

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

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
Nine Months Ended September 30, 2024 and 2023**

No. 22, Industry 24th Rd., Taichung Industrial Park, Taichung City, Taiwan, R. O. C.

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

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## **Independent Auditors’ Review Report**

To the Board of Directors of 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 September 30, 2024 and adjusted September 30, 2023, and the related consolidated statements of comprehensive income and changes in equity for the three months and nine months periods ended September 30, 2024 and 2023, and changes in cash flows for the nine months ended September 30, 2024 and adjusted for the nine months ended September 30, 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 September 30, 2024 and adjusted September 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the three months and nine months ended September 30, 2024 and adjusted September 30, 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)  
November 7, 2024

**Notes to Readers**

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

September 30, 2024, December 31, 2023, September 30, 2023 and January 1, 2023

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2024		December 31, 2023		September 30, 2023 (Adjusted)		January 1, 2023 (Adjusted)				September 30, 2024		December 31, 2023		September 30, 2023 (Adjusted)		January 1, 2023 (Adjusted)			
Assets		Amount	%	Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%	Amount	%		
<b>Current assets:</b>																					
1100	Cash and cash equivalents (note 6(1))	\$	1,302,346	55	1,052,016	40	1,081,530	39	1,144,909	41	2100	Short-term borrowings (note 6(12), 7 and 8)	\$	6,000	-	6,000	-	6,000	-	84,775	3
1170	Accounts receivable, net (note 6(3))		40,434	17	558,607	21	695,937	25	651,139	24	2130	Contract liabilities-current (note 6(22))		856	-	2,323	-	3,203	-	3,215	-
1200	Other receivables (note 6(4))		5,428	-	9,649	-	10,011	-	7,065	-	2170	Accounts payable		222,532	10	357,115	14	439,427	16	329,429	12
1220	Current tax assets (note 6(5))		3,167	-	-	-	-	-	7,065	-	2200	Other payables (note 7)		96,618	4	120,732	5	139,626	5	138,705	5
130X	Inventories (note 6(5))		264,010	11	393,338	15	351,112	13	397,413	14	2230	Current tax liabilities		1,698	-	32,153	1	26,557	1	38,994	1
1410	Prepayments		33,426	1	47,012	2	50,344	2	64,354	2	2280	Lease liabilities-current (notes 6(15))		8,168	-	5,524	-	6,973	-	7,819	-
1470	Other current assets		1,601	-	3,011	-	1,835	-	1,901	-	2300	Other current liabilities (notes 6(13))		9,306	-	8,243	-	7,878	-	6,961	-
1476	Other financial assets-current (note 6(11) and 8)		35,322	2	246,764	10	233,525	8	107,762	4	2313	Deferred revenue (notes 6(16))		586	-	1,356	-	1,532	-	1,967	-
			2,049,934	86	2,310,397	88	2,424,294	87	2,374,543	85	2320	Long-term borrowings, current portion (notes 6(14) and 8)		59,339	3	64,637	3	65,814	3	65,814	3
														405,103	17	598,083	23	697,010	25	677,679	24
<b>Non-current assets:</b>																					
1521	Non-current financial assets at fair value through other comprehensive income(note 6(2))		9,470	-	9,334	-	13,633	1	15,406	1	2540	Long-term borrowings (notes 6(14) and 8)		75,073	3	118,041	5	132,879	5	180,711	7
1600	Property, plant and equipment (notes (6(7) and 8)		221,124	10	260,922	10	270,811	10	325,364	12	2570	Deferred tax liabilities		22,334	1	14,868	-	24,819	1	12,848	-
1755	Right-of-use assets (notes 6(8))		41,836	2	28,852	1	31,400	1	37,497	1	2580	Lease liabilities—non-current (notes 6(15))		11,969	1	2,142	-	2,672	-	7,550	-
1760	Investment property, net (note 6(9))		103	-	1,002	-	1,369	-	2,206	-	2630	Long-term deferred revenue (notes 6(16))		115	-	440	-	702	-	1,796	-
1822	Intangible assets (note 6(10))		5,778	-	2,420	-	1,109	-	1,097	-	2670	Other non-current liabilities		1,321	-	1,173	-	1,193	-	1,033	-
1840	Deferred tax assets		40,363	2	22,273	1	22,430	1	22,047	1				110,812	5	136,664	5	162,265	6	203,938	7
1900	Other non-current assets		91	-	1,667	-	8,024	-	544	-				515,915	22	734,747	28	859,275	31	881,617	31
1980	Other financial assets-non current (note 6(11))		1,483	-	1,382	-	1,384	-	1,382	-	<b>Total liabilities</b>										
			320,248	14	327,852	12	350,160	13	405,543	15	<b>Equity attributable to owners of parent</b>										
											<b>(notes 6(20)):</b>										
										3100	Share capital		611,750	26	611,750	23	611,750	22	611,750	22	
										3200	Capital surplus		669,678	28	669,678	25	669,678	24	669,678	24	
										3300	Retained earnings		674,801	28	751,522	28	740,034	26	725,043	26	
										3400	Other equity		(117,946)	(5)	(148,454)	(5)	(123,704)	(4)	(130,082)	(4)	
											Total equity attributable to owners of parent:		1,838,283	77	1,884,496	71	1,897,758	68	1,876,389	68	
										36XX	Non-controlling interests (notes 6(6))		15,984	1	19,006	1	17,421	1	22,080	1	
											<b>Total equity</b>		1,854,267	78	1,903,502	72	1,915,179	69	1,898,469	69	
<b>Total assets</b>		<b>\$</b>	<b>2,370,182</b>	<b>100</b>	<b>2,638,249</b>	<b>100</b>	<b>2,774,454</b>	<b>100</b>	<b>2,780,086</b>	<b>100</b>	<b>Total liabilities and equity</b>	<b>\$</b>	<b>2,370,182</b>	<b>100</b>	<b>2,638,249</b>	<b>100</b>	<b>2,774,454</b>	<b>100</b>	<b>2,780,086</b>	<b>100</b>	

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 and Nine months ended September 30, 2024 and 2023**

