

**SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2024 and 2023**

Address: No. 22, Industry 24th Rd., Taichung Industrial Park, Taichung City, Taiwan, R.
O. C.
Telephone: (04)23590111

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

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Independent Auditors’ Review Report

To the Board of Directors of Shian Yih Electronic Industry Co., Ltd:

Introduction

We have reviewed the accompanying consolidated balance sheets of Shian Yih Electronic Industry Co., Ltd and its subsidiaries as of March 31, 2024 and adjusted March 31, 2023, and the related consolidated statements of comprehensive income and changes in equity for the three months ended March 31, 2024 and 2023, and changes in cash flows for the three months ended March 31, 2024 and adjusted for the three months ended March 31, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Shian Yih Electronic Industry Co., Ltd and its subsidiaries as of March 31, 2024 and adjusted March 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and adjusted March 31, 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chen, Yen-Hui and Wu, Chun-Yuan.

KPMG

Taipei, Taiwan (Republic of China)
May 9, 2024

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2024, December 31, 2023, March 31, 2023 and January 1, 2023

(Expressed in Thousands of New Taiwan Dollars)

	Assets	March 31, 2024		December 31, 2023		March 31, 2023 (Adjusted)		January 1, 2023 (Adjusted)			Liabilities and Equity	March 31, 2024		December 31, 2023		March 31, 2023 (Adjusted)		January 1, 2023 (Adjusted)	
		Amount	%	Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%	Amount	%
	Current assets:										Current liabilities:								
1100	Cash and cash equivalents (note 6(1))	\$ 1,359,059	53	1,052,016	40	1,309,513	49	1,144,909	41	2100	Short-term borrowings (note 6(12), 7 and 8)	\$ 6,000	-	6,000	-	51,675	2	84,775	3
1170	Accounts receivable, net (note 6(3))	466,952	18	558,607	21	544,193	21	651,139	24	2130	Contract liabilities-current (note 6(22))	921	-	2,323	-	3,430	-	3,215	-
1200	Other receivables (note 6(4))	5,616	-	9,649	-	5,366	-	7,065	-	2170	Accounts payable	249,046	10	357,115	14	271,705	10	329,429	12
130X	Inventories (note 6(5))	370,147	14	393,338	15	337,494	13	397,413	14	2200	Other payables (note 7)	220,287	9	120,732	5	240,966	9	138,705	5
1410	Prepayments	44,236	2	47,012	2	55,659	2	64,354	2	2230	Current tax liabilities	35,263	1	32,153	1	38,139	2	38,994	1
1470	Other current assets	2,243	-	3,011	-	2,386	-	1,901	-	2280	Lease liabilities-current (notes 6(15))	4,071	-	5,524	-	7,902	-	7,819	-
1476	Other financial assets-current (note 6(11) and 8)	35,713	1	246,764	10	8,891	-	107,762	4	2300	Other current liabilities (notes 6(13))	10,175	-	8,243	-	8,042	-	6,961	-
		2,283,966	88	2,310,397	88	2,263,502	85	2,374,543	85	2313	Deferred revenue (notes 6(16))	1,095	-	1,356	-	1,822	-	1,967	-
	Non-current assets:									2320	Long-term borrowings, current portion (notes 6(14) and 8)	62,871	2	64,637	3	65,814	3	65,814	3
1521	Non-current financial assets at fair value through other comprehensive income(note 6(2))	8,738	-	9,334	-	13,593	1	15,406	1			589,729	22	598,083	23	689,495	26	677,679	24
1600	Property, plant and equipment (notes 6(7) and 8)	250,514	10	260,922	10	306,286	12	325,364	12		Non-Current liabilities:								
1755	Right-of-use assets (notes 6(8))	27,259	1	28,852	1	35,646	1	37,497	1	2540	Long-term borrowings (notes 6(14) and 8)	103,754	4	118,041	5	164,803	6	180,711	7
1760	Investment property, net (note 6(9))	731	-	1,002	-	1,889	-	2,206	-	2570	Deferred tax liabilities	24,312	1	14,868	-	9,949	1	12,848	-
1822	Intangible assets (note 6(10))	2,787	-	2,420	-	1,079	-	1,097	-	2580	Lease liabilities—non-current (notes 6(15))	1,610	-	2,142	-	5,681	-	7,550	-
1840	Deferred tax assets	22,131	1	22,273	1	22,267	1	22,047	1	2630	Long-term deferred revenue (notes 6(16))	300	-	440	-	1,395	-	1,796	-
1900	Other non-current assets	-	-	1,667	-	1,388	-	544	-	2670	Other non-current liabilities	1,195	-	1,173	-	1,036	-	1,033	-
1980	Other financial assets-non current (note 6(11))	1,383	-	1,382	-	1,381	-	1,382	-			131,171	5	136,664	5	182,864	7	203,938	7
		313,543	12	327,852	12	383,529	15	405,543	15		Total liabilities	720,900	27	734,747	28	872,359	33	881,617	31
											Equity attributable to owners of parent								
											(notes 6(20)):								
										3100	Share capital	611,750	24	611,750	23	611,750	23	611,750	22
										3200	Capital surplus	669,678	26	669,678	25	669,678	25	669,678	24
										3300	Retained earnings	705,567	27	751,522	28	604,125	23	725,043	26
										3400	Other equity	(128,381)	(5)	(148,454)	(5)	(131,319)	(5)	(130,082)	(4)
											Total equity attributable to owners of parent:	1,858,614	72	1,884,496	71	1,754,234	66	1,876,389	68
										36XX	Non-controlling interests (notes 6(6))	17,995	1	19,006	1	20,438	1	22,080	1
											Total equity	1,876,609	73	1,903,502	72	1,774,672	67	1,898,469	69
	Total assets	\$ 2,597,509	100	2,638,249	100	2,647,031	100	2,780,086	100		Total liabilities and equity	\$ 2,597,509	100	2,638,249	100	2,647,031	100	2,780,086	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2024 and 2023

