (Samoa) to ShunSin (Hong Kong) decreased from 8.20% to 7.41%.

Note 2: On December 19, 2023, the company indirectly established ShunSin (Vietnam) by increasing the capital of ShunSin (Hong Kong) which is approved by the Board of Directors, and on January 18, 2024, ShunSin (Vietnam) was established in Bac Giang Province, Vietnam. The authorized capital is US$ 20,000 thousand and the expected shareholding ratio of ShunSin (Hong Kong) is 100%. As of March 31, 2024, ShunSin (Hong Kong) has invested US$ 10,000 thousand.

Note 3: Non-controlling shareholders of Talentek (Hefei) continue to invest in 2023. The actual shareholding ratio ShunSin (Zhongshan) hold is 39.21% according to invested capital as of March 31, 2024. 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 4: Talentek (Hefei) was approved by Board of Directors on December 28, 2023 to set up its subsidiary, Talentek (Zhongshan) in Zhongshan city, Guangdong Province in China on January 10, 2024. The authorized capital is RMB 40,000 thousand. The expected shareholding ratio of Talentek (Hefei) is 100%. As of March 31, 2024, Talentek (Hefei) has invested RMB 5,000 thousand.

Note 5: On January 29, 2024, ShunSin (Hong Kong) was approved by Board of Directors to acquire 100% shares of SFA SEMICON (SUZHOU) CO., LTD. As of March 31, 2024, ShunSin (Hong Kong) prepaid investment amounting to USD 2,255 thousand, and has not acquired ownership yet.

Subsidiaries not included in the consolidated financial report: None.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(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 2023 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 2023. Please refer to note 6 of the consolidated financial report in 2023 for relative information.

(1) Cash and cash equivalents

	2024.3.31	2023.12.31	2023.3.31
Cash on hand	$ -	47	112
Current deposit	5,595,514	5,942,309	5,888,229
Time deposits with original maturity within three months	2,352,856	2,128,152	1,739,905
Cash and cash equivalents as shown in the consolidated cash flow statement	$ 7,948,370	8,070,508	7,628,246

For the disclosure of interest rate risk and sensitivity analysis of the Group’s financial assets, please refer to note 6 (23) for details.

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

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

A. Current

		2024.3.31	**2023.12.31**	**2023.3.31**
Financial assets (liabilities) held for trading:				
Non hedging derivatives				
Forward foreign exchange contract	$	(42)	-	(6,756)

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, 2024 and March 31, 2023 are as follows:

2024.3.31

Contract amount		**Currency**	**Period**	**Fair value asset (liability)**	
USD	8,000	USD to RMB	2024.7.3	$	(42)

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)

B. Non-current

		2024.3.31	**2023.12.31**	**2023.3.31**
Financial assets designated at fair value through profit and loss:				
Non-derivative financial assets				
Stocks of domestic unlisted companies	$	12,502	7,237	23,006
Stocks of foreign unlisted companies		99,758	140,340	105,922
Private Equity		-	-	220,293
	$	112,260	147,577	349,221

Please refer to note 6 (22) for the amount recognized as profit or loss in the fair value re-measurement.

The Group disposed the private equity fund’s securities investment on November 16, 2023, and recognized gain on disposal of investment amounting to 148,397 thousand. As of March

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

31, 2024, there are still outstanding receivables of 110,174 thousand which are recorded under other receivables.

(3) Financial assets at amortized cost

A. Current

		2024.3.31	2023.12.31	2023.3.31
Restricted bank deposits	$	19,488	19,488	21,927
Time deposits with original maturity exceeding three months		1,664	1,637	-
	$	21,152	21,125	21,927

The Group used the bank loans on March 31, 2024, December 31, 2023 and March 31, 2023. According to the deal of bank, the Group saved NTD 19,488 thousand, NTD 19,488 thousand and NTD 13,065 thousand into the syndicated loan interest custody account respectively.

On March 31, 2024 and December 31, 2023, the Group held a foreign currency time deposits with original maturity exceeding three months amounting to 1,664 thousand and 1,637 thousand (VND 1,300,000,000) respectively, with effective rate of 4.5%. The time deposit matures in November, 2024.

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) on March 31, 2023.

B. Non-current

		2024.3.31	2023.12.31	2023.3.31
Restricted bank deposits	$	-	-	5,445

The Group used the long-term loans on March 31, 2024, December 31, 2023 and March 31, 2023. According to the deal of contract, the Group saved NTD 0 thousand, NTD 0 thousand and NTD 5,445 thousand into the syndicated loan interest custody account respectively. The Group transferred restricted bank deposits to current assets due to the long-term loans will be due in one year as of March 31, 2024.

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 of March 31, 2024, December 31, 2023 and March 31, 2023.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(4) Notes receivable and accounts receivable

	2024.3.31	**2023.12.31**	**2023.3.31**
Notes receivable	$ 20,507	-	6,647
Accounts receivable	679,338	718,183	798,889
Accounts receivable-related party	15,151	66	41,647
	$ 714,996	**718,249**	**847,183**

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, 2024, December 31, 2023 and March 31, 2023, are analyzed as follows:

	2024.3.31		
	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	$ 503,342	-	-
Past due 1-30 days	185,810	-	-
Past due 31-60 days	23,915	-	-
Past due 61-90 days	1,880	-	-
Past due 121-365 days	49	-	-
	$ 714,996	**-**	**-**

	2023.12.31		
	Book value of accounts receivable	**Weighted average anticipated**	**Provision against anticipated**

			credit loss rate (%)	credit losses during the continuance of existence
Not overdue	$	682,840	-	-
Past due 1-30 days		34,659	-	-
Past due 31-60 days		48	-	-
Past due 61-90 days		702	-	-
	$	718,249	-	-

		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		3,616	-	-
Past due 61-90 days		2,239	-	-
Past due 91-120 days		7,485	-	-
	$	847,180	-	-

There is no need to recognize anticipated credit losses during the duration after assessment on March 31, 2024, December 31, 2023 and March 31, 2023.

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

(5) Other receivables

		2024.3.31	2023.12.31	2023.3.31
Other receivables	$	129,856	125,943	37,214

Other receivables of the Group were not overdue on March 31, 2024, December 31, 2023 and March 31, 2023.

