

**SHUNSIN TECHNOLOGY HOLDINGS LIMITED
AND SUBSIDIARY
Consolidated Financial Statements
With Independent Auditors' Report
For the second quarter of 2024 and 2023**

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Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China. The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

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REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors of ShunSin Technology Holdings Limited:

Audit Opinion

We have audited the consolidated financial statements of ShunSin Technology Holdings Limited and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of June 30, 2024 and 2023, and the related consolidated statement of comprehensive income for the three months and six months ended June 30, 2024 and 2023, changes in equity and cash flows from January 1 to June 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policy.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2024 and 2023, and its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023 and its consolidated cash flows from January 1 to June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Report by Securities Issuers and with the International Accounting Standards (“IASs”) 34 “Interim Financial Reporting” by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgements, the key audit matters that should be disclosed in this audit report are as follows:

1. Revenue recognition

Please refer to note 4 (14) for accounting policy related to revenue recognition, and note 6 (20) for the information related to revenue of the consolidated financial report of 2023.

Description of key audit matter:

Due to sales transactions of the Group are depending on contracts, we need to judge individually to confirm the adequacy of revenue recognition. Additionally, the Group adopts IFRSs 15, which involves complex accounting treatments and policy may result in inappropriate performance obligations and recognition of revenue under IFRSs 15. In addition, it is necessary to evaluate and verify the completeness and accuracy of the relevant materials used, as well as the new disclosure requirements revenue recognition is listed as one of the important items in the audit of the financial statements of this year.

Our audit procedures included:

- Assess the appropriateness of accounting policy in accordance with the requirements of the IFRSs 15 and the understanding of operating and industry characteristics.
- Testing the effectiveness of the design and implementation of internal control over sales and collection cycle, and to examine major contracts to assess revenue recognition.
- Performing comparison analysis on sale of the current period to last period and the latest quarter, and performing trend analysis on sales from each top ten customer to assess the existence of any exceptions, and further identify and analyze the causes if there is any significant exception.
- Check the annual sales transactions to evaluate the authenticity of the sales transactions, the correctness of the recognized amount of sales revenue and the reasonableness of the recording time.
- Performing sales cut-off test of a period before and after the financial position date by vouching relevant documents of sales transactions to determine whether the sales of goods, sales returns and allowances have been the appropriately recognized.

2. Financial Assets at Fair Value through Profit and Loss

Please refer to note 4 (7) “Financial Instrument” for the accounting policies of financial assets measured at fair value through profit and loss; note 5 for accounting assumptions and estimation uncertainties of impairment of financial assets measured at fair value through profit and loss, and note 6 (2) and (23) “Financial Instrument” for the property and evaluation statements of financial assets measured at fair value through profit and loss of the consolidated financial report of 2023.

Description of key audit matter:

The financial assets measured at fair value through profit and loss of the Group are susceptible to the operating conditions of the companies and the economic environment that the fund invests, resulting in greater changes in the subsequent profits or losses recognized as gains and losses at fair value re-measurement, thus adjusting the value of financial assets. Assessing the fair value of this financial asset often requires complicated evaluation techniques. Therefore, we listed the evaluation

of financial assets measured at fair value of profits and losses as one of the key audit matters in the audit of Financial Statements of this year.

Our audit procedures included:

- Obtain the appraiser's appraisal report of the invested Company entrusted by the Group, and evaluate the appraiser's qualification and independence.
- Evaluate the rationalities of the assumptions used in the appraisal report in estimating the price of an investment.
- Evaluate the rationalities of the recognition of profit and loss of financial assets in the accounts of the Group.

Responsibilities of management and those charged with governance for the consolidated financial statements

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 the Guidelines and IAS 34 "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Accountant's Responsibility for Auditing Consolidated Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may

involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters significant in our audit of the consolidated financial statements for the second quarter of 2024 and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets

June 30 2024, December 31 2023 and June 30 2023

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

		2024.6.30		2023.12.31		2023.6.30				2024.6.30		2023.12.31		2023.6.30	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and equities		Amount	%	Amount	%	Amount	%
11xx	Current assets:							21xx	Current liabilities:						
1100	Cash and cash equivalents (note 6 (1))	\$ 6,613,735	42	8,070,508	55	7,440,051	52	2100	Short-term loans (note 6 (3), (11) and 8)	\$ 4,539,218	29	4,438,513	30	4,275,049	30
1137	Financial assets at amortized costs- current (note 6 (3), (11), (12) and 8)	1,159,484	8	21,125	-	12,233	-	2120	Financial liabilities at fair value through profit or loss- current (note 6 (2))	2,610	-	-	-	2,060	-
1140	Current contract assets (note 6 (20) and 7)	158,954	1	280,459	2	448,568	3	2130	Current contract liabilities (note 6 (20))	92,739	1	67,564	1	57,913	-
1151	Notes receivable (note 6 (4) and (20))	41,188	-	-	-	39,874	-	2170	Accounts payable	628,772	4	320,688	2	349,976	2
1170	Accounts receivable (note 6 (4) and (20))	1,101,769	7	718,183	5	633,116	5	2180	Accounts payable to related parties (note 7)	7,880	-	4,655	-	1,331	-
1181	Accounts receivable — related parties (note 6 (4), (20) and 7)	19,883	-	66	-	17,605	-	2200	Other payables (note 6 (21))	643,667	4	614,821	4	473,600	4
1206	Other receivables (note 6 (2) and (5))	131,456	1	125,943	1	36,122	-	2216	Dividends payable (note 6 (17))	261,187	2	-	-	123,585	1
1220	Current tax assets	6,753	-	4,246	-	21,674	-	2220	Other payables to related parties (note 7)	6,155	-	5,729	-	15,880	-
1310	Inventories (note 6 (6))	597,403	4	371,596	2	541,156	4	2230	Current tax liabilities	15,903	-	42,605	-	21,828	-
1410	Prepayments	150,087	1	99,521	1	143,463	1	2280	Current lease liabilities (note 6 (14))	51,365	-	57,102	-	18,470	-
1470	Other current assets	3,067	-	1,778	-	2,872	-	2322	Long-term borrowings, current portion (note 6 (3), (12) and 8)	1,266,716	8	1,528,536	11	198,690	1
		9,983,779	64	9,693,425	66	9,336,734	65	2399	Other current liabilities	23,059	-	25,833	-	11,992	-
15xx	Non-current assets:									7,539,271	48	7,106,046	48	5,550,374	38
1510	Financial assets measured at fair value through profit or loss-non-current (note 6 (2))	177,028	1	147,577	1	372,636	3	25xx	Non-current liabilities:						
1535	Financial assets at amortized costs- non -current (note 6 (3), (11), (12) and 8)	-	-	-	-	8,909	-	2540	Long-term loans (note 6 (3), (12) and 8)	-	-	-	-	1,580,700	11
1600	Property, plant and equipment (note 6 (8) and 9)	4,565,909	30	4,161,066	28	3,957,003	27	2570	Deferred tax liabilities	252,098	2	238,278	2	272,886	2
1755	Right-of-use assets (note 6 (9))	390,549	3	400,698	3	316,903	2	2580	Non-current lease liabilities (note 6 (14))	48,284	-	50,814	-	26,043	-
1780	Intangible assets (note 6 (10))	2,377	-	1,461	-	1,847	-	2630	Long-term deferred revenue	101,471	1	109,183	1	114,463	1
1840	Deferred tax assets	369,099	2	322,898	2	376,850	3	2645	Guarantee deposits received	1,096	-	4,961	-	4,982	-
1915	Prepayments for business facilities (note 6 (8) and 9)	16,979	-	4,027	-	10,952	-			402,949	3	403,236	3	1,999,074	14
1920	Guarantee deposits paid	18,298	-	19,959	-	16,472	-	2xxx	Total liabilities	7,942,220	51	7,509,282	51	7,549,448	52
1960	Current prepayments for investments	70,272	-	-	-	-	-	31xx	Total equity attributable to owners of parent (note 6 (7), (17) and (18)):						
		5,610,511	36	5,057,686	34	5,061,572	35	3110	Ordinary share	1,074,648	7	1,074,648	7	1,074,648	7
								3200	Capital surplus	2,944,520	19	2,903,693	20	2,898,150	20
								3300	Retained earnings:						
								3310	Legal reserve	577,540	4	534,118	4	534,118	4
								3320	Special reserve	376,209	2	162,447	1	162,447	1
								3350	Unappropriated retained earnings	1,628,488	11	2,143,560	15	1,843,931	13
										2,582,237	17	2,840,125	20	2,540,496	18
								3400	Other equity interest:						
								3410	Exchange differences on translation of foreign financial statements	75,884	-	(376,209)	(3)	(357,203)	(2)
								3500	Treasury shares	(108,347)	(1)	(108,347)	(1)	(151,236)	(1)
									Total equity attributable to owners of parent	6,568,942	42	6,333,910	43	6,004,855	42
								36xx	Non-controlling interests (note 6 (7))	1,083,128	7	907,919	6	844,003	6
								3xxx	Total equity	7,652,070	49	7,241,829	49	6,848,858	48
1xxx	Total assets	<u>\$ 15,594,290</u>	<u>100</u>	<u>14,751,111</u>	<u>100</u>	<u>14,398,306</u>	<u>100</u>	2-3xxx	Total liabilities and equity	<u>\$ 15,594,290</u>	<u>100</u>	<u>14,751,111</u>	<u>100</u>	<u>14,398,306</u>	<u>100</u>