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

		For the three months ended March 31			
		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (note 6(22))	\$ 417,825	100	457,030	100
5000	Operating costs (notes 6(5), (18) and (23))	340,877	82	391,405	86
5950	Gross profit from operations	76,948	18	65,625	14
	Operating expenses (notes 6(15), (18) and (23)) :				
6100	Selling expenses	16,819	4	14,790	3
6200	Administrative expenses	35,504	8	31,799	7
6300	Research and development expenses	14,098	3	16,495	4
		66,421	15	63,084	14
6900	Net operating income	10,527	3	2,541	-
7000	Non-operating income and expenses:				
7100	Interest income (note 6(24))	12,413	3	10,280	2
7010	Other income (note 6(16) and (24))	2,808	1	2,661	1
7190	Other gains and losses, net (notes 6(24))	164	-	-	-
7630	Foreign exchange gain and losses, net	48,258	11	(9,695)	(2)
7050	Finance costs (notes 6(15) and (24))	(698)	-	(1,686)	-
		62,945	15	1,560	1
7900	Profit before income tax	73,472	18	4,101	1
7950	Less: Income tax expenses (note 6(19))	16,440	4	4,311	1
8200	Profit for the period	57,032	14	(210)	-
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss:				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(596)	-	(1,813)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss(notes 6(19))	-	-	-	-
		(596)	-	(1,813)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	20,669	5	576	-
8399	Income tax related to items that will be reclassified to profit or loss(notes 6(19))	-	-	-	-
		20,669	5	576	-
8300	Other comprehensive income (after tax)	20,073	5	(1,237)	-
8500	Total comprehensive income for the period	\$ 77,105	19	(1,447)	
	Profit (loss), attributable to:				
8610	Owners of parent	\$ 58,043	-	1,432	-
8620	Non-controlling interest(note 6(6))	(1,011)	-	(1,642)	-
		\$ 57,032	-	(210)	-
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 78,116	19	195	-
8720	Non-controlling interest	(1,011)	-	(1,642)	-
		\$ 77,105	19	(1,447)	-
	Earnings per share (note 6(21))				
9750	Basic earnings per share (NT dollars)	\$ 0.95		0.02	
9850	Diluted earnings per share (NT dollars)	\$ 0.94		0.02	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the three months ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Retained earnings						Other equity					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2023	\$ 611,750	669,678	229,973	157,621	337,449	725,043	(120,153)	(9,929)	(130,082)	1,876,389	22,080	1,898,469
Net income for the three months ended March 31, 2023	-	-	-	-	1,432	1,432	-	-	-	1,432	(1,642)	(210)
Other comprehensive income for the three months ended March 31, 2023	-	-	-	-	-	-	576	(1,813)	(1,237)	(1,237)	-	(1,237)
Comprehensive income for the three months ended March 31, 2023	-	-	-	-	1,432	1,432	576	(1,813)	(1,237)	195	(1,642)	(1,447)
Appropriation and distribution of retained earnings:												
Cash dividends of ordinary share	-	-	-	-	(122,350)	(122,350)	-	-	-	(122,350)	-	(122,350)
Balance at March 31, 2023	\$ 611,750	669,678	229,973	157,621	216,531	604,125	(119,577)	(11,742)	(131,319)	1,754,234	20,438	1,774,672
Balance at January 1, 2024	\$ 611,750	669,678	248,469	130,082	372,971	751,522	(132,453)	(16,001)	(148,454)	1,884,496	19,006	1,903,502
Net income for the three months ended March 31, 2024	-	-	-	-	58,043	58,043	-	-	-	58,043	(1,011)	57,032
Other comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	-	20,669	(596)	20,073	20,073	-	20,073
Comprehensive income for the three months ended March 31, 2024	-	-	-	-	58,043	58,043	20,669	(596)	20,073	78,116	(1,011)	77,105
Appropriation and distribution of retained earnings:												
Cash dividends of ordinary share	-	-	-	-	(103,998)	(103,998)	-	-	-	(103,998)	-	(103,998)
Balance at March 31, 2024	\$ 611,750	669,678	248,469	130,082	327,016	705,567	(111,784)	(16,597)	(128,381)	1,858,614	17,995	1,876,609

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2024	2023 (Adjusted)
Cash flows from operating activities:		
Profit before tax	\$ 73,472	4,101
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	23,062	25,267
Amortization expense	204	18
Interest expense	698	1,686
Interest income	(12,413)	(10,280)
Gain from disposal of property, plan and equipment	(164)	-
Total adjustments to reconcile profit (loss)	11,387	16,691
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in accounts receivable	91,655	106,946
Decrease in other receivables	2,892	980
Decrease in inventories	23,191	59,919
Decrease in prepayments	2,776	8,695
Decrease (increase) in other current assets	768	(485)
Total changes in operating assets	121,282	176,055
Changes in operating liabilities:		
Decrease in accounts payable	(108,069)	(57,724)
Decrease in other payables include related parties	(2,819)	(19,074)
Increase in other current liabilities	530	1,296
Total changes in operating liabilities	(110,358)	(75,502)
Total changes in operating assets and liabilities	10,924	100,553
Total adjustments	22,311	117,244
Cash inflow generated from operations	95,783	121,345
Interest received	13,554	10,999
Interest paid	(698)	(2,298)
Income taxes paid	(3,787)	(8,328)
Net cash flows from operating activities	104,852	121,718
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(2,428)	(3,142)
Proceeds from disposal of property, plant and equipment	164	-
Decrease (increase) in refundable deposits	(1)	1
Acquisition of intangible assets	(537)	-
Decrease in other financial assets	211,051	98,871
Increase in other non-current assets	(3,898)	(1,258)
Net cash flows from investing activities	204,351	94,472
Cash flows from financing activities:		
Decrease in short-term borrowings	-	(32,405)
Repayments of long-term borrowings	(16,454)	(16,454)
Increase in guarantee deposits received	22	3
Payment of lease liabilities	(1,985)	(1,959)
Net cash flows used in financing activities	(18,417)	(50,815)
Effect of exchange rate changes on cash and cash equivalents	16,257	(771)
Net increase in cash and cash equivalents	307,043	164,604
Cash and cash equivalents at beginning of period	1,052,016	1,144,909
Cash and cash equivalents at end of period	\$ 1,359,059	1,309,513

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2024 and 2023

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

1 Company history

Shian Yih Electronic Industry Co., Ltd (the “Company”) was incorporated on October 11, 1979 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The Company’s registered office is at No. 22, Industry 24th Rd., Taichung Industrial Park, Taichung City, Taiwan, R.O.C. The Company and its subsidiaries (together referred to as the “Group”) mainly engage in manufacture and sale of back light modules.

2 Approval date and procedures of the consolidated financial statements:

The consolidated financial statements for the three Months ended March 31, 2024 and 2023 were authorized for issuance by the board of directors on May 9, 2024.

3 New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

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

- (b) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.	January 1, 2027

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<ul style="list-style-type: none"> ● 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. 	January 1, 2027

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. 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 Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

4 Summary of material accounting policies:

(1) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

Name investor	Name of investee	Principal activity	Shareholding		
			March 31, 2024	December 31, 2023	March 31, 2023
The Company	Shian Yih (Samoa) Electronic Industry Co., Ltd. (Shian Yih (Samoa))	Investee	100.00%	100.00%	100.00%
The Company	Chian Yih Optotech Co., Ltd. (Chian Yih Optotech)	Manufacture and sale of optical products	50.00%	50.00%	50.00%
Shian Yih (Samoa)	Fair Some (Samoa) Industrial Ltd. (Fair Some (Samoa))	Investee	100.00%	100.00%	100.00%
Shian Yih (Samoa)	Wise Development Group Ltd. (Wise)	Investee	100.00%	100.00%	100.00%
Wise	Dongguan Fair Lumi Optronics Co., Ltd. (Dongguan Fair Lumi)	Manufacture and sale of small and medium-sized LED backlight modules	100.00%	100.00%	100.00%
Fair Some (Samoa)	Dongguan Shian Yih Electronic Co., Ltd. (Dongguan Shian Yih)	Manufacture and sale of small and medium-sized LED backlight modules	100.00%	100.00%	100.00%

(ii) List of subsidiaries which are not included in the consolidated financial statements: None.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(3) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) It holds the asset primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It holds the liability primarily for the purpose of trading;
- (iii) The liability is due to be settled within twelve months after the reporting period; or
- (iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(4) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B 12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period and allocated to current and deferred taxes based on its proportionate size.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

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

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

6 Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2023 consolidated financial statements. Please refer to note 6 to the 2023 annual consolidated financial statements.

