SDI Corporation and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2024 and 2023 and Independent Auditors' Review Report

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
SDI Corporation

Introduction

We have reviewed the accompanying consolidated financial statements of SDI Corporation and subsidiaries ("the Group"), which comprise the consolidated balance sheets as of March 31, 2024 and 2023, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and the related 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

Except as explained in basis for qualified conclusion paragraph, we conducted our reviews in accordance with Standards on Review Engagements No. 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit 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.

Crowe

Basis for Qualified Conclusion

As disclosed in Note 4(3) to the consolidated financial statements, the financial statements of certain non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of March 31, 2024 and 2023, assets of those non-reviewed consolidated subsidiaries amounted to \$1,126,557 thousand and \$1,104,644 thousand (all in NTD unless specified otherwise), representing 9% and 9%, respectively, of total consolidated assets, and the liabilities amounted to \$197,740 thousand and \$156,339 thousand, representing 4% and 3%, respectively, of total consolidated liabilities. Comprehensive income of those consolidated subsidiaries for the three months ended March 31, 2024 and 2023 were \$32,131 thousand and \$23,471 thousand, representing 14% and 10%, respectively, of the total consolidated comprehensive income.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the aforementioned paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and of its consolidated financial performance for the three months ended March 31, 2024 and 2023 and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Shao, Chao Pin and Lin, Ming Shou.

Crowe TW CPAs

Crowe (TW) CPAs
Taichung, Taiwan (Republic of China)

May 3, 2024

<u>Notice to Readers</u>

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

SDI Corporation and Subsidiaries

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

		March 31,2024		December 31,2023		March 31,2023	
ASSETS	NOTES	Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
Cash and cash equivalents	6(1)	$ 1,019,247	8	$ 836,957	7	$ 1,045,940	8
Financial assets at fair value through profit or loss - current	6(2)	114,130	1	18,999	-	57,915	-
Notes receivable, net	6(3)	183,830	1	121,144	1	118,319	1
Accounts receivable, net	6(4)	1,600,427	13	1,662,222	14	1,773,338	14
Accounts receivable, net - related parties	7	105,708	1	133,368	1	154,945	1
Other receivables		13,940	-	16,368	-	16,276	-
Inventories	6(5)	3,564,339	30	3,577,589	29	3,804,826	30
Prepayments	6(6)	102,365	1	88,171	1	76,596	1
Other financial assets - current	6(7)	44,467	-	78,185	1	36,640	-
Other current assets		1,536	-	510	-	1,509	-
Total current assets		6,749,989	55	6,533,513	54	7,086,304	55
NONCURRENT ASSETS							
Financial assets at fair value through other comprehensive income - noncurrent	6(8)	23,881	-	23,938	-	22,887	-
Property, plant and equipment	6(9)	5,151,261	42	5,178,142	43	5,278,948	42
Right-of-use assets	6(10)	187,658	2	186,207	2	198,303	2
Intangible assets	6(11)	60,438	-	52,276	-	54,460	-
Deferred income tax assets		86,285	1	114,538	1	127,333	1
Other noncurrent assets	6(12)	46,633	-	56,801	-	46,649	-
Total noncurrent assets		5,556,156	45	5,611,902	46	5,728,580	45
TOTAL		$ 12,306,145	100	$ 12,145,415	100	$ 12,814,884	100
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
Short-term loans	6(13)	$ 683,643	6	$ 663,889	5	$ 738,678	6
Contract liabilities	6(24)	89,885	1	101,454	1	110,780	1
Notes payable	6(14)	85,214	1	65,846	1	59,754	-
Accounts payable		815,386	6	836,272	7	899,282	7
Accounts payable - related parties	7	2,372	-	1,732	-	6,413	-
Other payables	6(15)	472,810	4	631,285	5	613,020	5
Other payables - related parties	7	-	-	359	-	1,911	-
Current income tax liabilities		253,679	2	238,898	2	350,068	3
Lease liabilities - current	6(10)	9,760	-	8,490	-	9,522	-
Long term loans - current portion	6(16)	528,119	4	524,662	4	521,273	4
Other current liabilities	6(17)	12,258	-	21,029	-	14,147	-
Total current liabilities		2,953,126	24	3,093,916	25	3,324,848	26
NONCURRENT LIABILITIES							
Long term loans	6(16)	1,417,788	10	1,380,758	10	1,696,429	13
Lease liabilities - noncurrent	6(10)	73,987	1	74,769	1	81,786	1
Deferred income tax liabilities		335,819	3	322,800	3	330,359	3
Net defined benefit liability - noncurrent	6(18)	87,883	1	90,194	1	97,820	1
Other noncurrent liabilities	6(17)	87,619	1	66,055	1	58,059	-
Total noncurrent liabilities		2,003,096	16	1,934,576	16	2,264,453	18
Total liabilities		4,956,222	40	5,028,492	41	5,589,301	44
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT							
Common stocks	6(19)	1,821,403	15	1,821,403	15	1,821,403	14
Capital surplus	6(20)	486,134	4	485,960	4	485,797	4
Retained earnings	6(21)						
Legal capital reserve		1,080,316	9	1,080,316	9	983,960	8
Special capital reserve		116,256	1	116,256	1	139,763	1
Unappropriated earnings		3,565,076	29	3,401,104	28	3,533,930	27
Others	6(22)	(80,672)	(1)	(137,810)	(1)	(107,786)	(1)
Equity attributable to shareholders of the parent		6,988,513	57	6,767,229	56	6,857,067	53
NON-CONTROLLING INTERESTS	6(23)	361,410	3	349,694	3	368,516	3
Total equity		7,349,923	60	7,116,923	59	7,225,583	56
TOTAL		$ 12,306,145	100	$ 12,145,415	100	$ 12,814,884	100

The accompanying notes are an integral part of the consolidated financial statements.

SDI Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

		For the Three Months Ended March 31					
		2024			2023		
	NOTES		Amount	%		Amount	%
NET REVENUE	6(24)、7	$	2,388,607	100	$	2,685,237	100
COST OF REVENUE	6(25)、7		(1,998,656)	(84)		(2,136,255)	(80)
GROSS PROFIT			389,951	16		548,982	20
OPERATING EXPENSES	6(25)、7						
Marketing			(80,361)	(3)		(78,215)	(3)
General and administrative			(84,572)	(4)		(94,201)	(3)
Research and development			(57,544)	(2)		(66,131)	(2)
Expected credit (losses) gains			44	-		(1,481)	-
Total operating expenses			(222,433)	(9)		(240,028)	(8)
OPERATING INCOME			167,518	7		308,954	12
NONOPERATING INCOME AND EXPENSES							
Interest income			2,155	-		2,666	-
Other income	6(26)		6,883	-		5,453	-
Other gains and losses, net	6(27)		55,997	3		(5,426)	-
Finance costs	6(28)		(15,134)	(1)		(16,414)	(1)
Total nonoperating income and expenses			49,901	2		(13,721)	(1)
INCOME BEFORE INCOME TAX			217,419	9		295,233	11
INCOME TAX EXPENSE	6(29)		(41,731)	(2)		(64,183)	(2)
NET INCOME			175,688	7		231,050	9
OTHER COMPREHENSIVE INCOME (LOSS)							
Items that will not be reclassified subsequently to profit or loss：	6(30)						
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income			(57)	-		1,864	-
Income tax benefit (expenses) related to items that will not be reclassified subsequently	6(29)		127	-		(397)	-
Items that may be reclassified subsequently to profit or loss：	6(30)						
Exchange differences arising on translation of foreign operations			71,335	3		8,754	-
Income tax benefit (expenses) related to items that may be reclassified subsequently	6(29)		(14,267)	(1)		(1,751)	-
Other comprehensive income (loss), net of income tax			57,138	2		8,470	-
TOTAL COMPREHENSIVE INCOME		$	232,826	9	$	239,520	9
NET INCOME ATTRIBUTABLE TO：							
Shareholders of the parent		$	163,972	7	$	220,952	9
Non-controlling interests			11,716	-		10,098	-
		$	175,688	7	$	231,050	9
TOTAL COMPREHENSIVE INCOME：							
Shareholders of the parent		$	221,110	9	$	229,422	9
Non-controlling interests			11,716	-		10,098	-
		$	232,826	9	$	239,520	9
EARNINGS PER SHARE (IN DOLLARS)	6(31)						
Basic earnings per share		$	0.90		$	1.21	
Diluted earnings per share		$	0.90		$	1.21	

The accompanying notes are an integral part of the consolidated financial statements.

SDI Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Equity Attributable to Shareholders of the Parent										
			Retained Earnings			Others					
Items	Common Stocks	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	Total Attributable to Shareholders of the Parent	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2023	$ 1,821,403	$ 485,797	$ 983,960	$ 139,763	$ 3,312,978	$ (133,085)	$ 16,829	$ (116,256)	$ 6,627,645	$ 358,418	$ 6,986,063
Net income for the three months ended March 31, 2023	-	-	-	-	220,952	-	-	-	220,952	10,098	231,050
Other comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	7,003	1,467	8,470	8,470	-	8,470
BALANCE, MARCH 31, 2023	$ 1,821,403	$ 485,797	$ 983,960	$ 139,763	$ 3,533,930	$ (126,082)	$ 18,296	$ (107,786)	$ 6,857,067	$ 368,516	$ 7,225,583
BALANCE, JANUARY 1, 2024	$ 1,821,403	$ 485,960	$ 1,080,316	$ 116,256	$ 3,401,104	$ (156,984)	$ 19,174	$ (137,810)	$ 6,767,229	$ 349,694	$ 7,116,923
Deemed donation from shareholders - dividends give up	-	174	-	-	-	-	-	-	174	-	174
Net income for the three months ended March 31, 2024	-	-	-	-	163,972	-	-	-	163,972	11,716	175,688
Other comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	57,068	70	57,138	57,138	-	57,138
BALANCE, MARCH 31, 2024	$ 1,821,403	$ 486,134	$ 1,080,316	$ 116,256	$ 3,565,076	$ (99,916)	$ 19,244	$ (80,672)	$ 6,988,513	$ 361,410	$ 7,349,923

The accompanying notes are an integral part of the consolidated financial statements.