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

	three months ended September 30				nine months ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 <b>Operating revenue</b> (note 6(22))	\$385,334	100	649,043	100	1,179,469	100	1,593,424	100
5000 <b>Operating costs</b> (notes 6(5), (18) and (23))	395,471	103	512,336	79	1,050,700	89	1,309,663	82
5950 <b>Gross profit from operations</b>	(10,137)	(3)	136,707	21	128,769	11	283,761	18
<b>Operating expenses</b> (notes 6(15), (18) and (23)) :								
6100 Selling expenses	12,697	3	20,803	3	45,263	4	52,809	3
6200 Administrative expenses	17,540	5	41,785	7	86,903	7	110,679	7
6300 Research and development expenses	11,962	3	15,764	2	40,755		47,192	3
	42,199	11	78,352	12	1,72,921	15	210,680	13
6900 <b>Net operating income</b>	(52,336)	(14)	58,355	9	(44,152)	(4)	73,081	5
7000 <b>Non-operating income and expenses:</b>								
7100 Interest income (note 6(24))	13,440	3	12,345	2	39,283	3	34,360	2
7010 Other income (note 6(16) and (24))	2,772	1	3,256	-	8,025	1	9,415	1
7190 Other gains and losses, net (notes 6(24))	1,720	-	3	-	1,885	-	393	-
7630 Foreign exchange gain and losses, net	(30,112)	(8)	42,064	7	36,603	3	59,464	3
7050 Finance costs (notes 6(15) and (24))	(716)	-	(968)	-	(2,385)	-	(3,917)	-
	(12,896)	(3)	56,700	9	83,411	7	99,715	6
7900 <b>Profit before income tax</b>	(65,232)	(17)	115,055	18	39,259	3	172,796	11
7950 <b>Less: Income tax expenses</b> (note 6(19))	(10,605)	(3)	22,176	4	15,004	1	40,114	3
8200 <b>Profit for the period</b>	(54,627)	(14)	92,879	14	240,255	2	132,682	8
8300 <b>Other comprehensive income:</b>								
8310 <b>Items that may not be reclassified subsequently to profit or loss:</b>								
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(274)	-	1,269	-	136	-	(1,773)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss(notes 6(19))	-	-	-	-	-	-	-	-
	(275)	-	1,269	-	136	-	(1,773)	-
8360 <b>Items that may be reclassified subsequently to profit or loss:</b>								
8361 Exchange differences on translation of foreign financial statements	2,334	-	22,818	4	30,372	3	8,151	1
8399 Income tax related to items that will be reclassified to profit or loss(notes 6(19))	-	-	-	-	-	-	-	-
	2,334	-	22,818	4	30,372	3	8,151	1
8300 <b>Other comprehensive income (after tax)</b>	2,060	-	24,087	4	30,508	3	6,378	1
8500 <b>Total comprehensive income for the period</b>	<b>\$(52,567)</b>	<b>(14)</b>	<b>116,966</b>	<b>18</b>	<b>54,763</b>	<b>5</b>	<b>139,060</b>	<b>9</b>
<b>Profit (loss), attributable to:</b>								
8610 Owners of parent	\$(53,558)	(14)	94,404	14	27,277	2	137,341	8
8620 Non-controlling interest(note 6(6))	(1,069)	-	(1,525)	-	(3,022)	-	(4,659)	-
	<b>\$(54,627)</b>	<b>(14)</b>	<b>92,879</b>	<b>14</b>	<b>24,255</b>	<b>2</b>	<b>132,682</b>	<b>8</b>
<b>Comprehensive income attributable to:</b>								
8710 Owners of parent	\$(51,498)	(14)	118,491	18	57,785	5	143,719	9
8720 Non-controlling interest	(1,069)	-	(1,525)	-	(3,022)	-	(34,659)	-
	<b>\$(52,567)</b>	<b>(14)</b>	<b>116,966</b>	<b>18</b>	<b>54,763</b>	<b>5</b>	<b>139,060</b>	<b>9</b>
<b>Earnings per share</b> (note 6(21))								
9750 <b>Basic earnings per share</b> (NT dollars)	<b>(\$0.88)</b>		<b>1.54</b>		<b>0.45</b>		<b>2.25</b>	
9850 <b>Diluted earnings per share</b> (NT dollars)	<b>(\$0.88)</b>		<b>1.53</b>		<b>0.44</b>		<b>2.22</b>	

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 nine months ended September 30, 2024 and 2023  
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Retained earnings						Other equity			Total equity attributable to owners of parent	Non-controlling interests	Total equity
							Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements		Total			
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 nine months ended September 30, 2023	-	-	-	-	137,341	137,341	-	-	-	137,341	(4,659)	132,682
Other comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	-	8,151	(1,773)	6,378	6,378	-	6,378
Comprehensive income for the nine months ended September 30, 2023	-	-	-	-	137,341	137,41	8,151	(1,773)	6,378	143,719	(4,659)	139,060
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	18,496	-	(18,496)	-	-	-	-	-	-	-
special reserve	-	-	-	(27,539)	27,539	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(122,350)	(122,350)	-	-	-	(122,350)	-	(122,350)
	-	-	18,496	(27,539)	(113,307)	(122,350)	-	-	-	(122,350)	-	(122,350)
Balance at September 30, 2023	\$ 611,750	669,678	248,469	130,082	361,483	740,034	(112,002)	(11,702)	(123,704)	1,897,758	17,421	1,915,179
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 nine months ended September 30, 2024	-	-	-	-	27,277	27,277	-	-	-	27,277	(3,022)	24,255
Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	-	30,372	136	30,508	30,508	-	30,508
Comprehensive income for the nine months ended September 30, 2024	-	-	-	-	27,277	27,277	30,372	136	30,508	57,785	(3,022)	54,763
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	14,883	-	(14,883)	-	-	-	-	-	-	-
special reserve	-	-	-	18,372	(18,372)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(103,998)	(103,998)	-	-	-	(103,998)	-	(103,998)
	-	-	14,883	18,372	(137,253)	(103,998)	-	-	-	(103,998)	-	(103,998)
Balance at September 30, 2024	\$ 611,750	669,678	263,352	148,454	262,995	674,801	(102,081)	(15,865)	(117,946)	1,838,283	15,984	1,854,267

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 nine months ended September 30, 2024 and 2023**

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

	<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023 (Adjusted)</b>
<b>Cash flows from operating activities:</b>		
Profit before tax	\$ 39,259	172,796
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation expense	68,524	73,931
Amortization expense	1,304	53
Interest expense	2,385	3,917
Interest income	(39,283)	(34,360)
Gain from disposal of property, plan and equipment	(1,885)	(393)
Total adjustments to reconcile profit (loss)	31,045	43,148
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
Decrease (increase) in accounts receivable	153,973	(44,798)
Decrease (increase) in other receivables	3,744	(2,913)
Decrease in inventories	129,328	46,301
Decrease in prepayments	13,586	14,010
Decrease in other current assets	1,410	66
Total changes in operating assets	302,041	12,666
Changes in operating liabilities:		
(Decrease) increase in accounts payable	(134,583)	109,998
(Decrease) increase in other payables include related parties	(22,764)	1,628
(Decrease) increase in other current liabilities	(404)	905
Total changes in operating liabilities	(157,751)	112,531
Total changes in operating assets and liabilities	144,290	125,197
Total adjustments	175,335	168,345
Cash inflow generated from operations	214,594	341,141
Interest received	39,760	34,327
Interest paid	(2,392)	(4,606)
Income taxes paid	(59,327)	(40,939)
<b>Net cash flows from operating activities</b>	<b>192,635</b>	<b>329,923</b>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(12,419)	(12,876)
Proceeds from disposal of property, plant and equipment	1,885	1,585
Decrease (increase) in refundable deposits	(101)	(2)
Acquisition of intangible assets	(4,562)	(65)
Decrease (increase) in other financial assets	211,442	(125,763)
Increase in other non-current assets	(1,896)	(8,009)
<b>Net cash flows from investing activities</b>	<b>194,349</b>	<b>(145,130)</b>
<b>Cash flows from financing activities:</b>		
Decrease in short-term borrowings	-	(79,386)
Repayments of long-term borrowings	(49,361)	(49,361)
Increase in guarantee deposits received	148	160
Payment of lease liabilities	(5,987)	(5,897)
Cash dividends	(103,998)	(122,350)
<b>Net cash flows used in financing activities</b>	<b>(159,198)</b>	<b>(256,834)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>22,544</b>	<b>8,662</b>
<b>Net increase in cash and cash equivalents</b>	<b>250,330</b>	<b>(63,379)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,052,016</b>	<b>1,144,909</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,302,346</b>	<b>1,081,530</b>

