

**FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND IN-
DEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2023 AND 2022**

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.
MARCH 31, 2023 AND 2022 CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT
TABLE OF CONTENTS

Contents	Page
1. Cover Page	1
2. Table of Contents	2 ~ 3
3. Independent Auditors' Review Report	4 ~ 5
4. Consolidated Balance Sheets	6~ 7
5. Consolidated Statements of Comprehensive Income	8 ~ 9
6. Consolidated Statements of Changes in Equity	10
7. Consolidated Statements of Cash Flows	11~ 12
8. Notes to the Consolidated Financial Statements	13 ~ 74
(1) History and Organisation	13
(2) The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation	13
(3) Application of New Standards, Amendments and Interpretations	13~14
(4) Summary of Significant Accounting Policies	14~ 21
(5) Critical Accounting Judgements, Estimates and Key Sources of As- sumption Uncertainty	21
(6) Details of Significant Accounts	21 ~ 51
(7) Related Party Transactions	52~ 55
(8) Pledged Assets	55~56

Contents	Page
(9) Significant Contingent Liabilities and Unrecognised Contract Commitments	56 ~ 59
(10) Significant Disaster Loss	59
(11) Significant Subsequent Events	59
(12) Others	59 ~ 71
(13) Supplementary Disclosures	71 ~ 72
(14) Segment Information	73 ~ 74

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR 23000416

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 March 31, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months then ended, as well as the consolidated statement of changes in equity and of cash flows for the three 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 Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". 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\$7,975,720 thousand and NT\$4,167,577 thousand, constituting 24% and 15% of the consolidated total assets, and total liabilities of NT\$1,949,383 thousand and NT\$426,016 thousand, constituting 10% and 3% of the consolidated total liabilities as at March 31, 2023 and 2022, and total comprehensive income of NT\$20,693 thousand and NT\$13,710 thousand, constituting 50% and 12% of the consolidated total comprehensive (loss) income for the three months then ended. As explained in Note 6(8), 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 March 31, 2023 and 2022 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\$1,985,086 thousand and NT\$1,031,269 thousand, constituting 6% and 4% of consolidated total assets as of March 31, 2023 and 2022, respectively, and the share of profit of associates and joint venture accounted for under equity method was NT\$7,882 thousand and NT\$12,889 thousand, constituting 19% and 11% of consolidated total comprehensive (loss) income for the three 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 March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three 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
May 12, 2023

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
MARCH 31, 2023, DECEMBER 31, 2022 AND MARCH 31, 2022
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2023 and 2022 are reviewed, not audited)

The balance sheets as of March 31, 2023 and 2022 are reviewed, not audited.								
Assets		Notes	March 31, 2023		December 31, 2022		March 31, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 5,526,154	17	\$ 5,732,695	18	\$ 5,093,670	18
1136	Current financial assets at amortised cost	6(4)&8	2,114,794	6	2,906,275	9	2,727,686	10
1140	Current contract assets	6(23)	3,848,663	12	2,716,125	8	3,590,185	13
1150	Notes receivable,net	6(5)	33,108	-	34,952	-	2,415	-
1170	Accounts receivable,net	6(5)	879,592	3	1,175,308	4	1,149,280	4
1180	Accounts receivable-related parties	7	22,598	-	40,899	-	23,797	-
1200	Other receivables	7	74,573	-	42,464	-	40,071	-
1220	Current tax assets	6(29)	39,303	-	41,363	-	2,514	-
130X	Inventories	6(6)	1,264,614	4	1,305,042	4	1,440,812	5
1410	Prepayments	6(7)	5,304,284	16	5,078,416	16	3,668,904	13
1470	Other current assets	8	1,015,947	3	1,018,679	3	1,037,816	4
11XX	Current assets		20,123,630	61	20,092,218	62	18,777,150	67
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	2,398,702	7	1,904,369	6	1,956,102	7
1535	Non-current financial assets at amortised cost	6(4)and 8	395,018	1	393,288	1	19,139	-
1550	Investments accounted for under equity method	6(8)	1,985,086	6	2,033,895	6	1,031,269	4
1600	Property, plant and equipment	6(9)and 8	3,667,558	11	3,651,644	11	3,567,841	13
1755	Right-of-use assets	6(10)	590,780	2	520,496	2	539,109	2
1760	Investment property, net	6(12)and 8	390,131	1	392,454	1	398,605	1
1780	Intangible assets	6(13) and (32)	1,235,693	4	1,258,124	4	1,220,604	4
1840	Deferred income tax assets	6(29)	208,404	1	206,839	1	229,959	1
1915	Prepayments for business facilities		1,783,782	5	1,560,221	5	203,970	1
1990	Other non-current assets, others	6(14)and 8	349,947	1	375,454	1	144,446	-
15XX	Non-current assets		13,005,101	39	12,296,784	38	9,311,044	33
1XXX	Total assets		\$ 33,128,731	100	\$ 32,389,002	100	\$ 28,088,194	100