SDI Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	$ 217,419	$ 295,233
Depreciation	174,522	159,304
Amortization	4,096	3,837
Expected credit losses (reversal)	(44)	1,481
Gain on financial assets at fair value through profit or loss	(131)	(163)
Interest expense	15,134	16,414
Interest income	(2,155)	(2,666)
Dividend income	(1,416)	(1,239)
Gain on disposal of property, plant and equipment	(975)	(729)
Net changes in operating assets and liabilities		
Decrease on financial assets at fair value through profit or loss	(95,000)	-
Notes receivable	(58,503)	5,282
Accounts receivable	105,265	74,051
Inventories	46,200	65,229
Prepayments	(13,242)	(9,172)
Other financial assets	1,810	(178)
Other current assets	(544)	614
Contract liabilities	(11,620)	14,325
Notes payable	17,289	(94,761)
Accounts payable	(26,462)	51,189
Other payables	(134,684)	(149,040)
Other current liabilities	(8,553)	(10,806)
Net defined benefit liability	(2,311)	(2,210)
Other operating liabilities	18,511	1,595
Cash provided from operations	244,606	417,590
Interest received	2,263	2,566
Dividends received	1,416	1,239
Interest paid	(17,048)	(18,222)
Income taxes paid	(203)	(185)
Net cash provided by operating activities	231,034	402,988
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(101,478)	(199,612)
Proceeds from disposal of Property, plant and equipment	2,544	2,918
Increase in refundable deposits	(171)	(53)
Acquisition of intangible assets	(12,238)	(1,433)
Decrease in other financial assets	34,732	33,343
Net cash used in investing activities	(76,611)	(164,837)

(Continued)

SDI Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	$ (5,224)	$ (3,016)
Proceeds from long-term debt	1,186,542	765,900
Repayment of long-term debt	(1,155,674)	(1,009,031)
Repayment of the principal portion of lease liabilities	(2,518)	(2,780)
Increase (decrease) in other noncurrent liabilities	956	(44)
Net cash provided by(used in) financing activities	24,082	(248,971)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	3,785	(1,927)
NET INCRAESE (DECREASE) IN CASH AND CASH EQUIVALENTS	182,290	(12,747)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	836,957	1,058,687
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	$ 1,019,247	$ 1,045,940

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. ORGANIZATION AND OPERATIONS

SDI Corporation (the” Company”) was incorporated on October 17, 1967. The Company started as a manufactures of in stationery products, then the Company repetitively expanded and diversified into lead frames and molds.
Since April 25, 1996, the Company’s stocks have been listed on the Taiwan Stock Exchange (“TWSE”). The main business activities of the Company and its subsidiaries (the “Group”) include the ones aforementioned, as well as others that are detailed in (note 4.3(2)).

2. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on May 3, 2024.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

3.1 The adoption of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC):

New standards, interpretations and amendments endorsed by the FSC and effective from 2024 are as follows:

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024 (Note)
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024 (Note)
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note)

Note：The Group shall apply the amendments for annual reporting periods beginning on or after January 1, 2024.

(1) Amendments to IFRS 16 "Lease liability in a sale and leaseback"
The amendment clarifies that for a sale and leaseback transaction, if the transfer of the asset is treated as a sale in accordance with IFRS 15, the liabilities incurred by the seller-lessee due to the leaseback should be treated in accordance with the IFRS 16. Moreover, if any variable lease payments that do not depend on an index or rate are involved, the seller-lessee should still determine and recognize the lease liability arising from such variable payments in a manner that does not recognize gains and losses related to the retained right of use. The difference between the subsequent actual lease payment amount and the reduced carrying amount of the lease liability is recognized in profit or loss.

(2) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
The amendments clarify that when an entity determines whether a liability is classified as non-current, the entity should assess whether it has the right to defer the settlement for at least twelve months after the reporting period. If the entity has that right on the end of reporting period, that liability must be classified as non-current regardless whether the entity expects whether to exercise the right or not. If the entity must follow certain conditions to have the right to defer the settlement of a liability, the entity must have followed those conditions at the end of reporting period in order to have that right, even if the lender tests the entity's compliance on a later date.
The aforementioned settlement means transferring cash, other economic resources or the entity's equity instruments to the counter-party to extinguish the liability. If the terms of the liability give the counter-party an option to extinguish the liability by the entity's equity instruments, and this option is recognized separately in equity in accordance with IAS 32 "Financial Instruments: Presentation", then the classification of the liability will not be affected.

(3) Amendment to IAS 1 "Non-current Liabilities with Covenants"
This amendment further clarifies that only contractual terms that are required to be complied with before the end of the reporting period will affect the classification of the liability at that date. The contractual terms that required to be complied with within 12 months after the reporting period do not affect the classification of liabilities at the reporting date. However, for liabilities classified as non-current and must be repaid within 12 months after the reporting period due to potential non-compliance, the relevant facts and circumstances should be disclosed.

(4) Amendments to IAS 7 and IFRS 7 "Supplier finance arrangements"
Supplier financing arrangements involve one or more financing providers making payments to suppliers on behalf of an entity, and the entity agrees to repay the financing providers on the payment date agreed with the suppliers or a later date. The

amendments to IAS 7 require an entity to disclose information on its supplier financing arrangements to enable users of financial statements to assess the impact of these arrangements on the entity's liabilities, cash flows and exposure to liquidity. The amendments to IFRS 7 include into its application guidance that when disclosing how an entity manages the liquidity risk of its financial liabilities, it may also consider whether it has obtained or can obtain financing facilities through supplier financing arrangements, and whether these arrangements may cause concentration of liquidity risk.

Based on the Group's assessment, the application of the New IFRSs above will not have any signification impact on the Group's financial position and financial performance.

3.2 Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group: None.

3.3 The IFRSs issued by the IASB but not yet endorsed and issued into effect by FSC

New standards, interpretations and amendments issued by the IASB but not yet endorsed by the FSC are as follows:

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17"Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

Except for the following, the Group has assessed that the standards and interpretations have no significant impact on the financial position and financial performance of the Group.

(1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"

This amendment resolves the inconsistency between IFRS 10 and IAS 28. For the sale (investment) of assets by investor and their associates or joint ventures, all or part of the gains or losses on disposal should be recognized depending on the nature of the assets traded:

(i) When the assets transacted are recognized as "business", the entire gain or loss on disposal is recognized；

(ii) When the assets do not qualify as a "business", only part of the gain or loss on disposal of the affiliated enterprise or joint venture with the non-affiliated investor is recognized.

(2) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 ”Presentation and Disclosure in Financial Statements” replaces IAS 1 and updates the structure of the comprehensive income statement, adds management performance measurement disclosures and strengthens the principle of aggregation and disaggregation applied to key financial statements and notes.

(3) Amendments to IAS 21 “Lack of Exchangeability“

This amendment defines exchangeability and provides guidance on how to determine the spot exchange rate on the measurement date when a currency lacks convertibility. In addition, this amendment requires companies to provide more useful information in its financial statements when a certain currency is not convertible into another currency.

As of the date the accompanying consolidated financial statements are authorized for issue, the Group is still evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Group completes the evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2023. These policies have been consistently applied to all the periods presented, unless otherwise stated.

4.1 Statement of Compliance

(1) The accompanying consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting," endorsed and issued into effect by the FSC.

(2) The accompanying consolidated financial statements should be read with the consolidated financial statements for the year ended December 31, 2023.

4.2 Basis of Preparation

(1) Except for the following significant items, the accompanying consolidated financial statements have been prepared on the historical cost basis:

A.Financial assets and liabilities at fair value through profit or loss (including derivative financial instruments).

B.Financial assets at fair value through other comprehensive income.

C.Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

(2) The preparation of consolidated financial statements in conformity with IFRSs endorsed by the FSC requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

4.3 Basis of consolidation

(1) Basis for preparation of consolidated financial statements:

A. All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

B. Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

C. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

E. When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss or transferred directly to retained earnings as appropriate, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

(2) Subsidiaries included in the consolidated financial statements are as follows:

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership		
			March 31, 2024	December 31, 2023	March 31, 2023
The Company	SHUEN DER (B.V.I.) CO. (SHUEN DER(B.V.I.))	Investing activities	100%	100%	100%
SHUEN DER (B.V.I.)	SDI China (SDI(JIANGSU))	Office supplies (Blades, stationery, etc.) and manufacturing and processing of electronic components	100%	100%	100%
The Company	CHAO SHIN METAL INDUSTRIAL CORPORATION (Chao Shin Metal)	Smelting and rolling of metal strips	84. 62%	84. 62%	84. 62%
The Company	TEC BRITE TECHNOLOGY CO., LTD. (TEC Brite Technology)	Manufacturing of electronic components and international trade	54. 98%	54. 98%	54. 98%

The financial statements for the three months ended March 31, 2024 and 2023 of aforementioned subsidiaries were not reviewed by independent auditors, expect for those of the significant subsidiaries, i.e. SHUEN DER (B.V.I.) and SDI (JIANGSU).

(3) Subsidiaries excluded from the consolidated financial statements: None.

(4) Subsidiaries that have non-controlling interests that are material to the Group

Name of subsidiary	Percentage of Ownership of Non-controlling Interest		
	March 31, 2024	December 31, 2023	March 31, 2023
TEC Brite Technology	45. 02%	45. 02%	45. 02%

Please refer to Table 5 for information of principal place of business and registered countries of TEC Brite Technology.

Name of subsidiary	Profit or Loss Distribute to Non-controlling Interest	
	Three Months Ended March 31	
	2024	2023
TEC Brite Technology	$ 10,289	$ 9,855
Others	1,427	243
Total	$ 11,716	$ 10,098

Name of subsidiary	Non-controlling Interest		
	March 31, 2024	December 31, 2023	March 31, 2023
TEC Brite Technology	$ 316,106	$ 305,817	$ 323,569
Others	45,304	43,877	44,947
Total	$ 361,410	$ 349,694	$ 368,516

The summary financial information (including the intra-company transactions) of subsidiaries are as follows：

Balance sheets

	TEC Brite Technology		
	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	$ 683,163	$ 654,118	$ 648,865
Non-current assets	243,105	255,404	289,245
Current liabilities	(136,717)	(137,916)	(120,372)
Non-current liabilities	(80,946)	(85,491)	(92,186)
Equity	$ 708,605	$ 686,115	$ 725,552
Equity attributable to:			
Shareholder of the parent	$ 389,591	$ 377,226	$ 398,908

	TEC Brite Technology		
	March 31, 2024	December 31, 2023	March 31, 2023
Non-controlling Interests of TEC Brite Technology	$ 319,014	$ 308,889	$ 326,644
Total	$ 708,605	$ 686,115	$ 725,552

Statements of comprehensive incomes

	TEC Brite Technology	
	Three Months Ended March 31	
	2024	2023
Revenue	$ 151,578	$ 151,777
Net profit for the period	$ 22,490	$ 21,891
Other comprehensive income	–	–
Total comprehensive income for the period	$ 22,490	$ 21,891
Net profit attributable to:		
Shareholder of the parent	$ 12,365	$ 12,036
Non-controlling interests of TEC Brite Technology	$ 10,125	$ 9,855
Total	$ 22,490	$ 21,891
Total comprehensive income attributable to:		
Shareholder of the parent	$ 12,365	$ 12,036
Non-controlling interests of TEC Brite Technology	10,125	9,855
Total	$ 22,490	$ 21,891

Statements of cash flows

	TEC Brite Technology	
	Three Months Ended March 31	
	2024	2023
Net cash generated from operating activities	$ (42,350)	$ 123,927
Net cash used in investing activities	44,481	(5,581)
Net cash used in financing activities	(4,451)	(4,127)
Increase in cash and cash equivalents	(2,320)	114,219
Cash and cash equivalents, beginning of the period	208,077	99,729

	TEC Brite Technology	
	Three Months Ended March 31	
	2024	2023
Cash and cash equivalents, end of the period	$ 205,757	$ 213,948
Dividends paid to non-controlling interests	$ –	$ –

4.4 Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

4.5 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings. The effect of a change in tax rate resulting from a change in tax law is recognized consistently with the accounting for the transaction itself which gives rise to the tax consequence, and this is recognized in profit or loss, other comprehensive income or directly in equity in full in the period in which the change in tax rate occurs.