See accompanying notes to consolidated financial statements.



# SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

## Notes to the 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

September 30, 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 nine Months ended September 30, 2024 and 2023 were authorized for issuance by the board of directors on November 7, 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) Impact of not yet adopting International Financial Reporting Standards recognized by the FSC

The Group assesses that the application of the following new amendments effective will not have a significant impact on the consolidated financial statements from January 1, 2025.

- Amendments to IAS 21 “Lack of Exchangeability”

(Continued)

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

### Notes to the Consolidated Financial Statements

- (c) 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
	<p>● 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.</p> <p>● Management performance measures (MPM): 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.</p> <p>● 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.</p>	January 1, 2027

(Continued)

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

### Notes to the Consolidated Financial Statements

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”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards

#### 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.

(Continued)

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

(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		
			September 30, 2024	December 31, 2023	September 30, 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.

(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.

(Continued)

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

### Notes to the Consolidated Financial Statements

#### (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.

#### 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

	September 30, 2024	December 31, 2023	September 30, 2023(adjusted)
Cash on hand and petty cash	\$ 1,422	2,635	4,100
Demand deposits	407,784	333,704	332,591
Checking account deposits	64	239	242
Time deposits	893,076	715,438	744,597
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 1,302,346</u>	<u>1,052,016</u>	<u>1,081,530</u>

(Continued)

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

### Notes to the Consolidated Financial Statements

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 September 30, 2023 and January 1, 2023 to \$354,088 thousand and \$340,714 thousand, respectively, and reclassified other financial assets-non-current into cash and about cash.

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

	September 30, 2024	December 31, 2023	September 30, 2023
Equity investments at fair value through other comprehensive income: :			
Unlisted common shares			
Domestic Company—Ying Cheng Investment Corp.	\$ 9,470	9,334	13,633

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 nine months ended September 30, 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

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable — measured as amortized cost	\$ 404,634	558,607	695,937
Less: loss allowance	-	-	-
	<u>\$ 404,634</u>	<u>558,607</u>	<u>695,937</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 September 30, 2024, December 31, 2023 and September 30, 2023 were determined as follows:

	September 30, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 374,492	-	-
1 to 30 days past due	25,989	-	-
31 to 60 days past due	3,035	-	-
61 to 90 days past due	444	-	-
More than 91 days past due	674	-	-
Total	<u>\$ 404,634</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>

	September 30, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 644,896	-	-
1 to 30 days past due	39,262	-	-
31 to 60 days past due	10,009	-	-
61 to 90 days past due	423	-	-
More than 91 days past due	1,347	-	-
Total	<u>\$ 695,937</u>		<u>-</u>

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

	For the nine months ended September	
	2024	2023
Balance at January 1(which is Balance at September 30)	-	-

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Other receivables	<u><b>\$ 5,428</b></u>	<u><b>9,649</b></u>	<u><b>10,011</b></u>

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

(5) Inventories

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Merchandise	\$ 18,821	17,189	12,857
Finished goods	91,902	130,009	99,618
Work in progress	66,699	76,406	98,291
Raw materials	83,080	165,311	135,698
Supplies	3,508	4,423	4,648
	<u><b>\$ 264,010</b></u>	<u><b>393,338</b></u>	<u><b>351,112</b></u>

The costs of sales were as follows:

	<b>three months ended September 30</b>		<b>nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Inventory that has been sold	\$295,545	504,153	913,529	1,279,279
Write-down of inventories	84,587	2,917	96,717	1,472
Losses on inventory write-offs	1,125	1,025	3,903	5,915
Overage of inventories	-	6	(1)	(11)
Unallocated production overheads	14,214	4,235	36,552	23,008
Operating costs	<u><b>\$395,471</b></u>	<u><b>512,336</b></u>	<u><b>1,050,700</b></u>	<u><b>1,309,663</b></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:

<u>Subsidiary</u>	<u>Major Operation place Registered country</u>	<u>Percentage of non-controlling interests</u>		
		<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
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 :

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current assets	\$ 11,268	15,119	11,894
Non-current assets	31,916	34,964	35,980
Current liabilities	(10,469)	(9,721)	(10,152)
Non-current liabilities	(745)	(2,348)	(2,878)
Net assets	<u>\$ 31,970</u>	<u>38,014</u>	<u>34,844</u>
Non-controlling interests	<u>\$ 15,984</u>	<u>19,006</u>	<u>17,421</u>

	<u>three months ended September 30</u>		<u>nine months ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Sale revenue	<u>\$2,951</u>	<u>1,842</u>	<u>7,963</u>	<u>7,724</u>
Net loss	(\$2,137)	(3,049)	(6,044)	(9,318)
Other comprehensive income	-	-	-	-
Comprehensive income	<u>(\$2,137)</u>	<u>(3,049)</u>	<u>(6,044)</u>	<u>(9,318)</u>
Loss, attributable to non-controlling interests	<u>(\$1,069)</u>	<u>(1,525)</u>	<u>(3,022)</u>	<u>(4,659)</u>
Comprehensive income, attributable to non-controlling interests	<u>(\$1,069)</u>	<u>(1,525)</u>	<u>(3,022)</u>	<u>(4,659)</u>

(Continued)

# SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

	For the nine months ended September 30	
	2024	2023
Net cash flows from operating activities	(\$1,778)	(3,237)
Net cash flows from financing activities	(1,575)	(3,386)
Net decrease in cash and cash equivalents	<b>(\$3,353)</b>	<b>(6,623)</b>