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 Profit or Loss and Other Comprehensive Income
From April 1 to June 30, 2024 and 2023 and from January 1 to June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, except for Earning Per Share)

		From April to June 2024		From April to June 2023		From January to June 2024		From January to June 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (note 6 (20) and 7):	\$ 1,205,841	100	1,196,421	100	2,131,269	100	2,521,607	100
5000	Operating costs (note 6 (6), (8), (9), (10), (14), (15), (21) and 7)	962,424	80	959,265	80	1,743,134	82	2,058,654	82
5900	Gross profit from operations	243,417	20	237,156	20	388,135	18	462,953	18
6000	Operating expenses (note 6 (8), (9), (10), (14), (15), (18), (21) and 7):								
6100	Selling expenses	10,111	1	10,889	1	21,458	1	22,633	1
6200	Administrative expenses	114,708	9	104,579	9	228,796	11	226,184	9
6300	Research and development expenses	92,110	8	90,959	7	173,079	8	169,732	6
	Total operating expenses	216,929	18	206,427	17	423,333	20	418,549	16
6900	Net operating profits (losses)	26,488	2	30,729	3	(35,198)	(2)	44,404	2
7000	Non-operating income and expenses (note 6 (13), (14), (22)):								
7100	Interest revenue	38,590	3	52,648	4	87,944	4	90,181	3
7010	Other income	13,473	1	10,786	1	32,487	1	42,576	2
7020	Other gains and losses	58,455	5	51,874	4	(9,328)	-	54,518	2
7050	Finance costs	(42,430)	(3)	(44,607)	(3)	(86,934)	(4)	(83,861)	(3)
	Total non-operating income and expenses	68,088	6	70,701	6	24,169	1	103,414	4
7900	Profit (Loss) from continuing operations before tax	94,576	8	101,430	9	(11,029)	(1)	147,818	6
7950	Loss: Tax expense (benefit) (note 6 (16))	2,174	-	35,655	3	(11,315)	(1)	6,332	-
8200	Profit	92,402	8	65,775	6	286	-	141,486	6
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	54,639	4	(287,348)	(24)	461,517	22	(199,328)	(8)
8399	Loss: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
8300	Other comprehensive income, net	54,639	4	(287,348)	(24)	461,517	22	(199,328)	(8)
8500	Total comprehensive income	<u>\$ 147,041</u>	<u>12</u>	<u>(221,573)</u>	<u>(18)</u>	<u>461,803</u>	<u>22</u>	<u>(57,842)</u>	<u>(2)</u>
	Profit, attributable to:								
8610	Owners of parent	\$ 88,819	8	80,074	7	3,299	-	134,588	6
8620	Non-controlling interests	3,583	-	(14,299)	(1)	(3,013)	-	6,898	-
		<u>\$ 92,402</u>	<u>8</u>	<u>65,775</u>	<u>6</u>	<u>286</u>	<u>-</u>	<u>141,486</u>	<u>6</u>
	Comprehensive income attributable to:								
8710	Owners of parent	\$ 149,900	12	(191,359)	(16)	455,392	22	(60,168)	(2)
8720	Non-controlling interests	(2,859)	-	(30,214)	(2)	6,411	-	2,326	-
		<u>\$ 147,041</u>	<u>12</u>	<u>(221,573)</u>	<u>(18)</u>	<u>461,803</u>	<u>22</u>	<u>(57,842)</u>	<u>(2)</u>
	Basic earnings per share (expressed in New Taiwan Dollars) (note 6 (19))								
9750	Basic earnings per share	<u>\$ 0.84</u>		<u>0.76</u>		<u>0.03</u>		<u>1.27</u>	
9850	Diluted earnings per share	<u>\$ 0.84</u>		<u>0.76</u>		<u>0.03</u>		<u>1.26</u>	

See accompanying notes to consolidated financial statements

Chairman: Hsu, Wen-Yi

Manager: Hsu, Wen-Yi

General Accountant: Wang, Yao-Wei

SHUNSIN TECHNOLOGY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

January 1 to June 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
	Retained earnings						Exchange differences on translation of foreign financial statements	Treasury shares	Total equity attributable to owners of parent	Non- controlling interests	Total equity
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropria ted retained earnings	Total					
Balance as of January 1, 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
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	20,567	-	(20,567)	-	-	-	-	-	-
Special reserve	-	-	-	(135,589)	135,589	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(123,585)	(123,585)	-	-	(123,585)	-	(123,585)
Profit	-	-	-	-	134,588	134,588	-	-	134,588	6,898	141,486
Other comprehensive income (loss)	-	-	-	-	-	-	(194,756)	-	(194,756)	(4,572)	(199,328)
Total comprehensive income (loss)	-	-	-	-	134,588	134,588	(194,756)	-	(60,168)	2,326	(57,842)
Changes in ownership interests in subsidiaries	-	(35,798)	-	-	-	-	-	-	(35,798)	35,798	-
Share-based payment transactions	-	-	-	-	-	-	-	-	-	54,770	54,770
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	297,319	297,319
Balance as of June 30, 2023	\$ 1,074,648	2,898,150	534,118	162,447	1,843,931	2,540,496	(357,203)	(151,236)	6,004,855	844,003	6,848,858
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
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	43,422	-	(43,422)	-	-	-	-	-	-
Special reserve	-	-	-	213,762	(213,762)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(261,187)	(261,187)	-	-	(261,187)	-	(261,187)
Profit	-	-	-	-	3,299	3,299	-	-	3,299	(3,013)	286
Other comprehensive income (loss)	-	-	-	-	-	-	452,093	-	452,093	9,424	461,517
Total comprehensive income (loss)	-	-	-	-	3,299	3,299	452,093	-	455,392	6,411	461,803
Changes in ownership interests in subsidiaries	-	40,827	-	-	-	-	-	-	40,827	(40,827)	-
Share-based payment transactions	-	-	-	-	-	-	-	-	-	42,654	42,654
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	166,971	166,971
Balance as of June 30, 2024	\$ 1,074,648	2,944,520	577,540	376,209	1,628,488	2,582,237	75,884	(108,347)	6,568,942	1,083,128	7,652,070