5. CRITICAL ACCOUNTING JUDGMENTS AND MAJOR SOURCES OF ESTIMATION AND ASSUMPTION UNCERTAINTY

The same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2023, which were stated in Note 5.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

6.1 CASH AND CASH EQUIVALENTS

Items	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand and petty cash	$ 1,965	$ 1,156	$ 1,089
Checking accounts and demand deposits	822,880	648,791	909,756
Cash equivalent			

Items	March 31, 2024	December 31, 2023	March 31, 2023
Redeemable bond	$ 143,407	$ 139,726	$ 135,095
Time deposit	50,995	47,284	–
Total	$ 1,019,247	$ 836,957	$ 1,045,940

(1) Bank deposits with medium to long-term original maturity dates that are not intended to be used or pledged or restricted, are classified as other financial assets – current.

(2) The cash and cash equivalents of the Group are not pledged to others.

(3) Please refer to Note 12 for related credit risk management and assessment.

6.2 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS-CURRENT

Items	March 31, 2024	December 31, 2023	March 31, 2023
Mandatorily measured at FVTPL			
Non-derivative financial assets			
Funds	$ 114,130	$ 18,999	$ 57,915
Total	$ 114,130	$ 18,999	$ 57,915

(1)The Group recognized net profit or loss of FVTPL for the three months ended March 31, 2024 and 2023 is $131 thousand and $163 thousand.

(2)Financial instruments at fair value through profit or loss of the Group are not pledged to others.

6.3 NOTES RECEIVABLE

Items	March 31, 2024	December 31, 2023	March 31, 2023
Amortized at cost			
Gross carrying amount	$ 183,880	$ 121,194	$ 118,369
Less: Loss allowance	(50)	(50)	(50)
Notes receivable, net	$ 183,830	$ 121,144	$ 118,319

(1)As of March 31, 2024, December 31, 2023 and March 31, 2023, the banker's acceptance bill of the Group was $138,960 thousand, $78,766 thousand and $90,075 thousand.

Short-term bank loans with bankers' acceptance bill as collaterals and pledges for writing bankers' acceptance bill as payments, please refer to Note 8.

(2)Please refer to Note 6.4 for information on loss allowance for notes receivable.

6.4 ACCOUNTS RECEIVABLE

Items	March 31, 2024	December 31, 2023	March 31, 2023
Amortized at cost			
Gross carrying amount	$ 1,612,477	$ 1,674,162	$ 1,788,032
Less: Loss allowance	(12,050)	(11,940)	(14,694)
Accounts receivable, net	$ 1,600,427	$ 1,662,222	$ 1,773,338

(1)The accounts receivable was following the Group's credit policy determined by reference to the industrial characteristics, operating scale and profitability of the counterparties. The average credit term is due on monthly aggregate sales plus 30 to 150 days.

(2)The Group applies the simplified approach to providing expected credit losses prescribed under IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses are estimated using an allowance matrix with reference to past default experiences of the debtor, an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate. The allowance matrix of different customer segments, the provision for loss allowance is based on the number of past due days.

(3)The following table detailed the loss allowance of notes and accounts receivable based on the Group's provision matrix (include overdue and related parties).

March 31, 2024

Aging terms	Gross carrying amount	Loss allowance (lifetime ECLs)	Amortized cost
Neither past due nor impaired	$ 1,851,537	$ (7,282)	$ 1,844,255
Past due but not impaired			
Past due within 30 days	22,656	(578)	22,078
Past due 31-90 days	10,730	(3,256)	7,474
Past due 91-180 days	11,101	–	11,101
Past due 181-365 days	6,041	(984)	5,057
Past due over 365 days	2,402	(2,402)	–

March 31, 2024

Aging terms	Gross carrying amount	Loss allowance (lifetime ECLs)	Amortized cost
Total	$ 1,904,467	$ (14,502)	$ 1,889,965

December 31, 2023

Aging terms	Gross carrying amount	Loss allowance (lifetime ECLs)	Amortized cost
Neither past due nor impaired	$ 1,875,232	$ (1,016)	$ 1,874,216
Past due but not impaired			
Past due within 30 days	34,083	(2,171)	31,912
Past due 31-90 days	12,107	(2,692)	9,415
Past due 91-180 days	6,318	(5,127)	1,191
Past due 181-365 days	984	(984)	–
Past due over 365 days	2,310	(2,310)	–
Total	$ 1,931,034	$ (14,300)	$ 1,916,734

March 31, 2023

Aging terms	Gross carrying amount	Loss allowance (lifetime ECLs)	Amortized cost
Neither past due nor impaired	$ 2,013,662	$ (8,341)	$ 2,005,321
Past due but not impaired			
Past due within 30 days	32,447	(675)	31,772
Past due 31-90 days	10,644	(1,322)	9,322
Past due 91-180 days	2,405	(2,218)	187
Past due 181-365 days	2,037	(2,037)	–
Past due over 365 days	2,511	(2,511)	–
Total	$ 2,063,706	$ (17,104)	$ 2,046,602

(4)Movements of the loss allowance for notes and accounts receivable (including of which overdue and related parties').

Items	Three Months Ended March 31	
	2024	2023
Balance, January 1	$ 14,300	$ 15,599
Add: Provision for (Reversal of) impairment	(44)	1,481
Effect of foreign currency exchange difference	246	24
Balance, March 31	$ 14,502	$ 17,104

(5)The Group has not held any collateral or other credit enhancement for accounts receivable.

(6)Please refer to Note 12 for information on the Group's management and measurement policies of credit risk

(7)Accounts receivable of the Group are not pledged to others.

6.5 INVENTORIES AND COST OF SALES

Items	March 31, 2024	December 31, 2023	March 31, 2023
Work-in-process	$ 1,266,072	$ 1,105,789	$ 1,239,597
Raw materials	1,087,729	1,309,215	1,264,002
Finished goods	871,637	869,416	981,161
Merchandise	78,225	82,985	97,277
Inventory in transit	48,172	4,787	16,454
Mold parts and merchandise	212,504	205,397	206,335
Total	$ 3,564,339	$ 3,577,589	$ 3,804,826

(1)The cost of inventories recognized as expenses for the period：

Items	Three Months Ended March 31	
	2024	2023
Loss on decline in market value of inventories	$ 644	$ 26,425
Unallocated production overheads	12,407	19,155
Loss on inventory disposed	14,764	6,260
Total	$ 27,815	$ 51,840

(2)The inventories are not pledged by the Group.

6.6 PREPAYMENTS

Items	March 31, 2024	December 31, 2023	March 31, 2023
Prepaid expenses	$ 28,468	$ 28,795	$ 32,637
Input tax	27,982	27,823	26,789
Prepayment for purchases	26,414	22,435	479
Overpaid VAT	12,233	2,992	7,455
Others	7,268	6,126	9,236
Total	$ 102,365	$ 88,171	$ 76,596

6.7 OTHER FINANCIAL ASSETS-CURRENT

Items	March 31, 2024	December 31, 2023	March 31, 2023
Time deposits with an original maturity date of medium to long term	$ -	$ 50,000	$ -
Pledged time deposits	6,600	6,600	10,023
Restricted deposits	37,867	21,585	26,617
Total	$ 44,467	$ 78,185	$ 36,640

Please refer to Note 8 for information on the amounts of pledged and restricted bank deposits.

6.8 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME -NON-CURRENT

Items	March 31, 2024	December 31, 2023	March 31, 2023
Equity instrument			
Unlisted stock	$ 2,191	$ 2,191	$ 2,191
Valuation Adjustments	21,690	21,747	20,696
Total	$ 23,881	$ 23,938	$ 22,887

(1) The Group invests in unlisted stocks for medium and long-term strategic purposes and expects profit from long-term investments. Management of the Company decided to account the aforementioned investments in FVTOCI, due to recognizing short term gain or loss with FVTPL would against the medium and long-term investments.

(2) Financial assets at fair value through other comprehensive income of the Group are not pledged to others.

6.9 PROPERTY, PLANT AND EQUIPMENT

Items	March 31, 2024	December 31, 2023	March 31, 2023
Land	$ 571,471	$ 571,471	$ 571,471
Buildings	2,841,028	2,778,124	2,782,251
Machinery	6,366,145	6,302,880	6,224,806
Molds	2,072,474	2,003,149	2,011,238
Other equipment	1,581,973	1,542,735	1,433,079
Equipment to be inspected and construction in progress	600,598	668,852	729,052
Total cost	14,033,689	13,867,211	13,751,897
Less: Accumulated depreciation and impairment	(8,882,428)	(8,689,069)	(8,472,949)
Total	$ 5,151,261	$ 5,178,142	$ 5,278,948

	Land	Buildings	Machinery	Molds	Other equipment	Equipment to be inspected and construction in progress	Total
Cost							
Balance, January 1, 2024	$ 571,471	$ 2,778,124	$ 6,302,880	$ 2,003,149	$ 1,542,735	$ 668,852	$ 13,867,211
Additions	-	2,563	14,350	26,885	5,961	36,444	86,203
Disposals	-	(10,244)	(51,839)	(7,265)	(3,352)	-	(72,700)
Reclassification	-	36,510	37,842	11,152	25,084	(110,588)	-
Effect of foreign currency exchange difference	-	34,075	62,912	38,553	11,545	5,890	152,975
Balance, March 31, 2024	$ 571,471	$ 2,841,028	$ 6,366,145	$ 2,072,474	$ 1,581,973	$ 600,598	$ 14,033,689
Accumulated depreciation and impairment							
Balance, January 1, 2024	$ -	$ (1,112,831)	$ (4,813,967)	$ (1,690,610)	$ (1,071,661)	$ -	$ (8,689,069)
Depreciation expense	-	(20,095)	(84,425)	(36,300)	(29,688)	-	(170,508)
Disposals	-	10,244	50,282	7,252	3,353	-	71,131
Effect of foreign currency exchange difference	-	(12,143)	(45,531)	(27,348)	(8,960)	-	(93,982)
Balance, March 31, 2024	$ -	$ (1,134,825)	$ (4,893,641)	$ (1,747,006)	$ (1,106,956)	$ -	$ (8,882,428)

	Land	Buildings	Machinery	Molds	Other equipment	Equipment to be inspected and construction in progress	Total
Cost							
Balance, January 1, 2023	$ 571,471	$ 2,387,472	$ 6,164,036	$ 2,039,327	$ 1,409,366	$ 1,049,282	$ 13,620,954
Additions	–	3,046	15,673	272	11,706	206,718	237,415
Disposals	–	(2,755)	(56,958)	(62,134)	(3,725)	–	(125,572)
Reclassification	–	390,209	94,031	29,318	14,286	(527,844)	–
Effect of foreign currency exchange difference	–	4,279	8,024	4,455	1,446	896	19,100
Balance, March 31, 2023	$ 571,471	$ 2,782,251	$ 6,224,806	$ 2,011,238	$ 1,433,079	$ 729,052	$ 13,751,897
Accumulated depreciation and impairment							
Balance, January 1, 2023	$ –	$ (1,043,088)	$ (4,673,251)	$ (1,724,806)	$ (988,810)	$ –	$ (8,429,955)
Depreciation expense	–	(18,005)	(76,736)	(33,952)	(26,545)	–	(155,238)
Disposals	–	2,755	54,782	62,134	3,712	–	123,383
Effect of foreign currency exchange difference	–	(1,430)	(5,562)	(3,089)	(1,058)	–	(11,139)
Balance, March 31, 2023	$ –	$ (1,059,768)	$ (4,700,767)	$ (1,699,713)	$ (1,012,701)	$ –	$ (8,472,949)

(1) Please refer to Note 6.28 for information on the Group's capitalized interest.