### (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
<b>Cost:</b>						
Balance on January 1, 2024	\$ 6,971	578,187	465,527	120,030	2,328	1,173,043
Additions	-	713	10,569	1,729	1,584	14,595
Disposal	-	-	(14,283)	(90)	-	(14,373)
Reclassification	-	-	2,045	126	(2,171)	-
Effect of movements in exchange rates	-	18,670	15,180	2,572	90	36,512
Balance on September 30, 2024	<b>\$ 6,971</b>	<b>597,570</b>	<b>479,038</b>	<b>124,367</b>	<b>1,831</b>	<b>1,209,777</b>
Balance on January 1, 2023	\$ 6,971	584,210	453,535	117,121	6,439	1,168,276
Additions	-	1,815	6,776	4,776	64	13,431
Disposal	-	-	(2,824)	(533)	(1,192)	(4,549)
Reclassification	-	-	4,886	330	(5,216)	-
Effect of movements in exchange rates	-	4,409	(609)	(72)	(30)	3,698
Balance on September 30, 2023	<b>\$ 6,971</b>	<b>590,434</b>	<b>461,764</b>	<b>121,622</b>	<b>65</b>	<b>1,180,856</b>
<b>Accumulated depreciation:</b>						
Balance on January 1, 2024	\$ -	429,727	381,974	100,420	-	912,121
Depreciation	-	24,495	29,622	7,093	-	61,210
Disposal	-	-	(14,283)	(90)	-	(14,373)
Effect of movements in exchange rates	-	14,390	13,030	2,275	-	29,695
Balance on September 30, 2024	<b>\$ -</b>	<b>468,612</b>	<b>410,343</b>	<b>109,698</b>	<b>-</b>	<b>988,653</b>
Balance on January 1, 2023	\$ -	397,919	352,255	92,738	-	842,912
Depreciation	-	28,763	29,344	8,634	-	66,741
Disposal	-	-	(2,824)	(533)	-	(3,357)
Effect of movements in exchange rates	-	4,430	(614)	(67)	-	3,749
Balance on September 30, 2023	<b>\$ -</b>	<b>431,112</b>	<b>378,161</b>	<b>100,772</b>	<b>-</b>	<b>910,045</b>
<b>Carrying amounts:</b>						
Balance on January 1, 2024	<b>\$ 6,971</b>	<b>148,460</b>	<b>83,553</b>	<b>19,610</b>	<b>2,328</b>	<b>260,922</b>
Balance on September 30, 2024	<b>\$ 6,971</b>	<b>128,958</b>	<b>68,695</b>	<b>14,669</b>	<b>1,831</b>	<b>221,124</b>
Balance on January 1, 2023	<b>\$ 6,971</b>	<b>186,291</b>	<b>101,280</b>	<b>24,383</b>	<b>6,439</b>	<b>325,364</b>
Balance on September 30, 2023	<b>\$ 6,971</b>	<b>159,322</b>	<b>83,603</b>	<b>20,850</b>	<b>65</b>	<b>270,811</b>

As of September 30, 2024, December 31, 2023 and September 30, 2023, the property, plant and equipment had been pledged as collateral for long-term bank loans; please refer to note 8.

(Continued)

# SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

### (8) Right-of-use assets

	<b>Land</b>	<b>Buildings and Construction</b>	<b>Total</b>
<b>Cost:</b>			
Balance on January 1, 2024	\$ 25,421	41,928	67,349
Additions	-	18,458	18,458
Effect of movements in exchange rates	876	-	876
Balance on September 30, 2024	<b>\$ 26,297</b>	<b>60,386</b>	<b>86,683</b>
Balance on January 1, 2023	\$ 25,936	41,754	67,690
Additions	-	174	174
Effect of movements in exchange rates	15	-	15
Balance on September 30, 2023	<b>\$ 25,951</b>	<b>41,928</b>	<b>67,879</b>
<b>Accumulated depreciation:</b>			
Balance on January 1, 2024	\$ 3,842	34,655	38,497
Depreciation for the year	563	5,810	6,373
Effect of movements in exchange rates	(23)	-	(23)
Balance on September 30, 2023	<b>\$ 4,382</b>	<b>40,465</b>	<b>44,847</b>
Balance on January 1, 2023	\$ 3,174	27,019	30,193
Depreciation for the year	554	5,726	6,280
Effect of movements in exchange rates	6	-	6
Balance on September 30, 2023	<b>\$ 3,734</b>	<b>32,745</b>	<b>36,479</b>
<b>Carrying amounts:</b>			
Balance on January 1, 2024	<b>\$ 21,579</b>	<b>7,273</b>	<b>28,852</b>
Balance on September 30, 2024	<b>\$ 21,915</b>	<b>19,921</b>	<b>41,836</b>
Balance on January 1, 2023	<b>\$ 22,762</b>	<b>14,735</b>	<b>37,497</b>
Balance on September 30, 2023	<b>\$ 22,217</b>	<b>9,183</b>	<b>31,400</b>

(Continued)

# SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

### (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:

	<b>Self-owned asset–buildings and structures</b>
<b>Carrying amounts:</b>	
Balance on January 1, 2024	<u>\$ 1,002</u>
Balance on September 30, 2024	<u>\$ 103</u>
Balance on January 1, 2023	<u>\$ 2,206</u>
Balance on September 30, 2023	<u>\$ 1,369</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the nine months ended September 30, 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.

(Continued)

# 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
<b>Carrying value:</b>			
Balance on January 1, 2024	\$ 1,360	1,060	2,420
Balance on September 30, 2024	\$ 4,718	1,060	5,778
Balance on January 1, 2023	\$ 37	1,060	1,097
Balance on September 30, 2023	\$ 49	1,060	1,109

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the nine months ended September 30, 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:

	September 30, 2024	December 31, 2023	September 30, 2023(adjusted)
Restricted bank deposits	\$ 3,672	4,361	4,583
Time deposits—more than 3 months	31,650	242,403	228,942
Guarantee deposits paid	1,483	1,382	1,384
	<b>\$ 36,805</b>	<b>248,146</b>	<b>234,909</b>
	September 30, 2024	December 31, 2023	September 30, 2023(adjusted)
Current	\$ 35,322	246,764	233,525
Non-current	1,483	1,382	1,384
	<b>\$ 36,805</b>	<b>248,146</b>	<b>234,909</b>

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 September 30, 2023 and January 1, 2023, of which \$99,862 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.

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.

(Continued)

# SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

For the restricted bank deposits pledged as security, please refer to note 8.

For the nine months ended September 30, 2024 and 2023, no impairment has been recognized for other financial assets.

Please refer to note 6(25) for credit risk and market risk associated with other financial assets.

### (12) Short-term borrowings

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Other short-term borrowings - related parties	<u>\$ 6,000</u>	<u>6,000</u>	<u>6,000</u>
Unused short-term credit lines	<u>\$ 468,775</u>	<u>456,018</u>	<u>477,145</u>
Range of interest rates	<u>2.3%</u>	<u>2.3%</u>	<u>2.05%</u>

#### (i) Issuance short-term borrowings and repayments

There were no significant issues, repurchases and repayments of short-term borrowings for the nine months ended September 30, 2024 and 2023. For the nine months ended September 30, 2024 and 2023 the Group's repayments were \$0 and \$79,386 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 note7.