(Continued)

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2023, DECEMBER 31, 2022 AND MARCH 31, 2021
(The balance sheets as of March 31, 2023 and 2022 are reviewed, not audited)

(The balance sheets as of March 31, 2023 and 2022 are reviewed, not audited)								
LIABILITIES AND EQUITY		Notes	March 31,2023		December 31,2022		March 31,2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
CURRENT LIABILITIES								
2100	Short-term borrowings	6(15)	\$ 7,774,124	24	\$ 7,035,719	22	\$ 8,828,509	31
2110	Short-term notes and bills payable	6(16)	1,898,330	6	1,789,159	6	477,869	2
2130	Current contract liabilities	6(23)	361,538	1	390,739	1	358,978	1
2150	Notes payable		1,286	-	656	-	40,034	-
2170	Accounts payable		1,114,342	3	1,414,445	4	1,416,525	5
2180	Accounts payable - related parties	7	5,593	-	2,573	-	15,051	-
2200	Other payables	6(17)	1,184,071	4	799,765	3	1,029,865	4
2220	Other payables - related parties	7	19,054	-	32,160	-	19,873	-
2230	Current income tax liabilities		94,736	-	66,500	-	188,488	1
2280	Current lease liabilities	7	81,091	-	57,848	-	58,441	-
2320	Long-term liabilities, current portion	6(18)	1,398,246	4	689,541	2	296,970	1
2399	Other current liabilities, others		136,419	1	128,048	1	127,935	1
21XX	Total current Liabilities		14,068,830	43	12,407,153	39	12,858,538	46
Non-current liabilities								
2540	Long-term borrowings	6(18)	4,075,796	12	4,708,173	14	2,955,989	10
2570	Deferred income tax liabilities	6(29)	273,852	1	282,365	1	245,979	1
2580	Non-current lease liabilities	7	284,188	1	234,480	1	241,089	1
2600	Other non-current liabilities		49,725	-	51,414	-	51,309	-
25XX	Total Non-current liabilities		4,683,561	14	5,276,432	16	3,494,366	12
2XXX	Total liabilities		18,752,391	57	17,683,585	55	16,352,904	58
Equity ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT								
	Share capital	6(20)						
3110	Share capital - common stock		2,462,421	7	2,462,421	7	2,462,421	9
	Capital surplus	6(21)						
3200	Capital surplus		4,841,073	14	4,841,997	15	4,644,128	16
	Retained earnings	6(22)						
3310	Legal reserve		51,068	-	51,068	-	8,985	-
3320	Special reserve		229,129	1	229,129	1	8,361	-
3350	Unappropriated retained earnings		206,807	1	582,744	2	437,043	2
	Other equity interest							
3400	Other equity interest		(271,473)	(1)	(290,673)	(1)	(265,286)	(1)
31XX	Equity attributable to owners of the parent		7,519,025	22	7,876,686	24	7,295,652	26
36XX	Non-controlling interest		6,857,315	21	6,828,731	21	4,439,638	16
3XXX	Total equity		14,376,340	43	14,705,417	45	11,735,290	42
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		\$ 33,128,731	100	\$ 32,389,002	100	\$ 28,088,194	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 ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(UNAUDITED)