(2) The property, plants, and equipment of the Group are not pledged to others.

6.10 LEASE ARRANGEMENT

(1) Right-of-use assets

Items	March 31, 2024	December 31, 2023	March 31, 2023
Land	$ 94,333	$ 94,124	$ 96,736
Land use right	80,404	77,321	78,994
Buildings	77,684	77,652	80,554
Total cost	252,421	249,097	256,284
Less: Accumulated depreciation and impairment	(64,763)	(62,890)	(57,981)
Total	$ 187,658	$ 186,207	$ 198,303

Items	Three Months Ended March 31 2024	2023
Additions to right-of-use assets	$ 2,874	$ 885

Items	Three Months Ended March 31	
	2024	2023
Depreciation of right-of-use assets		
Land	$ 2,029	$ 1,939
Land use right	650	651
Buildings	1,335	1,476
Total	$ 4,014	$ 4,066

(2)Lease liabilities

Items	March 31, 2024	December 31, 2023	March 31, 2023
Current	$ 9,760	$ 8,490	$ 9,522
Non-current	$ 73,987	$ 74,769	$ 81,786

Range of discounts rate for lease liabilities is as follow：

	March 31, 2024	December 31, 2023	March 31, 2023
Land	0. 90%~1. 76%	0. 89%~1. 69%	0. 89%~1. 20%
Buildings	0. 90%~4. 20%	0. 89%~4. 20%	1. 20%~4. 13%

Please refer to Note 12 for the maturity analysis of the lease liabilities.

(3)Material lease-in activities and terms

A. Land and Buildings

The Group leases land and plants with lease terms between 2015 and 2037, and paid $3,686 thousand for guaranteed deposit for the lease. The Group and the lessor agreed that a plant may be built on the leased land by the Group. However, title deed of the plant should be registered by the lessor. The Group has the right to use the plant within the lease terms.

B. Land use right

SDI (JIANGSU) acquired land use rights at Jiangsu, mainland China which would be matured in November, 2047, November, 2067 and November, 2051, respectively, within granted useful terms in 50 years、70 years and 34 years, respectively.

During the terms of the land use right, SDI (JIANGSU) has the right to use, to receive the benefit from, to transfer the title of the land use right and to lease the land use right, and should undertake taxes and duties for using the land. The land use right was used to build plants, office buildings and employee dormitories.

(4)Other lease information

Items	Three Months Ended March 31	
	2024	2023
Expenses relating to short-term leases	$ 1,020	$ 904
Total cash outflow for leases	$ 3,790	$ 3,949

The Group elected to apply the recognition exemption to short-term leases and low-value asset leases and, thus, did not recognize right-of-use assets and leases liabilities for these leases.

6.11 INTANGIBLE ASSETS

Items	March 31, 2024	December 31, 2023	March 31, 2023
Trademarks	$ 964	$ 1,036	$ 1,519
Patent	47,233	48,192	50,740
Computer software	61,817	50,227	48,163
Total	110,014	99,455	100,422
Less: Accumulated amortization	(49,576)	(47,179)	(45,962)
Intangible assets, net	$ 60,438	$ 52,276	$ 54,460

	Three Months Ended March 31, 2024			
	Trademarks	Patent	Computer software	Total
Cost				
Balance, January 1	$ 1,036	$ 48,192	$ 50,227	$ 99,455
Additions	–	541	11,697	12,238
Disposals	(72)	(1,500)	(356)	(1,928)
Effect of foreign currency exchange difference	–	–	249	249
Balance, March 31	$ 964	$ 47,233	$ 61,817	$ 110,014

	Three Months Ended March 31, 2024			
	Trademarks	Patent	Computer software	Total
Accumulated amortization				
Balance, January 1	$ (539)	$ (25,867)	$ (20,773)	$ (47,179)
Amortization expense	(31)	(1,610)	(2,455)	(4,096)
Disposals	72	1,500	356	1,928
Effect of foreign currency exchange difference	–	–	(229)	(229)
Balance, March 31	$ (498)	$ (25,977)	$ (23,101)	$ (49,576)

	Three Months Ended March 31, 2023			
	Trademarks	Patent	Computer software	Total
Cost				
Balance, January 1	$ 1,531	$ 51,891	$ 48,764	$ 102,186
Additions	–	217	1,216	1,433
Disposals	(12)	(1,368)	(1,846)	(3,226)
Effect of foreign currency exchange difference	–	–	29	29
Balance, March 31	$ 1,519	$ 50,740	$ 48,163	$ 100,422
Accumulated amortization				
Balance, January 1	$ (857)	$ (24,712)	$ (19,761)	$ (45,330)
Amortization expense	(48)	(1,431)	(2,358)	(3,837)
Disposals	12	1,368	1,846	3,226
Effect of foreign currency exchange difference	–	–	(21)	(21)
Balance, March 31	$ (893)	$ (24,775)	$ (20,294)	$ (45,962)

The intangible assets of the Group are not pledged to others.

6.12 OTHER NON-CURRENT ASSETS

Items	March 31, 2024	December 31, 2023	March 31, 2023
Prepayments for equipment	$ 34,306	$ 44,732	$ 32,922
Refundable deposits	10,400	10,197	11,849
Overdue receivables	2,402	2,310	2,360
Less: loss allowance	(2,402)	(2,310)	(2,360)
Others	1,927	1,872	1,878
Total	$ 46,633	$ 56,801	$ 46,649

Please refer to Note 8 for information on the refundable deposits that were pledged to others.

6.13 SHORT-TERM LOANS

The nature of loans	March 31, 2024	December 31, 2023	March 31, 2023
Secured loans	$ 29,758	$ 12,625	$ –
Unsecured loans	653,885	651,264	738,678
Total	$ 683,643	$ 663,889	$ 738,678
Interest rate range	2. 10%~3. 58%	2. 10%~3. 65%	1.60%~3. 80%

Please refer to Note 8 for the information of pledging the banker's acceptance bill received from China counterparties for secured loans.

6.14 NOTES PAYABLE

Items	March 31, 2024	December 31, 2023	March 31, 2023
Notes payable-operating activities	$ 85,100	$ 65,235	$ 59,754
Notes payable- non - operating activities	114	611	–
Total	$ 85,214	$ 65,846	$ 59,754

6.15 OTHER PAYABLES

Items	March 31, 2024	December 31, 2023	March 31, 2023
Salaries and bonuses payable	$ 189,677	$ 323,286	$ 214,532
Payable for equipment and construction	40,786	65,990	127,480
Payable for supplies expense	34,328	37,297	46,030
Compensation payable of employees, directors and supervisors	31,527	25,969	40,108
Payable for utilities expense	26,153	27,448	24,448
Payable for repairs and maintenance	21,158	24,083	26,889
Payable for insurance	18,602	17,494	19,120
Others	110,579	109,718	114,413
Total	$ 472,810	$ 631,285	$ 613,020

6.16 LONG-TERM LOANS AND ITS CURRENT PORTION

Items	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured loans	$ 1,952,259	$ 1,912,665	$ 2,227,509
Less: Current portion	(528,119)	(524,662)	(521,273)
Discounted government grants (Note 6.17)	(6,352)	(7,245)	(9,807)
Total	$ 1,417,788	$ 1,380,758	$ 1,696,429
Interest rate range	1.10%~4.90%	1.10%~5.94%	0.98%~4.17%
Year to maturity	2024~2030	2024~2030	2024~2030

(1) The loans from Bank of Taiwan, Mega Bank, E.SUN Bank, Chang Hwa Bank, The Shanghai Commercial & Savings Bank and Fubon Bank are repaid in installments, the rest of the loans will be repaid in full on the maturity date.

(2) Under the Group's loan agreement with certain banks, the Group should meet several financial ratios and criteria. The Group had no violation of the aforementioned financial ratio regulations as of March 31, 2024, December 31, 2023 and March 31, 2023.

6.17 GOVERNMENT GRANTS

(1) The Company has obtained a $1,107,281 thousand preferential interest rate loan from a government under the "Action Plan Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" for capital expenditure and operating turnover. The difference between transaction price and fair value is regarded as the government

grants. As of March 31, 2024, the fair value of loan is estimated to be $1,100,929 thousand. The difference $6,352 thousand between transaction price and fair value is recognized as deferred income (under other current and non-current liabilities). The deferred revenue is recognized as other income during the loan period. The Company has recognized $1,221 thousand and $1,218 thousand in other income, $4,659 thousand and $4,596 thousand in interest expense for the loan, and has paid $3,438 thousand and $3,378 thousand interests to the bank for the three months ended March 31, 2024 and 2023.

(2) The National Development Fund would cease providing the Company related interest subsidies if the Company violated requirements of the project loan due to not be able to build plants and relevant facilities, purchase equipment or use as mid-term working capital.

6.18 RETIREMENT BENEFIT PLANS

(1) Defined contribution plans

A. The employee pension plan under Labor Pension Act of the R.O.C. (the Act) is a defined contribution plan. Pursuant to the plan, the Company, Chao Shin Metal Industrial Corporation and TEC Brite Technology CO., LTD. have made monthly contributions equal to 6% of each individual employee’s salary or wage to employees’ pension accounts.

B. The foreign subsidiaries also make contribution in accordance with the rate specified in the plans in the local regulations, which is a defined contribution plan.