### (13) Other current liabilities

The Group' s other current liabilities were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Advance molding payment	\$ 6,418	6,094	5,712
Temporary receipts	2,345	1,596	1,571
Receipts under custody	543	553	595
	<u>\$ 9,306</u>	<u>8,243</u>	<u>7,878</u>

(Continued)

# 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Secured bank loans	\$ 135,113	184,474	200,927
Less: current portion	(59,339)	(64,637)	(65,814)
Government grants	(701)	(1,796)	(2,234)
	<u>\$ 75,073</u>	<u>118,041</u>	<u>132,879</u>
Unused short-term credit lines	\$ -	-	-
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 nine months ended September 30, 2024 and 2023. For the nine months ended September 30, 2024 and 2023 the Group's repayments were \$49,361 thousand and \$49,361 thousand respectively.

#### (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:

	September 30, 2024	December 31, 2023	September 30, 2023
Current	\$ 8,168	5,524	6,973
Non-current	11,969	2,142	2,672
	<u>\$ 20,137</u>	<u>7,666</u>	<u>9,645</u>

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

(Continued)

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

The amounts recognized in profit or loss were as follows:

	three months ended September 30		nine months ended September 30	
	2024	2023	2024	2023
Interest on lease liabilities	<u>\$80</u>	<u>38</u>	<u>123</u>	<u>133</u>
Expenses relating to short-term leases	<u>\$1,261</u>	<u>1,216</u>	<u>3,560</u>	<u>3,449</u>

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

	For the nine months ended September 30	
	2024	2023
Total cash outflow for leases	<u>\$ 9,670</u>	<u>9,479</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

	September 30, 2024	December 31, 2023	September 30, 2023
Government grants	<u>\$ 701</u>	<u>1,796</u>	<u>2,234</u>
Current	\$ 586	1,356	1,532
Non-current	115	440	702
	<u>\$ 701</u>	<u>1,796</u>	<u>2,234</u>

As of September 30, 2024, December 31, 2023 and September 30, 2023, the Group's government preferential low-interest loans under the "Plan of Welcoming Overseas Taiwanese Businesspersons to Invest in Taiwan" amounted to \$135,113 thousand, \$184,474 thousand and \$200,927 thousand and the fair values thereof amounted to \$134,412 thousand, \$182,678 thousand and \$198,693 thousand respectively. The differences between the amounts and fair values of the loans, amounting to \$701 thousand, \$1,796 thousand and \$2,234 thousand respectively, were considered to be government grants through low-interest loans and recognized as deferred revenues. For the three months and nine months ended September 30, 2024 and 2023, the Group's revenues from government grants amounted to \$329 thousand, \$473 thousand, \$1095 thousand and \$1,529 thousand, respectively, both of which were included in other revenues.

(Continued)



# 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 nine months ended September 30, 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 and nine months ended September 30, 2024 and 2023 were as follows:

	three months ended September 30		nine months ended September 30	
	2024	2023	2024	2023
Operating costs	\$354	450	1,176	1,275
Selling expenses	186	194	587	588
Administration expenses	423	397	1,247	1,177
Research and development expenses	126	143	364	446
	<u>\$1,089</u>	<u>1,184</u>	<u>3,374</u>	<u>3,486</u>

Except for the Company, other subsidiaries adopted the defined contribution method under their local law, and accordingly, the pension costs were \$6,168 thousand, \$6,171 thousand, \$18,057 thousand and \$18,525 thousand for the three months and nine months ended September 30, 2024 and 2023.

### (19) Income taxes

(i) The components of income tax for the three months and nine months ended September 30, 2024 and 2023 were as follows:

	three months ended September 30		nine months ended September 30	
	2024	2023	2024	2023
Current tax expense				
Current period	\$11,003	12,180	23,822	26,982
Tax on undistributed earnings	-	-	579	3,582
Adjustment for prior periods	5	541	1,227	(2,038)
	<u>11,008</u>	<u>12,721</u>	<u>25,628</u>	<u>28,526</u>
Deferred tax expense				
Origination and reversal of temporary differences	(21,613)	9,455	(10,624)	11,588
Income taxes	<u><u>\$(10,605)</u></u>	<u><u>22,176</u></u>	<u><u>15,004</u></u>	<u><u>40,114</u></u>

(Continued)

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

### Notes to the Consolidated Financial Statements

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

(iii) Assessment of tax

The tax returns of the Company and its domestic subsidiaries have been examined and approved until 2022 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 September 30, 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 September 30, 2024, December 31, 2023 and September 30, 2023 was \$148,454 thousand, \$130,082 thousand and \$130,082 thousand, respectively.

(Continued)

# 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	30,372	-	30,372
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	136	136
Balance on September 30, 2024	<u>\$ (102,081)</u>	<u>(15,865)</u>	<u>(117,946)</u>
Balance on January 1, 2023	\$ (120,153)	(9,929)	(130,082)
Exchange differences on foreign operations	8,151	-	8,151
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(1,773)	(1,773)
Balance on September 30, 2023	<u>\$ (112,002)</u>	<u>(11,702)</u>	<u>(123,704)</u>

(Continued)

# 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 and nine months ended September 30, 2024 and 2023, the Company's earnings per share were calculated as follows:

##### 1) Profit attributable to ordinary shareholders of the Company

	three months ended September 30		nine months ended September 30	
	2024	2023	2024	2023
Net Profit attributable to ordinary shareholders of the Company	<u><u>\$ (53,558)</u></u>	<u><u>94,404</u></u>	<u><u>27,277</u></u>	<u><u>137,341</u></u>

##### 2) Weighted average number of ordinary shares

	three months ended September 30		nine months ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares(in thousands)	<u><u>61,175</u></u>	<u><u>61,175</u></u>	<u><u>61,175</u></u>	<u><u>61,175</u></u>
Basic earnings per share (NT dollars)	<u><u>(0.88)</u></u>	<u><u>1.54</u></u>	<u><u>0.45</u></u>	<u><u>2.25</u></u>

#### (ii) Diluted earnings per share

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

	three months ended September 30		nine months ended September 30	
	2024	2023	2024	2023
Net profit attributable to ordinary shareholders of the Company (diluted)	<u><u>\$ (53,558)</u></u>	<u><u>94,404</u></u>	<u><u>27,277</u></u>	<u><u>137,341</u></u>

(Continued)

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

**Notes to the Consolidated Financial Statements**

2) Weighted average number of ordinary shares (diluted)

	<b>three months ended September 30</b>		<b>nine months ended September 30</b>	
	<b>2023</b>		<b>2024</b>	<b>2023</b>
Weighted average number of ordinary shares(basic) (in thousands)	61,175		61,175	61,175
Effect of dilutive potential ordinary shares				
Effect of employee share bonus	381		155	719
Weighted average number of ordinary shares(after adjustment of potential diluted ordinary shares)	<u>61,556</u>		<u>61,330</u>	<u>61,894</u>
Diluted earnings per share (NT dollars)	<u>1.53</u>		<u>0.44</u>	<u>2.22</u>

There was the net loss after tax, without dilution effect for the three months ended September 30, 2024.