(6) Inventories

		2024.3.31	2023.12.31	2023.3.31
Raw materials	$	314,318	342,928	605,465

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Work-in-process	39,257	16,752	10,537
Finished products (including semi-finished products)	14,771	11,916	21,878
	$ 368,346	371,596	637,880

Operating costs recognized by the Group:

	From January to March 2024	From January to March 2023
Cost of selling inventories	$ 781,787	1,085,837
Loss allowance for inventory valuation losses and slow-moving inventories	(4,431)	7,593
Inventory Obsolescence	847	2,690
Unallocated manufacturing overhead	2,507	3,592
Inventory short	-	(323)
	$ 780,710	1,099,389

As of March 31, 2024, December 31, 2023 and March 31, 2023, the inventory of the Group has not been provided as a pledge guarantee.

(7) 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 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%. The Company and its subsidiary paid a one-time compensation payment to ShunYun (Zhongshan) in the second quarter of 2023, resulting in a change of 2,723 thousand in Capital surplus in the first quarter of 2024.

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

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 2024	From January to March 2023
ShunYun (Zhongshan)	$ 2,723	(16,355)

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Talentek (Hefei)	-	26,077
	$ 2,723	9,722

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 2024.3.31	2023.12.31	2023.3.31
ShunYun (Zhongshan)	China	21.95%	21.95%	21.95%
Talentek (Hefei)	China	60.79%	60.79%	60.32%

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:

	2024.3.31	2023.12.31	2023.3.31
Current assets	$ 656,255	1,048,196	1,216,933
Non-current assets	1,995,795	1,978,832	1,981,563
Current liabilities	(85,983)	(463,193)	(755,406)
Non-current liabilities	(62,774)	(65,356)	(45,468)
Net asset	$ 2,503,293	2,498,479	2,397,622
Book value of ending balance on non-controlling interests	$ 674,108	651,105	565,719

	From January to March 2024	From January to March 2023
Operating revenue	$ 23,167	140,691
Profit (Loss)	$ (35,951)	145,619
Other comprehensive income	25,055	43,672
Total comprehensive income (loss)	$ (10,896)	189,291
Profit (Loss) attributable to non-controlling interests	$ (7,891)	31,963
Comprehensive income (loss) attributable to non-controlling interests	$ (2,391)	41,475

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

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

	2024.3.31	2023.12.31	2023.3.31
Current assets	$ 268,397	252,266	309,127
Non-current assets	403,695	342,713	235,086
Current liabilities	(191,631)	(137,305)	(124,523)
Non-current liabilities	(38,816)	(35,213)	(27,581)
Net asset	$ 441,645	422,461	392,109
Book value of ending balance on non-controlling interests	$ 268,476	256,814	236,520

	From January to March 2024	From January to March 2023
Operating revenue	$ 144,417	83,969
Profit (Loss)	$ 2,130	(18,718)
Other comprehensive income	17,053	3,048
Total comprehensive income (loss)	$ 19,183	(15,670)
Profit (Loss) attributable to non-controlling interests	$ 1,295	(10,766)
Comprehensive income (loss) attributable to non-controlling interests	$ 11,661	(8,935)

(8) 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, 2024 and 2023 are as follows:

	Housing and building	Machinery and equipment	Office equipment (including computer communication equipment)	Inspection equipment	Other equipment	Lease improvement	Unfinished construction and equipment to be inspected	Total
Cost:								
Balance as of January 1, 2024	$ 3,099,861	3,203,681	79,251	683,490	482,258	50,938	70,992	7,670,471
Acquisition	-	47,854	211	5,238	3,625	237	154,470	211,635
Disposal	-	(48,182)	(39)	(8,824)	(906)	-	-	(57,951)
Re-classification (Note 1)	-	6,614	-	2,066	-	-	(7,425)	1,255
Translation effect	80,984	122,409	3,808	23,779	25,161	2,055	6,213	264,409
Balance as of March 31, 2024	$ 3,180,845	3,332,376	83,231	705,749	510,138	53,230	224,250	8,089,819
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 2)	-	-	-	9,889	1,338	-	(9,607)	1,620
Translation effect	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
Accumulated depreciation and impairment								

losses:								
Balance as of January 1, 2024	$ 398,362	2,088,817	69,499	561,776	362,233	28,718	-	3,509,405
Depreciation	27,624	76,125	1,346	14,922	11,821	1,506	-	133,344
Disposal	-	(48,182)	(39)	(8,824)	(906)	-	-	(57,951)
Translation effect	16,102	68,597	3,460	19,383	23,176	1,205	-	131,923
Balance as of March 31, 2024	$ 442,088	2,185,357	74,266	587,257	396,324	31,429	-	3,716,721
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)
Translation effect	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
Carrying amount:								
Balance as of March 31, 2024	$ 2,738,757	1,147,019	8,965	118,492	113,814	21,801	224,250	4,373,098
Balance as of January 1, 2024	2,701,499	1,114,864	9,752	121,714	120,025	22,220	70,992	4,161,066
Balance as of March 31, 2023	$ 921,221	932,403	9,584	142,203	73,584	25,989	1,788,723	3,893,707

Note 1: From January 1 to March 31, 2024 and 2023, the amounts reclassified from prepayments for business facilities are $1,320 thousand and $1,620 thousand respectively. As of March 31, 2024, the amounts of reclassifying into expenses is $65 thousand.

(9) 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, 2024	$ 314,699	213,121	1,916	529,736
Acquisition	-	11,524	1,613	13,137
Translation effect	6,156	4,349	131	10,636
Balance as of March 31, 2024	$ 320,855	228,994	3,660	553,509
Balance as of January 1, 2023	$ 295,505	153,473	6,285	455,263
Translation effect	4,064	2,051	31	6,146
Balance as of March 31, 2023	$ 299,569	155,524	6,316	461,409
Accumulated depreciation of right-of-use assets:				
Balance as of January 1, 2024	$ 29,662	98,786	590	129,038
Depreciation	2,373	12,026	156	14,555
Translation effect	652	1,772	29	2,453
Balance as of March 31, 2024	$ 32,687	112,584	775	146,046
Balance as of January 1, 2023	$ 21,432	100,787	2,195	124,414
Depreciation	2,159	5,799	562	8,520
Translation effect	313	1,400	10	1,723
Balance as of March 31, 2023	$ 23,904	107,986	2,767	134,657