(1) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023 (adjusted)
Cash on hand and petty cash	\$ 1,960	2,635	10,960
Demand deposits	328,106	333,704	294,503
Checking account deposits	220	239	387
Time deposits	1,028,773	715,438	1,003,663
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 1,359,059</u>	<u>1,052,016</u>	<u>1,309,513</u>

In accordance with the IFRS Q&A updated by the Securities and Futures Bureau of the Financial Supervisory Commission on January 5, 2024, the merging company reclassified the balance of overseas funds to the special account on March 31, 2023 and January 1, 2023 to \$428,348 thousand and \$340,714 thousand, respectively, and reclassified other financial assets-non-current into cash and about cash.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(2) Financial assets at fair value through other comprehensive income

	March 31, 2024	December 31, 2023	March 31, 2023
Equity investments at fair value through other comprehensive income: :			
Unlisted common shares			
Domestic Company—Ying Cheng Investment Corp.	<u>\$ 8,738</u>	<u>9,334</u>	<u>13,593</u>

The purpose that the Group invests in the above-mentioned equity securities is for long-term strategies rather than trading purpose. Therefore, those equity securities are designated as financial assets at fair value through other comprehensive income.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as for the three months ended March 31, 2024 and 2023.

For credit risk and market risk, please refer to note 6(25).

None of the financial assets mentioned above has been pledged as security.

(3) Accounts receivable

	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable — measured as amortized cost	\$ 466,952	558,607	544,193
Less: loss allowance	-	-	-
	<u>\$ 466,952</u>	<u>558,607</u>	<u>544,193</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information, including macroeconomic and relevant industry information.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The expected credit losses (ECLs) on accounts receivable as of March 31, 2024, December 31, 2023 and March 31, 2023 were determined as follows:

March 31, 2024			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 441,563	-	-
1 to 30 days past due	22,829	-	-
31 to 60 days past due	2,560	-	-
Total	<u>\$ 466,952</u>		<u>-</u>

December 31, 2023			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 497,992	-	-
1 to 30 days past due	57,421	-	-
31 to 60 days past due	3,116	-	-
61 to 90 days past due	78	-	-
Total	<u>\$ 558,607</u>		<u>-</u>

March 31, 2023			
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 535,877	-	-
1 to 30 days past due	1,711	-	-
31 to 60 days past due	5,852	-	-
61 to 90 days past due	8	-	-
More than 91 days past due	745	-	-
Total	<u>\$ 544,193</u>		<u>-</u>

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

	2024	2023
Balance at January 1(which is Balance at March 31)	<u>\$ -</u>	<u>-</u>

None of the accounts receivable has been pledged as collateral.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(4) Other receivables

	March 31, 2024	December 31, 2023	March 31, 2023
Other receivables	<u>\$ 5,616</u>	<u>9,649</u>	<u>5,366</u>

For further credit risk information, please refers to note 6(25).

(5) Inventories

	March 31, 2024	December 31, 2023	March 31, 2023
Merchandise	\$ 11,529	17,189	16,116
Finished goods	102,048	130,009	75,936
Work in progress	90,119	76,406	90,374
Raw materials	161,829	165,311	150,435
Supplies	4,622	4,423	4,633
	<u>\$ 370,147</u>	<u>393,338</u>	<u>337,494</u>

The costs of sales were as follows:

	For the three months ended March 31	
	2024	2023
Inventory that has been sold	\$ 326,090	378,829
Write-down of inventories	2,403	944
Losses on inventory write-offs	1,446	725
Overage of inventories	-	(18)
Unallocated production overheads	10,938	10,925
Operating costs	<u>\$ 340,877</u>	<u>391,405</u>

The Group's did not provide any inventories as collateral for its loans.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(6) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiary	Major Operation place Registered country	Percentage of non-controlling interests		
		March 31, 2024	December 31, 2023	March 31, 2023
CHIAN YIH OPTOTECH CO., LTD.	Taiwan	50%	50%	50%

The following information of the material non-controlling interests of subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in this information is the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intra-group transactions were not eliminated in this information.

CHIAN YIH OPTOTECH CO., LTD's. Collective financial information :

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 14,269	15,119	17,175
Non-current assets	33,948	34,964	38,187
Current liabilities	(10,410)	(9,721)	(10,715)
Non-current liabilities	(1,816)	(2,348)	(3,770)
Net assets	<u>\$ 35,991</u>	<u>38,014</u>	<u>40,877</u>
Non-controlling interests	<u>\$ 17,995</u>	<u>19,006</u>	<u>20,438</u>

	For the three months ended March 31	
	2024	2023
Sale revenue	<u>\$ 2,498</u>	<u>2,605</u>
Net loss	\$ (2,023)	(3,284)
Other comprehensive income	-	-
Comprehensive income	<u>\$ (2,023)</u>	<u>(3,284)</u>
Loss, attributable to non-controlling interests	<u>\$ (1,011)</u>	<u>(1,642)</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ (1,011)</u>	<u>(1,642)</u>
Net cash flows from operating activities	\$ 62	118
Net cash flows from financing activities	(523)	(2,513)
Net decrease in cash and cash equivalents	<u>\$ (461)</u>	<u>(2,395)</u>

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(7) Property, plant and equipment

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

	Land	Buildings and Construction	Machinery and equipment	Office and miscellaneous equipment	Unfinished construction and equipment under acceptance	Total
Cost:						
Balance on January 1, 2024	\$ 6,971	578,187	465,527	120,030	2,328	1,173,043
Additions	-	184	554	172	5,476	6,386
Disposal	-	-	(1,943)	-	-	(1,943)
Reclassification	-	-	-	124	(124)	-
Effect of movements in exchange rates	-	12,392	7,964	1,359	122	21,837
Balance on March 31, 2024	<u>\$ 6,971</u>	<u>590,763</u>	<u>472,102</u>	<u>121,685</u>	<u>7,802</u>	<u>1,199,323</u>
Balance on January 1, 2023	\$ 6,971	584,210	453,535	117,121	6,439	1,168,276
Additions	-	-	2,495	409	248	3,152
Disposal	-	-	(874)	(12)	-	(886)
Reclassification	-	-	3,430	330	(3,760)	-
Effect of movements in exchange rates	-	512	1,255	206	27	2,000
Balance on March 31, 2023	<u>\$ 6,971</u>	<u>584,722</u>	<u>459,841</u>	<u>118,054</u>	<u>2,954</u>	<u>1,172,542</u>
Accumulated depreciation:						
Balance on January 1, 2024	\$ -	429,727	381,974	100,420	-	912,121
Depreciation	-	8,432	9,557	2,672	-	20,661
Disposal	-	-	(1,943)	-	-	(1,943)
Effect of movements in exchange rates	-	9,973	6,802	1,195	-	17,970
Balance on March 31, 2024	<u>\$ -</u>	<u>448,132</u>	<u>396,390</u>	<u>104,287</u>	<u>-</u>	<u>948,809</u>
Balance on January 1, 2023	\$ -	397,919	352,255	92,738	-	842,912
Depreciation	-	9,838	10,012	3,023	-	22,873
Disposal	-	-	(874)	(12)	-	(886)
Effect of movements in exchange rates	-	88	1,092	177	-	1,357
Balance on March 31, 2023	<u>\$ -</u>	<u>407,845</u>	<u>362,485</u>	<u>95,926</u>	<u>-</u>	<u>866,256</u>
Carrying amounts:						
Balance on January 1, 2024	<u>\$ 6,971</u>	<u>148,460</u>	<u>83,553</u>	<u>19,610</u>	<u>2,328</u>	<u>260,922</u>
Balance on March 31, 2024	<u>\$ 6,971</u>	<u>142,631</u>	<u>75,712</u>	<u>17,398</u>	<u>7,802</u>	<u>250,514</u>
Balance on January 1, 2023	<u>\$ 6,971</u>	<u>186,291</u>	<u>101,280</u>	<u>24,383</u>	<u>6,439</u>	<u>325,364</u>
Balance on March 31, 2023	<u>\$ 6,971</u>	<u>176,877</u>	<u>97,356</u>	<u>22,128</u>	<u>2,954</u>	<u>306,286</u>