C. The Group’s recognized expenses in the consolidated statement of comprehensive income were $17,766 thousand, $18,338 thousand under the contributions rates specified in the plans for the three months ended March 31, 2024 and 2023, respectively.

(2) Defined benefit plans

A. The Company, Chao Shin Metal Industrial Corporation and TEC Brite Technology CO., LTD. have defined benefit plans in accordance with Labor Standards Law of the R.O.C. Pension benefits are based on the number of units accrued and average monthly salaries and wages of the last 6 months prior to retirement. The Company, Chao Shin Metal Industrial Corporation and TEC Brite Technology CO., LTD make monthly contributions of 6% and 2% respectively of each individual employee’s salary to employees’ pension accounts, which submit to the Labor Retirement Reserve Supervisory Committee to the retirement fund deposited in Bank of Taiwan under the name of the committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of each year. If the amount of the balance in the pension fund is not enough to pay the pension to the labors expected to be qualified for retirement in the following year, the Company will make contribution for the deficit by next March. The Fund is managed by the

Government's designated authorities and the Company have no right to influence their investment strategies.

B. Due to no major downsize, discharges, significant one-time matters and major changes of market happened after the last fiscal year ended, the Group evaluated the periodic pension cost considered the actuarial report of 2023 and 2022 and disclosed the midterm cost.

C. The Group's recognized expenses in the consolidated statement of comprehensive income were $505 thousand and $791 thousand under the defined benefit plans for the three months ended March 31, 2024 and 2023, respectively.

6.19 COMMON STOCKS

(1) Movements in the number of the Group's common shares outstanding were as follows:

	Three Months Ended March 31			
	2024		2023	
	Shares (in Thousands)	Capital	Shares (in Thousands)	Capital
Beginning Balance	182,140	$ 1,821,403	182,140	$ 1,821,403
Ending Balance	182,140	$ 1,821,403	182,140	$ 1,821,403

The par value of common stock is $10 per share, carrying one vote per share and carry a right to dividends.

(2) The Company's authorized capital was $2,700,000 thousand, consisting of 270,000 thousand shares as of March 31, 2024.

6.20 CAPITAL SURPLUS

Items	March 31, 2024	December 31, 2023	March 31, 2023
Additional paid-in capital	$ 451,220	$ 451,220	$ 451,220
Long-term investments at equity	3,546	3,546	3,546
Treasury stock transactions	30,359	30,359	30,359
Others	1,009	835	672
Total	$ 486,134	$ 485,960	$ 485,797

(1) Under the Company Act, the capital surplus generated from the excess of the issuance price over the par value of capital stock and from donations can be used to offset deficit

or may be distributed as stock dividends or cash dividends. Under the regulations of the Security Exchange Law, the maximum amount transferred from the foregoing capital surplus to the Company's capital per year shall not be over 10% of the Company's capital surplus. Capital surplus can't be used to offset deficit unless legal reserve is insufficient.

(2) The capital surplus from long-term investments and stock warrants may not be used for any purpose.

6.21 RETAINED EARNINGS AND DIVIDEND POLICY

(1) According to the Company's Article of Incorporation, the current year's earnings, if any, shall first pay taxes, offset its losses, set aside a legal capital reserve at 10% of the remaining earnings until the accumulated legal capital reserve equals the Company's paid-in capital then reversal or set aside a special capital reserve in accordance with relevant laws. Any balance left over shall be allocated with unappropriated earnings submitted by the Board of Directors to be approved at a shareholders' meeting according to the Company's Articles of Incorporation 32 para 1 ad finem.

The Company's dividend policy was established by the Board of Directors according to operating plans, investment plans, capital budgets, internal and external changes. Due to the Company's steady growth, distribution of earnings will first consider to be allocated by cash dividend before stock dividend. Stock dividends distributed shall not be higher than 50% of the gross amount of total dividends.

(2) Legal reserve may only be used to offset a deficit or to distribute as dividend in cash or in stock for the portion in excess of 25% of the Company's paid-in capital.

(3) Special reserve

Items	March 31, 2024	December 31, 2023	March 31, 2023
Special reserve	$ 116,256	$ 116,256	$ 139,763

A. In accordance with the regulation, the Company shall set aside special reserve from the debit balance on other equity item at the end of the year before distributing earnings. When debit balance on other equity is reversed subsequently, the reversed amount could be included in the distributable earnings.

B. On initial application of IFRSs, the unrealized revaluation increments and cumulative translation adjustment should be reclassified into retained earnings, and was set aside as special reserve $53,205 thousand. When the relevant assets are used, disposal of or reclassified subsequently, the special reserve set aside previously shall be reversed to distributable earnings proportionately.

(4) The appropriations of 2023 and 2022 earnings have been approved by the board of directors on February 23, 2024 and approved in the shareholders' meeting held on May

30, 2023, respectively. The appropriations of earnings and dividends per share were as follows:

Items	Appropriation of Earnings		Dividends Per Share (NT$)	
	For Year 2023	For Year 2022	For Year 2023	For Year 2022
Legal reserve	$ 74,382	$ 96,356		
Special reserve	21,554	(23,507)		
Cash dividends to shareholders	473,565	582,848	$ 2.60	$ 3. 20

The appropriations of earnings for 2023 are to be presented for approval in the shareholders’ meeting to be held on May, 2024.

(5) Information on the resolution regarding the appropriation of earnings of the Board of Directors' and shareholders' meetings is available from the Market Observation Post System on the website of the TWSE.

6.22 OTHER EQUITY

Items	Exchange differences on translation of foreign financial statements	Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	Total
Balance, January 1, 2024	$ (156,984)	$ 19,174	$ (137,810)
Exchange differences on translation of foreign financial statements	57,068	–	57,068
Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	–	70	70
Balance, March 31, 2024	$ (99,916)	$ 19,244	$ (80,672)

Items	Exchange differences on translation of foreign financial statements	Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	Total
Balance, January 1, 2023	$ (133,085)	$ 16,829	$ (116,256)
Exchange differences on translation of foreign financial statements	7,003	–	7,003

Items	Exchange differences on translation of foreign financial statements	Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	Total
Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	$ -	$ 1,467	$ 1,467
Balance, March 31, 2023	$ (126,082)	$ 18,296	$ (107,786)

6.23 NON-CONTROLLING INTEREST

Items	Three Months Ended March 31	
	2024	2023
Balance, January 1	$ 349,694	$ 358,418
Attributable to non-controlling interests:		
Net income	11,716	10,098
Balance, March 31	$ 361,410	$ 368,516

6.24 OPERATING REVENUE

Items	Three Months Ended March 31	
	2024	2023
Revenue from contracts with customers		
Sale of goods	$ 2,382,707	$ 2,680,077
Service revenue	3,252	2,351
Subtotal	2,385,959	2,682,428
Other operating revenues	2,648	2,809
Total	$ 2,388,607	$ 2,685,237

(1) Description of customer contract

The Group is mainly engaged in the sale of lead frames and stationery. The main target customers of the Company are downstream vendors and agents, etc., and the Company sells at price stipulated in contracts. The consideration is classified as short-term receivables, and is therefore measured at invoice price.

(2)Disaggregation of revenue from contracts with customers

Major products /Service line	Three Months Ended March 31, 2024 China	Taiwan	Japan	Malaysia	Others	Total
Electronic	$ 910,364	$ 175,444	$ 248,241	$ 286,564	$ 368,439	$ 1,989,052
Stationery	52,290	102,699	43,381	1,432	151,977	351,779
Others	10,773	2,578	4,414	20,939	6,424	45,128
Total	$ 973,427	$ 280,721	$ 296,036	$ 308,935	$ 526,840	$ 2,385,959
Timing of revenue recognition						
Performance obligation satisfied at a point in time	$ 973,427	$ 280,721	$ 296,036	$ 308,935	$ 526,840	$ 2,385,959

Major products /Service line	Three Months Ended March 31, 2023 China	Taiwan	Japan	Malaysia	Others	Total
Electronic	$ 1,144,254	$ 225,608	$ 280,904	$ 221,449	$ 423,142	$ 2,295,357
Stationery	48,075	92,769	44,087	1,278	176,752	362,961
Others	8,994	4,101	-	8,978	2,037	24,110
Total	$ 1,201,323	$ 322,478	$ 324,991	$ 231,705	$ 601,931	$ 2,682,428
Timing of revenue recognition						
Performance obligation satisfied at a point in time	$ 1,201,323	$ 322,478	$ 324,991	$ 231,705	$ 601,931	$ 2,682,428

(3)The Group recognizes contract liabilities related to the revenue from contracts with customers are as follows:

Items	March 31, 2024	December 31, 2023	March 31, 2023
Contract liabilities -current	$ 89,885	$ 101,454	$ 110,780

6.25 PERSONNEL, DEPRECIATION AND AMORTIZATION EXPENSES

	Three Months Ended March 31, 2024			Three Months Ended March 31, 2023		
By nature	Cost of sales	Operating expense (include non-operating)	Total	Cost of sales	Operating expense (include non-operating)	Total
Employee benfit expense						
Salary	$ 262,710	$ 95,187	$ 357,897	$ 281,486	$ 114,046	$ 395,532
Labor insurance	24,283	7,038	31,321	28,573	7,548	36,121
Pension	14,454	3,817	18,271	15,317	3,812	19,129
Other	28,391	7,775	36,166	26,519	6,748	33,267
Depreciation	163,812	10,710	174,522	148,608	10,696	159,304
Amortization	1,598	2,498	4,096	1,097	2,740	3,837
Total	$ 495,248	$ 127,025	$ 622,273	$ 501,600	$ 145,590	$ 647,190

(1)In accordance with the Company's Article of incorporation, the Company is stipulated to distribute compensation of employees at the rate of 1.5% of profit before tax, and directors' remuneration at the rate not higher than 1.5% of profit before tax. For the three months ended March 31, 2024 and 2023, the employees' compensation was accrued at $3,088 thousand and $4,211 thousand, directors' remuneration were accrued at $2,470 thousand and $3,368 thousand. The Company accrued employees' compensation and remuneration of directors at the rates 1.5% and 1.2%, respectively, of net profit before income tax. If there is a change in the proposed amount after the annual financial statement are authorized for issue, the difference is recorded as a change in accounting estimate and adjusted in the next fiscal year.

(2)The appropriations of employees' compensation and directors' remuneration for 2023 and 2022 have been approved by the board of directors held on February 23, 2024, and February 23, 2023, respectively. The amount of approved and recognized in financial statement is shown as follows:

	2023		2022	
	Employees' compensation	Directors' remuneration	Employees' compensation	Directors' remuneration
Amounts approved	$ 14,427	$ 11,542	$ 18,072	$ 14,457
Amounts recognized in financial statement	14,427	11,542	18,072	14,457
Difference	$ –	$ –	$ –	$ –

The aforementioned employees' compensation of 2023 and 2022 are distrbuted in cash.