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

January 1 to June 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	From January to June, 2024	From January to June, 2023
Cash flows from operating activities:		
Profit (Loss) before tax	\$ (11,029)	147,818
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	296,957	238,627
Amortization expense	455	367
Net profit on financial assets and liabilities at fair value through profit or loss	(18,608)	(28,673)
Interest expense	86,934	83,861
Interest income	(87,944)	(90,181)
Share-based payments	42,654	54,770
Gain on bond redemption	-	(7,500)
Net gain on disposal and scrapping of property, plant and equipment	(395)	(312)
Property, plant and equipment transferred to expenses	65	-
Total adjustments to reconcile profit (loss)	320,118	250,959
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	121,505	(40,562)
Notes receivable	(41,188)	(39,874)
Accounts receivable	(383,586)	335,339
Accounts receivable—related parties	(19,817)	46,180
Other receivables	538	2,288
Inventories	(225,807)	262,107
Prepayments	(50,566)	(59,887)
Other current assets	(1,289)	516
Total changes in operating assets	(600,210)	506,107
Changes in operating liabilities:		
Contract liabilities	25,175	(1,949)
Accounts payable	308,084	(272,957)
Accounts payable—related parties	3,225	(6,769)
Other payable	41,073	(11,287)
Other payable—related parties	(426)	(56)
Other current liabilities	(2,774)	5,233
Long-term deferred income	(7,712)	32,762
Total changes in operating liabilities	366,645	(255,023)
Total changes in operating assets and liabilities	(233,565)	251,084
Total adjustments	86,553	502,043
Cash inflow generated from operations	75,524	649,861
Interest received	81,893	83,949
Interest paid	(86,745)	(79,374)
Income taxes paid	(47,995)	(37,994)
Net cash flows from (used in) operating activities	22,677	616,442
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized costs	(1,138,351)	(13,133)
Proceeds from disposal of financial assets at amortized cost	-	62,333
Increase in prepayments for investments	(70,272)	-
Acquisition of property, plant and equipment	(545,951)	(432,988)
Proceeds from disposal of property, plant and equipment	395	312
Increase in guarantee deposits paid	1,661	(2,455)
Acquisition of intangible assets	(1,271)	(813)
Increase in prepayments for business facilities	(14,272)	(5,816)
Net cash flows from (used in) investing activities	(1,768,061)	(392,560)
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,695,949	5,284,006
Decrease in short-term loans	(1,595,244)	(5,336,091)
Repayments of bonds	-	(1,500,000)
Repayments of long-term loans	(316,537)	(161,625)
Increase in guarantee deposits received	(3,865)	98
Payments of lease liabilities	(24,537)	(12,184)
Changes in non-controlling interests	166,971	297,319
Net cash flows from (used in) financing activities	(77,263)	(1,428,477)
Effect of exchange rate changes on cash and cash equivalents	365,874	(175,092)
Net decrease in cash and cash equivalents	(1,456,773)	(1,379,687)
Cash and cash equivalents at beginning of period	8,070,508	8,819,738
Cash and cash equivalents at end of period	\$ 6,613,735	7,440,051

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 the second quarter 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 August 29, 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 the FSC but not yet effective

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

- Amendments to IAS21 “Lack of Exchangeability”

- (3) 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:

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For the second quarter of 2024 and 2023

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 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.	2027/1/1

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”

ShunSin Technology Holdings Limited and Its Subsidiaries

Notes to Consolidated Financial Statements

For the second quarter of 2024 and 2023

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11

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:

Investor	Name of subsidiary	Primary Business	Shareholding Ratio		
			2024.6.30	2023.12.31	2023.6.30
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	High-speed optical	78.05%	78.05%	78.05%

ShunSin Technology Holdings Limited and Its Subsidiaries

Notes to Consolidated Financial Statements

For the second quarter of 2024 and 2023

Kong)	(Zhongshan) Limited (hereinafter referred to as ShunYun (Zhongshan))	transceivers manufacturing			
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 integrated circuits	100.00% (Note 2)	- %	- %
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	34.49% (Note 3)	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 June 30, 2024, ShunSin (Hong Kong) has invested US\$ 10,000 thousand.

Note 3: Non-controlling shareholders of Talentek (Hefei) continue to invest in 2024. The actual shareholding ratio ShunSin (Zhongshan) hold is 34.49% according to invested capital as of June 30, 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

ShunSin Technology Holdings Limited and Its Subsidiaries

Notes to Consolidated Financial Statements

For the second quarter of 2024 and 2023

(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 June 30, 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 June 30, 2024, ShunSin (Hong Kong) prepaid investment amounting to USD 2,255 thousand. ShunSin (Hong Kong) paid the investment amount of USD 15,635 thousand on July 17, 2024, and completed the amendment registration of SFA SEMICON (SUZHOU) CO., LTD. on July 29, 2024.

Subsidiaries not included in the consolidated financial report: None.

(3) Income tax

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

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

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

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

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

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

	2024.6.30	2023.12.31	2023.6.30
Cash on hand	\$ 25	47	48
Current deposit	4,348,639	5,942,309	5,070,956
Time deposits with original maturity within three months	2,265,071	2,128,152	2,369,047
Cash and cash equivalents as shown in	<u>\$ 6,613,735</u>	<u>8,070,508</u>	<u>7,440,051</u>

ShunSin Technology Holdings Limited and Its Subsidiaries

Notes to Consolidated Financial Statements

For the second quarter of 2024 and 2023

the consolidated cash flow statement

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

A. Current

	2024.6.30	2023.12.31	2023.6.30
Financial liabilities held for trading:			
Non hedging derivatives			
Forward foreign exchange contract	\$ (2,610)	-	(2,060)

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 June 30, 2024 and June 30, 2023 are as follows:

2024.6.30			
Contract amount	Currency	Period	Fair value asset (liability)
USD 8,000	USD to RMB	2024.7.3	\$ (2,610)

Forward foreign exchange contract:

2023.6.30			
Contract amount	Currency	Period	Fair value asset (liability)
USD 5,000	USD to RMB	2023.9.26	\$ (2,060)

B. Non-current

	2024.6.30	2023.12.31	2023.6.30
Financial assets designated at fair value through profit and loss:			
Non-derivative financial assets			
Stocks of domestic unlisted companies	\$ -	7,237	12,496
Stocks of foreign unlisted companies	177,028	140,340	123,801
Private Equity	-	-	236,339
	<u>\$ 177,028</u>	<u>147,577</u>	<u>372,636</u>

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,

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Notes to Consolidated Financial Statements

For the second quarter of 2024 and 2023

and recognized gain on disposal of investment amounting to 148,397 thousand. As of June 30, 2024, there are still outstanding receivables of 110,174 thousand which are recorded under other receivables.

(3) Financial assets at amortized cost

A. Current

	2024.6.30	2023.12.31	2023.6.30
Restricted bank deposits	\$ 19,539	19,488	12,233
Time deposits with original maturity exceeding three months	1,139,945	1,637	-
	<u>\$ 1,159,484</u>	<u>21,125</u>	<u>12,233</u>

The Group used the bank loans on June 30, 2024, December 31, 2023 and June 30, 2023. According to the deal of bank, the Group saved NTD 19,539 thousand, NTD 19,488 thousand and NTD 12,233 thousand into the syndicated loan interest custody account respectively.

On June 30, 2024 and December 31, 2023, the Group held a foreign currency time deposits with original maturity exceeding three months amounting to 1,139,945 thousand (RMB 250,000,000 and VND 1,300,000,000) and 1,637 thousand (VND 1,300,000,000) respectively, with effective rate of 1.95% and 4.5% respectively. The time deposit matures in May, 2025 and November, 2024 respectively.

B. Non-current

	2024.6.30	2023.12.31	2023.6.30
Restricted bank deposits	\$ -	-	7,209
Time deposits	-	-	1,700
	<u>\$ -</u>	<u>-</u>	<u>8,909</u>

The Group used the long-term loans on June 30, 2024, December 31, 2023 and June 30, 2023. According to the deal of contract, the Group saved NTD 0 thousand, NTD 0 thousand and NTD 7,209 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 June 30, 2024. On June 30, 2023, the Group held a foreign currency time deposits amounting to 1,700 thousand (VND 1,300,000,000), with effective rate of 8.0%. The time deposit matures in November, 2027.

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 collateral for long-term loans as of June 30, 2024,

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For the second quarter of 2024 and 2023

December 31, 2023 and June 30, 2023.

(4) Notes receivable and accounts receivable

	2024.6.30	2023.12.31	2023.6.30
Notes receivable	\$ 41,188	-	39,874
Accounts receivable	1,101,769	718,183	633,116
Accounts receivable-related party	19,883	66	17,605
	<u>\$ 1,162,840</u>	<u>718,249</u>	<u>690,595</u>

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 June 30, 2024, December 31, 2023 and June 30, 2023, are analyzed as follows:

	2024.6.30		
	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	\$ 1,026,653	-	-
Past due 1-30 days	110,266	-	-
Past due 31-60 days	16,360	-	-
Past due 61-90 days	396	-	-
Past due 91-120 days	1,038	-	-
Past due 121-365 days	8,127	-	-
	<u>\$ 1,162,840</u>	<u>-</u>	<u>-</u>

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For the second quarter of 2024 and 2023

	2023.12.31		
	Book value of accounts receivable	Weighted average anticipated credit loss rate (%)	Provision against anticipated 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	-	-

	2023.6.30		
	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	\$ 597,074	-	-
Past due 1-30 days	63,869	-	-
Past due 31-60 days	26,152	-	-
Past due 61-90 days	1,537	-	-
Past due 91-120 days	1,455	-	-
Past due 121-365 days	508	-	-
	\$ 690,595	-	-

There is no need to recognize anticipated credit losses during the duration after assessment on June 30, 2024, December 31, 2023 and June 30, 2023.

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

(5) Other receivables

	2024.6.30	2023.12.31	2023.6.30
Other receivables	\$ 131,456	125,943	36,122

Other receivables of the Group were not overdue on June 30, 2024, December 31, 2023 and June 30, 2023.