As of March 31, 2024, December 31, 2023 and March 31, 2023, the property, plant and equipment had been pledged as collateral for long-term bank loans; please refer to note 8.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(8) Right-of-use assets

	<u>Land</u>	<u>Buildings and Construction</u>	<u>Total</u>
Carrying amounts:			
Balance on January 1, 2024	\$ 21,579	7,273	28,852
Balance on March 31, 2024	\$ 21,894	5,365	27,259
Balance on January 1, 2023	\$ 22,762	14,735	37,497
Balance on March 31, 2023	\$ 22,645	13,001	35,646

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the three months ended March 31, 2024 and 2023. Information on depreciation for the period is discussed in note 12(1). Please refer to note 6(8) to the 2023 annual consolidated financial statements for other related information.

(9) Investment property

Investment property, which means assets owned by the Group, refers to plants leased to third parties under operating leases. The leases of investment properties contain an initial non-cancellable lease term of 10 years.

The rental income of all leased investment properties is in fixed amounts.

The movements in investment property of the Group were as follows:

	<u>Self-owned asset-buildings and structures</u>
Carrying amounts:	
Balance on January 1, 2024	\$ 1,002
Balance on March 31, 2024	\$ 731
Balance on January 1, 2023	\$ 2,206
Balance on March 31, 2023	\$ 1,889

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the three months ended March 31, 2024 and 2023. Information on depreciation for the period is discussed in note 12(1). Please refer to note 6(9) to the 2023 annual consolidated financial statements for other related information.

The fair value of investment property was not significantly different from those disclosed in note 6(9) to the annual consolidated financial statements for the year ended December 31, 2023.

The Group did not provide any investment property as collateral for its loans.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(10) Intangible assets

The intangible assets of the Group were as follows:

	Software	Goodwill	Total
Carrying value:			
Balance on January 1, 2024	\$ 1,360	1,060	2,420
Balance on March 31, 2024	\$ 1,727	1,060	2,787
Balance on January 1, 2023	\$ 37	1,060	1,097
Balance on March 31, 2023	\$ 19	1,060	1,079

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 2024 and 2023. Information on amortization for the period is discussed in note 12(1). Please refer to note 6(10) to the 2023 annual consolidated financial statements for other related information.

None of the Group's intangible assets was pledged as collateral.

(11) Other financial assets

The other financial assets of the Group were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023 (adjusted)
Restricted bank deposits	\$ 3,713	4,361	8,891
Time deposits—more than 3 months	32,000	242,403	-
Guarantee deposits paid	1,383	1,382	1,381
	<u>\$ 37,096</u>	<u>248,146</u>	<u>10,272</u>

	March 31, 2024	December 31, 2023	March 31, 2023 (adjusted)
Current	\$ 35,713	246,764	8,891
Non-current	1,383	1,382	1,381
	<u>\$ 37,096</u>	<u>248,146</u>	<u>10,272</u>

According to the IFRS question updated by the Securities and Future Bureau of the Financial Supervisory Commission on January 5, 2024, the merging company reclassified the deposit balance of foreign funds remitted back to the special account on March 31, 2023 and January 1, 2023, of which \$0 and \$91,291 thousand were time deposits with an original maturity date of more than three months, so they were reclassified from other financial assets-non-current to other financial assets-current.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Restricted bank deposits are time deposits secured by bank loan pledged. Bank time deposits with an original maturity of more than three months are certificates deposit that do not meet the definition of cash equivalent.

For the restricted bank deposits pledged as security, please refer to note 8. For the three months ended March 31, 2024 and 2023, no impairment has been recognized for other financial assets. Additionally, please refer to note 6(25) for credit risk and market risk associated with other financial assets.

(12) Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Secured bank loans	\$ -	-	45,675
Other short-term borrowings - related parties	6,000	6,000	6,000
	<u>\$ 6,000</u>	<u>6,000</u>	<u>51,675</u>
Unused short-term credit lines	<u>\$ 473,500</u>	<u>456,018</u>	<u>406,900</u>
Range of interest rates	<u>2.3%</u>	<u>2.3%</u>	<u>2.05%~5.83%</u>

(i) Issuance short-term borrowings and repayments

There were no significant issues, repurchases and repayments of short-term borrowings for the three months ended March 31, 2024 and 2023. For the three months ended March 31, 2024 and 2023 the Group's repayments were \$0 and \$32,405 thousand respectively.

(ii) Collateral for bank loans

For the collateral for short-term borrowings, please refer to note 8.

(iii) The borrowings from related parties

The borrowings from related parties, please refers to note 7.

(13) Other current liabilities

The Group's other current liabilities were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Advance molding payment	\$ 5,698	6,094	4,173
Temporary receipts	3,938	1,596	3,232
Receipts under custody	539	553	637
	<u>\$ 10,175</u>	<u>8,243</u>	<u>8,042</u>

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(14) Long-term borrowings

The details of long-term borrowings were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Secured bank loans	\$ 168,020	184,474	233,834
Less: current portion	(62,871)	(64,637)	(65,814)
Government grants	(1,395)	(1,796)	(3,217)
	<u>\$ 103,754</u>	<u>118,041</u>	<u>164,803</u>
Unused short-term credit lines	<u>\$ -</u>	<u>-</u>	<u>-</u>
Range of interest rates	<u>0.595%-0.72%</u>	<u>0.47%~0.595%</u>	<u>0.47%~0.595%</u>

(i) Issuance short-term borrowings and repayments

There were no significant issues of long-term borrowings for the three months ended March 31, 2024 and 2023. For the three months ended March 31, 2024 and 2023, the repayments both amounted to \$16,454 thousand.

(ii) Government low-interest loans

The differences between the amounts and fair values of the preferential low-interest loans granted by the government under the "Plan of Welcoming Overseas Taiwanese Businesspersons to Invest in Taiwan" were considered government grants; please refer to note 6(16) for details.

(iii) Collateral for bank loans

For the collateral for long-term borrowings, please refer to note 8.

(15) Lease liabilities

The carrying amounts of the Group's lease liabilities were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Current	\$ 4,071	5,524	7,902
Non-current	1,610	2,142	5,681
	<u>\$ 5,681</u>	<u>7,666</u>	<u>13,583</u>

For the maturity analysis, please refer to note 6(25).

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2024	2023
Interest on lease liabilities	<u>\$ 25</u>	<u>51</u>
Expenses relating to short-term leases	<u>\$ 1,070</u>	<u>436</u>

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

	For the three months ended March 31	
	2024	2023
Total cash outflow for leases	<u>\$ 3,080</u>	<u>2,446</u>

(i) Land and Building leases

The Group leases land, buildings and structures for office spaces and plants, with a lease term of 3 years, and some leases include an option to extend the lease for an additional period of the same duration at the end of the lease term.

