

**FIT HOLDING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
June 30,2022 AND 2021**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

FIT HOLDING CO., LTD.  
June 30, 2022 AND 2021 CONSOLIDATED FINANCIAL STATE-  
MENTS AND INDEPENDENT AUDITORS' REVIEW REPORT  
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## INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR 22001511

To the Board of Directors and Shareholders of FIT Holding Co., Ltd.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of FIT Holding Co., Ltd. and subsidiaries (the "Group") as at June 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statement of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these 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" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### **Scope of review**

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit 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.

### **Basis for qualified conclusion**

As explained in Note 4(3), the financial statements of certain insignificant consolidated subsidiaries and information disclosed in Note 13 were not reviewed by independent auditors. Those statements reflect total assets of NT\$5,554,175 thousand and NT\$3,835,750 thousand, constituting 18% and 19% of the consolidated total assets, and total liabilities of NT\$427,312 thousand and NT\$154,521 thousand, constituting 3% and 2% of the consolidated total liabilities as at June 30, 2022 and 2021, and total comprehensive (loss) income of NT\$23,016 thousand, NT\$(231,526) thousand, NT\$36,726 thousand and NT\$17,872 thousand, constituting (207%), 106%, 36% and 63% of the consolidated total comprehensive (loss) income for the three months and six months then ended. As explained in Note 6(7), certain investments accounted for using equity method were assessed and shares of profit or loss of associates and joint ventures accounted for using equity method as of June 30, 2022 and 2021 were disclosed based on the financial statements which were not reviewed by independent auditors. The balance of investment accounted for under equity method was NT\$1,019,754 thousand and NT\$622,460 thousand, constituting 3% and 3% of consolidated total assets as of June 30, 2022 and 2021, respectively, and the share of profit of associates and joint venture accounted for under equity method was NT\$7,300 thousand, NT\$3,953 thousand, NT\$20,189 thousand and NT\$22,040 thousand, constituting (66%), (2%), 20% and 78% of consolidated total comprehensive (loss) income for the three months and six months then ended, respectively.

**Qualified conclusion**

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the three months and six months then ended 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.

Zhou, Hsiao-Zi                      Liang Yi Chang  
For and on behalf of PricewaterhouseCoopers, Taiwan  
August 12, 2022

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

FIT HOLDING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
JUNE 30, 2022, DECEMBER 31, 2021 AND JUNE 30, 2021  
(Expressed in thousands of New Taiwan dollars)  
(The balance sheets as of June 30, 2022 and 2021 are reviewed, not audited)

(The balance sheets as of June 30, 2022 and 2021 are reviewed, not audited)								
Assets		Notes	June 30,2022		December 31,2021		June 30,2021	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 8,008,975	27	\$ 4,968,346	20	\$ 5,458,133	28
1136	Current financial assets at amortised cost	6(3)&(8)	2,408,229	8	2,096,938	8	2,866,049	14
1140	Current contract assets	6(23)	3,017,345	10	3,216,453	13	529,639	3
1150	Notes receivable,net	6(4)	7,840	-	4,259	-	1,211	-
1170	Accounts receivable,net	6(4)	1,119,490	4	1,145,867	5	819,986	4
1180	Accounts receivable-related parties	7	79,236	-	51,547	-	19,758	-
1200	Other receivables	7	45,048	-	54,757	-	21,276	-
1220	Current tax assets		491	-	2,204	-	-	-
130X	Inventories	6(5)	1,396,324	5	1,359,049	6	1,005,864	5
1410	Prepayments	6(6)	3,678,474	12	2,617,461	11	253,124	1
1460	Non-current assets or disposal groups classified as held for sale,net	6(14)	-	-	15,599	-	-	-
1470	Other current assets	8	1,032,583	3	36,744	-	88,137	1
11XX	Current assets		20,794,035	69	15,569,224	63	11,063,177	56
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	1,822,905	6	2,098,520	8	2,471,975	12
1535	Non-current financial assets at amortised cost	6(3)and 8	46,885	-	19,140	-	19,111	-
1550	Investments accounted for un- der equity method	6(7)	1,019,754	3	878,483	4	622,460	3
1600	Property, plant and equipment	6(8)and 8	3,577,888	12	3,469,151	14	3,284,062	16
1755	Right-of-use assets	6(9)	527,034	2	552,434	2	569,033	3
1760	Investment property, net	6(11)and 8	397,098	1	400,811	2	405,223	2
1780	Intangible assets	6(12)	1,239,801	4	966,092	4	974,544	5
1840	Deferred income tax assets		225,774	1	234,941	1	247,070	1
1915	Prepayments for business facilities		390,046	1	213,290	1	161,228	1
1990	Other non-current assets, others	6(13)and 8	212,486	1	141,750	1	113,314	1
15XX	Non-current assets		9,459,671	31	8,974,612	37	8,868,020	44
1XXX	Total assets		\$ 30,253,706	100	\$ 24,543,836	100	\$ 19,931,197	100

(Continued)

**FIT HOLDING CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

**JUNE 30, 2022, DECEMBER 31, 2021 AND JUNE 30, 2021**

**(The balance sheets as of June 30, 2022 and 2021 are reviewed, not audited)**

(The balance sheets as of June 30, 2022 and 2021 are reviewed, not audited)								
LIABILITIES AND EQUITY		Notes	June 30,2022		December 31,2021		June 30,2021	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
CURRENT LIABILITIES								
2100	Short-term borrowings	6(15)	\$ 7,280,719	24	\$ 3,086,000	13	\$ 3,406,195	17
2110	Short-term notes and bills payable	6(16)	275,503	1	1,596,522	6	545,315	3
2130	Current contract liabilities	6(23)	388,512	1	383,882	2	352,556	2
2150	Notes payable		160	-	150	-	151	-
2170	Accounts payable		1,337,230	4	2,732,866	11	1,255,062	6
2180	Accounts payable - related parties	7	24,979	-	5,317	-	6,033	-
2200	Other payables	6(17)	1,178,941	4	758,134	3	796,243	4
2220	Other payables - related parties	7	27,530	-	29,869	-	21,550	-
2230	Current income tax liabilities		66,528	-	173,693	1	90,146	-
2280	Current lease liabilities	7	57,968	-	61,639	-	62,283	-
2320	Long-term liabilities, current portion	6(18)	531,148	2	302,694	1	541,849	3
2399	Other current liabilities, others		147,326	1	162,645	1	149,485	1
21XX	Total current Liabilities		11,316,544	37	9,293,411	38	7,226,868	36
Non-current liabilities								
2540	Long-term borrowings	6(18)	3,955,898	13	2,775,173	11	2,224,997	11
2570	Deferred income tax liabilities		259,672	1	177,731	1	168,636	1
2580	Non-current lease liabilities	7	234,619	1	254,886	1	271,912	2
2600	Other non-current liabilities		50,045	-	52,117	-	66,451	-
25XX	Total Non-current liabilities		4,500,234	15	3,259,907	13	2,731,996	14
2XXX	Total liabilities		15,816,778	52	12,553,318	51	9,958,864	50
Equity ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT								
	Share capital	6(20)						
3110	Share capital - common stock		2,462,421	8	2,462,421	10	2,462,421	12
	Capital surplus	6(21)						
3200	Capital surplus		4,841,509	16	4,890,319	20	4,203,503	21
	Retained earnings	6(22)						
3310	Legal reserve		51,068	-	8,985	-	-	-
3320	Special reserve		229,129	1	8,361	-	8,361	-
3350	Unappropriated retained earnings		269,289	1	427,826	2	130,219	1
	Other equity interest							
3400	Other equity interest		( 391,279)	( 1)	( 220,768)	( 1)	103,589	1
31XX	Equity attributable to owners of the parent		7,462,137	25	7,577,144	31	6,908,093	35
36XX	Non-controlling interest		6,974,791	23	4,413,374	18	3,064,240	15
3XXX	Total equity		14,436,928	48	11,990,518	49	9,972,333	50
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	Total liabilities and equity		\$ 30,253,706	100	\$ 24,543,836	100	\$ 19,931,197	100

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars, except earnings per share)  
(UNAUDITED)

Items	Note	Three months ended June 30				Six months ended June 30			
		2022		2021		2022		2021	
		Amount	%	Amount	%	Amount	%	Amount	%
4000 Sales revenue	6(23)and 7	\$ 3,101,680	100	\$ 1,710,322	100	\$ 5,693,812	100	\$ 3,961,323	100
5000 Operating costs	6(5)(28)and7	( 2,584,795)	( 83)	( 1,468,574)	( 86)	( 4,815,920)	( 85)	( 3,125,705)	( 79)
5900 Gross profit		<u>516,885</u>	<u>17</u>	<u>241,748</u>	<u>14</u>	<u>877,892</u>	<u>15</u>	<u>835,618</u>	<u>21</u>
Operating expenses	6(28)								
6100 Selling expenses		( 51,270)	( 2)	( 50,357)	( 3)	( 94,258)	( 2)	( 101,993)	( 2)
6200 General and administrative expenses		( 199,639)	( 6)	( 122,412)	( 7)	( 358,492)	( 6)	( 272,472)	( 7)
6300 Research and development expenses		( 106,938)	( 4)	( 98,115)	( 6)	( 202,616)	( 3)	( 206,315)	( 5)
6450 Expect credit loss	12(2)	( 1,700)	-	( 1,206)	-	( 1,779)	-	( 1,125)	-
6000 Total operating expenses		( 359,547)	( 12)	( 269,678)	( 16)	( 657,145)	( 11)	( 581,905)	( 14)
6900 Operating profit (loss)		<u>157,338</u>	<u>5</u>	<u>( 27,930)</u>	<u>( 2)</u>	<u>220,747</u>	<u>4</u>	<u>253,713</u>	<u>7</u>
Non-operating income and expenses									
7100 Interest income	6(24)	12,136	1	10,187	1	16,311	-	19,041	-
7010 Other income	6(25)and7	11,535	-	21,693	1	71,542	1	31,247	1
7020 Other gains and losses	6(26)	22,688	1	82,978	5	95,775	2	79,424	2
7050 Finance costs	6(9)(27)and 7	( 28,871)	( 1)	( 35,225)	( 2)	( 57,403)	( 1)	( 71,716)	( 2)
7060 Share of profit of associates and joint ventures accounted for using equity method		<u>7,300</u>	<u>-</u>	<u>3,953</u>	<u>-</u>	<u>20,189</u>	<u>1</u>	<u>21,928</u>	<u>1</u>
7000 Total non-operating income and expenses		<u>24,788</u>	<u>1</u>	<u>83,586</u>	<u>5</u>	<u>146,414</u>	<u>3</u>	<u>79,924</u>	<u>2</u>
7900 Profit before income tax		<u>182,126</u>	<u>6</u>	<u>55,656</u>	<u>3</u>	<u>367,161</u>	<u>7</u>	<u>333,637</u>	<u>9</u>
7950 Income tax expense	6(29)	( 67,085)	( 2)	( 26,106)	( 1)	( 93,873)	( 2)	( 102,243)	( 3)
8200 Profit for the year		<u>\$ 115,041</u>	<u>4</u>	<u>\$ 29,550</u>	<u>2</u>	<u>\$ 273,288</u>	<u>5</u>	<u>\$ 231,394</u>	<u>6</u>

(Continued)

**FIT HOLDING CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars, except earnings per share)  
(UNAUDITED)

Items	Note	Three months ended June 30				Six months ended June 30				
		2022		2021		2022		2021		
		Amount	%	Amount	%	Amount	%	Amount	%	
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>										
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(2)	(\$ 132,014)	( 4)	(\$ 198,039)	( 12)	(\$ 277,245)	( 5)	(\$ 132,911)	( 3)
8310	Components of other comprehensive income that will not be reclassified to profit or loss		( 132,014)	( 4)	( 198,039)	( 12)	( 277,245)	( 5)	( 132,911)	( 3)
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>										
8361	Financial statements translation differences of foreign operations		7,418	-	( 55,363)	( 3)	133,579	2	( 81,315)	( 2)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		-	-	1,527	-	-	-	1,143	-
8399	Income tax relating to the components of other comprehensive income	6(29)	( 1,542)	-	3,560	-	( 26,635)	-	9,905	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		5,876	-	( 50,276)	( 3)	106,944	2	( 70,267)	( 2)
8300	<b>Other comprehensive (loss) income for the year</b>		(\$ 126,138)	( 4)	(\$ 248,315)	( 15)	(\$ 170,301)	( 3)	(\$ 203,178)	( 5)
8500	<b>Total comprehensive income for the year</b>		(\$ 11,097)	-	(\$ 218,765)	( 13)	\$ 102,987	2	\$ 28,216	1
Profit attributable to:										
8610	Owners of the parent		\$ 95,097	3	\$ 30,143	2	\$ 227,435	4	\$ 126,766	3
8620	Non-controlling interest		19,944	1	( 593)	-	45,853	1	104,628	3
	<b>Total</b>		<b>\$ 115,041</b>	<b>4</b>	<b>\$ 29,550</b>	<b>2</b>	<b>\$ 273,288</b>	<b>5</b>	<b>\$ 231,394</b>	<b>6</b>
Comprehensive (loss) income attributable to:										
8710	Owners of the parent		( \$ 30,896)	( 1)	( \$ 217,983)	( 13)	\$ 56,924	1	( \$ 82,123)	( 2)
8720	Non-controlling interest		19,799	1	( 782)	-	46,063	1	110,339	3
	<b>Total</b>		<b>( \$ 11,097)</b>	<b>-</b>	<b>( \$ 218,765)</b>	<b>( 13)</b>	<b>\$ 102,987</b>	<b>2</b>	<b>\$ 28,216</b>	<b>1</b>
Earnings per share										
9750	Basic earnings per share (in dollars)	6(30)	\$ 0.38		\$ 0.12		\$ 0.92		\$ 0.51	
9850	Diluted earnings per share (in dollars)		\$ 0.38		\$ 0.12		\$ 0.92		\$ 0.51	

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
THREE MONTHS ENDED JUNE 30, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars)

(UNAUDITED)

Equity attributable to owners of the parent

	Notes	Share capital - common stock	Capital sur- plus, addi- tional paid-in capital	Retained Earnings		Other equity interest			Non-controlling in- terest	Total equity	
				Legal reserve	Special reserve	Unappropriated retained earn- ings (accumu- lated deficit)	Financial state- ments translation differences of foreign opera- tions	Unrealised gains (losses) from financial assets measured at fair value through other comprehen- sive income			Total
Six months ended June 30, 2021											
Balance at January 1, 2021		\$ 2,462,421	\$ 4,198,013	\$ -	\$ 8,361	\$ 89,848	(\$ 239,429 )	\$ 539,385	\$ 7,058,599	\$ 1,118,656	\$ 8,177,255
Net income for the period		-	-	-	-	126,766	-	-	126,766	104,628	231,394
Other comprehensive income (loss)		-	-	-	-	-	( 75,978 )	(132,911)	(208,889)	5,711	(203,178)
Total comprehensive income (loss)		-	-	-	-	126,766	( 75,978 )	(132,911)	(82,123)	110,339	28,216
Adjustments to share of changes in equity of as- sociates and joint ventures accounted for using the equity method		-	3,333	-	-	-	-	-	3,333	-	3,333
Cash dividends paid by additional paid-in capital	6(21)	-	( 172,370 )	-	-	-	-	-	( 172,370 )	-	( 172,370 )
Cash dividends to shareholders	6(22)	-	-	-	-	( 73,873 )	-	-	( 73,873 )	-	( 73,873 )
Changes in non-controlling interest	6(31)	-	174,527	-	-	-	-	-	174,527	1,831,460	2,005,987
Compensation costs		-	-	-	-	-	-	-	-	3,785	3,785
Disposal of equity investments at fair value through other comprehensive income		-	-	-	-	(12,522)	-	12,522	-	-	-
Balance at June 30, 2021		\$ 2,462,421	\$ 4,203,503	\$ -	\$ 8,361	\$ 130,219	(\$ 315,407 )	\$ 418,996	\$ 6,908,093	\$ 3,064,240	\$ 9,972,333
Six months ended June 30, 2022											
Balance at January 1, 2022		\$ 2,462,421	\$ 4,890,319	\$ 8,985	\$ 8,361	\$ 427,826	(\$ 303,305 )	\$ 82,537	\$ 7,577,144	\$ 4,413,374	\$ 11,990,518
Net income for the period		-	-	-	-	227,435	-	-	227,435	45,853	273,288
Other comprehensive income (loss)		-	-	-	-	-	106,734	( 277,245 )	( 170,511 )	210	( 170,301 )
Total comprehensive income (loss)		-	-	-	-	227,435	106,734	( 277,245 )	56,924	46,063	102,987
Adjustments to share of changes in equity of as- sociates and joint ventures accounted for using the equity method		-	1,639	-	-	-	-	-	1,639	-	1,639
Cash dividends paid by additional paid-in capital	6(21)	-	( 246,242 )	-	-	-	-	-	( 246,242 )	-	( 246,242 )
Cash dividends to shareholders	6(22)	-	-	-	-	( 123,121 )	-	-	( 123,121 )	-	( 123,121 )
Legal reserve	6(22)	-	-	42,083	-	(42,083)	-	-	-	-	-
Special reserve	6(22)	-	-	-	220,768	(220,768)	-	-	-	-	-
Changes in non-controlling interest	6(31)	-	194,140	-	-	-	-	-	194,140	2,512,898	2,707,038
Compensation costs		-	1,653	-	-	-	-	-	1,653	2,456	4,109
Balance at June 30, 2022		\$ 2,462,421	\$ 4,841,509	\$ 51,068	\$ 229,129	\$ 269,289	(\$ 196,571 )	(\$ 194,708 )	\$ 7,462,137	\$ 6,974,791	\$ 14,436,928

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
SIX MONTHS ENDED JUNE 30, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)  
(UNAUDITED)

		Six months ended June30	
	Notes	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 367,161	\$ 333,637
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit loss	12(2)	1,779	1,125
Depreciation (including investment property and right-of-use assets)	6(26)and(28)	197,566	201,220
Amortisation	6(12) (28)	9,212	6,869
Loss on disposal of property, plant and equipment	6(26)	( 2,208 )	( 565 )
Share of profit of associates and joint ventures accounted for using the equity method		( 20,189 )	( 21,928 )
Gain on disposal of investments	6(26)	-	( 112,689 )
Interest expense	6(27)	57,403	71,716
Interest income	6(24)	( 16,311 )	( 19,041 )
Compensation costs		4,109	3,785
Deferred government grants revenue recognised	6(26)	( 4,149 )	( 4,524 )
Changes in operating assets and liabilities			
Changes in operating asset			
Current contract assets		199,108	( 425,048 )
Notes receivable, net		( 3,581 )	3,635
Accounts receivable		24,598	74,326
Accounts receivable - related parties		( 27,689 )	374,963
Other receivables		9,608	( 13,392 )
Inventories		( 37,275 )	( 138,718 )
Prepayments		( 1,060,689 )	148,418
Other current assets		( 18,642 )	( 43,395 )
Changes in operating liabilities			
Contract liabilities - current		4,630	( 287,760 )
Notes payable		10	( 4 )
Accounts payable		( 1,395,636 )	272,916
Accounts payable to related parties		19,662	( 16,037 )
Other payables		( 53,916 )	( 70,842 )
Increase in other payables to related parties		( 2,339 )	( 15,889 )
Other current liabilities		( 15,319 )	( 53,926 )
Cash (outflow) inflow generated from operations		( 1,763,097 )	268,852
Interest received		16,412	19,218
Interest paid		( 59,129 )	( 73,063 )
Income tax paid		( 173,961 )	( 24,680 )
Net cash flows (used in) from operating activities		( 1,979,775 )	( 190,327 )

(continued)

FIT HOLDING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
SIX MONTHS ENDED JUNE 30, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)  
(UNAUDITED)

		Six months ended June 30	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at fair value through other comprehensive income		\$ -	\$ 104,528
(Increase) Decrease in financial assets at amortised cost		( 339,036 )	2,708,435
Acquisition of investments accounted for using the equity method		( 120,000 )	-
Proceeds from disposal of investments accounted for using the equity method		-	138,721
Acquisition of subsidiaries and acquire assets of other companies (deduct acquired cash)	6(32)	( 199,214 )	-
Acquisition of property, plant and equipment		( 170,201 )	( 65,507 )
Proceeds from disposal of property, plant and equipment		3,059	1,662
Acquisition of intangible assets	6(12)	( 5,477 )	( 8,577 )
Increase in prepayments for business facilities		( 233,340 )	-
Increase in refundable deposits		( 1,068,525 )	1,594
Increase (decrease) in other non-current assets		1,971	1,148
Net cash flows from (used in) investing activities		( 2,130,763 )	2,882,004
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(33)	19,294,547	8,737,815
Decrease in short-term borrowings	6(33)	( 15,099,828 )	( 8,461,420 )
Increase (decrease) in short-term notes payable	6(33)	( 1,321,019 )	238,078
Increase in long-term borrowings	6(33)	6,136,999	3,064,792
Decrease in long-term borrowings	6(33)	( 4,727,820 )	( 4,342,464 )
Repayment of lease liabilities	6(33)	( 37,722 )	( 41,648 )
Increase (decrease) in other payables to related parties		-	( 4,000,000 )
Increase (decrease) in guarantee deposits received		( 13,719 )	24,222
Increase in other non-current liabilities		15,796	20,606
Proceeds from disposal of subsidiaries	6(31)	-	690,000
Changes in non-controlling interest	6(31)	2,809,946	1,315,987
Net cash flows (used in) from financing activities		7,057,180	( 2,754,032 )
Changes in foreign currency exchange		93,987	( 9,055 )
Net increase in cash and cash equivalents		3,040,629	309,244
Cash and cash equivalents at beginning of year		4,968,346	5,148,889
Cash and cash equivalents at end of year		\$ 8,008,975	\$ 5,458,133

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SIX MONTHS ENDED JUNE 30, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and organization

A. FIT Holding Co., Ltd. (the “Company”) and its subsidiaries (collectively referred herein as the “Group”) were incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on October 1, 2018. The Group is primarily engaged in production, manufacturing and trading of optical instrument components, computer peripheral components, 3C products, image scanners and multifunction printers, investment and development of power plant and cleaning energy services.