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For the second quarter of 2024 and 2023

(6) Inventories

	<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
Raw materials	\$ 345,297	342,928	505,295
Work-in-process	221,820	16,752	22,630
Finished products (including semi-finished products)	<u>30,286</u>	<u>11,916</u>	<u>13,231</u>
	<u>\$ 597,403</u>	<u>371,596</u>	<u>541,156</u>

Operating costs recognized by the Group:

	<u>From April to June 2024</u>	<u>From April to June 2023</u>	<u>From January to June 2024</u>	<u>From January to June 2023</u>
Cost of selling inventories	\$ 946,842	956,233	1,728,629	2,042,070
Loss allowance for inventory valuation losses and slow-moving inventories	10,986	(5,254)	6,555	2,339
Inventory Obsolescence	2,347	4,680	3,194	7,370
Unallocated manufacturing overhead	2,273	3,606	4,780	7,198
Revenue from sale of scraps	<u>(24)</u>	<u>-</u>	<u>(24)</u>	<u>(323)</u>
	<u>\$ 962,424</u>	<u>959,265</u>	<u>1,743,134</u>	<u>2,058,654</u>

As of June 30, 2024, December 31, 2023 and June 30, 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 June 30, 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 4,085 thousand in Capital surplus in the second quarter of 2024.

Talentek (Hefei) has finished the cash capital increase from January 1 to June 30, 2024 and 2023, hence the shareholding rate of the Company toward Talentek (Hefei) decreased by 4.72% and 4.21%.

ShunSin Technology Holdings Limited and Its Subsidiaries

Notes to Consolidated Financial Statements

For the second quarter of 2024 and 2023

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 June 2024	From January to June 2023
ShunYun (Zhongshan)	\$ 4,085	(61,875)
Talentek (Hefei)	36,742	26,077
	\$ 40,827	(35,798)

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		
		2024.6.30	2023.12.31	2023.6.30
ShunYun (Zhongshan)	China	21.95%	21.95%	21.95%
Talentek (Hefei)	China	65.51%	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:

	2024.6.30	2023.12.31	2023.6.30
Current assets	\$ 618,242	1,048,196	1,165,110
Non-current assets	1,984,932	1,978,832	1,980,536
Current liabilities	(78,970)	(463,193)	(520,762)
Non-current liabilities	(58,844)	(65,356)	(53,690)
Net asset	\$ 2,465,360	2,498,479	2,571,194
Book value of ending balance on non-controlling interests	\$ 677,127	651,105	622,732

	From April to June 2024	From April to June 2023	From January to June 2024	From January to June 2023
Operating revenue	\$ 33,340	78,346	56,507	219,037
Profit (Loss)	820	49,226	(35,131)	120,912
Other comprehensive income	(46,069)	(50,591)	(21,014)	(6,919)
Total comprehensive income (loss)	\$ (45,249)	(1,365)	(56,145)	113,993

ShunSin Technology Holdings Limited and Its Subsidiaries

Notes to Consolidated Financial Statements

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Profit (Loss) attributable to non-controlling interests	\$	180	(5,423)	(7,711)	26,540
Comprehensive income (loss) attributable to non-controlling interests	\$	(10,156)	(14,964)	(12,547)	26,511

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

	2024.6.30	2023.12.31	2023.6.30
Current assets	\$ 444,346	252,266	248,768
Non-current assets	463,511	342,713	261,192
Current liabilities	(250,913)	(137,305)	(117,898)
Non-current liabilities	(37,190)	(35,213)	(25,234)
Net asset	\$ 619,754	422,461	366,828
Book value of ending balance on non-controlling interests	\$ 406,001	256,814	221,271

	From April to June 2024	From April to June 2023	From January to June 2024	From January to June 2023
Operating revenue	\$ 90,962	55,410	235,379	139,379
Profit (Loss)	5,197	(14,707)	7,327	(33,425)
Other comprehensive income	5,942	(10,574)	22,995	(7,526)
Total comprehensive income (loss)	\$ 11,139	(25,281)	30,322	(40,951)
Profit (Loss) attributable to non-controlling interests	\$ 3,403	(8,876)	4,698	(19,642)
Comprehensive income (loss) attributable to non-controlling interests	\$ 7,297	(15,249)	18,958	(24,185)

(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 June 30, 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	-	136,504	2,825	25,590	9,067	635	358,914	533,535
Disposal	-	(48,182)	(95)	(9,098)	(1,356)	-	-	(58,731)
Re-classification (Note 1)	-	15,280	-	6,825	1,263	-	(22,113)	1,255
Translation effect	72,191	150,743	4,460	23,140	27,176	2,573	13,685	293,968
Balance as of June 30, 2024	\$ 3,172,052	3,458,026	86,441	729,947	518,408	54,146	421,478	8,440,498

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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	-	59,759	2,367	915	5,989	384	182,138	251,552	
Disposal	-	-	(163)	(159)	(807)	-	-	(1,129)	
Re-classification (Note 2)	-	9,117	-	9,889	4,219	-	(21,542)	1,683	
Translation effect	(28,815)	(67,304)	(1,272)	(14,774)	(5,860)	(1,242)	21,810	(97,457)	
Balance as of June 30, 2023	\$	1,244,299	2,851,759	75,857	662,032	406,761	53,608	1,948,256	7,242,572
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	55,211	155,763	2,675	30,028	20,559	3,065	-	267,301	
Disposal	-	(48,182)	(95)	(9,098)	(1,356)	-	-	(58,731)	
Translation effect	20,122	81,957	4,132	22,691	26,175	1,537	-	156,614	
Balance as of June 30, 2024	\$	473,695	2,278,355	76,211	605,397	407,611	33,320	-	3,874,589
Balance as of January 1, 2023	\$	343,459	1,863,102	66,210	521,965	319,211	27,216	-	3,141,163
Depreciation	25,921	132,313	2,697	30,102	27,363	2,886	-	221,282	
Disposal	-	-	(163)	(159)	(807)	-	-	(1,129)	
Translation effect	(8,348)	(50,613)	(1,290)	(13,919)	(897)	(680)	-	(75,747)	
Balance as of June 30, 2023	\$	361,032	1,944,802	67,454	537,989	344,870	29,422	-	3,285,569
Carrying amount:									
Balance as of June 30, 2024	\$	2,698,357	1,179,671	10,230	124,550	110,797	20,826	421,478	4,565,909
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 June 30, 2023	\$	883,267	906,957	8,403	124,043	61,891	24,186	1,948,256	3,957,003

Note 1: From January 1 to June 30, 2024, the amounts reclassified from prepayments for business facilities are \$1,320 thousand and the amounts of reclassifying into expenses is \$65 thousand.

Note 2: From January 1 to June 30, 2023, the amounts reclassified from prepayments for business facilities are \$3,286 thousand and the amounts of reclassifying into inventories is \$1,603 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
Impact of exchange rate changes		3,392	4,185	165	7,742
Balance as of June 30, 2024	\$	318,091	228,830	3,694	550,615
Balance as of January 1, 2023	\$	295,505	153,473	6,285	455,263
Acquisition	-	-	183	-	183
Decrease (contract expired)	-	-	(10,160)	-	(10,160)
Impact of exchange rate changes		2,662	1,389	(142)	3,909
Balance as of June 30, 2023	\$	298,167	144,885	6,143	449,195
Accumulated depreciation of right-of-use assets:					
Balance as of January 1, 2024	\$	29,662	98,786	590	129,038
Depreciation		4,709	24,541	406	29,656
Impact of exchange rate changes		454	876	42	1,372

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Balance as of June 30, 2024	\$	34,825	124,203	1,038	160,066
Balance as of January 1, 2023	\$	21,432	100,787	2,195	124,414
Depreciation		4,418	11,811	1,116	17,345
Decrease (contract expired)	-		(10,160)	-	(10,160)
Impact of exchange rate changes		62	706	(75)	693
Balance as of June 30, 2023	\$	25,912	103,144	3,236	132,292
Carrying amount:					
Balance as of June 30, 2024	\$	283,266	104,627	2,656	390,549
Balance as of January 1, 2024	\$	285,037	114,335	1,326	400,698
Balance as of June 30, 2023	\$	272,255	41,741	2,907	316,903

(10) Intangible assets

The cost, amortization and impairment losses of the Group' intangible assets from January 1 to June 30, 2024 and 2023 are as follows:

		Cost of computer software
Cost:		
Balance as of January 1, 2024	\$	32,332
Acquisition		1,271
Impact of exchange rate changes		1,661
Balance as of June 30, 2024	\$	35,264
Balance as of January 1, 2023	\$	32,499
Acquisition		813
Disposal		(333)
Impact of exchange rate changes		(866)
Balance as of June 30, 2023	\$	32,113
Amortization and impairment losses:		
Balance as of January 1, 2024	\$	30,871
Amortization		455
Impact of exchange rate changes		1,561
Balance as of June 30, 2024	\$	32,887
Balance as of January 1, 2023	\$	30,933
Amortization		367
Disposal		(333)
Impact of exchange rate changes		(701)

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Balance as of June 30, 2023	\$ <u>30,266</u>
Carrying amount:	
Balance as of June 30, 2024	\$ <u>2,377</u>
Balance as of January 1, 2024	\$ <u>1,461</u>
Balance as of June 30, 2023	\$ <u>1,847</u>

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

	From April to June 2024	From April to June 2023	From January to June 2024	From January to June 2023
Operating costs	\$ 28	28	56	56
Operating expenses	215	183	399	311
	<u>\$ 243</u>	<u>211</u>	<u>455</u>	<u>367</u>

(11) Short-term loans

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

	2024.6.30	2023.12.31	2023.6.30
Unsecured bank loans	\$ <u>4,539,218</u>	<u>4,438,513</u>	<u>4,275,049</u>
Line of credit	\$ <u>5,271,432</u>	<u>4,751,670</u>	<u>6,707,417</u>
Interest rate range (%)	<u>1.97%-2.35%</u>	<u>1.89%-6.17%</u>	<u>1.83%-5.90%</u>

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:

	2024.6.30		
	Currency	Period	Amount
Syndicated loan from China CITIC Bank	NTD	2022.12~2024.12	\$ 397,380
Unsecured loan from MUFG Bank	USD	2021.12~2024.12	843,700
Unsecured loan from E.SUN Bank	USD	2021.12~2024.12	25,636
Subtotal			1,266,716
Less: past due within one year			(1,266,716)
Total			\$ -
Line of credit			\$ -
Interest rate range (%)			<u>2.35%-6.49%</u>

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	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)
Total			<u>\$ -</u>
Line of credit			<u>\$ -</u>
Interest rate range (%)			<u><u>2.21-6.58</u></u>

	2023.6.30		
	Currency	Period	Amount
Syndicated loan from China CITIC Bank	NTD	2022.12~2024.12	\$ 596,070
Unsecured loan from MUFG Bank	USD	2021.12~2024.12	871,920
Unsecured loan from E.SUN Bank	USD	2021.12~2024.12	311,400
Subtotal			1,779,390
Less: past due within one year			(198,690)
Total			<u>\$ 1,580,700</u>
Line of credit			<u>\$ -</u>
Interest rate range (%)			<u><u>2.21-6.53</u></u>

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

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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.

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 June 30, 2024, December 31, 2023 and June 30, 2023 are 397,380 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 June 30, 2024, December 31, 2023 and June 30, 2023 are 869,336 thousand, 1,031,811 thousand and 0 thousand respectively.

(13) Convertible bonds payable

	2024.6.30	2023.12.31	2023.6.30
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

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Amortization of Company debt payable at discount	-	149,944	149,944
Cost of convertible bonds issue at premium	-	7,500	7,500
Less: pay off convertible bonds payable expired	-	1,507,500	1,507,500
Ending balance of convertible bonds payable	<u>\$ -</u>	<u>-</u>	<u>-</u>

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

During January 1 to June 30, 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:

	2024.6.30	2023.12.31	2023.6.30
Current	\$ 51,365	57,102	18,470
Non-current	48,284	50,814	26,043
Total	<u>\$ 99,649</u>	<u>107,916</u>	<u>44,513</u>

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

Amounts recognized in profit or loss are as follows:

	From April to June 2024	From April to June 2023	From January to June 2024	From January to June 2023
Interest expense from lease liabilities	\$ 1,210	740	2,468	1,527
Expense of short-term lease	\$ 8,577	6,601	10,555	14,262
Expense of low-value leasing asset (not include low-value short-term lease)	\$ 10	18	19	40

Amounts recognized in cash flow statement are as follows:

	From January to June 2024	From January to June 2023
Total cash used in operating activity	\$ 13,042	15,829
Total cash used in financing activity	24,537	12,184
Total cash used in lease	<u>\$ 37,579</u>	<u>28,013</u>

A. Lease of land, buildings and constructions

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

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contract when the lease period expires.

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 June 30, 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 April to June 2024	From April to June 2023	From January to June 2024	From January to June 2023
Operating costs	\$ 9,331	8,430	17,617	15,571
Operating expenses	7,440	5,976	13,686	11,811
	\$ 16,771	14,406	31,303	27,382

(16) Income tax

A. The income tax expense (benefit) details of the Group from January 1 to June 30, 2024 and 2023 are as follows:

	From April to June 2024	From April to June 2023	From January to June 2024	From January to June 2023
Current				
Current period	\$ 7,429	12,579	16,854	21,783
Adjustment of previous period	73	2,595	73	2,595
	7,502	15,174	16,927	24,378
Deferred income tax expense (benefit)				
Occurrence and reversal of temporary differences	(5,328)	20,481	(28,242)	(18,046)
Income tax benefit	\$ 2,174	35,655	(11,315)	6,332

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

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Taiwan Branch have been approved by the taxation authorities until 2022 and 2021, respectively.

(17) Capital and other equities

The Group has no significant changes in capital and other equity in the period of January 1 to June 30 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:

	2024.6.30	2023.12.31	2023.6.30
Share premium	\$ 2,689,050	2,689,050	2,689,050
Changes in ownership interests in subsidiaries	78,216	37,389	31,846
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
	\$ 2,944,520	2,903,693	2,898,150

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	<u>261,187</u>	1.17	<u>123,585</u>

As of June 30, 2024 and 2023, the cash dividend amounting to \$261,187 thousand and \$123,585 thousands of retained earnings distribution approved by Board of Directors is listed in the account of dividend payable.

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

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C. Treasury Stock

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

Unit: thousand shares

From January to June 2024					
Opening balance	Increase	Decrease	Reason of changes	Ending balance	Ending amount
1,291	-	-	-	1,291	\$ 108,347

From January to June 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 June 30, 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 June 30, 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 restricted stock plan for employees of ShunYun (Zhongshan), a subsidiary of the Company, are as follow:

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	Unit: 1,000			
	<u>From January to June 2024</u>		<u>From January to June 2023</u>	
	<u>1st time share granted</u>	<u>2nd time share granted</u>	<u>1st time share granted</u>	<u>2nd time share granted</u>
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	-	-	-	-
Outstanding stock as of June 30	<u>44,450</u>	<u>37,550</u>	<u>44,450</u>	<u>37,550</u>

B. Relative information of Policy Governing 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:

	<u>Treasury transferred to employees</u>
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 June 30, 2024 and 2023 due to the share-based payment are as follows:

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	From April to June 2024	From April to June 2023	From January to June 2024	From January to June 2023
Expense from restricted stock plan for employees	\$ 14,536	26,458	42,654	54,770

(19) Earnings per share

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

	From April to June 2024	From April to June 2023	From January to June 2024	From January to June 2023
Unit: 1,000				
Basic earnings (losses) per share of the Company				
Net profit for the current period	\$ 88,819	80,074	3,299	134,588
Weighted average number of outstanding shares	106,174	105,663	106,174	105,663
Basic earnings per share (NT\$)	\$ 0.84	0.76	0.03	1.27
Diluted earnings (losses) per share of the Company				
Net profit for the current period	\$ 88,819	80,074	3,299	134,588
The impact of potential common stocks with diluting effect				
Fair value assessment of embedded derivatives (such as trading rights)	-	-	-	1,124
Net profit for the current period	\$ 88,819	80,074	3,299	135,712
Weighted average number of outstanding shares	106,174	105,663	106,174	105,663
The impact of potential common stocks with diluting effect				
Employees' remuneration	-	35	50	120
The impact of convertible bonds	-	-	-	2,317
Weighted average number of outstanding shares	106,174	105,698	106,224	108,100

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Diluted earnings per share (NT\$)	\$	<u>0.84</u>	<u>0.76</u>	<u>0.03</u>	<u>1.26</u>
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(20) Revenues from customers' contract

A. Disaggregation of revenue

		<u>From April to June 2024</u>	<u>From April to June 2023</u>	<u>From January to June 2024</u>	<u>From January to June 2023</u>
Primary geographical markets:					
US	\$	527,006	492,417	850,104	1,209,343
China		362,002	116,336	683,340	245,553
Singapore		160,514	447,872	279,296	798,186
Taiwan		89,288	77,545	174,867	156,134
Australia		34,599	22,340	78,333	33,707
Other countries		32,432	39,911	65,329	78,684
	\$	<u>1,205,841</u>	<u>1,196,421</u>	<u>2,131,269</u>	<u>2,521,607</u>

B. Remaining balance of contracts

		<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
Notes receivable	\$	41,188	-	39,874
Accounts receivable (including related party)		1,121,652	718,249	650,721
Less: Loss allowance		-	-	-
Total amount	\$	<u>1,162,840</u>	<u>718,249</u>	<u>690,595</u>
		<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
Contract assets	\$	<u>158,954</u>	<u>280,459</u>	<u>448,568</u>
Contract liabilities	\$	<u>92,739</u>	<u>67,564</u>	<u>57,913</u>

The Group has assessed that there is no need to recognize loss allowance for contract assets as of June 30, 2024, December 31 and June 30, 2023.