(ii) Other leases

The Group also leases dormitory and other leases with contract terms of one to three years. These leases are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(16) Deferred revenues

	March 31, 2024	December 31, 2023	March 31, 2023
Government grants	<u>\$ 1,395</u>	<u>1,796</u>	<u>3,217</u>
Current	\$ 1,095	1,356	1,822
Non-current	300	440	1,395
	<u>\$ 1,395</u>	<u>1,796</u>	<u>3,217</u>

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group's government preferential low-interest loans under the "Plan of Welcoming Overseas Taiwanese Businesspersons to Invest in Taiwan" amounted to \$168,020 thousand, \$184,474 thousand and \$233,834 thousand and the fair values thereof amounted to \$166,625 thousand, \$182,678 thousand and \$230,617 thousand respectively. The differences between the amounts and fair values of the loans, amounting to \$1,395 thousand, \$1,796 thousand and \$3,217 thousand respectively, were considered to be government grants through low-interest loans and recognized as deferred revenues. For the three months ended March 31, 2024 and 2023, the Group's revenues from government grants amounted to \$401 thousand and \$546 thousand, respectively, both of which were included in other revenues.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(17) Operating leases

There were no significant changes in operating lease for the three months ended March 31, 2024 and 2023. Please refer to note 6(17) to the consolidated financial statements for the year ended December 31, 2023 for other related information.

(18) Employee benefits

Defined contribution plans

The Group's expenses for the pension plan contributions to the Bureau of Labor Insurance for the three months ended March 31, 2024 and 2023 were as follows:

	For the three months ended March 31	
	2024	2023
Operating costs	\$ 418	412
Selling expenses	207	202
Administration expenses	412	389
Research and development expenses	116	162
	\$ 1,153	1,165

Except for the Company, other subsidiaries adopted the defined contribution method under their local law, and accordingly, the pension costs were \$4,958 thousand and \$6,264 thousand for the three months ended March 31, 2024 and 2023.

(19) Income taxes

(i) The components of income tax for the three months ended March 31, 2024 and 2023 were as follows:

	For the three months ended March 31	
	2024	2023
Current tax expense		
Current period	\$ 6,046	7,430
Adjustment for prior periods	808	-
	6,854	7,430
Deferred tax expense		
Origination and reversal of temporary differences	9,586	(3,119)
Income taxes	\$ 16,440	4,311

(ii) The Group's has no income tax expenses recognized under other comprehensive profits and losses.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iii) Assessment of tax

The tax returns of the Company and its domestic subsidiaries have been examined and approved until 2021 by the R.O.C. tax authorities.

(20) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the periods from January 1 to March 31, 2024 and 2023. For the related information, please refer to note 6(20) to the consolidated financial statements for the year ended December 31, 2023.

(i) Retained earnings

The Company's Articles of Incorporation stipulates that Company's net earnings shall first be used to offset prior years' losses, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, unless the amount in the legal reserve has already reached the Company's paid-in capital. In addition, special reserve shall be appropriated according to related regulations and the Company's operating needs, after which any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

The amount of share dividends is determined based on the Company's earnings accumulated in the current and prior years, taking into account the Company's profitability, capital structure, and future operating requirements. The dividend distribution policy is to pay dividends by means of a combination of share dividend and cash dividend taking into consideration capital requirement and diluted earnings per share, and the cash dividend shall be no less than 20% of the amount of the dividend distribution.

The types and ratios of the above-mentioned earnings distribution are adjusted pursuant to resolution of a shareholders' meeting based on the actual profit and capital for the year.

1) Special reserve

In accordance with the regulation set by the Financial Supervisory Commission, a portion of current period earnings and undistributed prior period earnings shall be reclassified as a special earnings reserve during earnings distribution. The special earnings reserve will be recognized from the profit after income tax of the current period plus other current earnings and the undistributed retained earnings of the previous period. The net reduction of other shareholders' equity accumulated in the previous period shall be recognized from the undistributed retained earnings and shall not be distributed. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions. The special reserve for the years ended March 31, 2024, December 31, 2023 and March 31, 2023 was \$130,082 thousand, \$130,082 thousand and \$157,621 thousand, respectively.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) Earnings distribution

On March 12, 2024, the 2023 earnings appropriation was resolved in a board meeting. On March 15, 2023, the 2022 earnings appropriation was resolved in a board meeting. Dividends were distributed to owners as follows:

	2023		2022	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholders				
Cash	\$ 1.70	<u>103,998</u>	2.00	<u>122,350</u>

(ii) Other comprehensive income accumulated in reserves, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2024	\$ (132,453)	(16,001)	(148,454)
Exchange differences on foreign operations	20,669	-	20,669
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(596)	(596)
Balance on March 31, 2024	<u>\$ (111,784)</u>	<u>(16,597)</u>	<u>(128,381)</u>
Balance on January 1, 2023	\$ (120,153)	(9,929)	(130,082)
Exchange differences on foreign operations	576	-	576
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(1,813)	(1,813)
Balance on March 31, 2023	<u>\$ (119,577)</u>	<u>(11,742)</u>	<u>(131,319)</u>

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(21) Earnings per share

(i) Basic earnings per share

For the three months ended March 31, 2024 and 2023, the Company's earnings per share were calculated as follows:

1) Profit attributable to ordinary shareholders of the Company

	For the three months ended March 31	
	2024	2023
Net Profit attributable to ordinary shareholders of the Company	\$ 58,043	1,432

2) Weighted average number of ordinary shares

	For the three months ended March 31	
	2024	2023
Weighted average number of ordinary shares (in thousands)	61,175	61,175
Basic earnings per share (NT dollars)	\$ 0.95	0.02

(ii) Diluted earnings per share

1) Net profit attributable to ordinary shareholders of the Company (diluted)

	For the three months ended March 31	
	2024	2023
Net profit attributable to ordinary shareholders of the Company (diluted)	\$ 58,043	1,432

2) Weighted average number of ordinary shares (diluted)

	For the three months ended March 31	
	2024	2023
Weighted average number of ordinary shares(basic) (in thousands)	61,175	61,175
Effect of dilutive potential ordinary shares		
Effect of employee share bonus	588	453
Weighted average number of ordinary shares (after adjustment of potential diluted ordinary shares)	61,763	61,628
Diluted earnings per share (NT dollars)	\$ 0.94	0.02

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(22) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31	
	2024	2023
<u>Primary geographical markets</u>		
Taiwan	\$ 104,365	130,738
China	190,437	180,844
Japan	12,129	13,169
The United States	75,757	89,267
Other countries	35,137	43,012
	<u>\$ 417,825</u>	<u>457,030</u>
<u>Major products/services lines</u>		
Backlight modules	\$ 369,417	406,823
Other	48,408	50,207
	<u>\$ 417,825</u>	<u>457,030</u>

(ii) Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023
Contract liabilities	<u>\$ 921</u>	<u>2,323</u>	<u>3,430</u>

The amount of revenue recognized for the three months ended March 31, 2024 and 2023 that was included in the contract liability balance at the beginning of the period were \$1,811 thousand and \$125 thousand, respectively.