(22) Revenue from contracts with customers

(i) Disaggregation of revenue

	<b>three months ended September 30</b>		<b>nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<u>Primary geographical markets</u>				
Taiwan	\$120,312	152,390	340,376	422,555
China	163,926	262,051	539,157	644,291
Japan	11,959	17,264	36,274	43,726
The United States	54,987	124,776	177,514	298,901
Other countries	34,150	92,562	86,148	183,951
	<u>\$385,334</u>	<u>649,043</u>	<u>1,179,469</u>	<u>1,593,424</u>
<u>Major products/services lines</u>				
Backlight modules	\$332,449	596,978	1,034,003	1,452,138
Other	52,885	52,065	145,466	141,286
	<u>\$385,334</u>	<u>649,043</u>	<u>1,179,469</u>	<u>1,593,424</u>

(Continued)

# SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

### (ii) Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023
Contract liabilities	<u>\$ 856</u>	<u>2,323</u>	<u>3,203</u>

The amount of revenue recognized for the three months and nine months ended September 30, 2024 and 2023 that was included in the contract liability balance at the beginning of the period were \$0 , \$0 thousand , \$1,811 thousand and \$126 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 and nine months ended September 30, 2024 and 2023, the Company' s employee remunerations were estimated at \$(10,242) thousand , \$13,061 thousand, \$1,209 thousand and \$19,728 thousand, and director and supervisor remunerations were estimated at \$(1,599) thousand , \$2,613 thousand , \$691 thousand and \$3,946 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, 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.

(Continued)

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

(24) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	<b>three months ended September 30</b>		<b>nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest income from bank deposits	<u><b>\$13,440</b></u>	<u><b>12,345</b></u>	<u><b>39,283</b></u>	<u><b>34,360</b></u>

(ii) Other income

The details of other income were as follows:

	<b>three months ended September 30</b>		<b>nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Rent income	\$1,325	1,220	3,947	3,351
Government grants income	329	473	1,095	1,529
Other income	1,118	1,563	2,983	4,535
	<u><b>\$2,772</b></u>	<u><b>3,256</b></u>	<u><b>8,025</b></u>	<u><b>9,415</b></u>

(iii) Other gains and losses

The details of other gains and losses were as follows:

	<b>three months ended September 30</b>		<b>nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Gains on disposals of property, plant and equipment	<u><b>\$1,720</b></u>	<u><b>3</b></u>	<u><b>1,885</b></u>	<u><b>393</b></u>

(iv) Finance costs

The details of finance costs were as follows:

	<b>three months ended September 30</b>		<b>nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest expense on bank deposits	\$636	930	2,262	3,784
Implicit interest on leases	80	38	123	133
	<u><b>\$716</b></u>	<u><b>968</b></u>	<u><b>2,385</b></u>	<u><b>3,917</b></u>

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

### Notes to the Consolidated Financial Statements

#### (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 September 30, 2024, December 31, 2023 and September 30, 2023, the Group assessed the concentrations of credit risk arising from its major Customer, at percentages below 40%, 45% and 38%, 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 nine months ended September 30, 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.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1~2years</u>	<u>2~5years</u>	<u>Over 5 years</u>
<b>September 30, 2024</b>						
Non-derivative financial liabilities						
Secured bank loans with floating rate	\$ 134,412	137,432	60,536	59,508	17,160	228
Fixed-rate loan	6,000	6,017	6,017	-	-	-
Accounts payable (non-interest-bearing)	222,532	222,532	222,532	-	-	-
Other payables (non-interest-bearing)	96,618	96,618	99,618	-	-	-
Lease liabilities (fixed interest rate)	20,137	20,720	8,520	6,900	5,300	-
Guarantee deposits received	1,321	1,321	226	229	784	82
	<b>\$ 481,020</b>	<b>484,640</b>	<b>394,449</b>	<b>66,637</b>	<b>23,244</b>	<b>310</b>
<b>December 31, 2023</b>						
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
	<b>\$ 675,364</b>	<b>681,008</b>	<b>555,571</b>	<b>62,531</b>	<b>59,619</b>	<b>3,287</b>
<b>September 30, 2023</b>						
Non-derivative financial liabilities						
Secured bank loans with floating rate	\$ 198,693	204,862	66,830	61,065	72,757	4,210
Fixed-rate loan	6,000	6,021	6,021	-	-	-
Accounts payable (non-interest-bearing)	439,427	439,427	439,427	-	-	-
Other payables (non-interest-bearing)	139,626	139,626	139,626	-	-	-
Lease liabilities (fixed interest rate)	9,645	9,760	7,060	2,160	540	-
Guarantee deposits received	1,193	1,193	243	-	869	81
	<b>\$ 794,584</b>	<b>800,889</b>	<b>659,207</b>	<b>63,225</b>	<b>74,166</b>	<b>4,291</b>

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) Market risk

1) Currency risk

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

(In thousands of foreign currencies)										
September 30, 2024				December 31, 2023			September 30, 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	\$	46,451	31.65	1,470,174	48,194	30.705	1,479,797	51,625	32.270	1,665,939
RMB		1,462	4.5114	6,596	2,656	4.3295	11,499	4,290	4.4204	18,964
HKD		952	4.075	3,879	1,298	3.929	5,100	1,213	4.123	5,001
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD	\$	8,259	31.65	261,397	10,204	30.705	313,314	12,308	32.270	397,179
RMB		213	4.5114	961	649	4.3295	2,810	995	4.4204	4,398
HKD		313	4.075	1,275	463	3.929	1,819	424	4.123	1,748

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 September 30, 2024 and September 30, 2023, with all other variables remaining constant, would have increased or decreased profits after tax by \$9,736 thousand and \$10,293 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 nine months ended September 30, 2024 and 2023, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$36,603 thousand and \$59,464 thousand, respectively.

2) Interest rate

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.

(Continued)

# 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 \$4,745 thousand and \$4,657 thousand for the nine months ended September 30, 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.