B. The Company’s subsidiaries, Glory Science Co., Ltd. (Glory Science), Power Quotient International Co., Ltd. (PQI) and Foxlink Image Technology Co., Ltd. (Foxlink Image) entered into a joint share swap agreement as approved by each of their Board of Directors in May 2018. The Company acquired 100% shares of Glory Science, PQI and Foxlink Image through a share swap by exchanging 1 common share of PQI with 0.194 common share of the Company, 1 common share of Foxlink Image with 0.529 common share of the Company and 1 common share of Glory Science with 1 common share of the Company. The agreement was approved by the shareholders of Glory Science, PQI and Foxlink Image in June 2018, respectively. The transactions of joint shares swap were completed on October 1, 2018. The Company’s shares were listed on the Taiwan Stock Exchange (TSE) and approved by the regulatory authority on the same date. Cheng Uei Precision Industry Co., Ltd. is the ultimate parent company of the Company.

2. The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorized for issuance by the Board of Directors on August 12, 2022.

3. Application of New Standards, Amendments and Interpretations

(1) The effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC effective since 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, “Reference to the conceptual framework”	January 1, 2022
Amendments to IAS 16, “Property, plant and equipment: Proceeds before intended use”	January 1, 2022
Amendments to IAS 37, “Onerous contracts—Cost of fulfilling a contract”	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment

(2) The effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group.

The following table summarizes the newly issued, revised and revised standards and interpretations of the International Financial Reporting Standards approved by the FSC since 2023:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred income tax relating to assets and liabilities arising from a single transaction"	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9-comparative information'	January 1, 2023
Amendments to IAS1, 'Classification of liabilities as current or non Current'	January 1, 2023
Amendments to IAS1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

#### 4. Summary of Significant Accounting Policies

Significant accounting policies are the same as Note 4 to the consolidated financial statements for 2021, except for the statement of compliance, the basis of preparation, the basis of consolidation and the newly added parts. Unless otherwise stated, these policies apply consistently throughout all reporting periods.

(1) Compliance statement

1. This consolidated financial report has been prepared in accordance with the Financial Reporting Standards for Issuers of Securities and the International Accounting Standard No. 34 "Interim Financial Reporting" recognized by the FSC.

2. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets at fair value through other comprehensive income.
- (b) Defined benefit assets and liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

(3) Basis of consolidation

A. 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 (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. 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 the 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 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.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			June 30 2022	December 31 2021	June 30 2021	
The Company	Glory Science Co., Ltd. (Glory Science)	Manufacture and sale of optical lens components and other products	100	100	100	
The Company	Foxlink Image Technology Co.,Ltd(Foxlink Image)	Manufacture and sale of image scanners and multifunction printers	100	100	100	
The Company	Power Quotient International Co.,Ltd.(PQI)	Manufacture of electronic telecommunication components	100	100	100	
The Company	Shin Fong Power Co.,Ltd	Engery service management	16.30	16.30	16.30	Note1.3
Glory Science	GLORY TEK (BVI) CO.,LTD.(GLORY TEK)	General investments holding	100	100	100	
GLORY TEK (BVI) CO.,LTD.	GLORY OPTICS (BVI) CO., LTD.(GLORY OPTICS)	Sales agent	100	100	100	
GLORY TEK (BVI) CO.,LTD.	GLORY TEK (SAMOA) CO.,LTD. (GLORY TEK (SAMOA))	General investments holding	100	100	100	
GLORY TEK (BVI) CO.,LTD.	GLORYTEK SCIENCE INDIA PRIVATE LIMITED(GLORYTEK SCIENCE INDIA)	Manufacture and sale of the components of communication and consumer electronics	99.27	99.27	99.27	
GLORY TEK (SAMOA) CO., LTD.	Glorytek(Szhou)Co.,Ltd (Glorytek Suzhou)	Production and processing and sale of optical lens components and other	100	100	100	
GLORY TEK (SAMOA) CO., LTD.	Glory Optics (Yancheng) Co., Ltd(GOYC)	Production and processing and sale of optical lens components and other	35	35	35	Note2
GLORY OPTICS (BVI) CO., LTD.	Glorytek(Yan cheng) Co., Ltd (Glorytek)	Production and processing and sale of optical lens components and other	100	100	100	
Glorytek Yancheng	Yancheng Yaowei Technology Co.,Ltd (YYWT)	Production and processing and sale of optical lens components and other	100	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			June 30 2022	December 31 2021	June 30 2021	
Glorytek Suzhou	Glory Optics(Yancheng)Co.,Ltd.(GOYC)	Production and processing and sale of optical lens components and other	65	65	65	Note2
Foxlink Image	Accu-Image Technology Limited(AITL)	Manufacture and sale of image scanners and multifunction printers	100	100	100	
Foxlink Image	Shih Fong Power Co.,Ltd(Shih Fong)	Energy service management	34.7	34.7	34.7	Note1.3
AITL	Dong Guan Fu-Zhang Precision Industry Co.,Ltd	Mould development and moulding tool manufacture	100	100	100	Note1
AITL	Dongguan Fu Wei Electronics Co.,Ltd(Dongguan Fu Wei)	Manufacture and sale of image scanners and multifunction printers	100	100	100	
AITL	Wei Hai Fu Kang Electric Co.,Ltd (WHFK)	Manufacture and Sale of parts and scanners	100	100	100	Note1
AITL	Dong Guan Han Yang Computer Co.,Ltd(DGHY)	Manufacture of image scanners and multifunction printers and investment	100	100	100	Note1
PQI	Power Quotient International (H.K) Co.,Ltd(PQI H.K.)	Sale of electronic Telecommunication components	100	100	100	Note1
PQI	PQI Japan Co.,Ltd (PQI JAPAN)	Sale of electronic telecommunication components	100	100	100	Note1
PQI	Syscom Development	Specialized investments	100	100	100	Note1
PQI	PQI Mobility Inc.(PQI MOBILITY)	Specialized investments holding	100	100	100	Note1
PQI	Apix Limited	Specialized investments holding	100	100	100	Note1

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			June 30 2022	December 31 2021	June 30 2021	
PQI	Power Sufficient International Co.,Ltd(PSI)	Sale of medical instruments	100	100	100	Note1
PQI	Shinfox Energy Co., Ltd.(Shinfox)	Mechanical installation and piping engineering	47.63	50.18	57.39	Note4
Shinfox	Foxwell Energy Corporation Ltd.(Foxwell Energy)	Energy service management	100	100	100	Note4
Shinfox	Shinfox Natural Gas Co., Ltd(Shinfox Natural Gas)	Energy service management	80	80	80	Note9
Shinfox	Kunshan Jiuwei Info Tech Co.,Ltd(Kun Shan Jiuwei)	Supply chain finance	100	100	100	Note9
Shinfox	Foxwell Power Co.,Ltd(Foxwell Power)	Energy service management	80.23	99	99	Note5.9
Shinfox	Junezhe Co.,Ltd	Dredging industry	33.50	33.50	57.26	Note1.6.7
Shinfox	Fox Power Company Ltd.	Natural gas service management	100	100	-	Note1.7
Shinfox	Elegant Energy TECH Co., Ltd.	Energy service management	100	-	-	Note1.8
Shinfox	Yuanshan Forest Natural Resources Co.,Ltd	Tree planting industry	100	-	-	Note1.8
Shinfox	Diwei Electric Power Co., Ltd.	Electricity Generating Enterprise	100	-	-	Note1.8
Shinfox	Guanwei Power Co., Ltd.	Electricity Generating Enterprise	100	-	-	Note1.8
Foxwell Energy Corporation Ltd.(Foxwell Energy)	Liangwei Electric Power Co., Ltd.	Electricity Generating Enterprise	100	-	-	Note1.8
Syscom Development Co.,Ltd	Foxlink Powerbank International Technology Private Limited	Manufacture of electronic telecommunication components	99.27	99.27	99.27	Note1
Apix Limited(BVI)	Sinocity Industries Limited (Sinocity)	Sales of electronic equipment	100	100	100	
Apix Limited(BVI)	Perennial Ace Limited (Perennial)	Specialised investments holding	100	100	100	Note1
Sinocity	DG LIFESTYLE STORE LIMITED(DG)	Sales of electronic equipment	100	100	100	
PQI MOBILITY	Power Quotient Technology (YANCHENG) Co., Ltd. (PQI YANCHENG)	Manufacture and sales of electronic telecommunication components	100	100	100	
PQI YANCHENG	PQI (Xuzhou)New Energy Co.,Ltd. (PQI Xuzhou)	Manufacture and sales of electronic telecommunication components	100	100	100	

- Note 1: Because it does not meet the definition of a significant subsidiary, its financial report has not been reviewed by any auditor.
- Note 2: GLORY TEK (SAMOA) and GLORY TEK Suzhou jointly hold 100% equity of GLORY TEK Yancheng.
- Note 3: The Company sold 25% equity of Shihfong Electric Power Co., Ltd. (hereinafter referred to as Shihfong Company) to non-related persons in March 2011. The Company and Fox-link Image jointly held 51% equity of Shihfong Company, and still maintain control of Shihfong Company.
- Note 4: Shinfox Energy Co., Ltd. (hereinafter referred to as Shinfox Energy Co., Ltd.) made a cash capital increase in 2021 and 2022. POI a subsidiary of the Group, was not recognized according to its shareholding ratio, and subsequently sold 1.9% of its equity. , the shareholding ratio has dropped to 47.63%, and the control of Shinfox Energy is still maintained after evaluation. Please refer to Note VI (31) for details.
- Note 5: Fuwell Electric Power Co., Ltd. (hereinafter referred to as Fuwell Electric Power Company) made a cash capital increase in 2022. The Shinfox Energy Company, a subsidiary of the Group, was not recognized according to its shareholding ratio, so the shareholding ratio dropped to 80.23 %, after the assessment, it still maintains control over Fuwell Power Company. Please refer to Note VI (31) for details.
- Note 6: The Shinfox Energy Company holds 33.50% of the shares of Junezhe Co., Ltd., and has signed an agreement with the major shareholder, whereby Shinfox Energy and its designee will obtain 2 of the 3 directors, and will hold 2 of the 3 directors. Decision-making related to activities has substantial control, so it is assessed that the Group has control over Junezhe.
- Note 7: Junezhe Co., Ltd. and Jiuwei Electric Power Co., Ltd. completed the establishment and registration in the year of 2021.
- Note 8: It was newly established or acquired through mergers and acquisitions in the year of 2022.
- Note 9: The financial report dated June 30, 2022 has not been reviewed by the auditor.

C. Subsidiaries not included in the consolidated financial statements

None

D. Adjustments of subsidiaries with different balance sheet dates

None.

E. Significant restrictions

None.

F. Subsidiaries that have non-controlling interests that are material to the Group

The total non-controlling interests of the Group as at 30 June 2022, 31 December 2021 and 30 June 2021 were \$6,974,791, \$4,413,374 and \$3,064,240 respectively. The following are the non-controlling interests and subsidiaries that are significant to the Group information:

Name of subsidiary	Principal place of business	Non-controlling interest					
		June 30, 2022		December 31, 2021		June 30, 2021	
		Amount	Ownership %	Amount	Ownership %	Amount	Ownership %
SHINFOX Energy Co., Ltd.	Taiwan	5,789,804	52.37	3,221,252	49.82	1,874,033	42.61

Summarised financial information of the subsidiaries:

Balance sheets

	SHINFOX Energy Co.,Ltd		
	June 30,2022	December 31,2021	June 30,2021
Current assets	\$ 13,828,720	\$ 8,792,451	\$ 4,864,809
Non-current assets	2,152,842	1,374,176	904,096
Current liabilities	( 4,833,223)	( 3,512,181)	( 1,049,977)
Non-current liabilities	( 496,183)	( 474,342)	( 490,547)
Total net assets	<u>\$ 10,652,156</u>	<u>\$ 6,180,104</u>	<u>\$ 4,228,381</u>

Statements of comprehensive income

	SHINFOX Energy Co., Ltd.	
	Three months ended June 30,2022	Three months ended June 30,2021
Revenue	\$ 1,286,004	\$ 407,883
Profit before income tax	54,584	( 1,748)
Income tax expense	( 14,921)	3,249
Profit for the period	39,663	1,501
Other comprehensive loss, net of tax	( 290)	( 83)
Total comprehensive income for the period	<u>\$ 39,373</u>	<u>\$ 1,418</u>
Comprehensive income (loss) attributable to non-controlling interest	<u>\$ 20,720</u>	<u>(\$ 120)</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

	SHINFOX Energy Co., Ltd.	
	Six months ended June 30,2022	Six months ended June 30,2021
Revenue	\$ 2,105,112	\$ 1,019,875
Profit before income tax	115,960	327,642
Income tax expense	( 28,310)	( 63,678)
Profit for the period	87,650	263,964
Other comprehensive loss, net of tax	393	( 177)
Total comprehensive income for the period	<u>\$ 88,043</u>	<u>\$ 263,787</u>
Comprehensive income (loss) attributable to non-controlling interest	<u>\$ 47,457</u>	<u>(\$ 105,124)</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

## Statements of cash flows

		SHINFOX Energy Co., Ltd.	
		Six months ended June 31,2022	Six months ended June 30,2021
Net cash provided by (used in)			
operating activities	(\$	1,985,636)	\$ 156,427
Net cash provided by (used in)			
investing activities	(	2,208,369)	2,659,637
Net cash provided by financing			
activities		6,898,981	( 1,767,153)
Effect of exchange rates on cash			
and cash equivalents		282	( 175)
Increase in cash and cash			
equivalents		2,705,258	1,048,736
Cash and cash equivalents,			
beginning of period		1,283,288	367,079
Cash and cash equivalents, end of			
period	\$	3,988,546	\$ 1,415,815

### (4)Intangible assets

#### A.Computer software

Computer software is recognized at the cost of acquisition and amortized using the straight-line method. The amortization period is 1 to 5 years.

#### B.Goodwill

Goodwill arises from business mergers and acquisitions. For corporate mergers and acquisitions, the purchase price plus the direct costs of related acquisitions is the purchase price, and the difference between the fair value of the identifiable net assets acquired and the difference is recognized as goodwill. The apportionment period of the purchase price shall not exceed one year after the purchase date.

#### C.Trademark rights (non-determined service life)

Trademark rights are recognized at the cost of merger and acquisition. After evaluation, the trademark rights will continue to generate net cash inflows in the foreseeable future, so they are regarded as indeterminate service lives and are not amortized, and impairment tests are carried out regularly every year.

#### D.Customer relationship

The customer relationship is amortized using the straight-line method, and the amortization period is 4 years.

### 5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

There is no significant change in the current period, please refer to Note 5 of the 2021 Consolidated Financial Report.

## 6. Details of Significant Accounts

### (1) Cash and cash equivalents

	June 30, 2022	December 31, 2021	June 30, 2021
Cash on hand	\$ 10,467	\$ 12,439	\$ 9,910
Checking accounts and demand deposits	5,667,510	2,806,560	2,236,839
Cash equivalents			
Time deposits	2,330,998	2,149,347	3,211,384
Total	<u>\$ 8,008,975</u>	<u>\$ 4,968,346</u>	<u>\$ 5,458,133</u>

1. The credit quality of the financial institutions with which the Group has contacts is good, and the Group has contacts with a number of financial institutions to diversify credit risks, so the probability of default is expected to be low.
2. The Group has not pledged cash and cash equivalents.

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

Items	June 30, 2022	December 31, 2021	June 30, 2021
Equity instruments:			
listed stocks	\$ 1,263,416	\$ 1,263,416	\$ 1,263,416
Unlisted stocks	1,561,607	1,559,977	1,596,972
	2,825,023	2,823,393	2,860,388
Valuation adjustment	( 1,002,118)	( 724,873)	( 388,413)
Total	<u>\$ 1,822,905</u>	<u>\$ 2,098,520</u>	<u>\$ 2,471,975</u>

1. The Group has elected to classify equity investments that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,822,905 and \$2,098,520 and \$2,471,975 as at June 30, 2022, December 31, 2021 and June 30, 2021, respectively.
2. Amounts recognized in profit or loss in relation to financial assets/liabilities at fair value through profit or loss are listed below:

Three months ended June 30, 2022      Three months ended June 30, 2021

#### Equity instruments at fair value through other comprehensive income

Fair value change recognised in other comprehensive income	(\$ 132,014)	(\$ 198,039)
The accumulated loss on disposal reclassified to retained earnings	\$ -	(\$ 12,522)

	Six months ended June 30,2022	Six months ended June 30,2021
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 277,245)	(\$ 132,911)
The accumulated loss on disposal reclassified to retained earnings	\$ -	(\$ 12,522)

3. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(3) Financial assets at amortized cost

Items	June30, 2022	December 31, 2021	June 30, 2021
Current items :			
Restricted deposits	\$ 518,006	\$ 695	\$ 2,000,470
Pledged time deposits	1,710,000	1,868,617	793,455
Time deposits maturing over three months	180,223	227,626	72,124
Total	<u>\$ 2,408,229</u>	<u>\$ 2,096,938</u>	<u>\$ 2,866,049</u>
Non-current items :			
Restricted deposits	\$ 14,032	\$ 14,021	\$ 14,611
Pledged time deposits	32,853	5,119	4,500
Total	<u>\$ 46,885</u>	<u>\$ 19,140</u>	<u>\$ 19,111</u>

1. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	<u>Three months ended June 30,2022</u>	<u>Three months ended June 30, 2021</u>
Interest income	\$ <u>3,488</u>	\$ <u>2,064</u>
	<u>Six months ended June 30,2022</u>	<u>Six months ended June 30, 2021</u>
Interest income	\$ <u>5,409</u>	\$ <u>4,333</u>

2. Details of the Group's financial assets at amortized cost pledged to others as collateral is provided in Note 8.
3. As at June 30,2022 and December 31, 2021 and June 30,2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was \$2,455,114 and \$2,116,087 and \$2,885,160 respectively.
4. Please refer to Note 12.(2) for information on credit risk of financial assets measured by amortized cost. The trading partners of the Group's investment in time deposit certificates are financial institutions with good credit quality, and the probability of default is expected to be low.

(4) Notes and accounts receivable

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Notes receivables	\$ <u>7,840</u>	\$ <u>4,259</u>	\$ <u>1,211</u>
Accounts receivables	\$ 1,143,705	\$ 1,178,773	\$ 852,459
Less : loss allowance for uncollectible accounts	( <u>24,215</u> )	( <u>32,906</u> )	( <u>32,473</u> )
	\$ <u>1,119,490</u>	\$ <u>1,145,867</u>	\$ <u>819,986</u>

1. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	<u>June 30, 2022</u>		<u>December 31, 2021</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not pass due	\$ 975,766	\$ 7,840	\$ 962,715	\$ 4,259
UP to 30 days	156,249	-	183,817	-
31 to 90 days	9,351	-	21,192	-
91 to 180 days	-	-	-	-
UP 181 days	<u>2,339</u>	<u>-</u>	<u>11,049</u>	<u>-</u>
	\$ <u>1,143,705</u>	\$ <u>7,840</u>	\$ <u>1,178,773</u>	\$ <u>4,259</u>

	<u>June 30, 2021</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not pass due	\$ 750,934	\$ 1,211
UP to 30 days	84,874	-
31 to 90 days	5,514	-
91 to 180 days	14	-
UP 181 days	<u>11,123</u>	<u>-</u>
	\$ <u>852,459</u>	\$ <u>1,211</u>

The above ageing analysis was based on past due date.