The amounts of the balance of contract liabilities on January 1, 2024 and 2023 recognized as revenue in second quarter of 2024 and 2023, and from January 1 to June 30, 2024 and 2023 are 31,354 thousand, 18,945 thousand, 66,146 thousand and 50,205 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

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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 April 1 to June 30, 2024 and 2023, from January 1 to June 30, 2024 and 2023 are \$0 thousand, \$1,538 thousand, \$0 thousand and \$3,795 thousand respectively, and \$0 thousand, \$35 thousand, \$0 thousand and \$80 thousand for the directors. 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.

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 April to June 2024	From April to June 2023	From January to June 2024	From January to June 2023
Bank deposit interest	\$ 38,590	52,648	87,944	90,181

B. Other incomes

Other incomes of the Group are as follows:

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	From April to June 2024	From April to June 2023	From January to June 2024	From January to June 2023
Incomes from government subsidy	\$ 7,566	6,518	18,125	28,463
Other incomes	5,907	4,268	14,362	14,113
Total amount of other incomes	<u>\$ 13,473</u>	<u>10,786</u>	<u>32,487</u>	<u>42,576</u>

C. Other profits and losses

Other profits and losses of Group are as follows:

	From April to June 2024	From April to June 2023	From January to June 2024	From January to June 2023
Net foreign exchange profits (losses)	\$ 1,260	37,093	(26,556)	26,198
Profits from disposal of property, plant and equipment	5	312	395	312
Profits from financial assets/liabilities at fair value through profit and loss	58,518	15,060	18,608	28,673
Other losses	(1,328)	(591)	(1,775)	(665)
	<u>\$ 58,455</u>	<u>51,874</u>	<u>(9,328)</u>	<u>54,518</u>

D. Financial costs

The financial costs of the Group are as follows:

	From April to June 2024	From April to June 2023	From January to June 2024	From January to June 2023
Interest expenses from bank loans	\$ 41,220	43,867	84,466	81,210
Interest expenses of convertible bonds	-	-	-	1,124
Interest expenses of lease liabilities	1,210	740	2,468	1,527
	<u>\$ 42,430</u>	<u>44,607</u>	<u>86,934</u>	<u>83,861</u>

(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

ShunSin Technology Holdings Limited and Its Subsidiaries
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For the second quarter of 2024 and 2023

(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 June 30, 2024, December 31, 2023 and June 30, 2023, 81%, 78% and 83% 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
June 30, 2024						
Non-derivative financial liabilities						
Short-term loans	\$ 4,539,218	4,551,149	4,551,149	-	-	-
Accounts payable (including related parties)	636,652	636,652	636,652	-	-	-
Other payables (including related parties)	649,822	649,822	649,822	-	-	-
Dividends payable	261,187	261,187	261,187	-	-	-
Long-term loans	1,266,716	1,297,738	1,297,738	-	-	-
Lease liabilities	99,649	103,643	54,472	43,990	5,181	-
Guarantee deposits received	1,096	1,096	-	1,096	-	-
Subtotal	7,454,340	7,501,287	7,451,020	45,086	5,181	-
Derivative financial liabilities						
Forward foreign exchange contract:						
Outflow	2,610	(259,511)	(259,511)	-	-	-
Inflow	-	256,901	256,901	-	-	-
Subtotal	2,610	(2,610)	(2,610)	-	-	-
Total	\$ 7,456,950	7,498,677	7,448,410	45,086	5,181	-
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	-	-	-

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parties)						
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	-
June 30, 2023						
Non-derivative financial liabilities						
Short-term loans	\$ 4,275,049	4,285,091	4,285,091	-	-	-
Accounts payable (including related parties)	351,307	351,307	351,307	-	-	-
Other payables (including related parties)	489,480	489,480	489,480	-	-	-
Dividends payable	123,585	123,585	123,585	-	-	-
Long-term loans	1,779,390	1,917,967	287,767	1,630,200	-	-
Lease liabilities	44,513	47,931	20,652	18,888	8,391	-
Guarantee deposits received	4,982	4,982	1,059	-	3,923	-
Subtotal	7,068,306	7,220,343	5,558,941	1,649,088	12,314	-
Derivative financial liabilities						
Forward foreign exchange contract:						
Outflow	2,060	(154,563)	(154,563)	-	-	-
Inflow	-	152,503	152,503	-	-	-
Subtotal	2,060	(2,060)	(2,060)	-	-	-
	\$ 7,070,366	7,218,283	5,556,881	1,649,088	12,314	-

C. Currency risk

(a) Currency risk exposure

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

	2024.6.30			2023.12.31			2023.6.30		
	Foreign currency (in thousands)	Exchange rate (NT\$)	NT\$	Foreign currency (in thousands)	Exchange rate (NT\$)	NT\$	Foreign currency (in thousands)	Exchange rate (NT\$)	NT\$
<u>Financial assets</u>									
<u>Monetary items</u>									
RMB	440,451	4.4450	1,957,807	485,157	4.3270	2,099,274	517,434	4.2820	2,215,653
USD	13,901	32.4155	450,608	13,720	30.7091	421,329	21,661	31.1270	674,243
Yen	6,766	0.2009	1,359	5,945	0.2178	1,295	10,812	0.2149	2,324
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	3,740	32.3955	121,159	2,028	30.7041	62,268	2,873	31.0560	89,224
Yen	12,133	0.2004	2,432	12,178	0.2173	2,646	12,074	0.2149	2,595

(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 June 30, 2024 and 2023, when the Taiwan

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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 June 30, 2024 and 2023 will increase by approximately \$5,716 thousand and \$7,002 thousand, respectively.

(c) Exchange gains and losses of monetary items

Due to the variety of functional currencies in the Group, the exchange gains and losses of monetary items are disclosed by the method of exchange consolidation. The exchange gains (losses) of foreign currencies from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023 including realized and unrealized ones, are \$1,260 thousand, \$37,093 thousand, (\$26,556) thousand and \$26,198 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:

	2024.6.30				
	Book value	Fair value			Total amount
		Grade 1	Grade 2	Grade 3	
Financial assets at fair value through profit or loss					
Non-listed foreign shares	\$ 177,028	-	-	177,028	177,028
Financial assets measured at amortized costs					
Cash and cash equivalents	6,613,735	-	-	-	-
Financial assets measured at amortized costs	1,159,484	-	-	-	-
Notes receivable and accounts receivable (including related parties)	1,162,840	-	-	-	-
Other receivables	131,456	-	-	-	-
Guarantee deposits paid	18,298	-	-	-	-
Subtotal	9,085,813	-	-	-	-
Total amounts	<u>\$ 9,262,841</u>	<u>-</u>	<u>-</u>	<u>177,028</u>	<u>177,028</u>

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Financial liabilities at fair value through profit or loss

Derivative financial liabilities -current	\$ 2,610	-	2,610	-	2,610
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Financial liabilities measured at amortized costs

Short-term loans	4,539,218	-	-	-	-
Accounts payable (including related parties)	636,652	-	-	-	-
Other payables (including related parties)	649,822	-	-	-	-
Dividends payable	261,187	-	-	-	-
Long-term loans	1,266,716	-	-	-	-
Lease liabilities	99,649	-	-	-	-
Guarantee deposits received	1,096	-	-	-	-
Subtotal	7,454,340	-	-	-	-
Total amounts	\$ 7,456,950	-	2,610	-	2,610