Items		Notes	Three months ended March 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(23)and 7	\$ 2,810,635	100	2,592,132	100
5000	Operating costs	6(6)(28)and7	(2,454,330)	(87)	(2,231,125)	(86)
5900	Gross profit		356,305	13	361,007	14
	Operating expenses	6(28)				
6100	Selling expenses		(38,252)	(1)	(42,988)	(2)
6200	General and administrative expenses		(181,853)	(7)	(158,853)	(6)
6300	Research and development expenses		(55,133)	(2)	(95,678)	(4)
6450	Expect credit loss	12(2)	1,107	-	(79)	-
6000	Total operating expenses		(274,131)	(10)	(297,598)	(12)
6900	Operating profit		82,174	3	63,409	2
	Non-operating income and expenses					
7100	Interest income	6(4)(24)	21,298	1	4,175	-
7010	Other income	6(12)(25)and7	25,044	1	60,007	2
7020	Other gains and losses	6(26)	(42,840)	(2)	73,087	3
7050	Finance costs	6(10)(27)and 7	(37,456)	(1)	(28,532)	(1)
7060	Share of profit of associates and joint ventures accounted for using equity method	6(8)	7,882	-	12,889	1
7000	Total non-operating income and expenses		(26,072)	(1)	121,626	5
7900	Profit before income tax		56,102	2	185,035	7
7950	Income tax expense	6(29)	(29,643)	(1)	(26,788)	(1)
8200	Profit for the year		\$ 26,459	1	158,247	6

(continued)

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(UNAUDITED)

		Three months ended March 31			
		2023		2022	
Items	Notes	AMOUNT	%	AMOUNT	%
Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	\$ 24,275	1	(\$ 145,231) (6)
8310	Components of other comprehensive income that will not be reclassified to profit or loss		24,275	1	(145,231) (6)
Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(10,151)	(1)	126,161 5
8399	Income tax relating to the components of other comprehensive income	6(29)	627	-	(25,093) (1)
8360	Components of other comprehensive income that will be reclassified to profit or loss		(9,524)	(1)	101,068 4
8300	Other comprehensive (loss) income for the year		\$ 14,751	-	(\$ 44,163) (2)
8500	Total comprehensive income for the year		\$ 41,210	1	\$ 114,084 4
Profit attributable to:					
8610	Owners of the parent		(\$ 5,800)	-	\$ 132,338 5
8620	Non-controlling interest		32,259	1	25,909 1
	Total		\$ 26,459	1	\$ 158,247 6
Comprehensive (loss) income attributable to:					
8710	Owners of the parent		\$ 12,626	-	\$ 87,820 3
8720	Non-controlling interest		28,584	1	26,264 1
	Total		\$ 41,210	1	\$ 114,084 4
Earnings per share					
9750	Basic earnings (loss)per share (in dollars)	6(30)	(\$ 0.02)		\$ 0.54
9850	Diluted earnings (loss)per share (in dollars)		(\$ 0.02)		\$ 0.54

(Continued)

(Continued)

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 MARCH 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars)

(UNAUDITED)

		Equity attributable to owners of the parent									
		Retained Earnings					Other equity interest				
			Capital sur- plus, addi- tional paid-in capital			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		Non-controlling in- terest	Total equity
Notes	Share capital - common stock			Legal reserve	Special reserve				Total		
<u>Three months ended March 31, 2022</u>											
	\$ 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
	-	-		-	-	132,338	-	-	132,338	25,909	158,247
	-	-		-	-	-	100,713	(145,231)	(44,518)	355	(44,163)
	-	-		-	-	132,338	100,713	(145,231)	87,820	26,264	114,084
Adjustments to share of changes in equity of as- sociates and joint ventures accounted for using the equity method	-	51		-	-	-	-	-	51	-	51
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)
	\$ 2,462,421	\$ 4,644,128		\$ 8,985	\$ 8,361	\$ 437,043	(\$ 202,592)	(\$ 62,694)	\$ 7,295,652	\$ 4,439,638	\$ 11,735,290
<u>Three months ended March 31, 2023</u>											
	\$ 2,462,421	\$ 4,841,997		\$ 51,068	\$ 229,129	\$ 582,744	(\$ 177,959)	(\$ 112,714)	\$ 7,876,686	\$ 6,828,731	\$ 14,705,417
	-	-		-	-	(5,800)	-	-	(5,800)	32,259	26,459
	-	-		-	-	-	(5,849)	24,275	18,426	(3,675)	14,751
	-	-		-	-	(5,800)	(5,849)	24,275	12,626	28,584	41,210
Adjustments to share of changes in equity of as- sociates and joint ventures accounted for using the equity method	-	122,197		-	-	-	-	-	122,197	-	122,197
Cash dividends paid by additional paid-in capital 6(21)	-	(123,121)		-	-	-	-	-	(123,121)	-	(123,121)
Cash dividends to shareholders 6(22)	-	-		-	-	(369,363)	-	-	(369,363)	-	(369,363)
Disposal of equity investments at fair value through other comprehensive income 6(3)	-	-		-	-	(774)	-	774	-	-	-
	\$ 2,462,421	\$ 4,841,073		\$ 51,068	\$ 229,129	\$ 206,807	(\$ 183,808)	(\$ 87,665)	\$ 7,519,025	\$ 6,857,315	\$ 14,376,340