2. As of June 30, 2022 and December 31, 2021 and June 30,2021, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2021, the balance of receivables from contracts with customers amounted to \$932,105.
3. The Group has no accounts receivable and notes receivable pledged to others
4. Information relating to credit risk of accounts receivable is provided in Note 12(2).
5. As of June 30, 2022 and December 31, 2021 and June 30,2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was \$7,840 and \$4,259, \$1,211; \$1,119,490 and \$1,145,867, \$819,986 respectively.

(5) Inventories

	June 30,2022		
	Cost	Allowance and valuation loss	Book value
Raw material	\$ 993,995	(\$ 38,524)	\$ 955,471
Work in progress	61,660	( 1,630)	60,030
Finished goods	339,293	( 39,206)	300,087
Merchandise	86,664	( 5,928)	80,736
Total	<u>\$ 1,481,612</u>	<u>(\$ 85,288)</u>	<u>\$ 1,396,324</u>

	December 31,2021		
	Cost	Allowance and valuation loss	Book value
Raw material	\$ 920,533	(\$ 30,626)	\$ 889,907
Work in progress	30,664	( 2,794)	27,870
Finished goods	332,440	( 59,488)	272,952
Merchandise	173,903	( 5,583)	168,320
Total	<u>\$ 1,457,540</u>	<u>(\$ 98,491)</u>	<u>\$ 1,359,049</u>

	June 30,2021		
	Cost	Allowance and valuation loss	Book value
Raw material	\$ 696,923	(\$ 36,480)	\$ 660,443
Work in progress	16,149	( 1,857)	14,292
Finished goods	316,683	( 42,779)	273,904
Merchandise	61,266	( 4,041)	57,225
Total	<u>\$ 1,091,021</u>	<u>(\$ 85,157)</u>	<u>\$ 1,005,864</u>

The cost of inventories recognized as expense for the year: :

	Three months ended June 30,2022	Three months ended June 30,2021
Cost of goods sold	\$ 2,354,164	\$ 1,215,950
Cost of services	204,546	202,389
Unamortised manufacturing expenses	38,425	38,716
gain on reversal in market value	( 12,603)	11,511
loss on disposal on investments	97	-
loss on physical inventory	166	8
	<u>\$ 2,584,795</u>	<u>\$ 1,468,574</u>
	Six months ended June 30,2022	Six months ended June 30,2021
Cost of goods sold	\$ 4,318,516	\$ 2,650,385
Cost of services	434,784	396,566
Unamortised manufacturing expenses	76,217	73,142
gain on reversal in market value	( 13,557)	5,558
loss on disposal on investments	97	-
loss on physical inventory	( 137)	54
	<u>\$ 4,815,920</u>	<u>\$ 3,125,705</u>

During the period of April 1st to June 30 2022 and January 1st to June 30, 2022 and 2021 , the Group sold some of the inventories that had been sluggish and depreciated, resulting in a rebound in the net realizable value of inventories.

(6) Prepayment

	June 30,2022	December 31,2021	June 30,2021
Advance payment to construction	\$ 3,011,270	\$ 2,123,863	\$ 926
others	667,204	493,598	252,198
	<u>\$ 3,678,474</u>	<u>\$ 2,617,461</u>	<u>\$ 253,124</u>

(7) Investments accounted for using the equity method

	<u>June 30,2022</u>	<u>December 31,2021</u>	<u>June 30,2021</u>
<u>Investee companies</u>	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
POWER CHANNEL LIMITED	\$ 565,615	\$ 527,626	\$ 503,583
Foxwell Energy Co., Ltd.	-	-	-
Castles Technology Co., Ltd.	-	-	-
CHUNG CHIA POWER Co., Ltd.	174,037	177,038	-
Changyuan Wind Power Ltd.	117,987	-	-
Studio A Technology Limited	101,691	112,630	94,022
Synergy Co., Ltd.	33,978	35,845	-
TEGNA ELECTRONICS PRIVATE LIMITED	26,446	25,344	24,855
	<u>\$ 1,019,754</u>	<u>\$ 878,483</u>	<u>\$ 622,460</u>

1. The Group's share of profits and losses of related companies and joint ventures using the equity method from January 1 to June 30, 2021 and 2022, except that Castles Technology Co., Ltd. is recognized as a loss based on the evaluation of the financial report reviewed by the auditor. \$0 and loss (\$112), the remainder is recognized based on the evaluation of the financial report for the same period that has not been reviewed by the auditor.

2. Associates

The basic information of the associates that are material to the Group is as follows:

<u>Company name</u>	<u>Principal place of business</u>	<u>Shareholding ratio</u>			<u>Nature of relationship</u>	<u>Methods of measurement</u>
		<u>June 30,2022</u>	<u>December 31,2021</u>	<u>June 30,2021</u>		
POWER CHANNEL	China (Note 1)	35.75%	35.75%	35.75%	Note 2	Equity method

Note 1: Registered location is Hong Kong.

Note 2: Holds 20% or more of the voting power.

3. The summarized financial information of the associates that are material to the Group is as follows:  
Balance sheet

	<u>POWER CHANNEL LIMITED</u>		
	<u>June 30,2022</u>	<u>December 31,2021</u>	<u>June 30,2021</u>
Current assets	\$ -	\$ -	\$ -
Non-current assets	1,228,244	1,123,279	1,056,608
Current liabilities	-	-	-
Non- current liabilities	-	-	-
Total net assets	<u>\$ 1,228,244</u>	<u>\$ 1,123,279</u>	<u>\$ 1,056,608</u>
Share in associate's net assets	\$ 439,097	\$ 401,572	\$ 377,737
Goodwill	126,518	126,054	125,846
Carrying amount of the associate	<u>\$ 565,615</u>	<u>\$ 527,626</u>	<u>\$ 503,583</u>

Statement of comprehensive income

POWER CHANNEL LIMITED		
	<u>Three months ended June 30,2022</u>	<u>Three months ended June 30,2021</u>
Revenue	\$ -	\$ -
Profit for the period from continuing operations	\$ 38,414	\$ 23,658
Loss for the period from discontinued operations	-	-
Other comprehensive income,net of tax	-	-
Total comprehensive income	<u>\$ 38,414</u>	<u>\$ 23,658</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

POWER CHANNEL LIMITED		
	<u>Six months ended June 30,2022</u>	<u>Six months ended June 30,2021</u>
Revenue	\$ -	\$ -
Profit for the period from continuing operations	\$ 73,632	\$ 50,491
Loss for the period from discontinued operations	-	-
Other comprehensive income,net of tax	-	-
Total comprehensive income	<u>\$ 73,632</u>	<u>\$ 50,491</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

4. The carrying amount of the Group's interests in all individually immaterial associates (Note) and the Group's share of the operating results are summarized below:

As of , June 30, 2022 and December 31, 2021 and June 30,2021,the carrying amount of the Group's individually immaterial associates amounted to \$454,139, \$350,857 and \$118,877, respectively.

	<u>Six months ended June 30,2022</u>	<u>Six months ended June 30,2021</u>
Profit for the period from continuing operations	(\$ 7,160)	\$ 21,105
Other comprehensive income,net of tax	-	( 3,032)
Total comprehensive income	<u>(\$ 7,160)</u>	<u>\$ 18,073</u>

Note: Foxwell Energy Co., Ltd., Castles Technology Co., Ltd., , Tegna Eletronics Private Limited., CHUNG CHIA POWER Co., Ltd., Synergy Co., Ltd. , Changyuan Wind Power Ltd. and Studio A Technology.

5. The Group gradually sold its equity interests in Castles Technology Co., Ltd. in 2021. As a result, it assessed that it has lost significant influence over the investee after the disposals and subsequently recognized it as financial assets at fair value through other comprehensive income. A gain on disposal of investments amounting to \$110,320 was recognized due to the above transactions.
6. The Company resigned from the Board of Directors of Foxwell Energy Co., Ltd. on May 20, 2021. As a result, it assessed that it has lost significant influence over the investee and subsequently recognized it as financial assets at fair value through other comprehensive income.

(8) Property, plant and equipment Buildings and structures

	<u>Buildings and Structures</u>	<u>Machinery</u>	<u>Office equipment</u>	<u>Leasehold improvement</u>	<u>Other equipment</u>	<u>Unfinished construction</u>	<u>Total</u>
At January 1, 2022							
Cost	\$ 1,194,497	\$ 3,699,907	\$ 115,597	\$ 327,649	\$ 1,262,733	\$ 889,290	\$ 7,489,673
Accumulated depreciation	( 134,966)	( 2,248,861)	( 97,674)	( 306,168)	( 1,232,853)	-	( 4,020,522)
<u>2022</u>	<u>\$ 1,059,531</u>	<u>\$ 1,451,046</u>	<u>\$ 17,923</u>	<u>\$ 21,481</u>	<u>\$ 29,880</u>	<u>\$ 889,290</u>	<u>\$ 3,469,151</u>
Opening net book amount as at January 1	\$ 1,059,531	\$ 1,451,046	\$ 17,923	\$ 21,481	\$ 29,880	\$ 889,290	\$ 3,469,151
Additions	-	52,188	4,180	403	5,664	110,227	172,662
Disposals	-	-	( 600)	( 226)	( 25)	-	( 851)
Reclassifications	( 482)	-	-	-	( 256)	58,663	57,925
Depreciation charge	( 11,554)	( 113,108)	( 4,585)	( 4,656)	( 14,357)	-	( 148,260)
Net change differences	<u>16,068</u>	<u>5,090</u>	<u>5,355</u>	<u>( 2,475)</u>	<u>3,223</u>	<u>-</u>	<u>27,261</u>
Closing net book amount as at June30	<u>\$ 1,063,563</u>	<u>\$ 1,395,216</u>	<u>\$ 22,273</u>	<u>\$ 14,527</u>	<u>\$ 24,129</u>	<u>\$ 1,058,180</u>	<u>\$ 3,577,888</u>
At June 30,2022							
cost	\$ 1,211,748	\$ 3,774,364	\$ 124,858	\$ 331,271	\$ 1,281,232	\$ 1,058,180	\$ 7,781,653
Accumulated depreciation	( 148,185)	( 2,379,148)	( 102,585)	( 316,744)	( 1,257,103)	-	( 4,203,765)
	<u>\$ 1,063,563</u>	<u>\$ 1,395,216</u>	<u>\$ 22,273</u>	<u>\$ 14,527</u>	<u>\$ 24,129</u>	<u>\$ 1,058,180</u>	<u>\$ 3,77,888</u>

	<u>Buildings and Structures</u>	<u>Machinery</u>	<u>Office equipment</u>	<u>Leasehold Improvement</u>	<u>Other equipment</u>	<u>Unfinished construction</u>	<u>Total</u>
At January 1, 2021							
cost	\$ 1,211,713	\$ 3,483,028	\$ 110,792	\$ 322,775	\$ 1,290,326	\$ 807,812	\$ 7,226,446
Accumulated depreciation	( 112,432)	( 2,054,427)	( 92,510)	( 298,281)	( 1,257,308)	-	( 3,814,958)
	<u>\$ 1,099,281</u>	<u>\$ 1,428,601</u>	<u>\$ 18,282</u>	<u>\$ 24,494</u>	<u>\$ 33,018</u>	<u>\$ 807,812</u>	<u>\$ 3,411,488</u>
2021							
Opening net book amount as at Janary 1	\$ 1,099,281	\$ 1,428,601	\$ 18,282	\$ 24,494	\$ 33,018	\$ 807,812	\$ 3,411,488
Additions	-	3,225	10,132	1,334	11,248	43,430	69,369
Disposals	-	( 750)	( 347)	-	-	-	( 1,097)
Reclassifications	( 11,961)	-	-	-	( 5,429)	( 914)	( 18,304)
Depreciation charge	( 11,585)	( 120,063)	( 4,556)	( 4,966)	( 12,705)	-	( 153,875)
Net change differ ances	( 11,697)	( 9,905)	( 460)	( 351)	( 1,106)	-	( 23,519)
Closing net book amount as at June30	<u>\$ 1,064,038</u>	<u>\$ 1,301,108</u>	<u>\$ 23,051</u>	<u>\$ 20,511</u>	<u>\$ 25,026</u>	<u>\$ 850,328</u>	<u>\$ 3,284,062</u>
At June 30,2021							
cost	\$ 1,187,074	\$ 3,455,951	\$ 118,967	\$ 320,008	\$ 1,284,090	\$ 850,328	\$ 7,216,418
Accumulated depreciation	( 123,036)	( 2,154,843)	( 95,916)	( 299,497)	( 1,259,064)	-	( 3,932,356)
	<u>\$ 1,064,038</u>	<u>\$ 1,301,108</u>	<u>\$ 23,051</u>	<u>\$ 20,511</u>	<u>\$ 25,026</u>	<u>\$ 850,328</u>	<u>\$ 3,284,062</u>

Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(9) Leasing arrangements – lessee

1. The Group leases various assets, including land, buildings, machinery and equipment and business vehicles. Rental contracts are typically made for periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
2. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>June 30,2022</u>	<u>December 31, 2021</u>	<u>June 30,2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 284,988	\$ 288,041	\$ 287,292
Building	237,902	259,900	277,946
Transportation equipment (Business vehicles)	4,097	4,413	3,678
Office equipment (photocopiers)	47	80	117
	<u>\$ 527,034</u>	<u>\$ 552,434</u>	<u>\$ 569,033</u>

	<u>Three months ended June 30,2022</u>	<u>Three months ended June 30,2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 2,926	\$ 2,753
Building	18,663	17,743
Transportation equipment (Business vehicles)	666	637
Office equipment (photocopiers)	16	18
	<u>\$ 22,271</u>	<u>\$ 21,151</u>

	<u>Six months ended June 30,2022</u>	<u>Six months ended June 30,2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
<u>Land</u>	\$ 5,845	\$ 5,495
<u>Building</u>	37,647	36,464
<u>Transportation equipment (Business vehicles)</u>	1,330	1,198
<u>Office equipment (photocopiers)</u>	33	35
	<u>\$ 44,855</u>	<u>\$ 43,192</u>

3. For the three months and six months ended June 30, 2022 and 2021, the additions to right-of-use assets amounted to \$7,792, \$3,771, \$12,030 and \$32,233, respectively.

4. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Three months ended</u>	<u>June 30,2022</u>	<u>Three months ended</u>	<u>June 30,2021</u>
<u>Items affecting profit or loss</u>				
Interest expense on lease liabilities	\$	1,068	\$	1,372
Expense on short-term lease contracts		3,253		6,117
Expense on leases of low-value assets		462		404
Expense on variable lease payments		1,642		1,837

	<u>Six months ended</u>	<u>June 30,2022</u>	<u>Six months ended</u>	<u>June 30,2021</u>
<u>Items affecting profit or loss</u>				
Interest expense on lease liabilities	\$	2,165	\$	2,425
Expense on short-term lease contracts		5,629		6,675
Expense on leases of low-value assets		754		890
Expense on variable lease payments		2,863		3,275

5. For the six months ended June 30,2022 and 2021,the Group's total cash outflows for leases amounted to \$49,133 and \$54,913 respectively..

6. Variable lease payments

(1) Some of the Group's lease contracts contain variable lease payment terms that are linked to sales generated from electricity sold. For aforementioned contracts, up to 18.63% of lease payments are on the basis of variable payment terms and are accrued based on the sales amount. Variable payment terms are used for a variety of reasons and various lease payments that depend on sales are recognized in profit or loss in the period in which the event or condition that triggers those payments occurs.

(2) A 1% increase in the aggregate sales amount with such variable lease contracts would increase total lease payments by approximately \$29.

(10) Leasing arrangements – lessor

1. The Group leases various assets, including land and buildings. Rental contracts are typically made for periods of 1 and 6 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
2. The year of 2022 and during the period of Jan.1st to June 30, the Group recognized rent income in the amounts of \$16,541 and \$15,628 respectively, based on the operating lease agreement, which does not include variable lease payments.

3. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
2021	\$ -	\$ -	\$ 16,422
2022	17,057	32,761	32,761
2023	34,113	32,679	32,679
After 2024	<u>8,501</u>	<u>8,501</u>	<u>8,501</u>
Total	<u>\$ 59,671</u>	<u>\$ 73,941</u>	<u>\$ 90,363</u>

(11) Investment property

	<u>Land</u>	<u>Buildings and Structures</u>	<u>Total</u>
At January 1, 2022			
cost	\$ 344,587	\$ 70,720	\$ 415,307
Accumulated depreciation	<u>-</u>	<u>( 14,496)</u>	<u>( 14,496)</u>
	<u>\$ 344,587</u>	<u>\$ 56,224</u>	<u>\$ 400,811</u>
<u>2022</u>			
Opening net book amount as at January 1	\$ 344,587	\$ 56,224	\$ 400,811
Reclassifications	-	738	738
Accumulated depreciation	<u>-</u>	<u>( 4,451)</u>	<u>( 4,451)</u>
Closing net book amount as at June 30	<u>\$ 344,587</u>	<u>\$ 52,511</u>	<u>\$ 397,098</u>
At June 30, 2022			
cost	\$ 344,587	\$ 71,458	\$ 416,045
Accumulated depreciation	<u>-</u>	<u>( 18,947)</u>	<u>( 18,947)</u>
	<u>\$ 344,587</u>	<u>\$ 52,511</u>	<u>\$ 397,098</u>

	Land	Buildings and Structures	Total
At January 1, 2021			
cost	\$ 344,587	\$ 52,416	\$ 397,003
Accumulated depreciation	-	( 5,931)	( 5,931)
	<u>\$ 344,587</u>	<u>\$ 46,485</u>	<u>\$ 391,072</u>
<u>2021</u>			
Opening net book amount as at Janunary 1	\$ 344,587	\$ 46,485	\$ 391,072
Reclassifications	-	18,304	18,304
Depreciation charge	-	( 4,153)	( 4,153)
Closing net book amount as at June 30	<u>\$ 344,587</u>	<u>\$ 60,636</u>	<u>\$ 405,223</u>
At June 30,2021			
cost	\$ 344,587	\$ 70,720	415,307
Accumulated depreciation	-	( 10,084)	( 10,084)
	<u>\$ 344,587</u>	<u>\$ 60,636</u>	<u>\$ 405,223</u>

1. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Three months ended June 30,2022	Three months ended June 30,2021
Rental income from investment property	<u>\$ 11,331</u>	<u>\$ 8,211</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 2,245</u>	<u>\$ 2,205</u>

	Six months ended June 30,2022	Six months ended June 30,2021
Rental income from investment property	<u>\$ 16,541</u>	<u>\$ 15,628</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 4,451</u>	<u>\$ 4,153</u>

2. The fair value of the investment property held by the Group as of June 30, 2022 and December 31, 2021, June 30 2021 was \$498,470 and \$498,470, and \$408,142 respectively, which was valued by external independent appraisers. Valuations were made using the comparison, income and cost approach.
3. The Group has no investment property pledged to others. Please refer to Note 8 for details.