(23) Remunerations of employees, directors, and supervisors

According to the Company's Articles of Incorporation, the Company should distribute its remuneration of not less than 2%~10% and not more than 2% of annual profits to its employees and directors respectively, after offsetting accumulated deficits, if any. Employees, including employees of affiliate companies that meet certain conditions, are subject to the abovementioned remuneration, which is to be distributed in stock or cash.

For the three months ended March 31, 2024 and 2023, the Company's employee remunerations were estimated at \$8,175 thousand and \$429 thousand, and director and supervisor remunerations were estimated at \$1,635 thousand and \$85 thousand, respectively. The estimates mentioned above were calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder meeting,

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as remuneration are calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

For the year ended December 31, 2023 and 2022, the Company estimated its employee remuneration amounting to \$14,064 thousand and \$15,023 thousand, and directors' remuneration amounting to \$4,018 thousand and \$5,008 thousand. Related information would be available at the Market Observation Post System website.

(24) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the three months ended March 31	
	2024	2023
Interest income from bank deposits	<u>\$ 12,413</u>	<u>10,280</u>

(ii) Other income

The details of other income were as follows:

	For the three months ended March 31	
	2024	2023
Rent income	\$ 1,304	1,071
Government grants income	401	546
Other income	<u>1,103</u>	<u>1,044</u>
	<u>\$ 2,808</u>	<u>2,661</u>

(iii) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended March 31	
	2024	2023
Gains on disposals of property, plant and equipment	<u>\$ 164</u>	<u>-</u>

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iv) Finance costs

The details of finance costs were as follows:

	For the three months ended March 31	
	2024	2023
Interest expense on bank deposits	\$ 673	1,635
Implicit interest on leases	25	51
	\$ 698	1,686

(25) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(25) to the consolidated financial statements for the year ended December 31, 2023.

(i) Credit risk

1) Concentration of credit risk

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group assessed the concentrations of credit risk arising from its major Customer, at percentages below 46%, 45% and 32%, respectively, of the total trade receivables.

2) Credit risk on receivables

For credit risk exposure of accounts receivable, please refer to note 6(3). Other financial assets at amortized cost includes other receivables and investments in time deposits.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 month expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(7). For the three months ended March 31, 2024 and 2023, the Group's other receivables and CD (certificate of deposit) investments have no expected credit losses (ECLs).

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within a year	1~2years	2~5years	Over 5 years
March 31, 2024						
Non-derivative financial liabilities						
Secured bank loans with floating rate	\$ 166,625	171,714	64,418	60,213	44,872	2,211
Fixed-rate loan	6,000	6,086	6,086	-	-	-
Accounts payable (non-interest-bearing)	249,046	249,046	249,046	-	-	-
Other payables (non-interest-bearing)	220,287	220,287	220,287	-	-	-
Lease liabilities (fixed interest rate)	5,681	5,740	4,120	1,620	-	-
Guarantee deposits received	1,195	1,195	244	206	665	80
	\$ 648,834	654,068	544,201	62,039	45,537	2,291
December 31, 2023						
Non-derivative financial liabilities						
Secured bank loans with floating rate	\$ 182,678	188,118	65,776	60,371	58,763	3,208
Fixed-rate loan	6,000	6,120	6,120	-	-	-
Accounts payable (non-interest-bearing)	357,115	357,115	357,115	-	-	-
Other payables (non-interest-bearing)	120,732	120,732	120,732	-	-	-
Lease liabilities (fixed interest rate)	7,666	7,750	5,590	2,160	-	-
Guarantee deposits received	1,173	1,173	238	-	856	79
	\$ 675,364	681,008	555,571	62,531	59,619	3,287
March 31, 2023						
Non-derivative financial liabilities						
Secured bank loans with floating rate	\$ 276,292	284,254	112,856	64,245	100,926	6,227
Fixed-rate loan	6,000	6,082	6,082	-	-	-
Accounts payable (non-interest-bearing)	271,705	271,705	271,705	-	-	-
Other payables (non-interest-bearing)	240,966	240,966	240,966	-	-	-
Lease liabilities (fixed interest rate)	13,583	13,780	8,040	4,120	1,620	-
Guarantee deposits received	1,036	1,036	244	46	-	746
	\$ 809,582	817,823	639,893	68,411	102,546	6,973

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iii) Currency risk

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

(In thousands of foreign currencies)										
	March 31, 2024				December 31, 2023			March 31, 2023		
	Foreign currency	Exchang rates	NTD		Foreign currency	Exchang rates	NTD	Foreign currency	Exchang rates	NTD
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	45,487	32.000	1,455,584	48,194	30.705	1,479,797	50,508	30.45	1,537,969
RMB		2,213	4.4302	9,804	2,656	4.3295	11,499	2,566	4.431	11,370
HKD		611	4.089	2,498	1,298	3.929	5,100	1,069	3.879	4,147
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD	\$	8,314	32.000	266,048	10,204	30.705	313,314	12,044	30.45	366,740
RMB		575	4.4302	2,547	649	4.3295	2,810	641	4.431	2,840
HKD		278	4.089	1,137	463	3.929	1,819	383	3.879	1,486

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and other receivables, borrowings and accounts and other payables that are denominated in foreign currency. An appreciation (depreciation) of 1% of the NTD against USD, RMB and HKD as of March 31, 2024, December 31, 2023 and March 31, 2023, with all other variables remaining constant, would have increased or decreased profits after tax by \$9,585 thousand and \$9,459 thousand, respectively. The analysis is performed on the same basis for prior year.

Since the Group has many kinds of functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2024 and 2023, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$48,258 thousand and \$(9,695) thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

If the interest rate had increased/decreased by 1%, the Group's net income would have decreased/increased by \$1,789 thousand and \$1,473 thousand for the three months ended March 31, 2024 and 2023 respectively, with all other variable factors remaining constant. This is mainly due to the Group's time deposit and borrowings at variable rates.

(v) Fair value information

1) Categories and fair values of financial instruments

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

		March 31, 2024			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Unlisted common shares	\$ 8,738	-	-	8,738	8,738
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,359,059	-	-	-	-
Accounts receivable	466,952	-	-	-	-
Other receivables (excluding tax refunds receivable)	3,455	-	-	-	-
Other financial assets—current	35,713	-	-	-	-
Other financial assets—non-current	1,383	-	-	-	-
Subtotal	\$ 1,866,562	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 6,000	-	-	-	-
Accounts payables	249,046	-	-	-	-
Other payables (to related parties)	220,287	-	-	-	-
Long-term borrowings (including current portion)	166,625	-	-	-	-
Lease liabilities (current and non-current)	5,681	-	-	-	-
Guarantee deposits received	1,195	-	-	-	-
Subtotal	\$ 648,834	-	-	-	-