(3)Information regarding employees' compensation and directors' remuneration is available from the Market Observation Post System at the website of the TWSE.

6.26 OTHER INCOME

Items	Three Months Ended March 31 2024		Three Months Ended March 31 2023	
Rental income	$	161	$	161
Government subsidies		2,989		2,320
Dividend income		1,416		1,239
Others		2,317		1,733
Total	$	6,883	$	5,453

6.27 OTHER GAINS AND LOSSES

Items	Three Months Ended March 31 2024		Three Months Ended March 31 2023	
Net gains (losses) on financial assets at FVTPL	$	131	$	163
Gain on disposal of property, plant and equipment		975		729
Net foreign exchange gain (loss)		55,268		(6,094)
Others		(377)		(224)
Total	$	55,997	$	(5,426)

6.28 FINANCIAL COSTS

Items	Three Months Ended March 31 2024		Three Months Ended March 31 2023	
Interest expense				
Bank loans	$	16,000	$	18,782
Interest on lease liabilities		252		265
Less: capitalized amount for qualified assets		(1,118)		(2,633)
Financial costs	$	15,134	$	16,414

Items	Three Months Ended March 31	
	2024	2023
Interest capitalization rates	1. 33%~4. 32%	1. 34%~4. 32%

6.29 INCOME TAX

(1)Components of income tax expense

Items	Three Months Ended March 31	
	2024	2023
Current income tax expense		
Current tax expense (benefit) recognized in the current year	$ 14,476	$ 49,871
Income tax adjusted for prior years	(23)	-
Current tax	14,453	49,871
Deferred income tax expense		
The origination and reversal of temporary differences	27,278	14,312
Deferred tax	27,278	14,312
Income tax expense recognized in profit or loss	$ 41,731	$ 64,183

The Group used each subsidiary as filed subjects for income tax. Income tax rate of the Company, Chao Shin Metal and TEC Brite Technology is 20%, and the tax rate for retained earnings is 5%. Tax rates used by other jurisdiction shall be based on related local tax laws.

(2)Income tax benefits (expenses) recognized in other comprehensive income were as follows:

Items	Three Months Ended March 31	
	2024	2023
Exchange differences arising on translation of foreign operations	$ 14,267	$ 1,751
Financial assets at fair value through other comprehensive income	(126)	397
Total	$ 14,141	$ 2,148

(3)The income tax returns of the Company, Chao Shin Metal Industrial Corporation and TEC Brite Technology CO., LTD. through 2022 have examined by tax authority.

6.30 OTHER COMPREHENSIVE INCOME

Items	Three Months Ended March 31, 2024		
	Before tax	Income tax (expense) benefit	After tax
Items that will not be reclassified subsequently to profit or loss:			
Unrealized gains (losses) on valuation of equity investments at fair value through other comprehensive income	$ (57)	$ 126	$ 69
Subtotal	(57)	126	69
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations	71,336	(14,267)	57,069
Subtotal	71,336	(14,267)	57,069
Total	$ 71,279	$ (14,141)	$ 57,138

Items	Three Months Ended March 31, 2023		
	Before tax	Income tax (expense) benefit	After tax
Items that will not be reclassified subsequently to profit or loss:			
Unrealized gains (losses) on valuation of equity investments at fair value through other comprehensive income	$ 1,864	$ (397)	$ 1,467
Subtotal	1,864	(397)	1,467
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations	8,754	(1,751)	7,003
Subtotal	8,754	(1,751)	7,003
Total	$ 10,618	$ (2,148)	$ 8,470

6.31 EARNINGS PER SHARE

The earnings for earnings per share calculated and weighted average number of ordinary shares are as follows：

Items	Three Months Ended March 31 2024		Three Months Ended March 31 2023	
Basic earnings per share				
Net income attributable to ordinary shareholders of the Company	$	163,972	$	220,952
Net income for calculating basic earnings per share	$	163,972	$	220,952
Weighted average shares outstanding (thousand shares)		182,140		182,140
Basic earnings per share (after tax) (in dollars)	$	0. 90	$	1. 21
Diluted earnings per share				
Net income attributable to ordinary shareholders of the Company	$	163,972	$	220,952
Net income for calculating diluted earnings per share	$	163,972	$	220,952
Weighted average shares outstanding (thousand shares)		182,140		182,140
Effect of dilutive potential common shares				
Employees' compensation (thousand shares)		114		121
Weighted average shares outstanding for diluted earnings per share (thousand shares)		182,254		182,261
Diluted earnings per share (after tax) (in dollars)	$	0. 90	$	1. 21

If the Company is able to settle the employee compensation by cash or stocks, the employee compensation should be assumed to be settled in stocks and the resulting potential shares increased should be included in the weighted average shares outstanding in calculation of diluted earnings per share, if the shares have a dilutive effect. Such dilutive effect of the potential shares needs to be included in the calculation of diluted earnings per share until employee compensation is approved in the following year.

7. RELATED PARTY TRANSACTIONS

Intercompany balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation; therefore, those items are not disclosed in this note. The following is a summary of transactions between the Company and other related parties:

(1)Related party name and categories

Names of related parties	Related Party Categories
NIPPON FILCON CO. ,LTD.	Investors with significant influence over the Group
SJD Industries（M）Sdn. Bhd	Other related parties
SDI JAPAN CO. ,LTD.	Other related parties
SDI Electronics JAPAN CO., LTD.	Other related parties

(2)Significant transactions between related parties

A.Operating revenue

	Three Months Ended March 31	
Categories/Names of related parties	2024	2023
Investors with significant influence over the Group	$ 842	$ 555
Other related parties	68,513	102,323
Total	$ 69,355	$ 102,878

Selling prices between related parties were determined and negotiated referring to related market prices. Payment terms were ranging from T/T 60 to 240 days.

B. Purchases

	Three Months Ended March 31	
Categories/Names of related parties	2024	2023
Investors with significant influence over the Group	$ -	$ 1,025
Other related parties	2,606	5,623
Total	$ 2,606	$ 6,648

Purchasing prices between related parties were determined and negotiated referring to related market prices. The payment terms were ranging from T/T 60 to 90 days.

C. Receivables due from related parties

Items	Categories/Names of related parties	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable	Investors with significant influence over the Group	$ 851	$ -	$ 368
	SDI Electronics JAPAN CO., LTD.	87,833	117,077	132,912
	Other related parties	17,024	16,291	21,665
	Total	$ 105,708	$ 133,368	$ 154,945
Other receivables	Other related parties	$ 25	$ 664	$ 24

D. Payables due to related parties

Items	Categories/Names of related parties	March 31, 2024	December 31, 2023	March 31, 2023
Accounts payable	Investors with significant influence over the Group	$ 368	$ -	$ 1,207
	Other related parties	2,004	1,732	5,206
	Total	$ 2,372	$ 1,732	$ 6,413
Other payables	Other related parties	$ -	$ 359	$ 1,911

(3) Compensation of key management personnel

Items	Three Months Ended March 31 2024	2023
Short-term employee benefits	$ 12,132	$ 18,080
Post- employment benefits	131	118
Total	$ 12,263	$ 18,198

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows：

Items	March 31, 2024	December 31, 2023	March 31, 2023
Pledge time deposits (recognized as other financial assets - current)	$ 6,600	$ 6,600	$ 10,023
Restricted deposits (recognized as other financial assets - current)	37,867	21,585	26,617
Notes receivable (the banker's acceptance notes)	32,848	48,152	78,350
Refundable deposits (recognized as other non - current assets)	533	533	514
Total	$ 77,848	$ 76,870	$ 115,504

9. SIGNIFICANT CONTINGENCIY LIABILITIES AND UNRECOGNIZED COMMITMENTS

(1) Significant commitments

A. The unused letters of credit for purchasing raw materials and equipment as of March 31, 2024 is $6,961 thousand.

B. Capital expenditures committed but not yet incurred are as follows：

Items	March 31, 2024	December 31,2023	March 31, 2023
Property, plant, and equipment	$ 84,117	$ 80,849	$ 127,477

10. SIGNIFICANT DISASTERS: NONE.

11. SIGNIFICANT SUBSEQUENT EVENTS: NONE.

12. OTHERS

12.1 Seasonality or periodicity of operations

The operation of the Group's is not influenced by seasonal or periodical factors.

12.2 Capital risk management

There were no changes to the Group's policies for capital risk management from those described in the consolidated financial statements for the year ended December 31, 2023. Please refer to Note 12.1 of the consolidated financial statements for the year ended December 31, 2023 for the related information.

12.3 Financial instruments

(1) Financial risks on financial instruments

Financial risk management policies

The Group's activities are exposed to a variety of financial risks. These financial risks included market risk (i.e. foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and seeks to mitigate potential adverse effects on its financial performance.

The Group's material financial activities are approved by the Board of Directors in accordance with relevant requirements and internal control mechanism, which requires the Group to comply with its financial operating policies and procedures that provide guiding principles for the overall financial risk management and accountability and separation of duties.

Significant financial risks and degrees of financial risk

A. Market risk

a. Foreign exchange risk

i. There were no significant changes in the nature and degree of material financial risk from those described in the consolidated financial statements for the year ended December 31, 2023. Please refer to Note 12.2 of the consolidated financial statements for the year ended December 31, 2023 for the related information.

ii. Sensitivity analysis of foreign currency risk

	March 31, 2024		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial Assets			
Monetary Items			
USD	$ 54,874	31.99	$ 1,755,424
JPY	242,040	0. 21	51,203
Financial Liabilities			
Monetary Items			
USD	18,087	31. 99	578,590
JPY	62,159	0. 21	13,150

	December 31,2023				
	Foreign Currency		Exchange Rate	New Taiwan Dollars	
Financial Assets					
Monetary Items					
USD	$	58,478	30.71	$	1,795,848
JPY		195,133	0. 22		42,431
Financial Liabilities					
Monetary Items					
USD		20,092	30.71		617,035
JPY		37,517	0. 22		8,158

	March 31, 2023				
	Foreign Currency		Exchange Rate	New Taiwan Dollars	
Financial Assets					
Monetary Items					
USD	$	74,172	30.44	$	2,257,782
JPY		160,099	0. 23		36,574
Financial Liabilities					
Monetary Items					
USD		28,031	30. 44		853,266
JPY		184,201	0. 23		42,081

The Group is mainly exposed to US dollar and JPY. The sensitivity analysis for the Group is 1% increase/decrease in NTD against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. An increase/decrease in profit before tax would be resulted where the NTD strengthens/weakens 1% against the relevant currency with all other variables held constant in the amounts of $12,149 thousand and $13,990 thousand for the three months ended March 31, 2024 and 2023, respectively.

b. Price risk

The Group is exposed to the price risk of funds and unlisted equity securities because these equity investments held by the Group are classified as financial assets at fair value through profit, loss or financial assets at fair value through other comprehensive income.