(12) Intangible assets

	<u>Goodwill</u>	<u>Customer relationship</u>	<u>Trademarks</u>	<u>Others</u>	<u>Total</u>
At January 1,2022					
Cost	\$ 877,645	\$ -	\$ 45,764	\$ 94,432	\$ 1,017,841
Accumulated depreciation	-	-	-	( 51,749)	( 51,749)
	<u>\$ 877,645</u>	<u>\$ -</u>	<u>\$ 45,764</u>	<u>\$ 42,683</u>	<u>\$ 966,092</u>
<u>2022</u>					
Opening net book amount as at January 1,2022	\$ 877,645	\$ -	\$ 45,764	\$ 42,683	\$ 966,092
Additions— gained by my self	-	-	-	5,477	5,477
Additions— gained by business combination	39,528	197,637	-	-	237,165
Amortisation charge	-	( 3,182)	-	( 6,030)	( 9,212)
Net exchange differences	<u>36,878</u>	<u>-</u>	<u>3,372</u>	<u>29</u>	<u>40,279</u>
Closing net book amount as at June 30	<u>\$ 954,051</u>	<u>\$ 194,455</u>	<u>\$ 49,136</u>	<u>\$ 42,159</u>	<u>\$ 1,239,801</u>
At June 30,2022					
Cost	\$ 954,051	\$ 197,637	\$ 49,136	\$ 96,605	\$ 1,297,429
Accumulated depreciation	-	( 3,182)	-	( 54,446)	( 57,628)
	<u>\$ 954,051</u>	<u>\$ 194,455</u>	<u>\$ 49,136</u>	<u>\$ 42,159</u>	<u>\$ 1,239,801</u>
	<u>Goodwill</u>	<u>Customer relationship</u>	<u>Trademarks</u>	<u>Others</u>	<u>Total</u>
At January 1,2021					
Cost	\$ 892,107	\$ -	\$ 47,086	\$ 85,250	\$ 1,024,443
Accumulated depreciation	-	-	-	( 39,349)	( 39,349)
	<u>\$ 892,107</u>	<u>\$ -</u>	<u>\$ 47,086</u>	<u>\$ 45,901</u>	<u>\$ 985,094</u>
<u>2021</u>					
Opening net book amount as at January 1,2021	\$ 892,107	\$ -	\$ 47,086	\$ 45,901	\$ 985,094
Additions	-	-	-	8,577	8,577
Amortisation charge	-	-	-	( 6,869)	( 6,869)
Net exchange differences	<u>( 11,208)</u>	<u>-</u>	<u>( 1,025)</u>	<u>( 25)</u>	<u>( 12,258)</u>
Closing net book amount as at June 30	<u>\$ 880,899</u>	<u>\$ -</u>	<u>\$ 46,061</u>	<u>\$ 47,584</u>	<u>\$ 974,544</u>
At June 30,2021					
Cost	\$ 880,899	\$ -	\$ 46,061	\$ 92,871	\$ 1,019,831
Accumulated depreciation	-	-	-	( 45,287)	( 45,287)
	<u>\$ 880,899</u>	<u>\$ -</u>	<u>\$ 46,061</u>	<u>\$ 47,584</u>	<u>\$ 974,544</u>

1. Goodwill and trademark right (indefinite useful life) are allocated as follows to the Group's cash-generating units identified according to operating segments:

	June 30,2022		December 31,2021	
	Goodwill	Trademarks	Goodwill	Trademarks
System and peripheral products	\$ 611,760	\$ -	\$ 611,760	\$ -
3C retail and peripheral products	302,763	49,136	265,885	45,764
Energy Service Management	39,528	-	-	-
	<u>\$ 954,051</u>	<u>\$ 49,136</u>	<u>\$ 877,645</u>	<u>\$ 45,764</u>
			June 30,2021	
			Goodwill	Trademarks
System and peripheral products			\$ 611,760	\$ -
3C retail and peripheral products			269,139	46,061
			<u>\$ 880,899</u>	<u>\$ 46,061</u>

- The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so the goodwill and trademark right (indefinite useful life) were not impaired. The recoverable amount of goodwill and trademark right (indefinite useful life) has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections and discount rate (13.77%~17.44%) based on financial budgets covering a five-year period.
- The goodwill generated by the Group due to the merger and acquisition. According to International Accounting Standard No. 36, the goodwill obtained from business combination shall be subject to an impairment test at least annually. The company itself is a cash-generating unit that generates independent cash flows.  
Goodwill is assessed by calculating the company's value-in-use and book value of net assets to assess whether impairment is required. For the calculation of value-in-use, it mainly considers the operating net profit rate, growth rate and discount rate.
- The value of customer relationship is due to the acquisition of the shares of Elegant Energy TECH Co., Ltd. by the Group in February 2022.

(13) Other non-current assets-others

	June 30,2022	December 31,2021	June 30,2021
Guarantee deposits paid (Note)	\$ 112,924	\$ 40,217	\$ 28,431
Net defined benefit asset	82,015	81,874	74,618
Other non-current assets	17,547	19,659	10,265
	<u>\$ 212,486</u>	<u>\$ 141,750</u>	<u>\$ 113,314</u>

Note: Please refer to Note 8.

(14) Non-current assets held for sale and discontinued operations

The assets and liabilities related to solar energy equipment have been reclassified as a disposal group held for sale following the approval of the Group on July 31, 2021. The assets and liabilities of the disposal group held for sale as at December 31, 2021 amounted to \$15,599 and \$0. The transaction was completed in January 2022.

(15) Short-term borrowings

<u>Type of borrowings</u>	<u>June 30,2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	\$ 4,228,000	0.8874%~1.9%	None
Secured borrowings	<u>3,052,719</u>	1.47%~2.375%	Please refer to note 8
	<u>\$ 7,280,719</u>		

<u>Type of borrowings</u>	<u>December 31,2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	\$ 3,036,000	0.5143%~1.95%	None
Secured borrowings	<u>50,000</u>	1.50%	Please refer to note 8
	<u>\$ 3,086,000</u>		

<u>Type of borrowings</u>	<u>June 30,2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	\$ 3,356,195	0.5135%~1.70%	None
Secured borrowings	<u>50,000</u>	1.5%	Please refer to note 8
	<u>\$ 3,406,195</u>		

(16) Short-term notes and bills payable

	<u>June 30,2022</u>	<u>December 31,2021</u>	<u>June 30,2021</u>
Commercial papers	\$ 275,800	\$ 1,597,500	\$ 545,900
Discount amortisation	<u>( 297)</u>	<u>( 978)</u>	<u>( 585)</u>
	<u>\$ 275,503</u>	<u>\$ 1,596,522</u>	<u>\$ 545,315</u>
Annual interest rate range	<u>1.638%~1.768%</u>	<u>1.22%~1.788%</u>	<u>1.22%~1.608%</u>

(17) Other account payables

	<u>June 30,2022</u>	<u>December 31,2021</u>	<u>June 30,2021</u>
Payable on dividend	\$ 472,271	\$ -	\$ 246,243
Payable on salary and bonus	279,228	302,564	227,461
Payable on employees compensation and directors and supervisors remuneration	212,628	159,903	159,182
Payable on equipment	57,108	54,647	12,348
Others	<u>157,706</u>	<u>241,020</u>	<u>151,009</u>
	<u>\$ 1,178,941</u>	<u>\$ 758,134</u>	<u>\$ 796,243</u>

(18) Long-term borrowings

<u>Type of borrowings</u>	<u>Long-term bank borrowings and repayment term</u>	<u>Interest rate Range</u>	<u>Unused credit line</u>	<u>June 30, 2022</u>
Long-term bank borrowings				
Bank unsecured borrowings				
FIT Holding	Borrowing period is from September 2021 to May 2024; pay entire amount of principal when due, interest is repayable monthly.	1.29%~1.625%	\$ 358,000	\$ 1,200,000
Foxlink Image	Borrowing period is from June 2021 to June 2024 ; pay entire amount of principal when due, interest is repayable monthly.	0.95%~ 1.36178%	3,392,000	1,806,000
PQI	Borrowing period is from December 2021 to June 2025; pay entire amount of principal when due, interest is repayable monthly.	1.4%~1.625%	-	900,000
Glory Science	Borrowing period is from July 2019 to July 2024; pay principal and interest based on each bank's regulations.	1.44%~1.78%	-	199,000
Shinfox	Borrowing period is from February 2019 to February 2023; pay entire amount in installments.	2.085%	-	5,152
Foxwell Energy	Borrowing period is from January 2019 to December 2035; pay entire amount in installments.	1.7019%~ 1.75%	286,643	37,535
Bank secured borrowings				
Glory Science	Borrowing period is from December 2019 to December 2024; pay principal in installments quarterly, interest is calculated monthly.	1.49%	-	50,000
Foxwell Energy	Borrowing period is from May 2018 to February 2036; pay entire amount in installments.	1.7%~ 2.055%	355,921	<u>289,359</u>
				4,487,046
Less: Current portion (shown as other current liabilities)				<u>( 531,148)</u>
				<u>\$ 3,955,898</u>

<u>Type of borrowings</u>	<u>Long-term bank borrowings and repayment term</u>	<u>Interest rate Range</u>	<u>Unused credit line</u>	<u>December 31, 2021</u>
Long-term bank borrowings				
Bank unsecured borrowings				
FIT Holding	Borrowing period is from September 2021 to November 2023; pay entire amount of principal when due, interest is repayable monthly.	1.17%~1.2%	\$ 810,000	\$ 530,000
Foxlink Image	Borrowing period is from March 2021 to Decebmer 2023 ; pay entire amount of principal when due, interest is repayable monthly.	0.94%~0.983%	2,968,800	1,658,000
PQI	Borrowing period is from July 2021 to July 2023 , pay entire amount of principal when due, interest is repayable monthly.	1.25%	100,000	200,000
Glory Science	Borrowing period is from July 2019 to July 2024; pay principal and interest based on each bank's regulations.	1.04%~1.5%	64,000	273,000
Shinfox	Borrowing period is from February 2019 to February 2023; pay entire amount in installments.	1.71%	-	8,976
Foxwell Energy	Borrowing period is from January 2019 to December 2035; pay entire amount in installments.	1.4376%~1.4857%	286,721	39,188
Bank secured borrowings				
Glory Science	Borrowing period is from December 2019 to December 2024; pay principal in installments quarterly, interest is calculated monthly.	1.36%	-	65,000
Foxwell Energy	Borrowing period is from May 2018 to February 2036; pay entire amount in installments.	1.4376%~1.68%	371,283	303,703
				3,077,867
Less: Current portion (shown as other current liabilities)				( 302,694)
				<u>\$ 2,775,173</u>

<u>Type of borrowings</u>	<u>Long-term bank borrowings and repayment term</u>	<u>Interest rate Range</u>	<u>Unused credit line</u>	<u>June 30, 2021</u>
Long-term bank borrowings				
Bank unsecured borrowings				
FIT Holding	Borrowing period is from October 2020 to August 2022; pay entire amount of principal when due, interest is repayable monthly.	1.2%~1.22%	\$ -	\$ 400,000
Foxlink Image	Borrowing period is from September 2020 to June 2023 ; pay entire amount of principal when due, interest is repayable monthly.	0.95%~0.985%	1,440,000	1,210,000
PQI	Borrowing period is from December 2019 to December 2022 ,pay entire amount of principal when due, interest is repayable monthly.	1.23%~1.35%	20,650	349,350
Glory Science	Borrowing period is from July 2019 to July 2024; pay principal and interest based on each bank's regulations.	1.0358%~1.5%	-	352,000
Shinfox	Borrowing period is from February 2019 to February 2023; pay entire amount in installments.	1.71%~1.76%	-	13,310
Foxwell Energy	Borrowing period is from January 2019 to September 2033; pay entire amount in installments.	1.49%	286,794	40,841
Bank secured borrowings				
Glory Science	Borrowing period is from December 2019 to December 2024; pay principal in installments quarterly, interest is calculated monthly.	1.36%	-	70,000
Foxwell Energy	Borrowing period is from May 2018 to December 2034; pay entire amount in installments.	1.49%~1.76%	289,020	331,345
				2,766,846
Less: Current portion (shown as other current liabilities)				( 541,849)
				<u>\$ 2,224,997</u>

1. The Group entered into the borrowing contracts with Bank SinoPac, EnTie Bank, Far Eastern Bank, Taishin Bank and Yuanta Commercial Bank, and the total credit line is \$2,500 thousand. As of June 30, 2022, the borrowings that have been used amounted to \$1,348 thousand. In the duration period of these contracts, the financial ratios in the semi-annual consolidated and annual consolidated financial statements shall be as follows:
  - (a) Current assets to current liabilities ratio of at least 1:1;
  - (b) Liabilities not exceeding 200% of tangible net equity;
  - (c) Interest coverage of at least 400%;
  - (d) Financial liabilities not exceeding 75% of tangible net equity
  - (e) Tangible net equity of at least NT\$1,500,000 thousand to NT\$5,000,000 thousand;
  - (f) Net equity of at least NT\$1,800,000 thousand.
2. As of June 30, 2022, the borrowings that have been used amounted to as follows:

<u>Company</u>	<u>Bank</u>	<u>Credit line</u>	<u>Amount of borrowings used</u>
FIT Holding 、 Foxlink Image 、 PQI 、Glory Science	Jih Sun Bank(Note)	\$ 500,000	\$ 300,000
FIT Holding 、PQI	Hua Nan Bank(Note)	200,000	200,000
Foxlink Image 、PQI	Mega Bank	300,000	300,000
FIT Holding	Mega Bank	300,000	300,000
FIT Holding	SCSB	300,000	200,000
FIT Holding	Far Eastern Bank	200,000	-
Foxlink Image	E.SUN Bank(Note)	400,000	252,000
Foxlink Image	KGI Bank	400,000	295,000
Foxlink Image	CTBC Bank	200,000	-
Foxlink Image	Bank Of Taiwan	300,000	300,000
Foxlink Image	Hua Nan Bank	200,000	50,000
Foxlink Image	Taiwan Cooperative Bank	500,000	310,000
Foxlink Image	First Bank	250,000	3,000
Foxlink Image	Cathay United Bank(Note)	300,000	200,000
PQI	Hua Nan Bank	70,000	70,000
PQI	Mega Bank	300,000	300,000
PQI	Yuanta Commercial Bank	300,000	300,000
PQI	SCSB	300,000	300,000
Glory Science	Hua Nan Bank	90,000	90,000
Glory Science	Chang Hwa Bank	95,000	95,000
Glory Science	Eximbank	64,000	64,000
Shinfox	SCSB	5,152	5,152
Foxwell Energy	Taishin Bank(Note)	180,311	51,842
Foxwell Energy	Mega Bank	207,733	207,733
Foxwell Energy	Bank SinoPac	581,413	67,318

Note: The credit line was shared by short-term and long-term borrowings.

(19) Pensions

1. (a) The Group has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor, Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Group contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Group would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contributions for the deficit by next March.
- (b) The pension costs under the abovementioned defined contribution plan for the three months and six months ended June 30, 2022 and 2021 were \$111, \$137, \$221 and \$274, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to \$142
2. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6%~8% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company's foreign subsidiaries have established a defined contribution pension plan in accordance with the local regulations. Other than the monthly contributions, the Group has no further obligations.
- (c) The pension costs under the abovementioned defined contribution pension plan for the three months and six months ended June 30, 2022 and 2021 were \$16,540, \$19,930, \$31,712 and \$29,924, respectively.

(20) Share capital

As described in Note 1, the Company acquired 100% of the shares of Glory Science, PQI and Foxlink Image through share swap by exchanging 1 common share of Glory Science into 1 common share of the Company, 1 common share of PQI converted to 0.194 common share of the Company and 1 common share of Foxlink Image converted to 0.529 common share of the Company. As of December 31, 2021, the Company's authorized capital was \$3,000,000, consisting of 300,000 thousand shares of ordinary stock (including 30,000 thousand shares reserved for employee stock options), and the paid-in capital was \$2,462,421 with a par value of \$10 (in dollars) per share. Ordinary shares outstanding as at June 30, 2022 amounted to 246,242 thousand shares.

(21) Capital

2022					
	<u>Share premium</u>	<u>Difference between consideration and carrying amount of subsidiaries acquired or disposed</u>	<u>Changes in ownership interests in subsidiaries</u>	<u>Net change in equity of associates</u>	<u>Total</u>
At January 1	\$ 3,783,055	\$ 204,782	\$ 837,883	\$ 64,599	\$ 4,890,319
Capital surplus used to issue cash to shareholders	( 246,242)	-	-	-	( 246,242)
Transactions non-control- ling interest			194,140		194,140
Compensation costs			1,653		1,653
Recognition of change in equity of associates in proportion to the Group's ownership					
	-	-	-	1,639	1,639
At June 30	<u>\$ 3,536,813</u>	<u>\$ 204,782</u>	<u>\$ 1,033,676</u>	<u>\$ 66,238</u>	<u>\$ 4,841,509</u>

  

2021					
	<u>Share premium</u>	<u>Difference between consideration and carrying amount of subsidiaries acquired or disposed</u>	<u>Changes in ownership interests in subsidiaries</u>	<u>Net change in equity of associates</u>	<u>Total</u>
At January 1	\$ 3,955,425	\$ 57,400	\$ 125,447	\$ 59,741	\$ 4,198,013
Capital surplus used to issue cash to shareholders	( 172,370)	-	-	-	( 172,370)
Transactions non-controlling interest	-	-	174,527	-	174,527
Recognition of change in equity of associates in proportion to the Group's ownership					
	-	-	-	3,333	3,333
At June 30	<u>\$ 3,783,055</u>	<u>\$ 57,400</u>	<u>\$ 299,974</u>	<u>\$ 63,074</u>	<u>\$ 4,203,503</u>

A. In accordance with IFRS Q&A issued by Accounting Research and Development Foundation (ARDF) on October 26, 2018 and ARDF Interpretation 100-390, as described in Note 4, the share swap transactions between the Company and Glory Science were considered as a reorganization under common control on October 1, 2018.

B. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that

the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover the accumulated deficit unless the legal reserve is insufficient.

- C. The shareholders resolved the Company to distribute cash by a capital surplus of \$246,242 (NT\$1.00 (in dollars) per share) on March 24, 2022, and \$172,370 (NT\$0.7 per share) on March 26, 2021.

(22) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. The remaining earnings shall be proposed by the Board of Directors and resolved by the shareholders as dividends to shareholders.

According to the Company's dividend policy, no more than 90% of the distributable retained earnings shall be distributed as shareholders' bonus and cash dividend distributed in any calendar year shall be at least 20% of the total distributable earnings in that year based on future capital expenditures budget and capital requirements.

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) As described in Note 4(2), the Company is substantially a continuation of Glory Science. Therefore, the amount previously set aside by the Company as special reserve in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be the same as the amount reclassified from accumulated translation adjustment under shareholders' equity to retained earnings for the exemptions elected by the Group. The special reserve increased as a result of retained earnings arising from the adoption of IFRS amounted to \$8,361 thousand.
- D. In accordance with the Company's Articles of Incorporation and as resolved by the Board of Directors on March 26, 2021, the Company distributed cash dividends amounting to \$73,873. Also, the appropriation of 2020 earnings as proposed and resolved by the shareholders on July 20, 2021 are as follows:

	2020	
	<u>Amount</u>	<u>Dividend per Share(NTD)</u>
Legal reserve	\$ 8,985	
Cash dividends	73,873	\$ 0.30

E. The appropriation of 2021 earnings as proposed and resolved by the shareholders on June 17, 2022 are as follows::

	2021	
	<u>Amount</u>	<u>Dividend per Share(NTD)</u>
Legal reserve	\$ 42,083	
Special reserve	220,768	
Cash dividends	123,121	\$ 0.50

(23) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue in the following major product lines and geographical regions:  
Revenue from external customer contracts

<u>Three months ended June 30,2022</u>	<u>China</u>	<u>Taiwan</u>	<u>Hong Kong</u>	<u>US</u>
System and peripheral products	\$ 251,448	\$ 934	\$ 4,914	\$ 443,162
3C retail and peripheral products	955	24,906	300,054	1,168
3C components	41,174	17,513	4,916	221
Energy service management	313	1,285,691	-	-
	<u>\$ 293,890</u>	<u>\$ 1,329,044</u>	<u>\$ 309,884</u>	<u>\$ 444,551</u>
<u>Three months ended June 30,2022</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>	
System and peripheral products	\$ 181,421	\$ 523,079	\$ 1,404,958	
3C retail and peripheral products	-	168	327,251	
3C components	1,513	18,130	83,467	
Energy service management	-	-	1,286,004	
	<u>\$ 182,934</u>	<u>\$ 541,377</u>	<u>\$ 3,101,680</u>	

Revenue from external customer contracts

<u>Three months ended June 30,2021</u>	<u>China</u>	<u>Taiwan</u>	<u>Hong Kong</u>	<u>US</u>
System and peripheral products	\$ 260,733	\$ 747	\$ 38,296	\$ 326,864
3C retail and peripheral products	4,003	4,386	202,845	1,621
3C components	28,124	17,128	1,656	-
Energy service management	172	407,653	-	-
	<u>\$ 293,032</u>	<u>\$ 429,914</u>	<u>\$ 242,797</u>	<u>\$ 328,485</u>
<u>Three months ended June 30,2021</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>	
System and peripheral products	\$ 104,297	\$ 287,276	\$ 1,018,213	
3C retail and peripheral products	-	136	212,991	
3C components	401	23,984	71,293,	
Energy service management	-	-	407,825	
	<u>\$ 104,698</u>	<u>\$ 311,396</u>	<u>\$ 1,710,322</u>	