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Carrying amount:					
Balance as of March 31, 2024	$	288,168	116,410	2,885	407,463
Balance as of January 1, 2024	$	285,037	114,335	1,326	400,698
Balance as of March 31, 2023	$	275,665	47,538	3,549	326,752

(10) Intangible assets

The cost, amortization and impairment losses of the Group' intangible assets from January 1 to March 31, 2024 and 2023 are as follows:

		Cost of computer software
Cost:		
Balance as of January 1, 2024	$	32,332
Translation effect		1,299
Balance as of March 31, 2024	$	33,631
Balance as of January 1, 2023	$	32,499
Disposal		(333)
Translation effect		159
Balance as of March 31, 2023	$	32,325
Amortization and impairment losses:		
Balance as of January 1, 2024	$	30,871
Amortization		212
Translation effect		1,247
Balance as of March 31, 2024	$	32,330
Balance as of January 1, 2023	$	30,933
Amortization		156
Disposal		(333)
Translation effect		150
Balance as of March 31, 2023	$	30,906
Carrying amount:		
Balance as of March 31, 2024	$	1,301
Balance as of January 1, 2024	$	1,461
Balance as of March 31, 2023	$	1,419

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

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	From January to March 2024	From January to March 2023
Operating costs	$ 28	28
Operating expenses	184	128
	$ 212	156

(11) Short-term loans

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

	2024.3.31	2023.12.31	2023.3.31
Unsecured bank loans	$ 4,377,123	4,438,513	4,183,946
Line of credit	$ 5,592,987	4,751,670	5,376,997
Interest rate range (%)	1.87%-2.35%	1.89%-6.17%	1.90%-5.42%

The Group did not set up assets as collateral for bank loan guarantee.

(12) Long-term loans

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

	2024.3.31		
	Currency	Period	Amount
Syndicated loan from China CITIC Bank	NTD	2022.12~2024.12	$ 496,725
Unsecured loan from MUFG Bank	USD	2021.12~2024.12	832,000
Unsecured loan from E.SUN Bank	USD	2021.12~2024.12	102,080
Subtotal			1,430,805
Less: past due within one year			(1,430,805)
Total			$ -
Line of credit			$ -
Interest rate range (%)			2.21-6.47

	2023.12.31		
	Currency	Period	Amount
Syndicated loan from China CITIC Bank	NTD	2022.12~2024.12	$ 496,725
Unsecured loan from MUFG Bank	USD	2021.12~2024.12	859,880
Unsecured loan from E.SUN Bank	USD	2021.12~2024.12	171,931
Subtotal			1,528,536
Less: past due within one year			(1,528,536)

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Total	$ -
Line of credit	$ -
Interest rate range (%)	**2.21-6.58**

	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			**$ 1,653,825**
Line of credit			$ -
Interest rate range (%)			**2.08-6.18**

A. Collateral for loans

The Group started to use syndicated loan from China CITIC Bank in October 2020. According to the contract, an amount of interest equivalent to six months is required to be deposited in the custody account. The amount should be deposited in the custody account please refer to note 6 (3). And please refer to note 8 for more information on the collateral loans.

B. Bank loan endorsement guarantee

The subsidiary of the Company, ShunYun (Cayman), started to use the secured loans from E.SUN Bank and MUFG Bank in December 2021 which were guaranteed by the Company. The guaranteed amount is 1,842,600 thousand (USD 60,000 thousand). ShunYun (Cayman), a subsidiary of the Company, revised the contract with the two banks in December 2023 and no longer provided endorsement guarantees for the bank loans.

C. Loan contract

According to the provisions of the syndicated loan contract from China CITIC Bank and the secured loan contract from MUFG Bank, during the loan period, the Group shall calculate and maintain financial covenants based on the consolidated financial report of each year for which the accountant audited, and the consolidated financial report for the second quarter of each year reviewed by the accountant, Financial covenants such as debt ratio, interest protection multiples and tangible net worth. And since the date of first use, it will be checked every half of the fiscal year. If it does not conform to the above ratio, within three months from April 1 of the following year of the audit year or August 15 (the syndicated loan contract from China CITIC Bank) and August 31 (the secured loan contract from MUFG Bank) of the year of the audit year, the financial ratio shall be improved by cash increase or other methods to meet the financial covenants, is not considered as default.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

According to the provisions of the syndicated loan contract from China CITIC Bank, the Group will repay the principal in one lump sum when it expires, and may apply for extension of the credit term before the expiry date. If the banks agree to the extension, the unpaid principal balance shall be repaid in five installments. The first installment is on the date after thirty-six months of the first use, and thereafter every six months shall be an installment for repayment. On September 22, 2022, the company obtained a written resolution from 12 of the 13 banks that agreed to extend the credit period until December 26, 2024. Yuanta Bank did not agree to extend the loan. Therefore, the bank's loan of 45,240 thousand has been repaid on December 26, 2022. According to the contract, starting from December 2022, total amount 397,380 thousand will be repaid in four installments amounting to 99,345 thousand every six months respectively. The remaining amount 397,380 thousand will be repaid upon maturity. Therefore, the amount of long-term borrowings, current portion on March 31, 2024, December 31, 2023 and March 31, 2023 are 496,725 thousand, 496,725 thousand and 198,690 thousand respectively. In addition, according to the provisions of the loan contract between MUFG Bank and E.SUN Bank, the principal will be repaid in one lump sum and amortized respectively when it is due. Therefore, the amount of long-term borrowings, current portion on March 31, 2024, December 31, 2023 and March 31, 2023 are 934,080 thousand, 1,031,811 thousand and 0 thousand respectively.

(13) Convertible bonds payable

	2024.3.31	2023.12.31	2023.3.31
The total amount of convertible bonds issued	$ -	1,500,000	1,500,000
Less: amount of discount on issuing convertible bonds	-	142,650	142,650
Underwriting expenses	-	7,294	7,294
Compound present value of bonds converted at issuance	-	1,350,056	1,350,056
Amortization of Company debt payable at discount	-	149,944	149,944
Cost of convertible bonds issue at	-	7,500	7,500

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

premium			
Less: pay off convertible bonds payable expired	-	1,507,500	1,507,500
Ending balance of convertible bonds payable	$ -	-	-

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

During January 1 to March 31, 2024 and 2023, the Group did not issue and repurchase the bonds, please refer to note 6 (13) in the consolidated financial report of 2023 for relative information.