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	Carrying amount	December 31, 2023			
		Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Unlisted common shares	<u>\$ 9,334</u>	-	-	9,334	9,334
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,052,016	-	-	-	-
Accounts receivable	558,607	-	-	-	-
Other receivables (excluding tax refunds receivable)	4,608	-	-	-	-
Other financial assets — current	246,764	-	-	-	-
Other financial assets — non-current	<u>1,382</u>	-	-	-	-
Subtotal	<u>\$ 1,863,377</u>	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 6,000	-	-	-	-
Accounts payables	357,115	-	-	-	-
Other payables (to related parties)	120,732	-	-	-	-
Long-term borrowings (including current portion)	182,678	-	-	-	-
Lease liabilities (current and non-current)	7,666	-	-	-	-
Guarantee deposits received	<u>1,173</u>	-	-	-	-
Subtotal	<u>\$ 675,364</u>	-	-	-	-
	Carrying amount	March 31, 2023			
		Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Unlisted common shares	<u>\$ 13,593</u>	-	-	13,593	13,593
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,309,513	-	-	-	-
Accounts receivable	544,193	-	-	-	-
Other receivables (excluding tax refunds receivable)	3,064	-	-	-	-
Other financial assets — current	8,891	-	-	-	-
Other financial assets — non-current	<u>1,381</u>	-	-	-	-
Subtotal	<u>\$ 1,867,042</u>	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 51,675	-	-	-	-
Accounts payable	271,705	-	-	-	-
Other payables (to related parties)	240,966	-	-	-	-
Long-term borrowings (including current portion)	230,617	-	-	-	-
Lease liabilities (current and non-current)	13,583	-	-	-	-
Guarantee deposits received	<u>1,036</u>	-	-	-	-
Subtotal	<u>\$ 809,582</u>	-	-	-	-

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

Financial liabilities measured at amortized cost, if there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Transfers between Level 1 and Level 2

There were no transfers from one level to another level for the three months ended March 31, 2024 and 2023

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Opening balance, January 1, 2024	\$ 9,334
In other comprehensive income	(596)
Ending Balance, March 31, 2024	\$ 8,738
Opening balance, January 1, 2023	\$ 15,406
In other comprehensive income	(1,813)
Ending Balance, March 31, 2023	\$ 13,593

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include fair value through other comprehensive income-equity investments.

Most equity investments with a level 3 fair value but without an active market have multiple significant unobservable inputs. The significant unobservable inputs of the equity investments without an active market are independent, therefore, there is no correlation between them.

For the Group's unquoted equity instruments that are not intended for short-term trading, management has obtained the latest financial statements of the investee, evaluated industry development, and reviewed accessible public information. Accordingly, the Group reviews and evaluate the investee's operational situation of the current and future years, so as to assess the fair value of the investee. In general, changes in industry and market prospects are highly correlated with changes in the operations and future business performance of the investee.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Quantified information on significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at FVOCI–equity investments without an active market	Net Asset Value Method	<ul style="list-style-type: none"> Net Asset Value Minority interest discounts (21.88% as of March 31,2024, December 31, 2023 and March 31,2023) 	<ul style="list-style-type: none"> The higher the net asset value, the higher the fair value. The higher the equity discount, the lower the fair value.
6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions			

For fair value measurements in Level 3, changing one or more of the assumptions by 1% to reflect reasonably possible alternative assumptions would have the following effects:

	Upward or downward movement	Changes in other comprehensive income arising from changes in fair value	
Input		Favorable	Unfavorable
March 31, 2024			
Minority interest discount ratio of 21.88%	1%	112	112
December 31, 2023			
Minority interest discount ratio of 21.88%	1%	119	119
March 31, 2023			
Minority interest discount ratio of 21.88%	1%	174	174

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(26) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(26) to the consolidated financial statements for the year ended December 31, 2023.

(27) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to note 6(27) to the consolidated financial statements for the year ended December 31, 2023 for further details.

(28) Investing and financing activities not affecting current cash flow

The Group's reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2024	Cash flows	March 31, 2024
Short-term borrowings	\$ 6,000	-	6,000
Long-term borrowings (including deferred revenues and current portion)	184,474	(16,454)	168,020
Lease liabilities	7,666	(1,985)	5,681
Guarantee deposits received	1,173	22	1,195
Total liabilities from financing activities	\$ 199,313	(18,417)	180,896

	January 1, 2023	Cash flows	Other changes	Foreign exchange movement	Fair value changes	March 31, 2023
Short-term borrowings	\$ 84,775	(32,405)	-	(695)	-	51,675
Long-term borrowings (including deferred revenues and current portion)	250,288	(16,454)	-	-	-	233,834
Lease liabilities	15,369	(1,959)	173	-	-	13,583
Guarantee deposits received	1,033	3	-	-	-	1,036
Total liabilities from financing activities	\$ 351,465	(50,815)	173	(695)	-	300,128

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

7 Related-party transactions

(1) Names and relationship with related parties

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

Name of related party	Relationship with the Group
Fair Some Industrial Limited (Fair Some (Hong Kong))	The Company' s director is the entity' s owner
Cheng Rong Investment Co., Ltd. (Cheng Rong Investment)	The entity' s chairman is the second immediate family of the chairman of the Company

(2) Significant transactions with related parties

(i) Borrowing from Related Parties

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group' s borrowings from other related parties amounted to all of \$6,000 thousand; please refer to note 6(12). The aforementioned borrowings from related parties are unsecured, the interest charged to the Group is calculated based on the average interest rate imposed on the related parties' loans from financial institutions.

(ii) Others

The outstanding balances arising from other transactions such as customs declaration fees by other related parties on behalf of the Group were included in other payables.

	March 31, 2024	December 31, 2023	March 31, 2023
Other related parties	<u>\$ 275</u>	<u>269</u>	<u>267</u>

(3) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31	
	2024	2023
Short-term employee benefits	\$ 4,488	2,774
Post-employment benefits	87	92
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	<u>\$ 4,575</u>	<u>2,866</u>

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group has not provided non-monetary benefits such as housing, cars and other vehicles for key management.

8 Pledged assets:

The carrying values of assets pledged as security were as follows:

Assets pledged as security	Liabilities secured by pledge	March 31, 2024	December 31, 2023	March 31, 2023
Other financial assets—current	Loan guarantee	\$ 3,713	4,361	8,891
Land	Loan guarantee	2,951	2,951	2,951
Buildings	Loan guarantee	19,042	19,425	20,639
Machinery and equipment	Loan guarantee	6,505	7,948	12,276
		\$ 32,211	34,685	44,757

9 Commitments and contingencies: None

10 Losses due to major disasters: None

11 Subsequent events: None

12 Other:

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

By item	By function	For the three months ended March 31					
		2024			2023		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		69,795	33,366	103,161	80,450	33,437	113,887
Labor and health insurance		3,289	1,916	5,205	3,497	1,948	5,445
Pension		4,369	1,742	6,111	5,506	1,923	7,429
Remuneration of directors		-	2,721	2,721	-	1,172	1,172
Others		3,991	748	4,739	4,082	679	4,761
Depreciation		19,200	3,862	23,062	20,952	4,315	25,267
Amortization		8	196	204	9	9	18

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SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

13 Other disclosures:

(1) Information on significant transactions:

The following were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2024:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 3)
													Item	Value		
0	The Company	SHIAN YIH (DONGGUAN)	Loans receivable from related parties	Yes	128,000	128,000	96,000	6.38%	2	-	Working capital	-	No	-	464,653	743,445
0	The Company	FAIR LUMI (DONGGUAN)	Loans receivable from related parties	Yes	64,000	64,000	-	- %	2	-	Working capital	-	No	-	464,653	743,445

Note 1: Financing purposes:

- 1) Transaction counterparty
- 2) Entities with short-term financing needs

Note 2: The aggregate amount of loans to a single subsidiary shall not exceed 25% of the equity attributable to owners of parent reported in the most recent period.