## Revenue from external customer contracts

<u>Six months ended June 30,2022</u>	<u>China</u>	<u>Taiwan</u>	<u>Hong Kong</u>	<u>US</u>
System and peripheral products	\$ 500,036	\$ 1,280	\$ 6,999	\$ 840,971
3C retail and peripheral products	2,787	38,449	775,983	3,289
3C components	62,610	36,308	4,997	1,132
Energy service management	1,427	2,103,197	-	-
	<u>\$ 566,860</u>	<u>\$ 2,179,234</u>	<u>\$ 787,979</u>	<u>\$ 845,392</u>
<u>Six months ended June 30,2022</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>	
System and peripheral products	\$ 326,663	\$ 947,331	\$ 2,623,280	
3C retail and peripheral products	-	1,338	821,846	
3C components	1,513	37,502	144,062	
Energy service management	-	-	2,104,624	
	<u>\$ 328,176</u>	<u>\$ 986,171</u>	<u>\$ 5,693,812</u>	

## Revenue from external customer contracts

<u>Six months ended June 30,2021</u>	<u>China</u>	<u>Taiwan</u>	<u>Hong Kong</u>	<u>US</u>
System and peripheral products	\$ 526,334	\$ 1,692	\$ 129,678	\$ 592,898
3C retail and peripheral products	4,887	11,540	578,486	3,256
3C components	90,758	31,847	5,085	42
Energy service management	2,180	1,017,628	-	-
	<u>\$ 624,159</u>	<u>\$ 1,062,707</u>	<u>\$ 713,249</u>	<u>\$ 596,196</u>
<u>Six months ended June 30,2021</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>	
System and peripheral products	\$ 273,513	\$ 643,479	\$ 2,167,594	
3C retail and peripheral products	-	1,406	599,575	
3C components	401	45,283	174,346	
Energy service management	-	-	1,019,808	
	<u>\$ 274,844</u>	<u>\$ 690,168</u>	<u>\$ 3,961,323</u>	

## B. Unfulfilled construction contracts

The aggregate amount of the transaction price allocated to and the year expected to recognize revenue for the unsatisfied performance obligations in relation to the contracted significant construction contracts as of June 30, 2022 are as follows:

<u>Year</u>	<u>Year expected to recognise revenue</u>	<u>Contracted amount</u>
June 30,2022	Year 2022-2025	\$ 52,579,386
December 31, 2021	Year 2021-2025	54,669,266
June 30,2021	Year 2021-2025	57,256,421

C. Contract assets and contract liabilities

(a) The Group has recognized the following revenue-related contract assets and contract liabilities:

	<u>June 30,2022</u>	<u>December 31,2021</u>	<u>June 30,2021</u>
Contract assets:			
Contract assets:			
- construction contracts	<u>\$ 3,017,345</u>	<u>\$ 3,216,453</u>	<u>\$ 529,639</u>
Contract liabilities:			
Contract liabilities:	367,287	381,589	350,278
- advance sales receipts			
Contract liabilities:			
- construction contracts	<u>21,225</u>	<u>2,293</u>	<u>2,278</u>
	<u>\$ 388,512</u>	<u>\$ 383,882</u>	<u>\$ 352,556</u>

(b)The aforementioned revenue-related contract assets and contract liabilities as at June 30,2022, December 31, 2021 and June 30, 2021 are as follows:

	<u>June 30,2022</u>	<u>December 31,2021</u>	<u>June 30,2021</u>
Total costs incurred and revenue recognised	\$ 6,063,428	\$ 4,366,249	\$ 1,545,444
Contractors' request for progress payment amounts	<u>( 3,067,308)</u>	<u>( 1,152,089)</u>	<u>( 1,018,083)</u>
	<u>\$ 2,996,120</u>	<u>\$ 3,214,160</u>	<u>\$ 527,361</u>
Contract assets- current	\$ 3,017,345	\$ 3,216,453	\$ 529,639
Contract liabilities- current	<u>( 21,225)</u>	<u>( 2,293)</u>	<u>( 2,278)</u>
	<u>\$ 2,996,120</u>	<u>\$ 3,214,160</u>	<u>\$ 527,361</u>

(c) Revenue recognized that was included in the contract liability balance at the beginning of the period

	<u>Three months ended June 30,2022</u>	<u>Three months ended June 30,2021</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Unearned revenue	<u>\$ 43,409</u>	<u>\$ 33,849</u>

	<u>Six months ended June 30,2022</u>	<u>Six months ended June 30,2021</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Unearned revenue	\$ 49,784	\$ 51,298

D. Information about the significant construction contracts contracted by the Group is provided in Note 9.

(24) Interest income

	<u>Three months ended June 30,2022</u>	<u>Three months ended June 30,2021</u>
Interest income from bank deposits	\$ 8,648	\$ 8,123
Interest income from financial assets measured at amortised cost	3,488	2,064
	<u>\$ 12,136</u>	<u>\$ 10,187</u>

	<u>Six months ended June 30,2022</u>	<u>Six months ended June 30,2021</u>
Interest income from bank deposits	\$ 10,902	\$ 14,708
Interest income from financial assets measured at amortised cost	5,409	4,333
	<u>\$ 16,311</u>	<u>\$ 19,041</u>

(25) Other income

	Three months ended June 30,2022	Three months ended June 30,2021
Rent income	\$ 7,340	\$ 13,583
Others	4,195	8,110
	<u>\$ 11,535</u>	<u>\$ 21,693</u>
	Six months ended June 30,2022	Six months ended June 30,2021
Rent income	\$ 24,860	\$ 22,636
Compensation income	35,167	-
Others	11,515	8,611
	<u>\$ 71,542</u>	<u>\$ 31,247</u>

(26) Other gains and losses

	Three months ended June 30,2022	Three months ended June 30,2021
Foreign exchange gains (losses)	\$ 12,749	(\$ 24,926)
Government grants revenue	2,082	2,147
Gain on disposals of property, plant and equipment	7	458
Gains on disposals of investments	-	109,072
Depreciation charge on investment ( property	2,245)	( 2,205)
Others	10,095	( 1,568)
	<u>\$ 22,688</u>	<u>\$ 82,978</u>
	Six months ended June 30,2022	Six months ended June 30,2021
Foreign exchange gains (losses)	\$ 82,553	(\$ 31,662)
Government grants revenue	4,149	4,524
Gain on disposals of property, plant and equipment	2,208	565
Gains on disposals of investments	-	112,689
Depreciation charge on investment ( property	4,451)	( 4,153)
Others	11,316	( 2,539)
	<u>\$ 95,775</u>	<u>\$ 79,424</u>

(27) Finance costs

	Three months ended June 30,2022	Three months ended June 30,2021
Interest expense :		
Bank loans	\$ 27,803	\$ 19,059
Lease liabilities	1,068	1,372
Loans from related parties	-	14,794
	<u>\$ 28,871</u>	<u>\$ 35,225</u>
	Six months ended June 30,2022	Six months ended June 30,2021
Interest expense :		
Bank loans	\$ 47,348	\$ 39,538
Lease liabilities	2,165	2,425
Loans from related parties	7,890	29,753
	<u>\$ 57,403</u>	<u>\$ 71,716</u>

(28) Expense by nature

	Three months ended June 30,2022		
<u>Nature</u>	Classified as operating costs	Classified as Operating Expenses	Total
Employee benefit expense			
Wages and salaries	\$ 188,805	\$ 183,154	\$ 371,959
Labour and health insurance fees	9,000	9,288	18,288
Pension costs	9,681	6,748	16,429
Other personnel expenses	9,778	6,393	16,171
	<u>\$ 217,264</u>	<u>\$ 205,583</u>	<u>\$ 422,847</u>
Depreciation charge	<u>\$ 61,274</u>	<u>\$ 34,130</u>	<u>\$ 95,404</u>
Amortisation charge	<u>\$ 46</u>	<u>\$ 5,225</u>	<u>\$ 5,271</u>

<u>Nature</u>	Three months ended June 30,2021		
	Classified as operating costs	Classified as Operating Expenses	Total
Employee benefit expense			
Wages and salaries	\$ 183,650	\$ 132,287	\$ 315,937
Labour and health insurance fees	5,997	6,161	12,158
Pension costs	14,704	5,089	19,793
Other personnel expenses	9,746	4,810	14,556
	<u>\$ 214,097</u>	<u>\$ 148,347</u>	<u>\$ 362,444</u>
Depreciation charge	<u>\$ 49,825</u>	<u>\$ 45,514</u>	<u>\$ 95,339</u>
Amortisation charge	<u>\$ 132</u>	<u>\$ 3,430</u>	<u>\$ 3,562</u>

<u>Nature</u>	Six months ended June 30,2022		
	Classified as operating costs	Classified as Operating Expenses	Total
Employee benefit expense			
Wages and salaries	\$ 399,090	\$ 349,097	\$ 748,187
Labour and health insurance fees	17,097	19,072	36,169
Pension costs	19,531	11,960	31,491
Other personnel expenses	18,796	12,851	31,647
	<u>\$ 454,514</u>	<u>\$ 392,980</u>	<u>\$ 847,494</u>
Depreciation charge	<u>\$ 122,941</u>	<u>\$ 70,174</u>	<u>\$ 193,115</u>
Amortisation charge	<u>\$ 93</u>	<u>\$ 9,119</u>	<u>\$ 9,212</u>

<u>Nature</u>	Six months ended June 30,2021		
	Classified as operating costs	Classified as Operating Expenses	Total
Employee benefit expense			
Wages and salaries	\$ 399,621	\$ 297,991	\$ 697,612
Labour and health insurance fees	16,853	16,894	33,747
Pension costs	20,021	9,629	29,650
Other personnel expenses	18,937	11,025	29,962
	<u>\$ 455,432</u>	<u>\$ 335,539</u>	<u>\$ 790,971</u>
Depreciation charge	<u>\$ 105,431</u>	<u>\$ 91,636</u>	<u>\$ 197,067</u>
Amortisation charge	<u>\$ 335</u>	<u>\$ 6,534</u>	<u>\$ 6,869</u>

- A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 6% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.
- B. For the six months ended June 30, 2022 and 2021, employees' compensation was accrued at \$16,000 and \$8,500, respectively; directors' and supervisors' remuneration was accrued at \$2,500 and 600. The aforementioned amounts were recognized in salary expenses.
- C. The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on the distributable profit of current period for the six months ended June 30, 2022 and percentage as prescribed by the Company's Articles of Incorporation.
- D. The remuneration of employees and directors of 2021 as resolved by the board of directors is consistent with the remuneration of employees of \$30,000 and the remuneration of directors of \$4,880 recognized in the financial report of 2021..
- E. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(29) Income tax

(A) Income tax expense

(a) Components of income tax expense :

	<u>Three months ended June 30, 2022</u>	<u>Three months ended June 30, 2021</u>
Current tax:		
Current tax on profits for the year	\$ 43,370	\$ 23,491
Tax on undistributed surplus earnings	348	-
Prior year income tax (over) underestimation	8,250	( 954)
Total current tax	<u>51,968</u>	<u>22,537</u>
Deferred tax :		
Origination and reversal of temporary differences	15,117	3,569
Total deferred tax	<u>15,117</u>	<u>3,569</u>
Income tax expense	<u>\$ 67,085</u>	<u>\$ 26,106</u>

	<u>Six months ended June 30,2022</u>	<u>Six months ended June 30,2021</u>
Current tax:		
Current tax on profits for the year	\$ 52,033	\$ 85,171
Tax on undistributed surplus earnings	4,617	-
Prior year income tax (over) underestimation	<u>8,245</u>	<u>( 1,909)</u>
Total current tax	64,895	83,262
Deferred tax :		
Origination and reversal of temporary differences	<u>28,978</u>	<u>18,981</u>
Total deferred tax	<u>28,978</u>	<u>18,981</u>
Income tax expense	<u>\$ 93,873</u>	<u>\$ 102,243</u>

(b)The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	<u>Three months ended June 30,2022</u>	<u>Three months ended June 30,2021</u>
Currency translation differences	<u>\$ 1,542</u>	<u>(\$ 3,560)</u>
	<u>Six months ended June 30,2022</u>	<u>Six months ended June 30,2021</u>
Currency translation differences	<u>\$ 26,635</u>	<u>(\$ 9,905)</u>

B. The Company's income tax returns through 2018 have been assessed and approved by the Tax Authority. The Company's domestic subsidiaries' income tax returns through 2018 and 2020 have been assessed and approved by the Tax Authority.

(30) Earnings per share

Three months ended June 30,2022			
	Amount after tax	Weighted average num- ber of ordinary shates outstanding(share in thousands)	Earnings per Share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 95,097	246,242	\$ 0.38
<u>Diluted earnings per share</u>			
Profit attributable to the parent	\$ 95,097	246,242	
Assumed conversion of all dilutive potential ordinary shares Employees compensation	-	508	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 95,097	246,750	\$ 0.38

Three months ended June 30,2021			
	Amount after tax	Weighted average num- ber of ordinary shates outstanding(share in thousands)	Earnings per Share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 30,143	246,242	\$ 0.12
<u>Diluted earnings per share</u>			
Profit attributable to the parent	\$ 30,143	246,242	
Assumed conversion of all dilutive potential ordinary shares Employees compensation	-	281	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 30,143	246,523	\$ 0.12

	Six months ended June 30,2022		
	Amount after tax	Weighted average num- ber of ordinary shates outstanding(share in thousands)	Earnings per Share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 227,435	246,242	\$ 0.92
<u>Diluted earnings per share</u>			
Profit attributable to the parent	\$ 227,435	246,242	
Assumed conversion of all dilutive potential ordinary shares Employees compensation	-	935	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 227,435	247,177	\$ 0.92

	Six months ended June 30,2021		
	Amount after tax	Weighted average num- ber of ordinary shates outstanding(share in thousands)	Earnings per Share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 126,766	246,242	\$ 0.51
<u>Diluted earnings per share</u>			
Profit attributable to the parent	\$ 126,766	246,242	
Assumed conversion of all dilutive potential ordinary shares Employees compensation	-	368	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 126,766	246,610	\$ 0.51

(31) Transsactions with non-controlling interest

- A.Disposal of equity interest in a subsidiary (that did not result in a loss of control)

In March 2021, the Group disposed of 25% of shares of its subsidiary - SHIH FONG Power Co., Ltd. for a total cash consideration of \$690,000. The carrying amount of non-controlling interest in SHIH FONG Power Co., Ltd. was \$588,281 at the disposal date. This transaction resulted in an increase in the non-controlling interest by \$612,793 and an increase in the equity attributable to owners of the parent by \$77,207.

In November 2021, the Group disposed of 0.74% of shares of its subsidiary – Shin fox Energy Co., Ltd. for a total cash consideration of \$112,809. The carrying amount of non-controlling interest in Shinfox Energy Co., Ltd. was \$2,827,409 at the disposal date. This transaction resulted in an increase in the non-controlling interest by \$42,634 and an increase

in the equity attributable to owners of the parent by \$70,175.

- B. The Group did not participate in the capital increase raised by the subsidiaries and second-tier subsidiary proportionally to its interest to the subsidiary.

The second-tier subsidiaries, Shinfox Energy Co., Ltd and Foxwell Power Co., Ltd increased its capital by issuing new shares in 2022. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 2.55% and 18.77%, respectively. The transaction increased non-controlling interest by \$2,615,806 and increased the equity attributable to owners of parent by \$194,140.

The second-tier subsidiaries, Shinfox Energy Co., Ltd and Junezhe Co., Ltd increased its capital by issuing new shares in 2021. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 7.82% and 66.5%, respectively. The transaction increased non-controlling interest by \$2,492,149 and increased the equity attributable to owners of parent by \$712,436.

(32) Enterprise merger

- A. On February 14, 2022, the Group purchased a 100 % equity of Elegant Energy with cash in \$200,000, and obtained control of Elegant Energy. The Group expects to strengthen its position in the onshore wind power market after the acquisition.

- B. The fair value information on the acquisition date of the consideration paid for the acquisition of Elegant Energy, the assets acquired and the liabilities assumed are as follows:

	<u>February 14, 2022</u>
Acquisition consideration:	
Cash	\$ 200,000
Fair value of identifiable assets acquired and liabilities assumed	
Cash	786
Other current assets	3,293
Intangible assets	197,637
Other current liabilities	(1,716)
Deferred income tax liabilities	(39,528)
Identifiable assets	<u>160,472</u>
Goodwill	<u>\$ 39,528</u>

- C. The apportionment of the purchase price of Elegant Energy was completed in the first quarter of 2022. The fair values of identifiable intangible assets-customer relationship and goodwill obtained were \$197,637 and \$39,528 respectively.
- D. Since the Group merged Elegant Energy on February 14, 2022, the operating income and pre-tax net profit contributed by Elegant Energy was \$1,998 and \$1,990 respectively. If it is assumed that Elegant Energy has been consolidated since January 1, 2022, the operating income and net profit before tax of the Group will be \$5,694,561 and \$362,946, respectively.

(33) Changes in liabilities from financing activities

	<u>Short-term borrowing</u>	<u>Short-term notes and bills payable</u>	<u>Long-term borrowings_ (including Current portion)</u>	<u>Other payables to related parties</u>	<u>Lease Liability</u>	<u>Liabilities from financing activities gross</u>
January 1,2022	\$ 3,086,000	\$ 1,596,522	\$ 3,077,867	\$ -	\$ 316,525	\$ 8,076,914
Changes in cash flow from financing activitie	4,194,719	( 1,321,019)	1,409,179	-	( 37,722)	4,254,157
Changes in other non-cash items	-	-	-	-	14,217	14,217
Impact of changes in foreign exchange rate	-	-	-	-	( 433)	( 433)
June 30,2022	<u>\$ 7,280,719</u>	<u>\$ 275,503</u>	<u>\$ 4,487,046</u>	<u>\$ -</u>	<u>\$ 292,587</u>	<u>\$ 12,335,855</u>

	<u>Short-term borrowing</u>	<u>Short-term notes and bills payable</u>	<u>Long-term borrowings_ (including Current portion)</u>	<u>Other payables to related parties</u>	<u>Lease Liability</u>	<u>Liabilities from financing activities gross</u>
January 1,2021	\$ 3,129,800	\$ 307,237	\$ 4,044,518	\$4,000,000	\$ 377,052	\$ 11,818,607
Changes in cash flow from financing Activitie	276,395	238,078	( 1,277,672)	( 4,000,000)	( 41,648)	(4,804,847)
Changes in other non-cash items	-	-	-	-	39,689	39,689
Impact of changes in foreign exchange rate	-	-	-	-	( 898)	( 898)
June 30,2021	<u>\$ 3,406,195</u>	<u>\$ 545,315</u>	<u>\$ 2,766,846</u>	<u>\$ -</u>	<u>\$ 334,195</u>	<u>\$ 7,052,551</u>

## 7. Related Party Transactions

### (1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Cheng Uei Precision Industry Co.,Ltd(Cheng Uei)	Ultimate parent
Fugang Electronic(Dongguan) Co.,Ltd(FGEDG)	Other related party
Fugang Electronic(Xuzhou) Co.,Ltd(FG XuZhou)	Other related party
Kunshan Fugang Electric Trading Co.,Ltd(KFET)	Other related party
VA Product Inc.(VA)	Other related party
CU International Ltd.(CU)	Other related party
STUDIO A TECHNOLOGY LTD.(STUDIO A)	Other related party
Studio A Inc.(Studio A)	Other related party
Straight A Inc.(Straight A)	Other related party
Sharetronic Data Technology Co.,Ltd(Sharetronic)	Other related party
Dongguam Fuqiang Electronics Co.,Ltd(DGFQ)	Other related party
Foxwell Energy Co.,Ltd(Foxwell)	Other related party(Note 1)
Changyuan Wind Power Co.,Ltd(Zhangyuan)	Other related party(Note 1)
Beiyuan Wind Power Co.,Ltd(Beiyuan)	Other related party(Note 1)
Shinfox Power Co.,Ltd(Shinfox Power)	Other related party(Note 1)
Central Motion Picture Corporation (Central Motion Picture)	Other related party
Fugang Electric (Kunshan) Co.,Ltd	Other related party
Foxlink Technical India Private Ltd.	Other related party
Chern Feng Engineering Tech Co.,Ltd.(Chern Feng)	Other related party
Synergy Co., Ltd.	Associate(Note 2)
Changpin Wind Power Ltd.	Associate(Note 3)

Note1: Changyuan, Beiyuan and Shinfox Power were originally subsidiaries of the Group, but sold to Foxwell Energy and became other related parties since November 30, 2020. The Company resigned its seat on the Board of Directors of Foxwell Energy Co., Ltd. on May 20, 2021. Therefore, Foxwell Energy Co., Ltd. and its subsidiaries were non-related parties since May 20, 2021.

Note2: The Group obtained the investment using the equity method in the fourth quarter of 2021, so it is listed as a related party.

Note3: The Group obtained the investment using the equity method in the second quarter of 2022, so it is listed as a related party.