(14) Lease Liability

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

	2024.3.31	2023.12.31	2023.3.31
Current	$ 62,604	57,102	19,093
Non-current	52,092	50,814	30,656
Total	**$ 114,696**	**107,916**	**49,749**

Please refer to note 6 (23) for analysis of expiration.

Amounts recognized in profit or loss are as follows:

	From January to March 2024	From January to March 2023
Interest expense from lease liabilities	**$ 1,258**	**787**
Expense of short-term lease	**$ 1,978**	**7,661**
Expense of low-value leasing asset (not include low-value short-term lease)	**$ 9**	**22**

Amounts recognized in cash flow statement are as follows:

	From January to March 2024	From January to March 2023
Total cash used in operating activity	$ 3,245	8,470
Total cash used in financing activity	8,875	6,812
Total cash used in lease	**$ 12,120**	**15,282**

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.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

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.

(15) Employee benefit

The pension expenses of the Group from January 1 to March 31, 2024 and 2023 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 2024	From January to March 2023
Operating costs	$ 8,286	7,141
Operating expenses	6,246	5,835
	$ 14,532	12,976
	$ 61,277	51,541

(16) Income tax

A. The income tax expense (benefit) details of the Group from January 1 to March 31, 2024 and 2023 are as follows:

	From January to March 2024	From January to March 2023
Current		
Current period	$ 9,425	9,204
Deferred income tax benefit		
Occurrence and reversal of temporary differences	(22,914)	(38,527)
Income tax benefit	$ (13,489)	(29,323)

B. Examination and approval of income tax

The Company is 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 until 2021, respectively.

(17) Capital and other equities

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

The Group has no significant changes in capital and other equity in the period of January 1 to March 31 for 2024 and 2023, except for the following. Please refer to note 6 (17) in the consolidated financial report of 2023 for relative information.

A. Capital surplus

The capital surplus balance of the Company is as follows:

	2024.3.31	2023.12.31	2023.3.31
Share premium	$ 2,689,050	2,689,050	2,689,050
Changes in ownership interests in subsidiaries	40,112	37,389	77,366
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 expired convertible bonds	129,000	129,000	129,000
	$ 2,906,416	2,903,693	2,943,670

B. Retained earnings distribution

According to Charter of the Company, the Company's earnings distribution for 2023 and 2022 were decided by the shareholders' meeting on May 14, 2024 and May 10, 2023 respectively. The dividend distribution are as follows:

	2023		2022	
	Dividend per share (USD)	Amount	Dividend per share (USD)	Amount
Dividend distributed to ordinary shareholders:				
Cash	$ 2.46	261,187	1.17	123,585

Information on the earnings distribution determined by the shareholders' meeting of the company can be obtained from MOPS.

C. Treasury Stock

Changes and ending balance of treasury shares bought by the Company are as follows:

Unit: thousand shares

From January to March 2024			
Opening	Reason of	Ending	Ending

balance	Increase	Decrease	changes	balance	amount
1,291	-	-	-	1,291	$ 108,347

From January to March 2023					
Opening balance	Increase	Decrease	Reason of changes	Ending balance	Ending amount
1,802	-	-	-	1,802	$ 151,236

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 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 forecast was 627 thousand shares. The record date of transferring is on July 31, 2023. As of March 31, 2024, the number of transferred shares had 511 thousand shares.

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.

(18) Share-based payment

The share-based payment of the Group from January 1 to March 31, 2024 has no significant changes except for the following mentioned. Please refer to the note 6 (18) in the consolidated financial report of 2023 for relative information.

A. The information about restricted stock plan for employees 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 2024		From January to March 2023	
	1st time	2nd time	1st time	2nd time

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	share granted	share granted	share granted	share granted
Outstanding stock as of January 1	44,450	37,550	44,450	37,550
Grant quantity in current period	-	-	-	-
Vested during the year	-	-	-	-
Quantity lost in current period	-	-	-	-
Executable as of March 31	44,450	37,550	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. The subscription date is on July 31, 2023 and the fair value of the subscription is $0 per share.

C. Index of fair value on grant day

The Group uses Black-Scholes option evaluation model to measure the fair value of share-based payment on grant day. The indexes are as follows:

	Treasury transferred to employees
Fair value of grant day	0
Stock price of grant day	82.6
Execution price	83.93
Expected volatility (%)	0.94
Option duration (year)	1
Risk-free rate (%)	1.565

D. Expenses for employees of the share-based payment

The expenses incurred by the Group in the period of January 1 to March 31, 2024 and 2023 due to the share-based payment are as follows:

	From January to March 2024	From January to March 2023
Expense from restricted stock plan for employees	$ 28,118	28,312

(19) Earnings per share

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

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Unit: 1,000

		From January to March 2024	From January to March 2023
Basic earnings (losses) per share of the Company			
Net profit (loss) for the current period	$	(85,520)	54,514
Weighted average number of outstanding shares		106,174	105,663
Basic earnings per share (NT$)	$	(0.81)	0.52
Diluted earnings (losses) per share of the Company			
Net profit (loss) for the current period	$	(85,520)	54,514
The impact of potential common stocks with diluting effect			
Expected reduction in interest expense for convertible bonds conversion		-	1,124
Net profit (loss) for the current period	$	(85,520)	55,638
Weighted average number of outstanding shares		106,174	105,663
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		106,174	110,521
Diluted earnings (losses) per share (NT$)	$	(0.81)	0.50

The profit sharing bonus to employees are potential common stocks from January 1 to March 31, 2024, 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, 2024.

(20) Revenues from customers' contract

A. Disaggregation of revenue

		From January to March 2024	From January to March 2023
Primary geographical markets:			
US	$	323,098	716,926
China		321,338	129,217
Singapore		118,782	350,314
Taiwan		85,579	78,589
Other countries		76,631	50,140
	$	925,428	1,325,186

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

B. Remaining balance of contracts

		2024.3.31	2023.12.31	2023.3.31
Notes receivable	$	20,507	-	6,647
Accounts receivable (including related party)		694,489	718,249	840,536
Less: Loss allowance		-	-	-
Total amount	$	714,996	718,249	847,183
Contract assets	$	290,866	280,459	428,519
Contract liabilities	$	110,201	67,564	58,568

The Group has assessed that there is no need to recognize loss allowance for contract assets as of March 31, 2024, December 31 and March 31, 2023.