2023.12.31

Fair value

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

2023.6.30

Fair value

	Book value	Grade 1	Grade 2	Grade 3	Total amount
Financial assets at fair value through profit or loss					
Domestic unlisted stocks	\$ 12,496	-	-	12,496	12,496
Non-listed foreign shares	123,801	-	-	123,801	123,801
Private fund	236,339	-	-	236,339	236,339

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Subtotal	372,636	-	-	372,636	372,636
Financial assets measured at amortized costs					
Cash and cash equivalents	\$ 7,440,051	-	-	-	-
Financial assets measured at amortized costs	21,142	-	-	-	-
Notes receivable and accounts receivable (including related parties)	690,595	-	-	-	-
Other receivables	36,122	-	-	-	-
Guarantee deposits paid	16,472	-	-	-	-
Subtotal	8,204,382	-	-	-	-
Total amounts	\$ 8,577,018	-	-	372,636	372,636
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities -current	\$ 2,060	-	2,060	-	2,060
Financial liabilities measured at amortized costs					
Short-term loans	4,275,049	-	-	-	-
Accounts payable (including related parties)	351,307	-	-	-	-
Other payables (including related parties)	489,480	-	-	-	-
Dividends payable	123,585	-	-	-	-
Long-term loans	1,779,390	-	-	-	-
Lease liabilities	44,513	-	-	-	-
Guarantee deposits received	4,982	-	-	-	-
Subtotal	7,068,306	-	-	-	-
Total amounts	\$ 7,070,366	-	2,060	-	2,060

(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

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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.

Forward foreign exchange contract is usually evaluated based on the bank statement.

(c) Statement of changes of Grade 3

	From January to June 2024			From January to June 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)	(7,518)	28,735	21,217	(7,550)	40,530	22,593	55,573
Translation effect	281	7,953	8,234	133	(2,847)	(5,461)	(8,175)
Balance on June 30	\$ -	177,028	177,028	12,496	123,801	236,339	372,636

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 (3.78 on 2024.6.30, 5.44 on 2023.12.31 and 5.14 on 2023.6.30) - Multiplier of enterprise value-to-sales (2.95 on	The higher the multiplier, the higher the fair value

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	2023.12.31 and 2.35 on 2023.6.30)	
Financial assets at fair value through profit or loss — equity investment without active market	• Lack of market liquidity discounts: Price-to-Revenue ratio (21% on 2024.6.30, 23% on 2023.12.31 and 28% on 2023.6.30) Multiplier of enterprise value-to-sales: 31% on 2023.12.31 and 2023.6.30	• The higher the discount for lack of market liquidity, the 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:

		Move up or down	Changes in fair value reflecting in current profits and losses	
			Favorable change	Unfavorable change
June 30, 2024	Input value			
Financial assets measured at fair value through profit and loss				
Equity instrument investment in non-active market	Price-to-Revenue ratio	5%	8,597	(8,597)
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)
June 30, 2023				

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Financial assets measured at fair value through profit and loss

Equity instrument investment in non-active market	Price-to-Revenue ratio	5%	6,307	(6,307)
Equity instrument investment in non-active market	Enterprise value-to-Sales ratio	5%	626	(626)

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 June 30, 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	2024.6.30
Short-term loans	\$ 4,438,513	100,705	-	-	-	-	-	-	4,539,218
Long-term loans	1,528,536	(316,537)	-	54,717	-	-	-	-	1,266,716
Lease liabilities	107,916	(24,537)	-	3,133	-	13,137	-	-	99,649
Total liabilities from financing activities	\$ 6,074,965	(240,369)	-	57,850	-	13,137	-	-	5,905,583

		Non-cash changes							
	2023.1.1	Cash flow	Discount and amortization	Translation effect	Fair value changes	Acquire	Reduce	Others	2023.6.30
Short-term loans	\$ 4,327,134	(52,085)	-	-	-	-	-	-	4,275,049
Long-term loans	1,923,815	(161,625)	-	17,200	-	-	-	-	1,779,390

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Bonds payable	1,506,376	(1,500,000)	1,124	-	-	-	-	(7,500)	-
Lease liabilities	55,882	(12,184)	-	632	-	183	-	-	44,513
Total liabilities from financing activities	<u>\$ 7,813,207</u>	<u>(1,725,894)</u>	<u>1,124</u>	<u>17,832</u>	<u>-</u>	<u>183</u>	<u>-</u>	<u>(7,500)</u>	<u>6,098,952</u>

7. Related-party transactions:

(1) Parent Company and ultimate controlling party

Foxconn (Far East) Limited is the parent company of the Group, holding 59.52% of the outstanding common shares of the Group as of June 30, 2024, December 31, 2023 and June 30, 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:

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		From April to June 2024	From April to June 2023	From January to June 2024	From January to June 2023
Other related parties					
Foxconn Interconnect Technology Limited	\$	781	17,254	15,339	49,707
Others		1,337	301	1,490	722
	\$	2,118	17,555	16,829	50,429

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 April to June 2024	From April to June 2023	From January to June 2024	From January to June 2023
Other related parties	\$	9,958	1,817	21,018	8,949

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 April to June 2024	From April to June 2023	From January to June 2024	From January to June 2023
Ultimate controller	\$	50	126	290	126

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	2024.6.30	2023.12.31	2023.6.30
Accounts receivable	Other related parties			
	Foxconn Interconnect Technology Limited	\$ 12,131	-	17,519
	Others	7,752	66	86

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\$ 19,883 66 17,605

As of June 30, 2024, December 31, 2023 and June 30, 2023, no allowance for loss is required for the above-mentioned related parties.

E. Contract assets

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

<u>Account items</u>	<u>Types of related parties</u>	<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
Contract assets	Other related parties	<u>\$ 586</u>	<u>10</u>	<u>17</u>

F. Payables to related parties

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

<u>Account items</u>	<u>Related-party categories</u>	<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
Accounts payable to related parties	Other related parties	<u>\$ 7,880</u>	<u>4,655</u>	<u>1,331</u>
Other payables to related parties	Other related parties			
	Foxcavity Precision Industry (Shenzhen) Co., Ltd.	-	-	10,227
	Others	<u>6,155</u>	<u>5,729</u>	<u>5,653</u>
		<u>6,155</u>	<u>5,729</u>	<u>15,880</u>
		<u>\$ 14,035</u>	<u>10,384</u>	<u>17,211</u>

(4) Remuneration of major management personnel

Key management personnel compensation comprised:

	<u>From April to June 2024</u>	<u>From April to June 2023</u>	<u>From January to June 2024</u>	<u>From January to June 2023</u>
Short-term employee benefits	\$ 3,035	3,671	6,106	7,207
Post-employment benefits	68	74	140	146
	<u>\$ 3,103</u>	<u>3,745</u>	<u>6,246</u>	<u>7,353</u>

8. Pledged assets

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

<u>Pledged asset</u>	<u>Object</u>	<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
Restricted bank deposit (recognized	Short-term loans and	\$ 19,539	19,488	12,233

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as financial assets measured at amortized cost-current)	long-term loans (including current portion)			
Restricted bank deposit (recognized as financial assets measured at amortized cost-non-current)	Long-term loan	-	-	7,209
Total		<u>\$ 19,539</u>	<u>19,488</u>	<u>19,442</u>

9. Significant commitments and contingencies

As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group has signed contracts for the purchase of property, plant and equipment with a price of 752,195 thousand, 311,996 thousand and 2,332,459 thousand, respectively, and the paid amounts are 330,916 thousand, 19,002 thousand and 1,753,777 thousand respectively, which are recognized as property, plant and equipment.

10. Losses due to major disasters: None.

11. Subsequent events

In order to expand the business scope and provide more complete packaging and testing OEM services based on lead frame, the Company was approved by Board of Directors on January 29, 2024 to increase capital on its 100% owned subsidiary, ShunSin (Hong Kong), to indirectly acquire 100% of the equity of SFA SEMICON (SUZHOU) CO., LTD. ShunSin (Hong Kong) paid the investment amount of USD 2,255 thousand and USD 15,635 thousand in February and July, 2024 respectively, and completed the amendment registration of SFA SEMICON (SUZHOU) CO., LTD. on July 29, 2024.