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

		Three months ended March 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 56,102	\$ 185,035
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit loss (rising profits)	12(2)	(1,107)	79
Depreciation (including investment property and right-of-use assets)	6(9)(10)(12)(26) and(28)	104,855	99,917
Amortisation	6(13) (28)	19,982	3,941
Gains on disposal of property, plant and equipment	6(9)(26)	(9)	(2,201)
Share of profit of associates and joint ventures accounted for using the equity method		(7,882)	(12,889)
Interest expense	6(27)	37,456	28,532
Interest income	6(24)	(21,298)	(4,175)
Deferred government grants revenue recognised	6(26)	(1,718)	(2,067)
Profit from lease modification	6(10)	(77)	-
Changes in operating assets and liabilities			
Changes in operating asset			
Current contract assets		(1,132,538)	(373,732)
Notes receivable, net		1,844	1,844
Accounts receivable		296,823	(3,492)
Accounts receivable - related parties		18,301	27,750
Other receivables		(34,412)	14,576
Inventories		40,428	(81,763)
Prepayments		(225,868)	(1,051,119)
Other current assets		2,355	20,305
Changes in operating liabilities			
Contract liabilities - current		(29,201)	(24,904)
Notes payable		630	39,884
Accounts payable		(300,103)	(1,316,341)
Accounts payable to related parties		3,020	9,734
Other payables		(266,798)	(66,295)
Other payables to related parties		(13,106)	(9,996)
Other current liabilities		8,371	(34,710)
Cash outflow generated from operations		(1,443,950)	(2,552,087)
Interest received		23,601	4,285
Interest paid		(38,974)	(33,530)
Income tax paid		(3,820)	(277)
Net cash flows (used in) from operating activities		(1,463,143)	(2,581,609)

(continued)

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

		Three months ended March 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Decrease) Increase in financial assets at amortised cost		\$ 789,751	(\$ 630,747)
Acquisition of financial assets at fair value	6(3)		
through other comprehensive income		(299,724)	-
Acquisition of investments accounted for using the equity method		-	(120,000)
Net cash flow from acquisition of subsidiaries	6(32)	-	(199,214)
Acquisition of property,plant and equipment	6(9)	(30,470)	(101,354)
Proceeds from disposal of property,plant and equipment	6(9)	196	2,353
Acquisition of intangible assets	6(13)	(2,677)	(2,592)
Increase in prepayments for business facilities		(138,095)	(45,372)
Decrease (increase) in refundable deposits		26,695	(1,001,478)
Increase in other non-current assets		(811)	(19,625)
Net cash flows from (used in) investing activities		<u>344,865</u>	<u>(2,118,029)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(34)	7,648,000	11,283,479
Decrease in short-term borrowings	6(34)	(6,909,595)	(5,540,970)
Increase (decrease) in short-term notes payable	6(34)	109,171	(1,118,653)
Increase in long-term borrowings	6(34)	2,815,622	2,721,000
Decrease in long-term borrowings	6(34)	(2,739,294)	(2,545,908)
Repayment of lease liabilities	6(34)	(28,538)	(19,984)
Decrease in guarantee deposits received		(485)	(166)
Increase in other non-current liabilities		<u>514</u>	<u>1,425</u>
Net cash flows (used in) from financing activities		<u>895,395</u>	<u>4,780,223</u>
Changes in foreign currency exchange		<u>16,342</u>	<u>44,739</u>
Net increase(decrease) in cash and cash equivalents		(206,541)	125,324
Cash and cash equivalents at beginning of period		<u>5,732,695</u>	<u>4,968,346</u>
Cash and cash equivalents at end of period		\$ 5,526,154	\$ 5,093,670

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2023 AND 2022

(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 May 12, 2023.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) that came into effects as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

<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

(2) The effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group: None.

(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
Amendments to IFRS 16, 'Lease Liability in a Sale and Leaseback '	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Initial application of IFRS 17 and IFRS 9-comparative information'	January 1, 2023
Amendments to IAS1, 'Classification of liabilities as current or non Current'	January 1, 2024
Amendments to IAS1, 'Non-current liabilities with covenants'	January 1, 2024

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 2022, 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", endorsed and issued into effect by the FSC.
2. This consolidated financial report should be read together with the consolidated financial report for the year 2022.