The Group mainly invests in funds and equity instrument of unlisted stocks. The prices of funds and equity instrument of unlisted stocks would change due to the uncertainty of the future value.

If the prices of these equity securities had increased/decreased by 1%, the profit before tax and other comprehensive income before tax would have increased/decreased by $1,141 thousand, $239 thousand, $579 thousand and $229 thousand for the three months ended March 31, 2024 and 2023, respectively, due from increase/decrease in fair value.

c. Interest rate risk

The carrying amounts of interest – bearing financial instruments held by the Group as of the reporting date are as follows:

Items	Carrying Amounts		
	March 31, 2024	December 31, 2023	March 31, 2023
Fair value interest rate risk			
Financial assets	$ 160,002	$ 237,610	$ 169,558
Net	$ 160,002	$ 237,610	$ 169,558
Cash flow interest rate risk			
Financial assets	$ 889,634	$ 668,043	$ 895,098
Financial liabilities	(2,629,550)	(2,569,309)	(2,956,380)
Net	$ (1,739,916)	$ (1,901,266)	$ (2,061,282)

Sensitivity analysis for instruments with fair value interest rate risk

The Group does not classify any fixed-rate instruments as financial assets measured at fair value through profit and loss. In addition, the Group does not designate derivatives as hedge instruments under the fair value hedge accounting model. Therefore, the change in interest rate on the reporting date has no effect on profit or loss and other comprehensive income.

Sensitivity analysis for instruments with cash flow interest rate risk

The effective interest rates for the Group's floating interest rate financial instruments are susceptible to the market interest rate, affecting the Group's furture cash flows. If the market interest rate increases/decreases 1%, the profit before tax will increase/decrease $4,350 thousand and $5,153 thousand for the three months ended March 31, 2024 and 2023, respectively.

B. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group is exposed to credit risk from operation activities, primarily trade receivable, and from investing activities, primarily bank deposits and other financial instruments. Credit risk is managed separately for business related and financial related exposures.

(a) Business - related credit risk

In order to maintain the credit quality of the trade receivables, the Group has established procedures to monitor and limit exposure to credit risk on trade receivables. Credit evaluation is performed taking into account relevant factors that may affects a customer's paying ability, such as the customer's financial condition and historical transaction records, internal and external credit rating and economic conditions.

The Group does not hold any collateral or other credit enhancement to hedge against the credit risk of financial assets.

(b) Financial credit risk

The Group's exposure to financial credit risk pertaining to bank deposits and other financial instruments was evaluated and monitored by the Group's treasury function. The Group only transacts with creditworthy counterparties and banks; therefore, no significant financial credit risk was identified.

i. Credit concentration risk

As of March 31, 2024 and December 31, 2023 and March 31, 2023, the proportion of the accounts receivable exceeds 10% of the total accounts receivable, representing 28%,29%and 16%, respectively. The credit concentration risk associated with other accounts receivable is relatively insignificant.

ii. Measurement of expected credit losses

(i) Accounts receivable: The Group applies simplified approach to accounts receivable. Please refer to Note 6.4 for more information.

(ii) The criteria used to determine whether credit risk has increased significantly: The Group considered credit factors and reviewed relevant information associated with debtors to assess whether credit risks on financial instruments have increased significantly since initial recognition.

iii. Holding collateral and other credit enhancement to hedge against credit risk of financial assets: None.

iv. Credit risk of financial assets measured at amortized cost

Please refer to Note 6.4 for information on the Group's credit exposures associated with notes and accounts receivable. Other financial instruments amortized at cost, such as cash and cash equivalents and other receivables, have low credit losses. After assessment, the Group determined that no material impairment occurred.

C. Liquidity risk

(a) Liquidity risk management

The objective of the Group's management of liquidity risk is to maintain sufficient cash and cash equivalents, highly liquid securities, and banking facilities to ensure that the Group has sufficient financial flexibility for its operations.

(b) Maturity analysis for financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities:

	March 31, 2024				
Non-derivative Financial Liabilities	Within 1 year	1-5 years	Over 5 years	Contract cash flows	Carrying amounts
Short-term loans	$ 690,612	$ –	$ –	$ 690,612	$ 683,643
Notes payable	85,214	–	–	85,214	85,214
Accounts payable	817,758	–	–	817,758	817,758
Other payables	223,372	–	–	223,372	223,372
Lease liabilities	10,722	26,822	52,614	90,158	83,747
Long-term loan (include current portion)	560,324	1,416,333	37,041	2,013,698	1,945,907
Guarantee deposits	–	–	16,739	16,739	16,739
Total	$ 2,388,002	$ 1,443,155	$ 106,394	$ 3,937,551	$ 3,856,380

Further information on maturity analysis for lease liabilities

	March 31, 2024					
	Within 1 year	1-5 years	5-10 years	10-15 years	15-20 years	Total undiscounted lease payments
Lease liabilities	$ 10,722	$ 26,822	$ 32,051	$ 20,563	$ –	$ 90,158

	December 31, 2023				
Non-derivative Financial Liabilities	Within 1 year	1-5 years	Over 5 years	Contract cash flows	Carrying amounts
Short-term loans	$ 671,819	$ –	$ –	$ 671,819	$ 663,889
Notes payable	65,846	–	–	65,846	65,846
Accounts payable	838,004	–	–	838,004	838,004

Non-derivative Financial Liabilities	December 31, 2023 Within 1 year	1-5 years	Over 5 years	Contract cash flows	Carrying amounts
Other payables	$ 254,764	$ -	$ -	$ 254,764	$ 254,764
Lease liabilities	9,445	26,307	54,115	89,867	83,259
Long-term loan (include current portion)	556,711	1,383,284	35,349	1,975,344	1,905,420
Guarantee deposits	-	-	15,175	15,175	15,175
Total	$ 2,396,589	$ 1,409,591	$ 104,639	$ 3,910,819	$ 3,826,357

Further information on maturity analysis for lease liabilities

	December 31, 2023 Within 1 year	1-5 years	5-10 years	10-15 years	15-20 years	Total undiscounted lease payments
Lease liabilities	$ 9,445	$ 26,307	$ 31,959	$ 22,156	$ -	$ 89,867

Non-derivative Financial Liabilities	March 31, 2023 Within 1 year	1-5 years	Over 5 years	Contract cash flows	Carrying amounts
Short-term loans	$ 747,689	$ -	$ -	$ 747,689	$ 738,678
Notes payable	59,754	-	-	59,754	59,754
Accounts payable	905,695	-	-	905,695	905,695
Other payables	365,751	-	-	365,751	365,751
Lease liabilities	10,521	28,233	59,775	98,529	91,308
Long-term loan (include current portion)	559,007	1,673,117	68,265	2,300,389	2,217,702
Guarantee deposits	-	-	13,396	13,396	13,396
Total	$ 2,648,417	$ 1,701,350	$ 141,436	$ 4,491,203	$ 4,392,284

Further information on maturity analysis for lease liabilities

	March 31, 2023 Within 1 year	1-5 years	5-10 years	10-15 years	15-20 years	Total undiscounted lease payments
Lease liabilities	$ 10,521	$ 28,233	$ 32,840	$ 26,935	$ -	$ 98,529

The Group does not expect the cash flows on the maturity analysis to occur significantly earlier or with a considerable different from the actual amounts .

12.4 Category of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets			
Financial assets at fair value through profit or loss- current	$ 114,130	$ 18,999	$ 57,915
Financial assets measured at amortized cost (Note 1)	2,966,372	2,846,256	3,145,900
Financial assets at fair value through other comprehensive income- noncurrent	23,881	23,938	22,887
Financial liability			
Financial liabilities measured at amortized cost (Note 2)	3,772,633	3,743,098	4,300,976

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable, other receivable and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term loan, short-term notes and notes payable, accounts payable, other payables, long-term loan (include current portion) and guarantee deposits received.

12.5 Fair value information of financial instruments

(1) Definition of fair value measurements are grouped into Level 1 to 3 as follows:

Level 1: Relevant inputs are quoted prices in active markets for identical assets or liabilities that the entity can access on the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable inputs that used to measure fair value to the extent when relevant observable inputs are not available.

(2) Financial instruments that are not measured at fair value

The fair value of the Group's financial instruments not measured at fair value including cash and cash equivalents, account receivable, other financial assets, refundable deposits, short-term loan, account payables, long-term loan (including current portion) and other financial liabilities approximate their fair value.

(3) Financial instruments that are measured at fair value:

The financial instruments that are measured at fair value on a recurring basis, the information of fair value is as follow:

Items	March 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at FVTPL				
Funds-current	$ 114,130	$ -	$ -	$ 114,130
Financial assets at FVTOCI-noncurrent				
Equity instruments				
Unlisted stocks	-	-	23,881	23,881
Total	$ 114,130	$ -	$ 23,881	$ 138,011

Items	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at FVTPL				
Funds-current	$ 18,999	$ -	$ -	$ 18,999
Financial assets at FVTOCI-noncurrent				
Equity instruments				
Unlisted stocks	-	-	23,938	23,938
Total	$ 18,999	$ -	$ 23,938	$ 42,937

Items	March 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at FVTPL				
Funds-current	$ 57,915	$ -	$ -	$ 57,915
Financial assets at FVTOCI-noncurrent				
Equity instruments				
Unlisted stocks	-	-	22,887	22,887

Items	March 31, 2023 Level 1		Level 2		Level 3		Total	
Total	$	57,915	$	-	$	22,887	$	80,802

(4) The methods and assumptions the Group used to measure fair value are as follows:

A. The Group measures the fair values of its financial instruments with an active market using their quoted prices in the active market.

B. Fair value of equity investment of unlisted stocks without active market was estimated through the market approach that is mainly referenced to the same type of companies' evaluation, quotes from third parties, net assets and state of operation. The significant and unobservable input parameter for assessing the unlisted stocks mainly relates to liquidly discount rate. Since the possible changes of liquidity discount rate may not cause significant influence on financial standing, the quantitative information will not be disclosed.

C. Fair value of other financial assets and financial liabilities (except for aforementioned) are determined in accordance with generally accepted pricing model based on the discounted cash flow analysis.

(4) Transfer between Level 1 and Level 2 of the fair value hierarchy: None.

(5) Changes in level 3 instruments:

Items	Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
Financial assets at FVTOCI				
Beginning Balance	$	23,938	$	21,023
Unrealized valuation gains or losses on equity investments at FVTOCI		(57)		1,864
Effect of foreign currency exchange difference		-		-
Ending Balance	$	23,881	$	22,887

13. SUPPLEMENTARY DISCLOSURES

13.1 Significant transactions information (before inter-company eliminations):

(1) Financings provided to others: None;

(2) Endorsement and guarantee provided to others: Please see Table 1 attached;

(3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures at the end of the period): Please see Table 2 attached;

(4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None;

(5) Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None ;

(6) Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None;

(7) Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: Please see Table 3 attached;

(8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid- in capital: None;

(9) Information on the derivative instrument transactions: None;

(10) The business relationship between the parent and the subsidiaries and significant transaction between then: Please see Table 4 attached;

13.2 Information on investees (before inter-company eliminations): Please see Table 5 attached;

13.3 Information on investment in Mainland China (before inter-company eliminations):

(1) The name of the investee in Mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Please see Table 6 attached;

(2) Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: Please see Table 4 attached.