12. Others

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

Functions Account	From April to June 2024			From April to June 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Personnel benefit costs						
Salaries	148,493	101,468	249,961	122,673	116,271	238,944
Health insurance	5,834	3,402	9,236	4,813	3,683	8,496
Pension	9,331	7,440	16,771	8,430	5,976	14,406
Other personnel expense	4,774	5,303	10,077	4,350	5,894	10,244
Depreciation	119,058	30,000	149,058	104,881	15,202	120,083
Amortization	28	215	243	28	183	211
Functions	From January to June 2024			From January to June 2023		

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Account	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Personnel benefit costs						
Salaries	265,017	207,692	472,709	231,962	230,785	462,747
Health insurance	10,245	6,942	17,187	9,304	7,079	16,383
Pension	17,617	13,686	31,303	15,571	11,811	27,382
Other personnel expense	9,304	10,589	19,893	8,853	10,394	19,247
Depreciation	236,683	60,274	296,957	208,265	30,362	238,627
Amortization	56	399	455	56	311	367

(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 June 30, 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 June 30, 2024	Balance at June 30, 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		Limit on loans granted to a single party	Ceiling on total loans
													Item	Value		
1	ShunYun (Cayman)	ShunYun (Hong Kong)	Other receivables	Y	146,276 (RMB 32,600)	232 (RMB 52)	-	-	2	-	Business operation	-	-	-	7,144,868 (Note 2)	7,144,868 (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 June (excluding investment in subsidiaries, associates and joint ventures):

Holding company	Types and names of marketable securities	Relations with securities issuers	Account subjects	Closing period				Remarks
				Number of share	Book value	Shareholding ratio	Fair value	
ShunSin (Samoa)	Stocks: Dyna Image Corp	—	Financial assets measured at fair value through profit or loss-non-current	270,000	-	5.56%	-	
ShunSin (Zhongshan)	Stocks: Lansus Technologies Corporation Limited	—	"	3,044,625	177,028	0.76%	177,028	

D. Accumulative purchase or sale of the same securities amounted to NT\$300 million or more

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than 20% of the paid-in capital: none.

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

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

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

Companies purchasing and selling goods	Counter party	relation	Transaction situation				Reason of trading terms differs from normal transaction		Notes receivable (payable), accounts receivable (payable)		Remarks
			Purchase/ (sale)	Amount	Ratio of total purchase (sales)	Credit period	Unit price	Credit period	Balance	Ratio to total notes receivable, accounts receivable (payable)	
ShunSin (Zhongshan)	The Company	Parent company	Sale	316,828	40.59%	4 months	-		305,560	65.40%	Note 2
ShunYun (Ha Noi)	ShunYun (Cayman)	Affiliate	Sale	307,545	99.89%	4 months			218,994	99.85%	Note 2
ShunSin (Bac Giang)	ShunYun (Ha Noi)	Affiliate	Sale	473,504	100.00%	4 months			296,970	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): 305,560	2.46	-		185,228	-
ShunYun (Ha Noi)	ShunYun (Cayman)	Affiliate	Accounts receivable (Note 1): 218,994	5.62	-		31,799	-
ShunSin (Bac Giang)	ShunYun (Ha Noi)	Affiliate	Accounts receivable (Note 1): 296,970	4.96	-		-	-
ShunSin (Zhongshan)	The Company	Parent and subsidiary company	Other receivable (Note 1): 2,069,534	-	-		563,511	-
ShunYun (Zhongshan)	ShunYun (Cayman)	Affiliate	Other receivable (Note 1): 371,133	-	-		-	-
ShunYun (Cayman)	ShunSin (Bac Giang)	Affiliate	Other receivable (Note 1): 214,475	-	-		-	-
ShunYun (Ha Noi)	ShunYun (Cayman)	Affiliate	Other receivable (Note 1): 186,179	-	-		-	-
The Company	ShunSin (Vietnam)	Parent and subsidiary company	Other receivable (Note 1): 133,840	-	-		-	-

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

Note 2: As of August 16, 2024.

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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 (Note 2)	Transaction situation			
				Subject	Amount	Transaction conditions	Ratio to consolidated total operating income or total assets (Note 3)
0	The Company	ShunSin (Zhongshan)	1	Purchases	316,828	The price is based on the price agreed by both	14.87
0	"	"	1	Accounts payable	305,560	Within 4 months	1.96
0	"	"	1	Other payables	2,069,534	Pay/receive on behalf, no general customers for comparison	13.27
1	ShunYun (Cayman)	ShunYun (Zhongshan)	3	Other payables	371,133	Pay/receive on behalf, no general customers for comparison	2.38
1	ShunYun (Cayman)	ShunYun (Ha Noi)	3	Purchases	307,545	The price is based on the price agreed by both	14.43
1	"	"	3	Accounts payable	218,994	Within 4 months	1.40
1	"	"	3	Other payables	186,179	Pay/receive on behalf, no general customers for comparison	1.19
2	ShunSin (Vietnam)	The Company	2	Other payables	133,840	Pay/receive on behalf, no general customers for comparison	0.86
3	ShunYun (Ha Noi)	ShunYun (Cayman)	3	Contract assets	218,341	Recognition by completion ratio	1.40
3	ShunYun (Ha Noi)	ShunSin (Bac Giang)	3	Purchases	473,504	The price is based on the price agreed by both	22.22
3	"	"	3	Accounts payable	296,970	Within 4 months	1.90
4	ShunSin (Bac Giang)	ShunYun (Cayman)	3	Accounts payable	214,475	Within 4 months	1.38
4	"	"	3	Purchases	259,574	The price is based on the price agreed by both	12.18

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:

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The information on investees of the Group from January 1 to June 30, 2024, is as follows (investees in mainland China are excluded):

Name of investment company	Name of invested company	Location	Main business contents	Original investment amounts (Note3)		Shareholding at the closing period			Net income (losses) of investee (Note 1)	Share of profits/ losses of investee (Note 1 and 2)	Note
				June 30, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying value (Note 1 and 2)			
The Company	ShunSin (Hong Kong)	Hong Kong	Holding Company	3,517,044	3,134,106	926,467,427	92.59%	10,790,412	35,330	32,337	subsidiary
The Company	ShunSin (Samoa)	Samoa	Overseas material and equipment procurement	472,575	472,575	15,516,327	100.00%	855,272	(4,527)	(4,527)	subsidiary
ShunSin (Samoa)	ShunSin (Hong Kong)	Hong Kong	Holding Company	287,622	287,622	74,183,976	7.41%	863,559	35,330	2,993	affiliate
ShunYun (Cayman)	ShunYun (Ha Noi)	Vietnam	Produce high speed optical transceiver	180,234	180,234	(Note 4)	100.00%	800,595	64,477	64,477	affiliate
ShunYun (Cayman)	ShunSin (Bac Giang)	Vietnam	Produce high speed optical transceiver	2,415,871 (Note 6)	2,099,906	(Note 4)	100.00%	2,272,788	(10,494)	(10,494)	affiliate
ShunYun (Zhongshan)	ShunYun (Hong Kong)	Hong Kong	Holding Company	1,206,830	1,206,830	39,000,000	100.00%	1,789,142	52,765	52,765	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%	280,121	(43,626)	(43,626)	affiliate
ShunYun (Hong Kong)	ShunYun (Cayman)	Cayman	Holding Company	1,699,090	1,699,090	58,279,660	100.00%	1,786,217	52,382	52,382	affiliate

Note 1: According to the financial statements reviewed 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 June 30, 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 June 30, 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 June 30, 2024	Net income (losses) of investee	Percentage of ownership	Share of profits/ losses of investee (Note 2 and 3)	Carrying value as of June 30, 2024 (Note 2 and 3)	Accumulated inward remittance of earnings as of June 30, 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	110,393 (RMB 25,021)	100.00%	110,393 (RMB 25,021) (Note 5)	9,627,546 (RMB 2,118,051) (Note 5)	Note 4
Talentek (Hefei)	Design, R&D, testing and sales of electrical equipment, communication equipment and automation equipment	226,304 (RMB 51,226)	(3)	Note 4	Note 4	Note 4	Note 4	7,327 (RMB 1,661)	34.49%	2,629 (RMB 596)	213,753 (RMB 46,946)	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	3,527 (RMB 800)	34.49%	1,191 (RMB 270)	9,108 (RMB 2,000)	Note 4
ShunYun (Zhongshan)	Produce high speed optical transceiver	1,645,231 (RMB 373,496)	(2)	Note 4	Note 4	Note 4	Note 4	(35,131) (RMB (7,693))	78.05%	(27,420) (RMB (6,215))	1,788,233 (RMB 364,638)	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).

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Note 2: According to the financial statements reviewed 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 9,627,546 thousand has deducted the unrealized benefits of the fixed assets sold to affiliated companies which amounting to 16,364 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 June 30, 2024 (exchange rate at closing period RMB: NTD = 1: 4.5532), and the remainder is calculated at the average exchange rate (RMB: NTD = 1: 4.4120).

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 June 30, 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		
Name of major shareholder	Shares	Number of shares held
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.