The amounts of the balance of contract liabilities on January 1, 2024 and 2023 recognized as revenue in first quarter of 2024 and 2023 are 34,792 thousand and 31,260 thousand, respectively.

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

(21) Profit sharing bonus of employees and directors

According to the Company's Articles of Association, 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. Base on the Articles of Association of the Company revised on June 28, 2023, the Company shall allocate profit sharing bonus to the employees with no less than 3% 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, 2024 and 2023 are $0 thousand and $2,257 thousand, and $0 thousand and $45 thousand for the directors respectively. 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 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.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

The Company accrued profit sharing bonus to employees for 2023 and 2022 are $24,801 thousand and $18,000 thousand respectively, and $441 thousand and $252 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 2023 and the year of 2022. Related information is available at the MOPS.

(22) Non-operating gains and losses

A. Interest income

Interest incomes of the Group are as follows:

	From January to March 2024	From January to March 2023
Bank deposit interest	$ 49,354	37,533

B. Other incomes

Other incomes of the Group are as follows:

	From January to March 2024	From January to March 2023
Incomes from government subsidy	$ 10,559	21,945
Other incomes	8,455	9,845
Total amount of other incomes	$ 19,014	31,790

C. Other profits and losses

Other profits and losses of Group are as follows:

	From January to March 2024	From January to March 2023
Net foreign exchange losses	$ (27,816)	(10,895)
Profits from disposal of property, plant and equipment	390	-
Profits (Losses) from financial assets/liabilities at fair value through profit and loss	(39,910)	13,613
Other losses	(447)	(74)
	$ (67,783)	2,644

D. Financial costs

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

The financial costs of the Group are as follows:

	From January to March 2024	From January to March 2023
Interest expenses from bank loans	$ 43,246	37,343
Interest expenses of convertible bonds	-	1,124
Interest expenses of lease liabilities	1,258	787
	$ 44,504	**39,254**

(23) 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 2023, except for the following mentioned. Please refer to the note 6 (23) in the consolidated financial report of 2023 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, 2024, December 31, 2023 and March 31, 2023, 78%, 78% and 85% 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, 2024						

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Non-derivative financial liabilities							
Short-term loans	$	4,377,123	4,387,631	4,387,631	-	-	-
Accounts payable (including related parties)		392,331	392,331	392,331	-	-	-
Other payables (including related parties)		554,157	554,157	554,157	-	-	-
Long-term loans		1,430,805	1,479,034	1,479,034	-	-	-
Lease liabilities		114,696	119,882	66,362	48,124	5,396	-
Guarantee deposits received		1,226	1,226	-	1,226	-	-
Subtotal		6,870,338	6,934,261	6,879,515	49,350	5,396	-
Derivative financial liabilities							
Forward foreign exchange contract:							
Outflow		42	(249,821)	(249,821)	-	-	-
Inflow		-	249,779	249,779	-	-	-
Subtotal		42	(42)	(42)	-	-	-
Total	$	6,870,380	6,934,219	6,879,473	49,350	5,396	-
December 31, 2023							
Non-derivative financial liabilities							
Short-term loans	$	4,438,513	4,450,830	4,450,830	-	-	-
Accounts payable (including related parties)		325,343	325,343	325,343	-	-	-
Other payables (including related parties)		620,550	620,550	620,550	-	-	-
Long-term loans		1,528,536	1,598,425	1,598,425	-	-	-
Lease liabilities		107,916	113,364	61,074	46,952	5,338	-
Guarantee deposits received		4,961	4,961	1,184	3,777	-	-
	$	7,025,819	7,113,473	7,057,406	50,729	5,338	-
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	-
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)	-	-	-
	$	7,067,853	7,249,950	5,443,810	1,789,061	17,079	-

C. Currency risk

(a) Currency risk exposure

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

	2024.3.31			2023.12.31			2023.3.31		
	Foreign currency (in thousands)	Exchange rate (NT$)	NT$	Foreign currency (in thousands)	Exchange rate (NT$)	NT$	Foreign currency (in thousands)	Exchange rate (NT$)	NT$
Financial assets									
Monetary items									
RMB	436,455	4.4080	1,923,894	485,157	4.3270	2,099,274	427,333	4.4310	1,893,510
USD	10,838	31.9494	346,268	13,720	30.7091	421,329	19,136	30.4503	582,696
Financial liabilities									
Monetary items									
USD	1,634	31.8672	52,071	2,028	30.7041	62,268	2,066	30.4540	62,918

(b) Sensitivity analysis

The exchange rate risk of the Group mainly comes from the foreign currency-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, 2024 and 2023, when the Taiwan dollar devalues by 0.25% against the US dollar and the Chinese Yuan, while all other factors remain unchanged, the net profit before tax from January 1 to March 31, 2024 and 2023 will increase by approximately $5,546 thousand and $6,030 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 losses of foreign currencies from January 1 to March 31, 2024 and 2023 including realized and unrealized ones, are $27,816 thousand and $10,895 thousand, respectively.

D. Interest rate analysis

The time deposits and short-term loans of the Company are fixed interest rates, which have no interest rate fluctuation risk. The significant financial liabilities with interest rate sensitivity held by the Group are long-term borrowings calculated with floating interest rates. It is assessed that the interest rates will not change much, hence it will not cause significant cash flow risks to the Group.