13.4 Information of major shareholder (Names, number of shares and ownership of shareholders whose equity interest is greater than 5%): Please see Table 7 attached .

14. SEGMENT INFORMATION

14.1 General information

For the purpose of management, the chief operating decision maker of the Group separates its operations based on different products and have two reportable segments: Stationary segment and electronic segment.

14.2 Measurement basis

Management monitors the operation results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss before tax and is measured consistently with profit or loss before tax in the consolidated financial statements. Furthermore, the information of assets and liabilities do not report to chief operating decision maker for operation decision making, segment assets and liabilities are not disclosed. The accounting policies for reportable segments are the same as Group’s accounting policies described in Note 4.

14.3 Segment information

The segment information provided to the chief operating decision-maker:

	Three Months Ended March 31, 2024				
Items	Electronic	Stationery	Others	Eliminations	Total
Revenue					
Revenue from external customers	$ 1,989,052	$ 351,779	$ 47,776	$ –	$ 2,388,607
Revenue from intersegments	162,550	121,299	5,517	(289,366)	–
Total	$ 2,151,602	$ 473,078	$ 53,293	$ (289,366)	$ 2,388,607
Interest expenses	$ 12,789	$ 2,345	$ –	$ –	$ 15,134
Depreciation and amortization	$ 154,328	$ 20,897	$ 3,393	$ –	$ 178,618
Segment income (loss)	$ 144,013	$ 60,406	$ 13,000	$ –	$ 217,419
Income (loss) before tax					$ 217,419
Total assets					$ 12,306,145

	Three Months Ended March 31, 2023				
Items	Electronic	Stationery	Others	Eliminations	Total
Revenue					
Revenue from external customers	$ 2,295,357	$ 362,961	$ 26,919	$ –	$ 2,685,237
Revenue from intersegments	148,620	96,414	8,308	(253,342)	–
Total	$ 2,443,977	$ 459,375	$ 35,227	$ (253,342)	$ 2,685,237
Interest expenses	$ 13,837	$ 2,577	$ –	$ –	$ 16,414
Depreciation and amortization	$ 139,534	$ 21,873	$ 1,734	$ –	$ 163,141
Segment income (loss)	$ 248,821	$ 38,423	$ 7,989	$ –	$ 295,233
Income (loss) before tax					$ 295,233
Total assets					$ 12,814,884

14.4 Reconciliation for segment income (loss)

The segment revenue and segment income (loss) reported to the chief operating decision maker is measured in a manner consistent with that in the consolidated statements of comprehensive income.

SDI CORPORATION AND SUBSIDIARIES

ENDORSEMENTS / GUARANTEES PROVIDED

FOR THE THREE MONTHS ENDED MARCH 31, 2024

TABLE 1

Amounts in Thousands of New Taiwan Dollars

NO.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period		Ending Balance		Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Remark
		Name	Nature of Relationship													
0	SDI	SDI (JIANGSU)	(3)	NTD 3,144,831	NTD	1,349,620	NTD	1,349,620	NTD 554,058	NTD -	19.31%	NTD 3,494,257	Y	N	Y	
					USD	14,000	USD	14,000								
					RMB	200,000	RMB	200,000								

Note 1：The numbers filled in for the financing company represent the following：

(1) The Company is '0'.

Note 2：Relationships between the endorser/guarantor and the party being endorsed/guaranteed：

(1) Trading parties.

(2) The Company direct and indirect owns over 50% ownership of subsidiaries.

(3) The Company and its subsidiaries own over 50% ownership of the investee company.

Note 3：The total amount of the guarantee provided by SDI to any individual entity shall not exceed forty-five percent (45%) of Company's net worth.

Note 4：The total amount of guarantee shall not exceed fifty percent (50%) of Company's net worth.

Note 5："Y" represents the endorsement and guarantee provide by listed parent company to subsidiaries, subsidiaries to listed parent company, or take place in Mainland China.

SDI CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2024

TABLE 2

Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	MARCH 31, 2024				Remarks
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership	Fair Value	
TEC Brite Technology	Jih Sun Money Market Fund	—	Financial Assets at Fair Value through Profit or Loss—Current	4,905	$ 75,064	-	$ 75,064	
	Capital Money Market Fund	—	Financial Assets at Fair Value through Profit or Loss—Current	2,348	39,066	-	39,066	
SDI	Chang Hwa Golf Club	—	Financial Assets at Fair Value through Other Comprehensive Income—Noncurrent	90	10,016	0.24%	10,016	
	SDI Electronics JAPAN CO., LTD	Please refer to Note 7(1)	Financial Assets at Fair Value through Other Comprehensive Income—Noncurrent	30	10,899	15.00%	10,899	
	SDI JAPAN CO., LTD	Please refer to Note 7(1)	Financial Assets at Fair Value through Other Comprehensive Income—Noncurrent	200	2,966	19.61%	2,966	

SDI CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE THREE MONTHS ENDED MARCH 31, 2024

TABLE 3 Amounts in Thousands of New Taiwan Dollars

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Remarks
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
SDI (JIANGSU)	SDI	The ultimate parent of the Company	Sales	$ 158,304	26.87%	As prescribed by the agreement	—	—	$ 56,069	9.57%	Note

NOTE：All the transactions had been eliminated when preparing consolidated financial statements.

SDI CORPORATION AND SUBSIDIARIES

SUBSIDIARIESINTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTION

FOR THE THREE MONTHS ENDED MARCH 31, 2024

TABLE 4 Amounts in Thousands of New Taiwan Dollars

No.	Company Name	Counter Party	Nature of Relationship	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
0	SDI	SDI (JIANGSU)	1	Sales revenue	$ 53,479	Note 3	2.24%
		SDI (JIANGSU)	1	Accounts receivable	62,607	Note 3	0.51%
		SDI (JIANGSU)	1	Other receivables	17	—	—
		Chao Shin Metal	1	Sales revenue	4,035	Note 3	0.17%
		Chao Shin Metal	1	Accounts receivable	4,237	Note 3	0.03%
		Chao Shin Metal	1	Other receivables	352	—	—
		TEC Brite Technology	1	Sales revenue	4	Note 3	—
		TEC Brite Technology	1	Accounts receivable	4	Note 3	—
		TEC Brite Technology	1	Other receivables	7,915	—	0.06%
1	SDI (JIANGSU)	SDI	2	Sales revenue	158,304	Note 3	6.63%
		SDI	2	Accounts receivable	56,069	Note 3	0.46%
		SDI	2	Other receivables	145	—	—
2	Chao Shin Metal	SDI	2	Sales revenue	5,027	Note 3	0.21%
		SDI	2	Processing revenue	708	Note 3	0.03%
		SDI	2	Accounts receivable	3,775	Note 3	0.03%
		SDI (JIANGSU)	3	Sales revenue	11,985	Note 3	0.50%
		SDI (JIANGSU)	3	Accounts receivable	16,467	Note 3	0.13%
3	TEC Brite Technology	SDI	2	Sales revenue	55,760	Note 3	2.33%
		SDI	2	Accounts receivable	75,112	Note 3	0.61%
		Chao Shin Metal	3	Sales revenue	64	Note 3	—
		Chao Shin Metal	3	Accounts receivable	68	Note 3	—

Note 1: The numbers filled in for the transaction company represent the follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationships between transaction companies and counterparties are classified into the following three categories as listed below：

'1'represents parent company to subsidiary.

'2' represents subsidiary to parent company.

'3' represents subsidiary to subsidiary.

Note 3: Sale price with related parties were determined and negotiated referring to related market price.

Note 4: All the transactions had been eliminated when preparing consolidated financial report.

SDI CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE

MARCH 31, 2024

TABLE 5

Amounts in Thousands of New Taiwan Dollars

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2024			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Remarks
				March 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value			
SDI	CHAO SHIN METAL INDUSTRIAL CORP.	Taiwan	Smelting and rolling of metal strips	$ 106,953	$ 106,953	14,810	84.62%	$ 250,102	$ 5,141	$ 7,876	Note 1、2
	TEC BRITE TECHNOLOGY CO., LTD	Taiwan	Manufacturing of electronic components and international trade	98,969	98,969	9,897	54.98%	389,360	22,490	12,610	Note 1、2
	SHUEN DER (B.V.I.)	BVI	Holding Company	735,770	706,330	8,920	100.00%	1,821,569	(7,629)	(4,422)	Note 1,2,3

Note 1：All the transactions had been eliminated when preparing consolidated financial statements.

Note 2：The difference of the shares of profits/losses of investee is recognized as unrealized gross profit.

Note 3：Please refer to Table 6 for information of investees of China Mainland.

SDI CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA

FOR THE THREE MONTHS ENDED MARCH 31, 2024

TABLE 6

Amounts in Thousands of New Taiwan Dollars

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1,2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2024	Net Income (Losses) of the Investee Company	Percentage of Ownership	Shares of Profits/ Losses	Carrying Amount as of March 31, 2024	Accumulated Inward Remittance of Earnings as of March 31, 2024	Note
					Outflow	Inflow							
SDI Jiangsu	Manufacture, process and sales of integrated circuit frame, blades, stationary, etc.	NTD 1,119,650	Note 1	NTD 735,770	NTD –	NTD –	NTD 735,770	NTD (7,635)	100. 00%	NTD (7,635)	NTD 1,853,924	NTD –	
		USD 35,000		USD 23,000			USD 23,000	USD (243)					

Accumulated Investment in Mainland China as of March 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
NTD 735,770	NTD 1,119,650	NTD 4,409,954
USD 23,000	USD 35,000	

Note 1：Reinvesting in the Mainland China through third-region companies.

Note 2：Amounts was recognized based on reviewed financial statements.

Note 3：Foreign currencies aforementioned are translated into NTD using the exchange rate at the reporting date or average exchange rate for the year ended.

Note 4：All the transactions had been eliminated when preparing consolidated financial report.

SDI CORPORATION AND SUBSIDIARIES

Information on Major Shareholders

FOR THE THREE MONTHS ENDED MARCH 31, 2024

TABLE 7

Major shareholders	Shares	
	Numbers of Shares	Percentage of ownership
Cathay Life Insurance Co., Ltd.	12,185,000	6.68%

Note 1: The information of major shareholders is based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (included treasury shares) by the Group as of MARCH 31, 2024. The share capital in consolidated financial report may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.