### (iv) 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:

	Carrying amount	September 30, 2024			
		Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through other comprehensive income</b>					
Unlisted common shares	<u>\$ 9,470</u>	-	-	9,470	9,470
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	\$ 1,312,346	-	-	-	-
Accounts receivable	404,634	-	-	-	-
Other receivables (excluding tax refunds receivable)	4,139	-	-	-	-
Other financial assets—current	35,322	-	-	-	-
Other financial assets—non-current	<u>1,483</u>	-	-	-	-
Subtotal	<u>\$ 1,747,924</u>	-	-	-	-
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	\$ 6,000	-	-	-	-
Accounts payables	222,532	-	-	-	-
Other payables (to related parties)	96,618	-	-	-	-
Long-term borrowings (including current portion)	134,412	-	-	-	-
Lease liabilities (current and non-current)	20,137	-	-	-	-
Guarantee deposits received	<u>1,321</u>	-	-	-	-
Subtotal	<u>\$ 481,020</u>	-	-	-	-

(Continued)

## 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
<b>Financial assets at fair value through profit or loss</b>					
Unlisted common shares	\$ <u>9,334</u>	-	-	9,334	9,334
<b>Financial assets measured at amortized cost</b>					
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>	-	-	-	-
<b>Financial liabilities measured at amortized cost</b>					
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	September 30, 2023			
		Fair value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through other comprehensive income</b>					
Unlisted common shares	\$ <u>13,633</u>	-	-	13,633	13,633
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	\$ 1,081,530	-	-	-	-
Accounts receivable	695,937	-	-	-	-
Other receivables (excluding tax refunds receivable)	3,768	-	-	-	-
Other financial assets — current	233,525	-	-	-	-
Other financial assets — non-current	<u>1,384</u>	-	-	-	-
Subtotal	<u>\$ 2,016,144</u>	-	-	-	-
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	\$ 6,000	-	-	-	-
Accounts payable	439,427	-	-	-	-
Other payables (to related parties)	139,626	-	-	-	-
Long-term borrowings (including current portion)	198,693	-	-	-	-
Lease liabilities (current and non-current)	9,645	-	-	-	-
Guarantee deposits received	<u>1,193</u>	-	-	-	-
Subtotal	<u>\$ 794,584</u>	-	-	-	-

(Continued)

## 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:

##### 2.1 Financial assets measured at amortized cost

If there is a public quotation in an active market, the market price will be used as the fair value; if there is no market price for reference, an evaluation method will be used to estimate or the counterparty's quotation will be used.

##### 2.2 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 nine months ended September 30, 2024 and 2023.

#### 4) Reconciliation of Level 3 fair values

	<b>Fair value through other comprehensive income</b>
	<b>Unquoted equity instruments</b>
Opening balance, January 1, 2024	\$ 9,334
In other comprehensive income	136
Ending Balance, September 30, 2024	<b>\$ 9,470</b>
Opening balance, January 1, 2023	\$ 15,406
In other comprehensive income	(1,773)
Ending Balance, September 30, 2023	<b>\$ 13,633</b>

#### 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

(Continued)

# SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

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.

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"> <li>Net Asset Value</li> <li>Minority interest discounts (21.88% as of September 30, 2024, December 31, 2023 and September 30, 2023)</li> </ul>	<ul style="list-style-type: none"> <li>The higher the net asset value, the higher the fair value.</li> <li>The higher the equity discount, the lower the fair value.</li> </ul>
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:

Input	Upward or downward movement	Changes in other comprehensive income arising from changes in fair value	
		Favorable	Unfavorable
<b>September 30, 2024</b>			
Minority interest discount ratio of 21.88%	1%	121	121
<b>December 31, 2023</b>			
Minority interest discount ratio of 21.88%	1%	119	119
<b>September 30, 2023</b>			
Minority interest discount ratio of 21.88%	1%	175	175

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.

### (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.

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

### Notes to the Consolidated Financial Statements

#### (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	Non cash changes Other changes	September 30, 2024
Short-term borrowings	\$6,000	-		6,000
Long-term borrowings (including deferred revenues and current portion)	184,474	(49,361)		135,113
Lease liabilities	7,666	(5,987)	18,458	20,137
Guarantee deposits received	1,173	148		1,321
Total liabilities from financing activities	<b>\$199,313</b>	<b>(55,200)</b>	<b>18,458</b>	<b>162,571</b>

	January 1, 2023	Cash flows	Other changes	Non-cash changes Foreign exchange movement	Fair value changes	September 30, 2023
Short-term borrowings	\$ 84,775	(79,386)	-	611	-	6,000
Long-term borrowings (including deferred revenues and current portion)	250,288	(49,361)	-	-	-	200,927
Lease liabilities	15,369	(5,897)	173	-	-	9,645
Guarantee deposits received	1,033	160	-	-	-	1,193
Total liabilities from financing activities	<b>\$ 351,465</b>	<b>(134,484)</b>	<b>173</b>	<b>611</b>	<b>-</b>	<b>217,765</b>

## 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

(Continued)

# SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

### (2) Significant transactions with related parties

#### (i) Borrowing from Related Parties

As of September 30, 2024, December 31, 2023 and September 30, 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.

	September 30, 2024	December 31, 2023	September 30, 2023
Other related parties	<u>\$ 283</u>	<u>269</u>	<u>283</u>

### (3) Key management personnel compensation

Key management personnel compensation comprised:

	three months ended September 30		nine months ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$539	5,996	8,411	13,228
Post-employment benefits	92	95	266	278
Other long-term benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payments	-	-	-	-
	<u>\$631</u>	<u>6,091</u>	<u>8,677</u>	<u>13,506</u>

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

(Continued)



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

**Notes to the Consolidated Financial Statements**

**8 Pledged assets:**

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

<b>Assets pledged as security</b>	<b>Liabilities secured by pledge</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Other financial assets— current	Loan guarantee	\$ 3,672	4,361	4,583
Land	Loan guarantee	2,951	2,951	2,951
Buildings	Loan guarantee	18,294	19,425	19,824
Machinery and equipment	Loan guarantee	3,620	7,948	9,390
		<b>\$ 28,537</b>	<b>34,685</b>	<b>36,748</b>

**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:

<b>By item</b>	<b>By function</b>	<b>For the three months ended September 30</b>					
		<b>2024</b>			<b>2023</b>		
		<b>Cost of Sale</b>	<b>Operating Expense</b>	<b>Total</b>	<b>Cost of Sale</b>	<b>Operating Expense</b>	<b>Total</b>
Employee benefits							
Salary		69,584	14,404	83,988	85,329	40,448	125,777
Labor and health insurance		2,553	2,032	4,585	3,187	2,111	5,298
Pension		5,317	1,940	7,257	5,505	1,850	7,355
Remuneration of directors		-	(513)	(513)	-	3,685	3,685
Others		4,469	867	5,336	4,858	760	5,618
Depreciation		18,316	3,722	22,038	19,990	3,956	23,946
Amortization		8	669	677	8	-	8