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 liabilities of the Group are listed as follows:

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	2024.3.31				
		Fair value			
	Book value	Grade 1	Grade 2	Grade 3	Total amount
Financial assets at fair value through profit or loss					
Domestic unlisted stocks	$ 12,502	-	-	12,502	12,502
Non-listed foreign shares	99,758	-	-	99,758	99,758
Subtotal	112,260	-	-	112,260	112,260
Financial assets measured at amortized costs					
Cash and cash equivalents	7,948,370	-	-	-	-
Financial assets measured at amortized costs	21,152	-	-	-	-
Notes receivable and accounts receivable (including related parties)	714,996	-	-	-	-
Other receivables	129,856	-	-	-	-
Guarantee deposits paid	18,276	-	-	-	-
Subtotal	8,832,650	-	-	-	-
Total amounts	**$ 8,944,910**	**-**	**-**	**112,260**	**112,260**
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities -current	$ 42	-	42	-	42
Financial liabilities measured at amortized costs					
Short-term loans	4,377,123	-	-	-	-
Accounts payable (including related parties)	392,331	-	-	-	-
Other payables (including related parties)	554,157	-	-	-	-
Long-term loans	1,430,805	-	-	-	-
Lease liabilities	114,696	-	-	-	-
Guarantee deposits received	1,226	-	-	-	-
Subtotal	6,870,338	-	-	-	-
Total amounts	**$ 6,870,380**	**-**	**42**	**-**	**42**

	2023.12.31				
		Fair value			
	Book value	Grade 1	Grade 2	Grade 3	Total amount
Financial assets at fair value through profit or loss					

	Book value	Grade 1	Grade 2	Grade 3	Total amount
Domestic unlisted stocks	$ 7,237	-	-	7,237	7,237
Non-listed foreign shares	140,340	-	-	140,340	140,340
Subtotal	147,577	-	-	147,577	147,577
Financial assets measured at amortized costs					
Cash and cash equivalents	8,070,508	-	-	-	-
Financial assets measured at amortized costs	21,125	-	-	-	-
Notes receivable and accounts receivable (including related parties)	718,249	-	-	-	-
Other receivables	125,943	-	-	-	-
Guarantee deposits paid	19,959	-	-	-	-
Subtotal	8,955,784	-	-	-	-
Total amounts	$ 9,103,361	-	-	147,577	147,577
Financial liabilities measured at amortized costs					
Short-term loans	$ 4,438,513	-	-	-	-
Accounts payable (including related parties)	325,343	-	-	-	-
Other payables (including related parties)	620,550	-	-	-	-
Long-term loans	1,528,536	-	-	-	-
Lease liabilities	107,916	-	-	-	-
Guarantee deposits received	4,961	-	-	-	-
Total amounts	$ 7,025,819	-	-	-	-

	2023.3.31				
		Fair value			
	Book value	**Grade 1**	**Grade 2**	**Grade 3**	**Total amount**
Financial assets at fair value through profit or loss					
Domestic unlisted stocks	$ 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

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Financial liabilities measured 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

(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 2024			From January to March 2023			
	Domestic unlisted stocks	Non-listed foreign company shares	Total	Domestic unlisted stocks	Non-listed foreign company shares	Private equity fund	Total

Balance on January 1	$ 7,237	140,340	147,577	19,913	86,118	219,207	325,238
Gains/ Losses:							
Evaluate gains (losses)	4,875	(44,743)	(39,868)	3,229	19,421	2	22,652
Translation effect	390	4,161	4,551	(136)	383	1,084	1,331
Balance on March 31	$ 12,502	99,758	112,260	23,006	105,922	220,293	349,221

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 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 method	Significant unobservable input value	The relationship between significant unobservable input values and fair value
Financial assets at fair value through profit or loss－equity investment without active market	Refer to Listed (OTC) Company method and Comparable transaction method	• Price-to-Revenue ratio (4.05 on 2024.3.31, 5.44 on 2023.12.31 and 3.72 on 2023.3.31)	• The higher the multiplier, the higher the fair value
		• Multiplier of enterprise value-to-sales (2.90 on 2024.3.31, 2.95 on 2023.12.31 and 2.12 on 2023.3.31)	
		• Lack of market liquidity discounts: Price-to-Revenue ratio (23% on 2024.3.31, 23%	• The higher the discount for lack of market liquidity, the

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

		on 2023.12.31 and 28% on 2023.3.31) Multiplier of enterprise value-to-sales: 31% on 2024.3.31, 31% on 2023.12.31 and 37% on 2023.3.31	lower the fair value
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

(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	
	Input value	**Move up or down**	**Favorable change**	**Unfavorable change**
March 31, 2024				
Financial assets measured at fair value through profit and loss				
Equity instrument investment in non-active market	Price-to-Revenue ratio	5%	4,785	(4,785)
Equity instrument investment in non-active market	Enterprise value-to-Sales ratio	5%	626	(626)
December 31, 2023				
Financial assets measured at fair value through profit and loss				
Equity instrument investment in non-active market	Price-to-Revenue ratio	5%	7,093	(7,093)
Equity instrument investment in non-active market	Enterprise value-to-Sales ratio	5%	362	(362)
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)

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

(24) Financial risk management

The target and policy of financial risk management of the Group has no significant changes compared with note 6 (24) in the consolidated financial report of 2023.

(25) Capital management

The target, policy, and procedure of capital management of the Group are consistent with those in the consolidated financial report of 2023, the quantified data summary of capital management has no significant changes compared with the consolidated financial report of 2023. Please refer to the note 6 (25) in the consolidated financial report of 2023 for relate information.

(26) Non-cash Investing and financing activities

For the year ended March 31, 2024 and 2023, 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 information.

The adjustment of liabilities from financing activities are as follows:

			Non-cash changes						
	2024.1.1	**Cash flow**	**Discount and amortization**	**Translation effect**	**Fair value changes**	**Acquire**	**Reduce**	**Others**	**2024.3.31**
Short-term loans	$ 4,438,513	(61,390)	-	-	-	-	-	-	4,377,123
Long-term loans	1,528,536	(138,648)	-	40,917	-	-	-	-	1,430,805
Lease liabilities	107,916	(8,875)	-	2,518	-	13,137	-	-	114,696
Total liabilities from financing activities	$ 6,074,965	(208,913)	-	43,435	-	13,137	-	-	5,922,624

			Non-cash changes						
	2023.1.1	**Cash flow**	**Discount and amortization**	**Translation effect**	**Fair value changes**	**Acquire**	**Reduce**	**Others**	**2023.3.31**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

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	$ 7,813,207	(1,710,900)	1,124	(9,721)	-	-	-	(7,500)	6,086,210

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, 2024, December 31, 2023 and March 31, 2023. 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
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
Foxcavity Precision Industry (ShenZhen) Co., Ltd.	Its ultimate controller is the same as that of Group
Shenzhen Fertile Plan International Logistics Co., Ltd.	Its ultimate controller is the same as that of Group
Shenzhen Fulian Fugui Precision Industry Co.,Ltd	Its ultimate controller is the same as that of Group
Fulian Yuzhan Technology (ShenZhen) 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

(3) Significant transactions with related parties

A. Sales

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

From January **From January**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

	to March 2024	to March 2023
Other related parties		
Foxconn Interconnect Technology Limited	$ 14,558	32,453
Others	153	421
	$ 14,711	**32,874**

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 2024	From January to March 2023
Other related parties	$ 11,060	7,132

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 2024	From January to March 2023
Ultimate controller	$ 240	-

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	2024.3.31	2023.12.31	2023.3.31
Accounts receivable	Other related parties			
	Foxconn Interconnect Technology Limited	$ 14,978	-	41,501
	Others	173	66	146
		$ 15,151	**66**	**41,647**

As of March 31, 2024, December 31, 2023 and March 31, 2023, no allowance for loss is required for the above-mentioned related parties.