(2) Significant related party transactions

A. Operating revenue

	Three months ended June 30,2022	Three months ended June 30,2021
Cheng Uei	\$ 31,705	\$ 11,434
Shinfox Power	-	3,886
Other related parties	31,090	9,919
Associate	40,003	-
	<u>\$ 102,798</u>	<u>\$ 25,239</u>
	Six months ended June 30,2022	Six months ended June 30,2021
Cheng Uei	\$ 43,166	\$ 24,879
Shinfox Power	-	391,510
Other related parties	51,480	32,821
Associate	40,003	-
	<u>\$ 134,649</u>	<u>\$ 449,210</u>

- (a) Goods sold to the abovementioned related parties are based on mutual agreement and are not sold to the third parties. The collection terms are 90 to 120 days after monthly billings.
- (b) The Group's sales of services to the abovementioned related parties refer to construction revenue, service revenue and electricity sales revenue charged from the contracted construction agreements, contracted agreements for development, design, manufacture and supervision of construction and the operation and maintenance contract for wind turbine generator system (WTGS) entered with other related parties, and the transaction price and credit terms are the same with the market situation or the general customers.

B. Purchases

	Three months ended June 30,2022	Three months ended June 30,2021
Purchases of goods :		
Cheng Uei	\$ 9,558	\$ 2,514
Others	795	980
	<u>\$ 10,353</u>	<u>\$ 3,494</u>
Engineering cost :		
other related parties	<u>\$ 7,463</u>	<u>\$ -</u>

	<u>Six months ended June 30,2022</u>		<u>Six months ended June 30,2021</u>	
Purchases of goods :				
Cheng Uei	\$	14,018	\$	11,289
Others		<u>1,157</u>		<u>1,366</u>
	\$	<u>15,175</u>	\$	<u>12,655</u>
Engineering cost :				
other related parties	\$	<u>19,976</u>	\$	<u>-</u>

The prices and terms are determined in accordance with mutual agreement, and the payment term is 90 to 120 days after monthly billings.

#### C.Receivables from related parties

	<u>June 30,2022</u>	<u>Decebmer 31,2021</u>	<u>June 30,2021</u>
Accounts receivable :			
Cheng Uei	\$ 44,868	\$ 15,097	\$ 14,463
Other related parties	<u>34,368</u>	<u>36,450</u>	<u>5,295</u>
	<u>\$ 79,236</u>	<u>\$ 51,547</u>	<u>\$ 19,758</u>
Other receivables :			
Cheng Uei	\$ 18	\$ 8,952	\$ 49
Sharetronic	8,298	5,372	7,775
Other related parties	15,984	9,541	364
Associate	<u>682</u>	<u>-</u>	<u>-</u>
	<u>\$ 24,928</u>	<u>\$ 23,865</u>	<u>\$ 8,188</u>

Other receivables mainly come from rental income, manpower support income and advances on behalf of others.

#### D.Payables to related parties

	<u>June 30,2022</u>	<u>Decebmer 31,2021</u>	<u>June 30,2021</u>
Accounts payable :			
Cheng Uei	\$ 17,714	\$ 2,376	\$ 5,556
Other related parties	<u>7,265</u>	<u>2,941</u>	<u>477</u>
	<u>\$ 24,979</u>	<u>\$ 5,317</u>	<u>\$ 6,033</u>
Other payables :			
Cheng Uei	\$ 12,551	\$ 10,650	\$ 11,546
Other related parties	14,929	19,219	10,004
Associate	<u>50</u>	<u>-</u>	<u>-</u>
	<u>\$ 27,530</u>	<u>\$ 29,869</u>	<u>\$ 21,550</u>

- (a) Payables to related parties, mainly arose from purchases, and the payment terms are 90 to 120 days after monthly billings.
- (b) Other payables to related parties, mainly arose from management, legal and system maintenance fees payable.

E, Lease transactions — lessee

- (a) The Group leases, buildings from the ultimate parent company and other related parties. Rental contracts are typically made for periods from 2013 to 2028 years. Rents are paid monthly.
- (b) Acquisition of use-of-right assets

	<u>Three months ended June 30,2022</u>	<u>Three months ended June 30,2021</u>
Cheng Uei	<u>\$ 7,838</u>	<u>\$ -</u>
	<u>Six months ended June 30,2022</u>	<u>Six months ended June 30,2021</u>
Cheng Uei	<u>\$ 7,838</u>	<u>\$ 28,122</u>

(c) Lease liability

i. Outstanding balance

	<u>June 30,2022</u>	<u>Decebmer 31,2021</u>	<u>June 30,2021</u>
Cheng Uei	<u>\$ 133,977</u>	<u>\$ 144,112</u>	<u>\$ 152,011</u>
Other related parties	<u>14,082</u>	<u>21,929</u>	<u>30,940</u>
	<u>\$ 148,059</u>	<u>\$ 166,041</u>	<u>\$ 182,951</u>

ii. Interest expense

	<u>Three months ended June 30,2022</u>	<u>Three months ended June 30,2021</u>
Cheng Uei	<u>\$ 490</u>	<u>\$ 554</u>
Other related parties	<u>48</u>	<u>95</u>
	<u>\$ 538</u>	<u>\$ 649</u>
	<u>Six months ended June 30,2022</u>	<u>Six months ended June 30,2021</u>
Cheng Uei	<u>\$ 1,003</u>	<u>\$ 1,092</u>
Other related parties	<u>106</u>	<u>205</u>
	<u>\$ 1,109</u>	<u>\$ 1,297</u>

F. Rental revenue

	<u>Three months ended June 30,2022</u>	<u>Three months ended June 30, 2021</u>
Cheng Uei	<u>\$ 10,349</u>	<u>\$ 4,759</u>
Other related parties	<u>2,245</u>	<u>8,824</u>
	<u>\$ 12,594</u>	<u>\$ 13,583</u>

	<u>Six months ended June 30,2022</u>	<u>Six months ended June 30, 2021</u>
Cheng Uei	\$ 15,222	\$ 8,725
Other related parties	<u>9,638</u>	<u>13,911</u>
	<u>\$ 24,860</u>	<u>\$ 22,636</u>

G.Loans from related parties:

Loans from related parties (shown as other payables to related parties):

(a) Outstanding balance:

	<u>June 30,2022</u>	<u>Decebmer 31,2021</u>	<u>June 30,2021</u>
Cheng Uei	\$ -	\$ -	\$ -

(b) Interest expense

	<u>Three months ended June 30,2022</u>	<u>Three months ended June 30,2021</u>
Cheng Uei	\$ -	\$ 14,794

	<u>Six months ended June 30,2022</u>	<u>Six months ended June 30,2021</u>
Cheng Uei	\$ 7,890	\$ 29,753

The loans are settled at maturity. The interest rate was 1.5%-1.6% per annum.

H.Loans to others and guarantee/endorse: Please refer to Notes 13(1) A and 13(1)B

(3) Key management compensation

	<u>Three months ended June 30,2022</u>	<u>Three months ended June 30,2021</u>
Other short-term employee benefits	\$ 6,230	\$ 2,683
Post-employment benefits	<u>198</u>	<u>27</u>
	<u>\$ 6,428</u>	<u>\$ 2,710</u>

	<u>Six months ended June 30,2022</u>	<u>Six months ended June 30,2021</u>
Salaries and other short-term employee benefits	\$ 11,859	\$ 6,198
Post-employment benefits	<u>415</u>	<u>81</u>
	<u>\$ 12,274</u>	<u>\$ 6,279</u>

## 8. Pledged Assets

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

<u>Pledged asset</u>	<u>Book Value</u>			<u>Purpose</u>
	<u>June 30,2022</u>	<u>Decebmer 31,2021</u>	<u>June 30,2021</u>	
Time deposits (shown as financial assets at amortised cost-current)	\$ 66,729	\$ 158,617	\$ 93,455	Guarantee for fast cust- oms clearance and issu- ance of material purcha- sing guarantee and secu- rity deposit
Other assets-others (show as other non-current assets)	98,587	18,605	3,523	Guarantee for constructi- on performance and bank deposits
Other assets-others (show as other current assets)	1,001,444	2,657	2,657	Guarantee for Construction performan- Ce
Restricted bank deposits (show as finan- cial assets at amortised cost-current)	2,161,277	1,710,695	2,700,470	Impound and guarantee for construction performance and guarantee for notes
Time deposits(show as financial assets at amortised cost-non-current)	4,500	4,500	4,500	Guarantee for lease performance
Restricted bank deposits(show as finan- cial assets at amortised cost-non-cur- rent)	42,385	14,640	14,611	Impound, guarantee for Construction performance and notes
Property, plant and equipment	878,010	917,568	919,811	Short-term and long- term borrowings
Investment Property	9,980	12,375	15,469	Short-term and long- term borrowings
	<u>\$ 4,262,912</u>	<u>\$ 2,839,657</u>	<u>\$ 3,754,496</u>	

## 9. Significant Contingent Liabilities and Unrecognized Contract Commitments

### A. Contingencies

a. Central Motion Picture Corporation (the "Central Motion Picture"), a financial as set at fair value through other comprehensive income of the Group, amounting to \$177,554, was determined to be an affiliate organization of the Kuomintang by the Ill-gotten Party Assets Settlement Committee (the "Ill-gotten Party") in its written disposition, Dang-Chan-Chu-Zi No. 107007, issued on October 9, 2018. Under paragraph 1, Articles 5 and 9 of the Act Governing the Settlement of Ill-gotten Properties by Political Parties and Their Affiliate Organizations (the "Act"), properties were held by the Central Motion Picture when the Act was released on August 10, 2016 are considered as unjustly received properties. The presumed ill-gotten party assets as prescribed in the preceding paragraph 1 of Article 5 are prohibited from being transferred or disposed since from the date of promulgation of this Act. However, this limit is not applicable if it is necessary to perform its legal duties or other justifiable reasons. The properties held by the Central Motion Picture are considered as unjustly received properties; however, their existing

rights in leases, superficies, mortgage, or pawnage is not affected if Ill-gotten Party considers such assets as unjustly received assets and then orders the bona fide third party to transfer such assets to the State, local self-governing bodies, or original owners. Under Article 16, the Central Motion Picture may file an administrative litigation (an action for revocation) in the Taipei High Administrative Court within two months after the aforementioned written disposition was served. In addition, the Central Motion Picture may file for a suspension of execution under Paragraph 2, Article 116 of the Administrative Litigation Act. On December 12, 2018, Central Motion Picture Corporation submitted cause of action to the Taipei High Administrative Court, which ruled to approve the suspension of execution in January 2020. However, Ill-gotten Party subsequently filed an appeal against the ruling, and it was dismissed by the High Administrative Court in February 2020. Meanwhile, Central Motion Picture filed a revocation action with the Taipei High Court, and it was pending approval as of January 14, 2020. Central Motion Picture entered into an administrative contract with the Ill-gotten Party on August 24, 2021 and reached a settlement at the Taipei High Administrative Court on September 17, 2021. The original action would be revoked if Central Motion Picture remitted NT\$950 million to the account designated by the Ill-gotten Party before October 23, 2021. On September 24, 2021, Central Motion Picture remitted the payment based on the agreement and the litigation was terminated.

- b. The Company carried out a “Shih Fong Power’s FongPing River and Its Tributary Hydroelectric Project” (the “Project”) in Hualien County and planned to build a weir on the FongPing River for hydropower plants to generate electricity. Since 2000, the Company has successively obtained the permit to build the infrastructure as an electricity enterprise and the work permit to operate power generation equipment as an electricity enterprise (the “Work Permit”). As the construction was unable to be completed on time, the Company has applied 15 times for an extension of the Work Permit as approved by the Ministry of Economic Affairs. The most recent one was extended from December 31, 2020 to December 31, 2021. However, the local indigenous peoples (the “Petitioners”) filed a petition on May 14, 2021 according to the Article 21 of the Indigenous Peoples Basic Law (the “Law”), stating that the land used in the construction was the “indigenous land, tribe and their adjoin-land which owned by governments”, and it shall consult and obtain consent by indigenous peoples or tribes or even their participation in accordance with the Law. The regulatory authority issued the Work Permit before the consultation and consent processes are implemented, which is not in compliance with the Law. Thus, the Petitioners filed a petition with the Executive Yuan, requesting “the suspension of the Project” and “the revocation of a work permit in 2021”. The Executive Yuan dismissed the petition concerning “the suspension of the Project”, but the Petitioners filed an administrative litigation with the Taipei High Administrative Court. On December 3, 2021, the Taipei High Administrative Court rendered a judgement that the Project is suspended until the administrative litigation is finalized. The Company filed a counter appeal, according to the laws to suspend the effect of the ruling. On January 24, 2022, the case was transferred to the Supreme Administrative Court for final judgement. The Supreme Administrative Court ruled on March 31, 2022 to abolish the original ruling of the Taipei High Court, except for some determinations. In addition, regarding the dispute on “the revocation of a work permit in 2021”, the Company received a letter on March 14, 2022 issued by the Ministry of Economic Affairs per Jing-Shou-Neng-Zi Letter. No. 11103002490, dated March 10, 2022. The letter is issued based on the administrative appeal decision rendered by the Executive Yuan, which requests the Company to carry out the consultation and consent processes pursuant to the Article 21 of the “Indigenous Peoples Basic Law” as the Law is applicable to the Company during the extension period, and send the consultation and consent documents obtained thereby to the Ministry of Economic Affairs. On April 29, 2022, Shifeng Company requested to revoke the disputed part of the administrative petition "Revocation of the 2021 Year Work Permit", which has not yet been heard.

## B. Commitments

- a. Information on endorsement/guarantee of the Company is provided in Note 13(2).
- b. As of June 30, 2022 and December 31, 2021 and June 30, 2021 the letters of guarantee to be issued by the bank, which are required for the Group's performance guarantee for the property procurement and installation of Taiwan Power Company's offshore wind power project, both amounted to \$5,400,000, of which the amounts provided by the Group to banks as pledges (shown as financial assets at amortised cost) were \$1,620,000 , \$1,620,000 and \$2,700,000, respectively, the endorsement and guarantee amount provided by the Company was \$3,780,000, \$4,700,000 and \$1,800,000, respectively, and the amounts pledged by the letter of guarantee assigned by subcontractors were \$1,608,370,\$1,608,370 and \$2,531,170, respectively.
- c. As of June 30, 2022 and December 31, 2021 and June 30, 2021 the letters of guarantee to be issued by the bank, which are required for performance guarantee under the contracted photo-voltaic electric systems, amounted to \$98,249 and \$100,699,\$915,850 respectively.
- d. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:
  - i. As of June 30, 2022 and December 31, 2021 and June 30, 2021, equipment purchase agreements contracted but not recognized and paid amounted to \$370,150 and \$162,902, \$56,798 respectively.
  - ii. The Company entered into a construction cooperation contract with non-related parties with a total consideration of \$39,435,932. As of June 30, 2022, the consideration of \$8,453,434 was settled.
- e. The subcontractor (Xincheng Company) of the group has objected to the payment of the project payment, and requested the company. After the trial of the first instance court in May 2022, it was decided that the company should pay Xincheng Company \$1,257 and its delay. The Company and Xincheng Company appealed against the first-instance judgment. As of the date of reviewing the report, the second-instance court has not made a judgment, and the final result has yet to be heard by the court, so it is impossible to estimate the exact amount of possible compensation.
- f. On August 13, 2020, the Group entered into an equipment procurement contract and an operation and maintenance contract with Taiwan Power Company for the Phase II of Taipower's Offshore Wind Power Project, the "Wind Farm Property Procurement and Installation Project" amounting to \$56,588,000 and \$6,300,000, respectively. The terms of the equipment procurement contract specifies that the Company shall complete the foundation construction for WTGS and offshore substation as of September 30, 2024, shall complete all WTGS which shall be under the security constrained dispatch process as of September 30, 2025, shall complete the whole construction as of December 31, 2025 and shall provide 2 years warranties from the date of completion and acceptance of the whole construction. In addition, the equipment shall provide guaranteed generating capacity. The performance term of this project is divided into stages progress and the final completion deadline. The default penalty shall be computed until the termination date of the contract, according to each stage of the project. The operation and maintenance contract specifies the terms such as the guaranteed annual availability and default penalty of all WTGS as well as the relevant rights and obligations of both parties. The contract period is 5 years from the time when all WTGS are under the security constrained dispatch process. As of June 30, 2022, the Group's construction projects were completed on schedule and there was no compensation loss incurred due to overdue projects.
- g. The Group entered the operation and maintenance contract with Changyuan Wind Power Ltd., Beiyuan Wind Power Ltd. and Shinfox Power Co., Ltd. for WTGS and solar energy equipment. The contract specifies the terms such as the bonus and penalty of operation and maintenance as well as the relevant rights and obligations of both parties. The contract period is 20 years from the parallel connection date.
- h. Foxwell Energy entered into a 'Transportation and Installment Contract of Wind Turbines in Wind Farm Site No. 26' with a Singapore contractor, Teras Offshore Pte. Ltd. As the contractor

failed to submit the essential documents within the time frame prescribed in the contract, Foxwell Energy has the right to revoke the contract and has notified the contractor in writing of the termination of the contract. After receiving the written notice from Foxwell Energy, the contractor entrusted a lawyer on December 11, 2021 to rely and request for compensation from Foxwell Energy, and state that it will refer the matter to arbitration if the compensation is not paid. On December 24, 2021, Foxwell Energy also appointed a lawyer to send a lawyer's letter stating that it was a lawful termination of the contract and it will reserve the right to claim compensation from the contractor. As of August 12, 2022, Foxwell Energy has not yet received the notice of arbitration submitted by the contractor to the arbitration institution, and the termination of the contract has no impact on the original construction contract and subsequent performance obligations.

10. Significant Disaster Loss

None

11. Significant Subsequent Events

None

12. Others

(1)Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2)Financial instruments

A. Financial instruments by category

	<u>June 30,2022</u>	<u>Decebmer 31,2021</u>	<u>June 30,2022</u>
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income Designation of equity instrument	Financial assets at		
amortised cost	\$ 1,822,905	\$ 2,098,520	\$ 2,471,975
Cash and cash equivalents	\$ 8,008,975	\$ 4,968,346	\$ 5,458,133
Financial assets at amortised cost	2,455,114	2,116,078	2,885,160
Notes receivable	7,840	4,259	1,211
Accounts receivable (include ing related parties)	1,198,726	1,197,414	839,744
Other receivables(include ing related parties)	45,048	54,757	21,276
Guarantee deposits paid	1,114,368	42,874	31,088
	<u>\$ 12,830,071</u>	<u>\$ 8,383,728</u>	<u>\$ 9,236,612</u>

### Financial liabilities

Financial liabilities at amortised cost

Short-term borrowings	\$ 7,280,719	\$ 3,086,000	\$ 3,406,195
Short-term notes and bills payable	275,503	1,596,522	545,315
Notes payable	160	150	151
Accounts payable (including related parties)	1,362,209	2,738,183	1,261,095
Other payables (including related parties)	1,206,471	788,003	817,793
Long-term borrowings ((including current portion)	4,487,046	3,077,867	2,766,846
Guarantee deposits received	<u>6,182</u>	<u>19,901</u>	<u>-</u>
	<u>\$ 14,618,290</u>	<u>\$ 11,306,626</u>	<u>\$ 8,797,395</u>
Lease liability	<u>\$ 292,587</u>	<u>\$ 316,525</u>	<u>\$ 334,195</u>

### B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

### C. Significant financial risks and degrees of financial risks

#### (a) Market risk

##### Exchange rate risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currencies, primarily with respect to the USD and RMB. The foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group entities are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of the highly probable USD and RMB expenditures.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

June 30,2022			
	Foreign currency amount(In thousands)	Exchange rate	Book value (NTD)
<b>(Foreign currency:functional currency)</b>			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 54,175	29.7200	\$ 1,610,081
RMB:NTD	233,277	4.4390	1,035,517
JPY:NTD	468,269	0.2182	102,176
HKD:NTD	33,190	3.7880	125,724
EUR:NTD	168	31.0500	5,216
HKD:RMB	5,750	0.8533	21,781
USD:RMB	8,893	6.6934	264,300
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 33,209	29.7200	\$ 986,971
RMB:NTD	84,674	4.4390	375,868
JPY:NTD	7,227	0.2182	1,577
USD:RMB	3,210	6.6934	95,401
USD:HKD	617	0.2182	18,337

December 31,2021			
	Foreign currency amount(In thousands)	Exchange rate	Book value (NTD)
<b>(Foreign currency:functional currency)</b>			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 54,092	27.6800	\$ 1,497,267
RMB:NTD	226,975	4.3440	985,979
JPY:NTD	468,261	0.2405	112,617
HKD:NTD	2,830	3.5490	10,044
EUR:NTD	168	31.3200	5,262
HKD:RMB	8,268	0.8170	29,343
USD:RMB	10,494	6.3739	290,474
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 34,187	27.6800	\$ 946,296
RMB:NTD	105,110	4.3440	456,598
JPY:NTD	14,252	0.2405	3,428
USD:RMB	3,972	6.3739	109,945
USD:HKD	10,377	7.7880	287,235

June 30,2021			
	Foreign currency amount(In thousands)	Exchange rate	Book value (NTD)
<b>(Foreign currency:functional currency)</b>			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 36,321	27.8600	\$ 1,011,903
RMB:NTD	295,088	4.3090	1,271,534
JPY:NTD	468,856	0.2521	118,199
HKD:NTD	16,064	3.5870	57,622
EUR:NTD	168	33.1500	5,569
HKD:RMB	5,781	0.8324	20,736
USD:RMB	9,932	6.4570	276,706
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 24,850	27.8600	\$ 692,321
RMB:NTD	92,298	4.3090	397,712
JPY:NTD	28,911	0.2521	7,288
USD:RMB	3,801	6.4570	105,896
USD:HKD	546	7.7669	15,212

D.The total exchange gain (loss), including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2022 and 2021 amounted to \$12,749,(\$24,926),\$82,553 and (\$31,662), respectively.