<b>By item</b>	<b>By function</b>	<b>For the nine months ended September 30</b>					
		<b>2024</b>			<b>2023</b>		
		<b>Cost of Sale</b>	<b>Operating Expense</b>	<b>Total</b>	<b>Cost of Sale</b>	<b>Operating Expense</b>	<b>Total</b>
Employee benefits							
Salary		210,988	79,592	290,580	245,650	109,221	354,871
Labor and health insurance		7,860	5,495	13,355	9,213	5,638	14,851
Pension		15,698	5,733	21,431	16,424	5,587	22,011
Remuneration of directors		-	3,966	3,966	-	7,220	7,220
Others		12,783	2,366	15,149	13,123	2,166	15,289
Depreciation		57,168	11,356	68,524	61,536	12,395	73,931
Amortization		24	1,280	1,304	35	18	53

(Continued)

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

### Notes to the Consolidated Financial Statements

#### 13 Other disclosures:

##### (a) 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 nine months ended September 30, 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	131,340	126,600	94,650	6.38%	2	-	Working capital	-	No	-	459,570	735,313
0	The Company	FAIR LUMI (DONGGUAN)	Loans receivable from related parties	Yes	65,670	63,300	-	- %	2	-	Working capital	-	No	-	459,570	735,313

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	735,313	54,318	31,650	-	-	1.72%	735,313	Y	N	Y
0	The Company	SHIAN YIH (DONGGUAN)	3	735,313	164,216	126,600	-	-	6.89%	735,313	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.

(Continued)

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

(iii) Securities held as of September 30, 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	9,470	15.83%	9,470	

- (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:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	SHIAN YIH (DONGGUAN)	The Company's subsidiary	Purchase	234,755	48.99%	O/A 30 days	(Note 1)	(Note 4)	(60,326)	58.61%	
The Company	FAIR LUMI (DONGGUAN)	The Company's subsidiary	Purchase	189,783	39.6%	O/A 30 days	(Note 2)	(Note 4)	(38,463)	37.37%	
SHIAN YIH (DONGGUAN)	The Company	The Company's subsidiary	Sale	234,755	34.91%	O/A 30 days	(Note 1)	(Note 4)	60,326	25.36%	
FAIR LUMI (DONGGUAN)	The Company	The Company's subsidiary	Sale	189,783	51.74%	O/A 30 days	(Note 2)	(Note 4)	38,463	27.19%	

Note 1: Calculated as 75% to 85% of selling prices of the Company's products.

Note 2: Calculated as 85% to 93% of selling prices of the Company's products.

Note 3: The above transactions were eliminated when compiling the consolidated financial statements.

Note 4: The credit policy for transactions with related parties is 30 days per month. In addition to following the established credit policy for transactions, the working capital status of the related parties will also be taken into consideration.

- (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

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

### Notes to the Consolidated Financial Statements

(x) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	FAIR LUMI (DONGGUAN)	1	Sale	1,686	Note 4	0.14%
0	The Company	SHIAN YIH (DONGGUAN)	1	Sale	1,042	Note 3	0.09%
0	The Company	FAIR LUMI (DONGGUAN)	1	Purchase	189,783	Note 4	16.09%
0	The Company	SHIAN YIH (DONGGUAN)	1	Purchase	234,755	Note 3	19.90%
0	The Company	FAIR LUMI (DONGGUAN)	1	Trade payable	38,463	Note 5	1.62%
0	The Company	SHIAN YIH (DONGGUAN)	1	Trade payable	60,326	Note 5	2.55%
0	The Company	FAIR LUMI (DONGGUAN)	1	Endorsement guaranteed	31,650	In compliance with the Regulations Governing Endorsement/Guarantee	1.34%
0	The Company	SHIAN YIH (DONGGUAN)	1	Endorsement guaranteed	126,600	In compliance with the Regulations Governing Endorsement/Guarantee	5.35%
0	The Company	SHIAN YIH (DONGGUAN)	1	Other trade receivable	94,950	In compliance with the Regulations Governing Loans Made to Other Parties	4.01%
1	SHIAN YIH (DONGGUAN)	FAIR LUMI (DONGGUAN)	3	Purchase	76,608	Same as arm's length transaction	6.50%
1	SHIAN YIH (DONGGUAN)	FAIR LUMI (DONGGUAN)	3	Trade payable	69,928	Same as arm's length transaction	2.95%

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 75% to 85% of the selling prices of products.

Note 4: Calculated as 85% to 93% of the selling prices of products.

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

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

(b) Information on investees:

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

(In Thousands of USD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2024			Net income (losses) of investee	Share of profits/losses of investee
				September 30, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Book value		
The Company	Shian Yih (Samoa)	Samoa	Investment	348,724 (USD\$ 10,500)	348,724 (USD\$ 10,500)	10,500	100.00%	809,488	25,862	26,079 (Note 1)
The Company	CHIAN YIH OPTOTECH CO., LTD.	Taiwan	Manufacture and sale of optical products	65,000	65,000	6,500	50.00%	17,046	(6,044)	(3,022)
Shian Yih (Samoa)	Fair Some (Samoa)	Samoa	Investment	348,724 (USD\$ 10,500)	348,724 (USD\$ 10,500)	10,500	100.00%	477,199 (USD\$ 15,077)	19,250 (USD\$ 601)	19,250 (USD\$ 601)
Shian Yih (Samoa)	Wise	Samoa	Investment	524,311 (USD\$ 16,650)	524,311 (USD\$ 16,650)	16,650	100.00%	338,936 (USD\$ 10,709)	6,647 (USD\$ 207)	6,647 (USD\$ 207)

Note 1: Equity-accounted investment gains of \$25,862 thousand; the unalized margins for the period amounted to \$217 thousand.

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

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

### Notes to the Consolidated Financial Statements

(c) 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 September 30, 2024	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow					
Dongguan Fair Lumi Optonics Co., Ltd.	Manufacture and sale of small and medium-sized LED backlight modules	515,676 (USD\$16,650)	((Note 1)	USD\$ 16,650 (Note 3)	-	-	USD\$ 16,650 (Note 3)	100%	6,609 (USD\$ 206) (Note 2)	331,464 (USD\$10,473) (Note 4)	-
Dongguan Shian Yih Electronic Co., Ltd.	Manufacture and sale of small and medium-sized LED backlight modules	148,136 (USD\$ 5,000 )	((Note 1)	USD\$ 5,000 (Note 3)	-	-	USD\$ 5,000 (Note 3)	100%	12,516 (USD\$ 391) (Note 2)	319,579 (USD\$10,097) (Note 4)	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of September 30, 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)	1,102,970

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 nine months ended September 30, 2024 (USD/NTD:32.0435, 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: 31.65) 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.

(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" .

(d) Major shareholders:None

Shareholder' s Name	Shareholding	Shares	Percentage
Hui Kai Investment Corp.		5,745,151	9.39%
Wei-Si, Wang		3,840,815	6.14%
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 Consolidated Statement of Financial Position and Consolidated Statement of Comprehensive Income.