E. Contract assets

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

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

Account items	Types of related parties	2024.3.31	2023.12.31	2023.3.31
Contract assets	Other related parties	$ 11	10	25

F. Payables to related parties

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

Account	Related-party categories	2024.3.31	2023.12.31	2023.3.31
Accounts payable to related parties	Other related parties	$ 3,105	4,655	2,192
Other payables to related parties	Other related parties			
	Foxcavity Precision Industry (Shenzhen) Co., Ltd.	-	-	10,515
	Others	5,926	5,729	5,646
		5,926	5,729	16,161
		$ 9,031	10,384	18,353

(4) Remuneration of major management personnel

Key management personnel compensation comprised:

	From January to March 2024	From January to March 2023
Short-term employee benefits	$ 3,071	3,536
Post-employment benefits	72	72
	$ 3,143	3,608

8. Pledged assets

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

Pledged asset	Object	2024.3.31	2023.12.31	2023.3.31
Restricted bank deposit (recognized as financial assets measured at amortized cost-current)	Customs deposit	$ -	-	8,862
Restricted bank deposit (recognized as financial assets measured at amortized cost-current)	Short-term loans and long-term loans (including current portion)	19,488	19,488	13,065

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Restricted bank deposit (recognized as financial assets measured at amortized cost-non-current)	Long-term loan	-	-	5,445
Total		$ 19,488	19,488	27,372

9. Significant commitments and contingencies

(1) As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group has signed contracts for the purchase of property, plant and equipment with a price of 382,206 thousand, 311,996 thousand and 2,304,910 thousand, respectively, and the paid amounts are 164,092 thousand, 19,002 thousand and 1,617,186 thousand respectively, which are recognized as property, plant and equipment.

(2) ShunYun (Cayman) Taiwan Branch returned the first batch of material delivered by its vendor, Browave Corporation (hereinafter referred to as Browave), due to its client indicated that the material is defective in quality. Hence Browave accepted. Hereafter, ShunYun (Cayman) Taiwan Branch refused to accept the remaining materials from Browave due to the quality issue. Browave filed a lawsuit on June 8, 2023, requesting payment of USD 549 thousand. The case is currently being handled by lawyers and the first court date is October 23, 2023 and the second court date is November 27, 2023. The relevant litigation procedures are still in process. Therefore, no possible liabilities have been estimated yet.

10. Losses due to major disasters: None.

11. Subsequent events: None.

12. Others

(1) A summary of personnel benefit costs, depreciation, depletion and amortization is as follows:

Functions / Account	From January to March 2024			From January to March 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Personnel benefit costs						
Salaries	116,524	106,224	222,748	109,289	114,514	223,803
Health insurance	4,411	3,540	7,951	4,491	3,396	7,887
Pension	8,286	6,246	14,532	7,141	5,835	12,976
Other personnel expense	4,530	5,286	9,816	4,503	4,500	9,003
Depreciation	117,625	30,274	147,899	103,384	15,160	118,544

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Amortization	28	184	212	28	128	156

(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, 2024, 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, 2024	Balance at March 31, 2024	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: Item	Collateral: Value	Limit on loans granted to a single party	Ceiling on total loans
1	ShunYun (Cayman)	ShunYun (Hong Kong)	Other receivables	Y	143,701 (RMB 32,600)	143,701 (RMB 32,600)	143,471 (RMB 32,548)	-	2	-	Business operation	-	-	-	7,733,245 (Note 2)	7,733,245 (Note 2)

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

B. Endorsement/Guarantee provided: none.

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

Holding company	Types and names of marketable securities	Relations with securities issuers	Account subjects	Closing period: Number of share	Closing period: Book value	Closing period: Shareholding ratio	Closing period: Fair value	Remarks
ShunSin (Samoa)	Stocks: Dyna Image Corp	–	Financial assets measured at fair value through profit or loss-non-current	270,000	12,502	5.56%	12,502	
ShunSin (Zhongshan)	Stocks: Lansus Technologies Corporation Limited	–	〃	3,044,625	99,758	0.76%	99,758	

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.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

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	154,341	43.09%	4 months	-		101,620	46.61%	Note 2
ShunYun (Ha Noi)	ShunYun (Cayman)	Affiliate	Sale	187,080	99.96%	4 months			140,995	96.10%	Note 2
ShunSin (Bac Giang)	ShunYun (Ha Noi)	Affiliate	Sale	175,917	100.00%	4 months			148,423	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:

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		
ShunSin (Zhongshan)	The Company	Parent and subsidiary company	Accounts receivable (Note 1): 101,620	3.98	-		-	-
ShunYun (Ha Noi)	ShunYun (Cayman)	Affiliate	Accounts receivable (Note 1): 140,995	10.61	-		-	-
ShunSin (Bac Giang)	ShunYun (Ha Noi)	Affiliate	Accounts receivable (Note 1): 148,423	9.48	-		-	-
ShunSin (Zhongshan)	The Company	Parent and subsidiary company	Other receivable (Note 1): 2,119,985	-	-		368,533	-
ShunYun (Zhongshan)	ShunYun (Cayman)	Affiliate	Other receivable (Note 1): 377,426	-	-		-	-
ShunYun (Cayman)	ShunYun (Hong Kong)	Affiliate	Other receivable (Note 1): 143,471	-	-		-	-
ShunYun (Cayman)	ShunSin (Bac Giang)	Affiliate	Other receivable (Note 1): 291,793	-	-		-	-
ShunYun (Ha Noi)	ShunYun (Cayman)	Affiliate	Other receivable (Note 1): 237,423	-	-		-	-

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

Note 2: As of May 2, 2024.