E. Analysis of foreign currency market risk arising from significant foreign ex change variation:

Six months ended June 30,2022			
Sensitivity analysis			
Degree of Variation		Effect on profit or loss before tax	Effect on other comprehensive income
<b>(Foreign currency: functional currency)</b>			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 16,101	\$ -
RMB:NTD	1%	10,355	-
JPY:NTD	1%	1,022	-
HKD:NTD	1%	1,257	-
EUR:NTD	1%	52	-
HKD:RMB	1%	218	-
USD:RMB	1%	2,643	-

Six months ended June 30,2022				
Sensitivity analysis				
		Degree of	Effect on profit or loss	Effect on other
		Variation	before tax	comprehensive income
<b>(Foreign currency: functional currency)</b>				
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	9,870	\$ -
RMB:NTD	1%		3,759	-
JPY:NTD	1%		16	-
USD:RMB	1%		954	-
USD:HKD	1%		183	-

Six months ended June 30,2021				
Sensitivity analysis				
		Degree of	Effect on profit or loss	Effect on other
		Variation	before tax	comprehensive income
<b>(Foreign currency: functional currency)</b>				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	10,119	\$ -
RMB:NTD	1%		12,715	-
JPY:NTD	1%		1,182	-
HKD:NTD	1%		576	-
EUR:NTD	1%		56	-
HKD:RMB	1%		207	-
USD:RMB	1%		2,767	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	6,923	\$ -
RMB:NTD	1%		3,977	-
JPY:NTD	1%		73	-
USD:RMB	1%		1,059	-
USD:HKD	1%		152	-

#### Price risk

There is no significant effect.

#### Cash flow and fair value interest rate risk

- The Group's main interest rate risk arises from short-term borrowings and long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. For the six months ended June 30,2022 and 2021, the Group's borrowings were denominated in New Taiwan Dollars and US Dollars.

- ii. When the borrowing rate rises or falls by 0.1%, and all other factors remain unchanged, the pre-tax net profit from January 1 to June 30, 2022 and 2021 will decrease or increase by \$12,043 and \$6,718, respectively. This was mainly due to the subsequent changes in interest expenses due to floating rate borrowings.
- (b) Credit risk
- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contractual obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Group manages their credit risk, taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with the limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- iii. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:  
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The default occurs when the contract payments are past due over 90 days.
- v. The Group classifies customers' accounts receivable and contract assets in accordance with default situation. The Group applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
- vi. The Group used the forecastability to adjust the historical and timely information to assess the default possibility of accounts receivable. On June 30, 2022, December 31 2021 and June 30, 2021, the provision matrix is as follows:

	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
<u>June 30, 2022</u>			
Not past due	0.03%	\$ 975,766	\$ 293
Up to 30 days past due	0.03%~5%	156,249	19,713
31~90 days past due	20%	9,351	1,870
91~180 days past due	100%	-	-
Over 180 days past due	100%	<u>2,339</u>	<u>2,339</u>
		<u>\$ 1,143,705</u>	<u>\$ 24,215</u>
	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
<u>December 31, 2021</u>			
Not past due	0.03%	\$ 962,715	\$ 289
Up to 30 days past due	0.03%~5%	183,817	17,330
31~90 days past due	20%	21,192	4,238
91~180 days past due	100%	-	-
Over 180 days past due	100%	<u>11,049</u>	<u>11,049</u>
		<u>\$ 1,178,773</u>	<u>\$ 32,906</u>

	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
<u>June 30, 2021</u>			
Not past due	0.03%	\$ 750,934	\$ 225
Up to 30 days past due	0.03%~5%	84,874	20,008
31~90 days past due	20%	5,514	1,103
91~180 days past due	100%	14	14
Over 180 days past due	100%	<u>11,123</u>	<u>11,123</u>
		<u>\$ 852,459</u>	<u>\$ 32,473</u>

- vii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable and contract assets are as follows:

	<u>2022</u>
	<u>Accounts receivable</u>
At January 1	\$ 32,906
Provision for impairment	1,779
Amounts written off due to irrecoverability	( 10,492)
Effect of foreign exchange	<u>22</u>
At June 30	<u>\$ 24,215</u>

	<u>2021</u>
	<u>Accounts receivable</u>
At January 1	\$ 31,822
Provision for impairment	1,125
Effect of foreign exchange	( 474)
At June 30	<u>\$ 32,473</u>

(c) Liquidity risk

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities

June 30,2022	Less than 1 year	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 7,316,079	\$ -	\$ -
Short-term notes and bills payable	275,503	-	-
Notes payable	160	-	-
Accounts payable (Related parties)	1,362,209	-	-
Other payables (Related parties)	1,206,471	-	-
Lease liability	65,596	124,396	232,192
Long-term borrowings (including current portion)	593,117	3,829,381	173,335

Non-derivative financial liabilities

December 31,2021	Less than 1 year	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 3,092,766	\$ -	\$ -
Short-term notes and bills payable	1,596,522	-	-
Notes payable	150	-	-
Accounts payable (Related parties)	2,738,183	-	-
Other payables (Related parties)	788,003	-	-
Lease liability	70,063	137,947	242,783
Long-term borrowings (including current portion)	335,993	2,626,169	189,678

Non-derivative financial liabilities

June 30,2021	Less than 1 year	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 3,411,262	\$ -	\$ -
Short-term notes and bills payable	545,315	-	-
Notes payable	151	-	-
Accounts payable (Related parties)	1,261,095	-	-
Other payables (Related parties)	817,793	-	-
Lease liability	64,766	135,433	159,163
Long-term borrowings (including current portion)	570,436	1,894,790	215,992

(3) Financial instruments

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:
- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market refers to a market in which transactions for an asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in unlisted stocks is included in Level 1.
- B. Fair value information on investment property at cost is provided in Note 6(11).
- C. The carrying amounts of the Company's financial instruments not measured at fair value, including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable and other payables are approximate to their fair values.
- D. The related information of financial and non-financial instruments measured at fair value level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

June 30, 2022	<u>Level1</u>	<u>Level2</u>	<u>Level1</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 908,974</u>	<u>\$ -</u>	<u>\$ 913,931</u>	<u>\$ 1,822,905</u>
December 31, 2021	<u>Level1</u>	<u>Level2</u>	<u>Level1</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 1,087,743</u>	<u>\$ -</u>	<u>\$ 1,010,777</u>	<u>\$ 2,098,520</u>
June 30, 2021	<u>Level1</u>	<u>Level2</u>	<u>Level1</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 1,193,472</u>	<u>\$ -</u>	<u>\$ 1,278,503</u>	<u>\$ 2,471,975</u>

- E. The methods and assumptions the Group used to measure fair value are as follows:
- (a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>
Market quoted price	Closing price

- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.
- (c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange, swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (d) The valuation of derivative financial instruments is based on a valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- (e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. Price information and parameters used in valuation were carefully assessed and was adjusted according to current market conditions.
- (f) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality
- F. For the six months ended June 30, 2022 and 2021, there was no transfer between Level 1 and Level 2.
- G. The following chart is the movement of Level 3 for the six months ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
At January 1	\$ 1,010,777	\$ 1,050,028
Transfers into level 3	-	210,529
Loss (gain) recognised in other comprehensive income	( 98,476)	19,000
Effect of exchange rate changes	<u>1,630</u>	<u>( 1,054)</u>
At June 30	<u>\$ 913,931</u>	<u>\$ 1,278,503</u>

- H. For the six months ended June 30, 2022 and 2021, information on transfers into Level 3 is provided in Note 6(8).
- I. Treasury segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such

assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

- J. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

		<u>Fair value at June 30,2022</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument: :						
Unlisted shares	\$	450,800	Market com- parable companies	Discount for lack of marketability	20%	The higher the dis- count for lack of mar- ketability, the lower the fair value Not ap- plicable
		463,131	Net asset valre	Not applicable	-	Not applicable
		<u>Fair value at December 31,2021</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument: :						
Unlisted shares	\$	450,800	Market com- parable companies	Discount for lack of marketability	20%	The higher the dis- count for lack of mar- ketability, the lower the fair value Not ap- plicable
		559,977	Net asset valre	Not applicable	-	Not applicable
		<u>Fair value at June 30,2021</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument: :						
Unlisted shares	\$	719,000	Market com- parable companies	Discount for lack of marketability	20%	The higher the dis- count for lack of mar- ketability, the lower the fair value Not ap- plicable
		559,503	Net asset valre	Not applicable	-	Not applicable

- K. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

		June 30,2022				
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets	Input	Change				
Equity instrument	Discount for lack of marketability	±5%	\$ -	\$ -	\$ 22,540	(\$ 22,540)

		December 31,2021				
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets	Input	Change				
Equity instrument	Discount for lack of marketability	±5%	\$ -	\$ -	\$ 22,540	(\$ 22,540)

		June 30,2021				
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets	Input	Change				
Equity instrument	Discount for lack of marketability	±5%	\$ -	\$ -	\$ 35,950	(\$ 35,950)

#### (4)Other matters

Due to the epidemic of Covid-19 and the government's promotion of various anti-epidemic measures, there was no material impact on the financial position and financial performance of the Group from 1 January to 30 June 2022.

#### 13. Supplemental Disclosures

##### (1) Significant transaction information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. The holding of marketable securities at the end of the period (not including sub subsidiaries, associates and joint ventures): Please refer to table 3.

- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information for investors

Names, locations and other information about investee companies (not including investors in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 9.
- B. Significant transactions conducted with investors in Mainland China directly or indirectly through other companies in the third areas
  - (a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Please refer to Note 13(1) G.
  - (b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Please refer to Note 13(1) G.
  - (c) The amount of property transactions and the amount of the resulting gains or losses: None.
  - (d) Balance and purpose of the provision of endorsements/guarantees or collaterals at the end of the period: Please refer to 13(1) B.
  - (e) Maximum balance, ending balance, interest rate range and interest for financing during the six month ended at June 30, 2022: Please refer to Note 13(1) A.
  - (f) Other significant transactions that affected the gains and losses or financial status for the period, i.e. rendering/receiving services: None.

(4) Major shareholder information

Please refer to table 10.

#### 14. Segment Information

##### (1) General information

The Group has classified the reportable operating segments based on product types. The Company's operations and segmentation are both developed according to the product types. The current main product types are: 3C components, systems and peripheral products, 3C product retail and others.

##### (2) Departmental Information

Reportable sector information provided to the chief operating decision maker is as follows:

##### Three months ended June 30,2022

	Systems and peripheral Products department	3C product Retail Department	3C component department	Energy service management	Adjustment	Total
Revenue from external customer	\$ 1,404,958	\$ 327,251	\$ 83,467	\$ 1,286,004	\$ -	\$ 3,101,680
Inter-segment revenue	-	-	-	-	-	-
Inter-segment revenue	\$ 1,404,958	\$ 327,251	\$ 83,467	\$ 1,286,004	\$ -	\$ 3,101,680
Segment income (loss)	\$ 191,467	(\$ 4,766)	(\$ 77,076)	\$ 61,986	(\$ 14,273)	\$ 157,338

##### Three months ended June 30,2021

	Systems and peripheral Products department	3C product Retail Department	3C component department	Energy service management	Adjustment	Total
Revenue from external customer	\$ 1,018,213	\$ 212,991	\$ 71,293	\$ 407,825	\$ -	\$ 1,710,322
Inter-segment revenue	-	-	-	58	( 58)	-
Inter-segment revenue	\$ 1,018,213	\$ 212,991	\$ 71,293	\$ 407,883	(\$ 58)	\$ 1,710,322
Segment income (loss)	\$ 84,722	(\$ 24,700)	(\$ 96,004)	( \$ 86,191)	(\$ 94,243)	(\$ 27,930)

Six months ended June 30,2022

	Systems and peripheral Products department	3C product Retail Department	3C component department	Energy service management	Adjustment	Total
Revenue from external customer	\$ 2,623,280	\$ 821,846	\$ 144,062	\$ 2,104,624	\$ -	\$ 5,693,812
Inter-segment revenue	-	-	-	488	( 488 )	-
Inter-segment revenue	<u>\$ 2,623,280</u>	<u>\$ 821,846</u>	<u>\$ 144,062</u>	<u>\$ 2,105,112</u>	<u>(\$ 488 )</u>	<u>\$ 5,693,812</u>
Segment income (loss)	<u>\$ 332,549</u>	<u>(\$ 9,363)</u>	<u>(\$ 166,931)</u>	<u>\$ 91,316</u>	<u>(\$ 26,824)</u>	<u>\$ 220,747</u>

Six months ended June 30,2021

	Systems and peripheral Products department	3C product Retail Department	3C component department	Energy service management	Adjustment	Total
Revenue from external customer	\$ 2,167,594	\$ 599,575	\$ 174,346	\$ 1,019,808	\$ -	\$ 3,961,323
Inter-segment revenue	-	-	-	67	( 67 )	-
Inter-segment revenue	<u>\$ 2,167,594</u>	<u>\$ 599,575</u>	<u>\$ 174,346</u>	<u>\$ 1,019,875</u>	<u>(\$ 67)</u>	<u>\$ 3,961,323</u>
Segment income (loss)	<u>\$ 169,595</u>	<u>(\$ 35,820)</u>	<u>(\$ 221,187)</u>	<u>\$ 358,837</u>	<u>(\$ 17,712)</u>	<u>\$ 253,713</u>

(3) Reconciliation for segment income (loss)

The external revenue and segment profit (loss) reported to the chief operating decision-maker is measured in a manner consistent with revenue and profit (loss) before tax in the financial statements. Therefore, no reconciliation was needed.

A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the three months and six months ended June 30,2022 and 2021 is provided as follows:

	Three months ended June 30,2022	Three months ended June 30,2021
Reportable segments income/(loss)	\$ 157,338	(\$ 27,930)
Unrealised financial instrument gains		
Non-operating income and expenses, net	24,788	83,586
Income before tax from continuing operations	<u>\$ 182,126</u>	<u>\$ 55,656</u>
	Six months ended June 30,2022	Six months ended June 30,2021
Reportable segments income/(loss)	\$ 220,747	\$ 253,713
Unrealised financial instrument gains		
Non-operating income and expenses, net	146,414	79,923
Income before tax from continuing operations	<u>\$ 367,161</u>	<u>\$ 333,636</u>

FIT HOLDING CO., LTD.  
Loans to others  
Six months ended June30, 2022

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three months ended June 30,2022	Balance at June 30,2022	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted	Footnote
													Item	Value			
0	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	Other receivables	Y	\$ 900,000	\$ 900,000	\$ 900,000	1.50%	2	\$ -	Operations	\$ -	-	\$ -	\$ 2,238,641	\$ 2,984,854	
1	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	Other receivables	Y	300,000	-	-	1.20%	2	-	Operations	-	-	-	943,364	943,364	
1	Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables	Y	478,720	266,340	177,560	1.5%-2.5%	2	-	Operations	-	-	-	943,364	943,364	
1	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	Other receivables	Y	500,000	400,000	400,000	1.50%	2	-	Operations				943,364	943,364	
2	Glorytek (Suzhou) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Other receivables	Y	28,838	28,410	28,410	3%	2	-	Operations	-	-	-	326,084	326,084	
2	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables	Y	225,300	221,950	177,560	5%	2	-	Operations	-	-	-	326,084	326,084	
3	Shinfox Energy Co. Ltd.	Foxwell Energy Corporation Ltd.	Other receivables	Y	300,000	-	-	Average borrowing rate plus 0.1%	2	-	Group capital movement	-	-	-	4,083,436	4,083,436	
4	Power Quotient Technology (YANCHENG) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Other receivables	Y	540,720	532,680	532,680	1.50%	2	-	Group capital movement	-	-	-	712,418	712,418	

Note 1: Fill in the nature of the loan as follows:

- (1) Fill in 1 for business transaction.  
(2) Fill in 2 for short-term financing

Note 2: The Company's and its subsidiaries' limits on loans to single party and total loans are calculated based on the Company's and its subsidiaries' "Procedures for Provision of Loans".

- (a) Total limit on loans granted to the companies having business relationship with the Company is 40% of the Company's net assets, limit on loans granted to a single party is 150% of the amount of business transactions between the creditor and borrower in the current year; the amount of business transactions means the higher between sales and purchases.  
(b) Limit on total loans to parties with short-term financing is 40% of the Company's net assets; but limit on loans to a single party is 30% of the Company's net assets.  
(c) Ceiling on total loans granted between foreign companies whose voting shares are 100% held by the Company directly or indirectly, or on loans granted to the Company by such foreign companies is 100% of their net asset value.  
The total amount of loans granted to a single company should not exceed 100% of the net assets. Financing period shall not be more than 3 years.  
(d) Among the Company and the parent company or subsidiaries, or loans between the Company's subsidiaries, excluding the loans to others qualifying the above-mentioned condition, (c), the authorized limit on the Company's or the Company's subsidiaries' loans to a single party shall be lower than 10% of the company's net assets based on the company's latest financial statements.  
(e) Limit on total loans and individual limit on loans to others of the Company's subsidiaries are both under 40% of the Company's net assets.

FIT HOLDING CO., LTD.  
Provision of endorsements and guarantees to others  
Six months ended June30, 2022

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of June 30,2022	Outstanding endorsement/ guarantee amount at June 30,2022	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	2	\$ 44,772,822	\$ 1,635,980	\$ 1,635,980	\$ 715,980	\$ -	21.92	\$ 44,772,822	Y	N	N	
0	FIT Holding Co., Ltd.	Glory Science Co., Ltd.	2	44,772,822	1,123,170	1,123,170	698,170	-	15.05	44,772,822	Y	N	N	
0	FIT Holding Co., Ltd.	Shih Fong Power Co., Ltd.	2	44,772,822	3,000,000	3,000,000	-	-	40.20	44,772,822	Y	N	N	
1	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	4	14,150,466	1,025,000	1,025,000	400,000	-	13.74	14,150,466	N	N	N	
1	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	4	14,150,466	300,000	300,000	100,000	-	4.02	14,150,466	N	N	N	
2	Shinfox Energy Co. Ltd.	Foxwell Energy Corporation Ltd.	2	61,251,552	16,880,000	16,880,000	16,065,287	\$ -	226.21	61,251,552	Y	N	N	

Note 1: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 2: Total limit or limit on loans to a singal party of the Company's and subsidiaires is calculated in accordance with the Company's "Procedures for Provision of Endorsements and Guarantees".

- (1) Limit on total endorsements is 600% of the Company's net asset.
- (2) Limit on endorsements to a single party is 600% of the Company's net asset.
- (3) Limit on total endorsements granted by the Company and its subsidiaries is 600% of the Company's net asset.
- (4) Total limit on the Company's and its subsidiaries endorsement/guarantee to a singal party is 600% of the Company's net assets and to the subsidiaries that the Company owned more than 90% (included) voting shares is 600% of the Company's net assets.
- (5) For business transaction with the Company, the guarantee amount should not exceed 150% of the amount of business transaction, which is the higher between sales and purchases.
- (6) The companies whose voting rights are 90% owned directly and indirectly by the Company can provide endorsement/guarantee each other with a limat of 10% of the Company's net assets, but not available for the companies whose voting rights are 100% owned directly and indirectly by the Company.
- (7) The Company's subsidiary who prepared to provide endorsement/guarantee to others due to business transaction shall implement in accordance with the Company's procedures, and the calculation of the Company's net assets shall use the subsidiary's net assets.