Note 3: The aggregate amount of loans to a single party shall not exceed 40% of the equity attributable to owners of parent for the most recent period.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 3)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 1)										
0	The Company	FAIR LUMI (DONGGUAN)	3	743,445	54,318	32,000	-	-	1.70%	743,445	Y	N	Y
0	The Company	SHIAN YIH (DONGGUAN)	3	743,445	164,216	128,000	-	-	6.79%	743,445	Y	N	Y

Note1: The relationship between the guarantor and the counter-party of guarantee and endorsement is as follows:

1. Transaction counterparties.
2. An entity wherein the Company owns more than 50% voting rights, directly or indirectly.
3. The entity owning more than 50% voting rights in the Company, directly or indirectly.
4. The Company owned at least 90% of voting rights in the entity, directly or indirectly.
5. An industry peer or joint builder mutually guaranteed according to a construction contract.
6. An entity endorsed and/or guaranteed by all shareholders in proportion to shareholding in joint investment.
7. An industry peer and joint provider of performance guarantee for a presale contract pursuant to the Consumer Protection Act.

Note 2: The aggregate amount of loans to a single subsidiary shall not exceed 40% of the equity attributable to owners of parent for the most recent period.

Note 3: The the guarantees provided for other parties shall not exceed 40% of the equity attributable to owners of parent reported in the latest financial statements.

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Notes to the Consolidated Financial Statements

(iii) Securities held as of March 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Book value	Percentage of ownership (%)	Fair value	
The Company	Ordinary share Ying Cheng Investment Corp.	None	Financial assets at fair value through other comprehensive income — non-current	2,534	8,738	15.83%	8,738	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None

(viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions (2022)			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	FAIR LUMI (DONGGUAN)	1	Sale	545	Note 4	0.13%
0	The Company	SHIAN YIH (DONGGUAN)	1	Sale	876	Note 3	0.21%
0	The Company	FAIR LUMI (DONGGUAN)	1	Purchase	62,865	Note 4	15.05%
0	The Company	SHIAN YIH (DONGGUAN)	1	Purchase	71,391	Note 3	17.09%
0	The Company	FAIR LUMI (DONGGUAN)	1	Trade payable	37,881	Note 5	1.46%
0	The Company	SHIAN YIH (DONGGUAN)	1	Trade payable	43,224	Note 5	1.66%
0	The Company	FAIR LUMI (DONGGUAN)	1	Endorsement guaranteed	32,000	In compliance with the Regulations Governing Endorsement/Guarantee	1.23%
0	The Company	SHIAN YIH (DONGGUAN)	1	Endorsement guaranteed	128,000	In compliance with the Regulations Governing Endorsement/Guarantee	4.93%
0	The Company	SHIAN YIH (DONGGUAN)	1	Other trade receivable	96,000	In compliance with the Regulations Governing Loans Made to Other Parties	3.70%
1	SHIAN YIH (DONGGUAN)	FAIR LUMI (DONGGUAN)	3	Trade payable	24,228	Same as arm's length transaction	5.80%
1	SHIAN YIH (DONGGUAN)	FAIR LUMI (DONGGUAN)	3	Account payable	72,800	Same as arm's length transaction	2.80%

Note 1: "0" represents the parent; subsidiaries are sequentially numbered starting from "1".

Note 2: Relationships with transaction counterparties are numbered as follows:

1. Parent and subsidiary.
2. Subsidiary and parent.
3. Associates.

Note 3: Calculated as 64% to 82% of the selling prices of products.

Note 4: Calculated as 82% to 93% of the selling prices of products.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 5: Payment term is O/A 30 days.

Note 6: The above transactions were eliminated when compiling the consolidated financial statements.

(2) Information on investees:

The following are the information on investees for the three months ended March 31, 2024 (excluding information on investees in Mainland China):

(In Thousands of USD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2024			Net income (losses) of investee	Share of profits/losses of investee
				March 31, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Book value		
The Company	Shian Yih (Samoa)	Samoa	Investment	348,724 (USDS 10,500)	348,724 (USDS 10,500)	10,500	100.00%	781,375	6,286	8,312 (Note 1)
The Company	CHIAN YIH OPTOTECH CO., LTD.	Taiwan	Manufacture and sale of optical products	65,000	65,000	6,500	50.00%	19,056	(2,023)	(1,012)
Shian Yih (Samoa)	Fair Some (Samoa)	Samoa	Investment	348,724 (USDS 10,500)	348,724 (USDS 10,500)	10,500	100.00%	456,876 (USDS 14,277)	2,823 (USDS 90)	2,823 (USDS 90)
Shian Yih (Samoa)	Wise	Samoa	Investment	524,311 (USDS 16,650)	524,311 (USDS 16,650)	16,650	100.00%	329,943 (USDS 10,311)	3,463 (USDS 110)	3,463 (USDS 110)

Note 1: Equity-accounted investment gains of \$6,286 thousand; the unalized margins for the period amounted to \$2,026 thousand.

Note 2: The above transactions were eliminated when compiling the consolidated financial statements.

(3) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of USD)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2024	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow					
Dongguan Fair Lumi Optronics Co., Ltd.	Manufacture and sale of small and medium-sized LED backlight modules	515,676 (USDS(16,650))	((Note 1)	USDS 16,650 (Note 3)	-	-	USDS 16,650 (Note 3)	100%	3,603 (USDS 115) (Note 2)	322,570 (USDS 10,080) (Note 4)	-
Dongguan Shian Yih Electronic Co., Ltd.	Manufacture and sale of small and medium-sized LED backlight modules	148,136 (USDS (5,000))	((Note 1)	USDS 5,000 (Note 3)	-	-	USDS 5,000 (Note 3)	100%	836 (USDS 27) (Note 2)	302,216 (USDS 9,444) (Note 4)	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA (Not 5)	Upper Limit on Investment
663,812 (US\$21,650) (Note 3)	874,016 (US\$28,550)	1,115,168

Note 1: Indirect investment Mainland China through an existing company registered in the third region.

Note 2: Recognized according to investee' s audited financial statements for the same period for the three months ended March 31, 2024 (USD/NTD:31.4462, translated into NTD).

Note 3: The amount represents the investment using the capital increase out of offshore investees' earnings, rather than the funds remitted by the Company.

Note 4: Translated into New Taiwan dollars using the exchange rate (NT: 32.00) on the reporting date.

Note 5: Translated using the exchange rate on the date on which the investment was applied to the Investment Commission.

Note 6: The above transactions were eliminated when compiling the consolidated financial statements.

Through Fair some (Samoa), a third-region investee, the Company purchased machinery equipment at a price of US\$700 thousand. In addition, the Company established processing plants—Shian Yih Electronic Plant and Weiyang Plastic Plant in Dongkeng Dongguan, Mainland China to engage in manufacture and processing of backlight modules, which has been reported to the Investment Commission, Ministry of Economic Affairs on December 15, 2005.

(Continued)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions” .

(4) Major shareholders:None

Shareholder’ s Name	Shareholding	Shares	Percentage
Hui Kai Investment Corp.		5,745,151	9.39%
Wei-Si, Wang		3,840,815	6.27%
Group Tranding (Somoa)		3,674,448	6.00%

14 Segment information:

The reportable information of segment's profit and assets is in accordance with the consolidated financial statements. Please refer to Consolidted Statement of Financial Position and Consolidated Statement of Comprehensive Income.