I. Engaging in derivatives trading: please refer to 6 (2).

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

No. (Note 1)	Trader's name	Business trading objects	Relation between trader	Transaction situation			
				Subject	Amount	Transaction conditions	Ratio to consolidated total operating income or

			(Note 2)				total assets (Note 3)
0	The Company	ShunSin (Zhongshan)	1	Purchases	154,341	The price is based on the price agreed by both	16.68
0	〃	〃	1	Accounts payable	101,620	Within 4 months	0.68
0	〃	〃	1	Other payables	2,119,985	Pay/receive on behalf, no general customers for comparison	14.13
1	ShunYun (Cayman)	ShunYun (Zhongshan)	3	Other payables	377,426	Pay/receive on behalf, no general customers for comparison	2.52
1	ShunYun (Cayman)	ShunYun (Ha Noi)	3	Purchases	187,080	The price is based on the price agreed by both	20.22
1	〃	〃	3	Accounts payable	140,995	Within 4 months	0.94
1	〃	〃	3	Other payables	237,423	Pay/receive on behalf, no general customers for comparison	1.58
2	ShunYun (Ha Noi)	ShunYun (Cayman)	3	Contract assets	300,317	Recognition by completion ratio	2.00
2	ShunYun (Ha Noi)	ShunSin (Bac Giang)	3	Purchases	175,917	The price is based on the price agreed by both	19.01
2	〃	〃	3	Accounts payable	148,423	Within 4 months	0.99
3	ShunSin (Bac Giang)	ShunYun (Cayman)	3	Other payables	291,793	Within 4 months	1.94
4	ShunYun (Hong Kong)	ShunYun (Cayman)	3	Other payables	143,471	Capital Loan	0.96

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 investees:

The information on investees of the Group from January 1 to March 31, 2024, is as follows (investees in mainland China are excluded):

				Original investment amounts (Note3)	Shareholding at the closing period			

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Name of investment company	Name of invested company	Location	Main business contents	March 31, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying value (Note 1 and 2)	Net income (losses) of investee (Note 1)	Share of profits/ losses of investee (Note 1 and 2)	Note
The Company	ShunSin (Hong Kong)	Hong Kong	Holding Company	3,517,044	3,134,106	926,467,427	92.59%	10,618,515	(54,072)	(50,441)	subsidiary
The Company	ShunSin (Samoa)	Samoa	Overseas material and equipment procurement	472,575	472,575	15,516,327	100.00%	854,133	1,242	1,242	subsidiary
ShunSin (Samoa)	ShunSin (Hong Kong)	Hong Kong	Holding Company	287,622	287,622	74,183,976	7.41%	849,802	(54,072)	(3,631)	affiliate
ShunYun (Cayman)	ShunYun (Ha Noi)	Vietnam	Produce high speed optical transceiver	180,234	180,234	(Note 4)	100.00%	751,015	6,191	6,191	affiliate
ShunYun (Cayman)	ShunSin (Bac Giang)	Vietnam	Produce high speed optical transceiver	2,415,871 (Note 6)	2,099,906	(Note 4)	100.00%	2,311,535	2,286	2,286	affiliate
ShunYun (Zhongshan)	ShunYun (Hong Kong)	Hong Kong	Holding Company	1,206,830	1,206,830	39,000,000	100.00%	1,792,611	6,223	6,223	affiliate
ShunSin (Hong Kong)	ShunSin (Vietnam)	Vietnam	Assembly, testing and sales of high-frequency wireless communication module and various integrated circuits	311,560 (Note 5)	(Note 5)	(Note 5)	100.00%	303,585	(16,133)	(16,133)	affiliate
ShunYun (Hong Kong)	ShunYun (Cayman)	Cayman	Holding Company	1,699,090	1,699,090	58,279,660	100.00%	1,933,311	2,929	2,929	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: ShunSin (Hong Kong) set up ShunSin (Vietnam) in Bac Giang Province, Vietnam on January 18, 2024. The authorized capital is US$ 20,000 thousand. As of March 31, 2024, ShunSin (Hong Kong) has invested US$ 10,000 thousand and the shareholding ratio is 100%. ShunSin (Vietnam) does not issue shares due to it is limited corporation thus it has no shares.

Note 6: ShunYun (Cayman) has invested total US$ 10,000 thousand from January 1 to March 31, 2024.

(3) Information on investment in Mainland China:

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

Unit: NT$ 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, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2024	Net income (losses) of investee	Percentage of ownership	Share of profits/ losses of investee (Note 2 and 3)	Carrying value as of March 31, 2024 (Note 2 and 3)	Accumulated inward remittance of earnings as of March 31, 2024
					Outflow	Inflow						
ShunSin (Zhongshan)	Assembly, testing and sales of high-frequency wireless communication module and various integrated circuits	3,030,692 (RMB 722,637)	(2)	Note 4	Note 4	Note 4	Note 4	(5,706) (RMB (1,307))	100.00%	(5,706) (RMB (1,307)) (Note 5)	9,376,277 (RMB 2,082,911) (Note 5)	Note 4
Talentek (Hefei)	Design, R&D, testing and sales of electrical equipment, communication equipment and automation equipment	198,476 (RMB 45,056)	(3)	Note 4	Note 4	Note 4	Note 4	2,130 (RMB 488)	39.21%	835 (RMB 191)	173,169 (RMB 38,395)	Note 4
ShunYun (Zhongshan)	Produce high speed optical transceiver	1,645,231 (RMB 373,496)	(2)	Note 4	Note 4	Note 4	Note 4	(35,951) (RMB (8,235))	78.05%	(28,060) (RMB (6,427))	1,829,185 (RMB 405,566)	Note 4
Talentek (Zhongshan)	Design, R&D, testing and sales of electrical equipment, communication equipment and automation equipment	22,222 (RMB 5,000)	(3)	Note 4	Note 4	Note 4	Note 4	(528) (RMB (121))	39.21%	(207) (RMB (47))	8,629 (RMB 1,913)	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).

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

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 9,376,277 thousand has deducted the unrealized benefits of the fixed assets sold to affiliated companies which amounting to 18,069 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, 2024 (exchange rate at closing period RMB: NTD = 1: 4.5102), and the remainder is calculated at the average exchange rate (RMB: NTD = 1: 4.3658).

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, 2024 (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

Shares / Name of major shareholder	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.

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.