FIT HOLDING CO., LTD.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Six months ended June30, 2022

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

				As of June 30, 2022				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares				
				(in thousands)	Book value	Ownership (%)	Fair value	Footnote
FIT Holding Co., Ltd.	Foxwell Energy Co., Ltd	Not applicable	Financial assets at fair value through other comprehensive income-non-current	21,000	\$ 210,529	14.00	\$ 210,529	Not pledged as collateral
Foxlink Image Technology Co., Ltd.	TAIWAN STAR TELECOM CORPORATION LIMITED	Not applicable	Financial assets at fair value through other comprehensive income-non-current	50,000	225,400	0.80	225,400	Not pledged as collateral
Foxlink Image Technology Co., Ltd.	Central Motion Picture Corporation	Investee of the Company's parent company which is accounted for using equity method	Financial assets at fair value through other comprehensive income-non-current	4,294	177,554	4.00	177,554	Not pledged as collateral
Foxlink Image Technology Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	The Company's parent company	Financial assets at fair value through other comprehensive income-non-current	27,503	908,974	5.37	908,974	Not pledged as collateral
Foxlink Image Technology Co., Ltd.	Wellgen Medical Co., Ltd.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	1,500	-	15.56	-	Not pledged as collateral
Power Quotient International Co., Ltd.	SAINT SONG CORP.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	127	-	1.05	-	Not pledged as collateral
Power Quotient International Co., Ltd.	OURS TECHNOLOGY INC.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	13	-	0.21	-	Not pledged as collateral
Power Quotient International Co., Ltd.	INNOPLUS CO., LTD.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	160	-	12.00	-	Not pledged as collateral
Power Quotient International Co., Ltd.	TAIWAN STAR TELECOM CORPORATION LIMITED	Not applicable	Financial assets at fair value through other comprehensive income-non-current	50,000	225,400	0.80	225,400	Not pledged as collateral
Power Quotient International Co., Ltd.	STACK DEVICES CORP.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	70	-	0.11	-	Not pledged as collateral

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of June 30, 2022				
				Number of shares (in thousands)	Book value	Ownership (%)	Fair value	Footnote
Power Quotient Technology (YANCHENG) Co., Ltd.	Jiangsu Foxlink New Energy Technology Co.,Ltd.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	-	75,048	12.90	75,048	Not pledged as collateral
Shinfox Co., Ltd.	Corvus Energy Ltd.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	22	-	0.04	-	Not pledged as collateral
Shinfox Co., Ltd.	SEC INTERNATIONAL INC.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	54	-	9.00	-	Not pledged as collateral
Foxwell Energy Corporation Ltd.	Full Entertainment Marketing Co., Ltd.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	300	-	3.00	-	Not pledged as collateral

FIT HOLDING CO., LTD.

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

Six months ended June30, 2022

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the counterparty	Balance as at January 1, 2022		Addition		Disposal				Balance as at June 30, 2022	
					No. of shares (in thousands)	Amount	No. of shares (in thousands)	Amount	No. of shares (in thousands)	Selling price	Book value	Gain (loss) on disposal	No. of shares (in thousands)	Amount
Power Quotient International Co., Ltd.	Shinfox Co., Ltd.	Investment accounted for using equity method	Note1	Subsidiary	73,518,610	\$ 2,953,307	20,073,340	\$ 1,766,454	-	\$ -	\$ -	\$ -	93,591,950	\$ 4,862,352

Note1 : Due to cash capital increase °

FIT HOLDING CO., LTD.  
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more  
Six months ended June30, 2022

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

							Differences in transaction terms compared to third party transactions				
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction						Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliate	Sales	(\$ 119,919)	-61	Flexible collection, depending on the capital requirement	Mutual agreement	None	\$ 54,432	54%	
Foxlink Image Technology Co., Ltd.	Wei Hai Fu Kang Electric Co., Ltd.	Affiliate	Purchases	119,919	6%	Flexible collection, depending on the capital requirement	Mutual agreement	None	( 54,432)	-6%	

FIT HOLDING CO., LTD.  
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more  
Six months ended June30, 2022

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2022	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	Subsidiary	\$ 900,000	Note1	\$ -	-	\$ -	\$ -
Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	Affiliate	400,000	Note1	-	-	-	-
Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	177,560	Note1	-	-	-	-
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	349,386	0.03	-	-	-	-
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	138,180	Note1	-	-	-	-
Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Affiliate	261,627	Note1	-	-	-	-
Yancheng Yaowei Technology Co., Ltd.	Glorytek (Suzhou) Co., Ltd.	Affiliate	140,295	0.00	-	-	-	-
Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	183,701	Note1	-	-	-	-
Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliate	229,616	3.48	-	-	-	-
Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliate	150,945	0.97	-	-	15,537	-
Power Quotient Technology (YANCHENG) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Affiliate	532,680	Note1	-	-	-	-

Note 1: It was recognised in other receivables, therefore it was not applicable.

FIT HOLDING CO., LTD.  
Significant inter-company transactions during the reporting period  
Six months ended June30, 2022

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note2)	General ledger account	Transaction		Percentage of consolidated total operating revenues or total assets (Note 3)
					Amount	Transaction terms	
0	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	1	Other receivables	\$ 900,000	Based on the Company's policies	3%
1	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	3	Other receivables	400,000	Based on the Company's policies	1%
1	Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	177,560	Based on the Company's policies	1%
2	Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	261,627	Based on the Company's policies	1%
2	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Accounts receivable	349,386	Based on the Company's policies	1%
2	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	138,180	Based on the Company's policies	0%
3	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	183,701	Collected depending on the capital requirement after offsetting receivables and	1%
4	Yancheng Yaowei Technology Co., Ltd.	Glorytek (Suzhou) Co., Ltd.	3	Accounts receivable	140,295	Based on the Company's policies	0%
5	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	229,616	Flexible collection, depending on the capital requirement	1%
5	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Processing Fees Income	420,315	Flexible collection, depending on the capital requirement	7%
6	Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	150,945	Flexible collection, depending on the capital requirement	0%
7	Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Sales	119,919	Flexible collection, depending on the capital requirement	2%

Number (Note 1)	Company name	Counterparty	Relationship (Note2)	General ledger account	Amount	Transaction	
						Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
8	Power Quotient Technology (YANCHENG) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	532,680	Based on the Company's policies	2%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to.

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Percentage of total consolidated revenues or total assets is calculated using the total consolidated assets at the end of the year when the subject of transaction is an asset/liability, and is calculated by total consolidated revenues during the year when the subject of transaction is a revenue/expense.

Note 4: The inter-company transactions not exceeding \$0.1 billion are not disclosed. In addition, counterparty related parties' transactions are not disclosed.

FIT HOLDING CO., LTD.  
Information on investees  
Six months ended June30, 2022

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30,2022			Net profit (loss) of the investee for the three months ended June 30,2022 (Note 1)	Investment income (loss) recognized by the Company for the three months ended June 30,2022 (Note 1)	Footnote
				Balance as at June 30, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
FIT Holding Co., Ltd.	Glory Science Co., Ltd.	Taiwan	Manufacture and sales of optical instruments	\$ 2,814,868	\$ 2,214,868	60,000,001	100.00	\$ 858,393	(\$ 125,206)	(\$ 125,206)	Subsidiary (Note 1)
FIT Holding Co., Ltd.	Foxlink Image Technology Co., Ltd.	Taiwan	Manufacture of image scanners and multifunction printers	3,011,140	3,011,140	164,993,974	100.00	3,095,022	332,626	329,518	Subsidiary (Note 1)
FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	Taiwan	Manufacture and sales of telecommunication electronic components	3,372,180	3,372,180	444,690,529	100.00	4,716,681	30,178	29,924	Subsidiary (Note 1)
FIT Holding Co., Ltd.	Shih Fong Power Co., Ltd.	Taiwan	Hydroelectricity generation	299,952	299,952	37,500,000	16.30	386,141	( 2,991)	( 488)	Subsidiary (Note 2)
FIT Holding Co., Ltd.	Synergy Co., Ltd.	Taiwan	Optoelectronics Industry 、Renewable energy and Energy technical services	36,760	36,760	3,676,000	36.76	33,978	( 5,081)	( 1,868)	Investee (Note 2)
Foxlink Image Technology Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	British Virgin Islands	Manufacture of image scanners and multifunction printers	1,075,177	1,075,177	13,241,034	100.00	1,663,576	95,677	-	Second-tier subsidiary (Note 1)
Foxlink Image Technology Co., Ltd.	Shih Fong Power Co., Ltd.	Taiwan	Hydroelectricity generation	957,600	957,600	79,800,000	34.70	953,189	( 2,991)	-	Investee (Note 2)
ACCU-IMAGE TECHNOLOGY POWER CHANNEL LIMITED		Hong Kong	Holding and reinvesting businesses	145,628	145,628	3,575	35.75	565,615	73,632	-	Investee (Note 2)
Glory Science Co., Ltd.	GLORY TEK (BVI) CO., LTD.	British Virgin Islands	General investments business	1,379,545	1,379,545	40,699,819	100.00	234,650	( 119,455)	-	Second-tier subsidiary (Note 1)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30,2022			Net profit (loss) of the investee for the three months ended June 30,2022 (Note 1)	Investment income (loss) recognized by the Company for the three months ended June 30,2022 (Note 1)	Footnote
				Balance as at June 30, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
GLORY TEK (BVI) CO., LTD.	GLORY TEK (SAMOA) CO., LTD.	Samoa	General investments business	780,074	780,074	25,050,628	100.00	457,675 (	79,979)	-	Third-tier subsidiary (Note 1)
GLORY TEK (BVI) CO., LTD.	GLORY OPTICS (BVI) CO., LTD.	British Virgin Islands	Trading	494,837	494,837	16,000,000	100.00 (	219,091) (	40,115)	-	Third-tier subsidiary (Note 1)
GLORY TEK (BVI) CO., LTD.	GLORYTEK SCIENCE INDIA PRIVATE LIMITED	India	Trading and manufacturing	99,927	99,927	21,773,105	99.27	83,226	637	-	Third-tier subsidiary (Note 1)
GLORYTEK SCIENCE INDIA PRIVATE LIMITED	TEGNA ELECTRONICS PRIVATE LIMITED	India	Trading and manufacturing	11,332	11,332	3,001,000	10.00	13,656	712	-	Investee (Note 2)
Power Quotient International Co., Ltd.	Power Quotient International (H.K.) Co., Ltd.	Hong Kong	Sales of electronic telecommunication components	401,907	401,907	106,100,000	100.00	713,027	6,855	-	Second-tier subsidiary (Note 2)
Power Quotient International Co., Ltd.	PQI JAPAN CO., LTD	Japan	Sales of electronic telecommunication components	23,129	23,129	24,300	100.00 (	155,430)	-	-	Second-tier subsidiary (Note 2)
Power Quotient International Co., Ltd.	SYSCOM DEVELOPMENT CO., LTD.	British Virgin Islands	Specialised investments holding	322,848	322,848	10,862,980	100.00	84,995 (	51)	-	Second-tier subsidiary (Note 2)
Power Quotient International Co., Ltd.	Apix LIMITED	British Virgin Islands	Specialised investments holding	3,075,104	3,075,104	12,501	100.00	1,091,512 (	1,025)	-	Second-tier subsidiary (Note 2)
Power Quotient International Co., Ltd.	PQI Mobility Inc.	Samoa	Specialised investments holding	297,200	297,200	10,000,000	100.00	-	1,624	-	Second-tier subsidiary (Note 2)
Power Quotient International Co., Ltd.	Power Sufficient International Co., Ltd.	Taiwan	Sales of medical equipment	10,000	10,000	1,000,000	100.00	12,927 (	126)	-	Investee (Note 2)
Power Quotient International Co., Ltd.	Shinfox Co., Ltd.	Taiwan	Energy service management	3,646,600	1,880,146	93,591,950	47.63	4,862,352	81,051	-	Second-tier subsidiary (Note 1)
Shinfox Co., Ltd.	Foxwell Energy Corporation Ltd.	Taiwan	Energy service management	3,000,000	3,000,000	300,000,000	100.00	5,155,061	53,561	-	Third-tier subsidiary (Note 1)
Shinfox Co., Ltd.	SHINFOX NATURAL GAS CO., LTD.	Taiwan	Energy service management	120,000	120,000	12,000,000	80.00	74,577 (	19,535)	-	Third-tier subsidiary (Note 2)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30,2022			Net profit (loss) of the investee for the three months ended June 30,2022 (Note 1)	Investment income (loss) recognized by the Company for the three months ended June 30,2022 (Note 1)	Footnote
				Balance as at June 30, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
Shinfox Co., Ltd.	Foxwell Power Co., Ltd.	Taiwan	Energy service management	672,600	99,000	48,140,000	80.23	712,682	556	-	Third-tier subsidiary (Note 2)
Shinfox Co., Ltd.	Junezhe Co., Ltd.	Taiwan	Dredging industry	134,000	134,000	13,400,000	33.50	142,210	16,763	-	Third-tier subsidiary (Note 2)
Shinfox Co., Ltd.	Jiuwei Power Co., Ltd.	Taiwan	Natural gas power generation business	30,000	30,000	3,000,000	100.00	45,772 (	4,217)	-	Third-tier subsidiary (Note 2)
Shinfox Co., Ltd.	CHUNG CHIA POWER Co., Ltd.	Taiwan	Combined Heat and Power	180,000	180,000	12,000,000	20.00	174,037 (	15,003)	-	Investee (Note 2)
Shinfox Co., Ltd.	Elegant Energy TECH Co., Ltd.	Taiwan	Energy technical services	200,000	-	500,000	100.00	203,436	6,617	-	Third-tier subsidiary (Note 2)
Shinfox Co., Ltd.	Yuanshan Forest Natural Resources Co., Ltd.	Taiwan	Tree planting industry	10,000	-	1,000,000	100.00	9,989 (	11)	-	Third-tier subsidiary (Note 2)
Shinfox Co., Ltd.	Changpin Wind Power Ltd.	Taiwan	Electricity Generating Enterprise	120,000	-	12,000,000	50.00	117,987 (	345)	-	Investee (Note 2)
Shinfox Co., Ltd.	Guanwei Power Co., Ltd.	Taiwan	Electricity Generating Enterprise	35,700	-	3,570,000	100.00	35,700	-	-	Third-tier subsidiary (Note 2)
Shinfox Co., Ltd.	Diwei Electric Power Co., Ltd.	Taiwan	Electricity Generating Enterprise	30,000	-	3,000,000	100.00	30,000	-	-	Third-tier subsidiary (Note 2)
Foxwell Energy Corporation Ltd.	Liangwei Electric Power Co., Ltd.	Taiwan	Electricity Generating Enterprise	40,000	-	4,000,000	100.00	400,000	-	-	Four-tier subsidiary (Note 1)
SYSCOM DEVELOPMENT CO., LTD	Foxlink Powerbank International Technology Private Limited	India	Sales of electronic telecommunication components	99,948	99,948	21,790,000	99.27	82,461 (	53)	-	Third-tier subsidiary (Note 2)
Apix LIMITED	Sinocity Industries Co., Ltd.	Hong Kong	Sales of electronic product	2,556,900	2,556,900	6,000,000	100.00	857,493 (	939)	-	Third-tier subsidiary (Note 1)
Apix LIMITED	Perennial Ace Limited	British Virgin Islands	Specialised investments holding	633,036	633,036	-	100.00	233,881 (	86)	-	Third-tier subsidiary (Note 2)
Sinocity Industries Co., Ltd.	DG LIFESTYLE STORE LIMITED	Macau	Sales of electronic product	368	368	100,000	100.00 (	5,127) (	4,226)	-	Four-tier subsidiary (Note 1)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30,2022			Net profit (loss) of the investee for the three months ended June 30,2022 (Note 1)	Investment income (loss) recognized by the Company for the three months ended June 30,2022 (Note 1)	Footnote
				Balance as at June 30, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
Perennial Ace Limited	Studio A Technology Limited	Hong Kong	Sales of electronic product	4,998	4,998	1,225,000	24.50	101,691	( 349)	-	Investee (Note 2)
Foxlink Powerbank International Technology Private Limited	TEGNA ELECTRONICS PRIVATE LIMITED	India	Trading and manufacturing	11,302	11,302	3,001,000	10.00	12,790	712	-	Investee (Note 2)

Note 1: It was recognised based on the company's financial statements reviewed by the independent auditors.

Note 2: The company has completed the dissolution and liquidation.

FIT HOLDING CO., LTD.  
Information on investments in Mainland China  
Six months ended June30, 2022

Table 9

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Taiwan to Mainland China /			Accumulated amount of remittance from Taiwan to Mainland China as of June 30,2022	Net income of investee for the three months ended June 30,2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the six months ended June 30,2022	Book value of investments in Mainland China as of June 30,2022	Accumulated amount of investment income remitted back to Taiwan as of June 30,2022		Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Remitted to Mainland China	Remitted back to Taiwan								
Dong Guan Han Yang Computer Limited	Manufacture of image scanners and multifunction printers and investment in property	\$ 180,302	Note 2	\$ 180,302	\$ -	\$ -	\$ 180,302	\$ 13,588	100	\$ 13,588	\$ 290,751	\$ -		Note 8
Sharetronic Data Technology Co., Ltd.	Manufacutre and sales of mobile phone, LCD TV Connector and electronic components	916,910	Note 2	127,499	-	-	127,499	316,061	7.13	26,325	439,074	-		Note 8
Dong Guan Fu Zhang Precision Industry Co., Ltd.	Mould development and moulding tool manufacture	241,096	Note 2	177,294	-	-	177,294	( 19,508)	100	( 19,508)	199,896	-		Note 8
Wei Hai Fu Kang Electric Co., Ltd.	Manufacture and sale of parts and moulds of photocopiers and scanners	237,760	Note 2	148,600	-	-	148,600	17,133	100	17,133	281,837	-		Note 8
Dongguan Fu Wei Electronics Co., Ltd.	Manufacture and sales of image scanners, multifunction and printers and its accessories	178,320	Note 2	157,764	-	-	157,764	49,024	100	49,024	419,719	-		Note 7
Glorytek (Suzhou) Co., Ltd.	Trading and manufacturing	416,080	Note 2	399,490	-	-	399,490	( 51,312)	100	( 51,312)	326,084	-		Note 7
Glorytek (Yancheng) Co., Ltd.	Trading and manufacturing	267,480	Note 2	256,815	-	-	256,815	( 51,577)	100	( 51,577)	( 474,354)	-		Note 7
Yancheng Yao Wei Technology Co., Ltd	Trading and manufacturing	44,390	Note 3	-	-	-	-	( 2,699)	100	( 2,699)	142,230	-		Note 7
Glory Optics (Yancheng) Co., Ltd.	Trading and manufacturing	957,790	Note 4	326,960	-	-	326,960	( 82,178)	100	( 82,178)	390,054	-		Note 7
Power Quotient Technology (YANCHENG) Co., Ltd.	Manufacture and sales of electronic components	594,400	Note 2	Note5	-	-	-	3,107	100	3,107	712,418	-		Note 7
Jiangsu Foxlink New Energy Technology Co.,Ltd.	Manufacture and sales of electronic components	44,390	Note 3	Note6	-	-	-	59	100	59	44,573	-		Note 8
Kunshan Jiuwei Info Tech Co., Ltd.	Supply chain finance energy service management	1,486	Note 1	1,486	-	-	1,486	( 614)	100	( 614)	17,792	-		Note 8

Note 1: Directly go to the Mainland China for investment.

Note 2: Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

Note 3: As the investment is invested through an existing company in Mainland China, which then invested in the investee.

Note 4: An investee established in the third area and an reinvestee in Mainland China invested by an investee in Mainland China.

Note 5: The capital of an indirect investment of PQI, Power Quotient Technology (YANCHENG) Co., Ltd., was remitted by the financing from the investee in the third party.

Note 6: The capital of an indirect investment of PQI (Xuzhou) New Energy Co., Ltd. , was remitted by a capital from Power Quotient Technology (YANCHENG) Co., Ltd.

Note 7: It was recognised based on the investee's financial statements reviewed by the independent auditors.

Note 8: It was disclosed based on the information provided by the company itself and were not reviewed by the independent auditor.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2022		Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA	
Foxlink Image Technology Co., Ltd.	\$	803,429	\$	961,256	\$	1,415,046
Glory Science Co., Ltd.		983,265		1,246,754		515,409
Power Quotient International Co., Ltd.		1,486		649,233		6,356,922

FIT HOLDING CO., LTD.  
Major shareholders information  
June 30, 2022

Table 10

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Foxlink International Investment Ltd.	58,303,464	23.67%
Zhi De Investment Co., Ltd.	21,055,687	8.55%
Fu Uei International Investment Ltd. (FUII)	14,690,257	5.96%