(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 and liabilities (including derivative instruments) measured at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) 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 accordance with IFRSs recognized and issued by the FSC requires some important 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
			March 31 2023	December 31 2022	March 31 2022	
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(Fox-link Image)	Manufacture and sale of image scanners and multi-function 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
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(GLORY-TEK SCIENCE INDIA)	Manufacture and sale of the components of communication and consumer electronics	99.27	99.27	99.27	
GLORY TEK (SAMOA) CO., LTD.	Glorytec(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
			March 31 2023	December 31 2023	March 31 2022	
Glorytek Suzhou	Glory Optics(Yan eng)Co.,Ltd.(GOYC)	Production and processing and sale of optical lens com-po-nents and other	65	65	65	Note2
Foxlink Image	Accu-Image Technology Limited(AITL)	Manufacture and sale of image scanners and multifunction printe	100	100	100	
Foxlink Image	Shih Fong Power Co.,Ltd(Shih	Energy service management	34.7	34.7	34.7	Note1
AITL	Dong Guan Fu-Zhang Precision Industry Co.,Ltd	Mould develment 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 scaners	100	100	100	Note1
AITL	Dong Guan Han Yang Computer Co.,Ltd(DGHY)	Manufacture of image scanners and multi func-tion printers and investment	100	100	100	Note1
PQI	Power Quotient Interna tional (H.K) Co.,Ltd(PQI H.K.)	Sale of electronic Tel ecommunication com ponents	100	100	100	Note1
PQI	PQI Japan Co.,Ltd (PQI JANPAN)	Sale of electronic telecom-munication components	100	100	100	Note1
PQI	Syscom Development	Specialized invesments	100	100	100	Note1
PQI	PQI Mobility Inc.(Samoa)	Specialized invesments holding	-	-	100	Note1.8
PQI	Apix Limited	Specialized investments holding	100	100	100	
PQI	Power Sufficient International Co.,Ltd(PSI)	Sale of medical instruments	100	100	100	Note1
PQI	Shinfox Energy Co., Ltd.(Shin fox)	Mechanical installation and piping engineering	47.63	47.63	50.18	Note3

Name of investor	Name of subsidiary	Main business activities	Ownership(%)			Description
			March 31 2023	December 31 2022	March 31 2022	
Shinfox	Foxwell Energy Corporation Ltd.(Foxwell Energy)	Energy service management	100	100	100	
Shinfox	Shinfox Natural Gas Co., Ltd(Shinfox Natural Gas)	Energy service management	80	80	80	Note1
Shinfox	Kunshan Jiuwei Info Tech Co.,Ltd(Kun Shan Jiuwei)	Supply chain finance	100	100	100	Note1
Shinfox	Foxwell Power Co.,Ltd(Foxwell Power)	Energy service management	80.23	80.23	99	Note1.4
Shinfox	Junezhe Co.,Ltd	Dredging industry	-	-	33.50	Note1.5
Shinfox	Jiuwei Power Co.,Ltd(Jiuwei Power)	Natural gas service management	100	100	100	Note1
Shinfox	Elegant Energy TECH Co., Ltd.	Energy service management	100	100	100	Note1.6
Shinfox	Yuanshan Forest Natural Resources Co.,Ltd	Tree planting industry	100	100	100	Note1.6
Shinfox	Diwei Electric Power Co., Ltd.	Electricity Generating Enterprise	100	100	-	Note1.6
Shinfox	Guanwei Power Co., Ltd.	Electricity Generating Enterprise	100	100	-	Note1.6
Foxwell Energy Corporation Ltd.	Liangwei Electric Power Co., Ltd.	Electricity Generating Enterprise	100	100	-	Note1.6
Foxwell Energy Corporation Ltd.	Xinwei Power Co., Ltd.	Electricity Generating Enterprise	100	-	-	Note1.7
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	Note8
PQI H.K.	Power Quotient Technology (YANCHENG)Co.,Ltd(PQI YANCHENG)	Manufacture of electronic telecommunication	100	100	-	Note8
PQI YANCHENG	PQI (Xuzhou)New Energy Co.,Ltd. (PQI Xuzhou)	Manufacture and sales of electronic telecommunication components	100	100	100	Note1

- Note 1: Because it does not meet the definition of a significant subsidiary, the financial statements for Wei Hai Fu Kang Electric Co.,Ltd as of March 31, 2023, were reviewed by the auditor, while the financial statements for the rest of the years, as of March 31, 2023, and March 31, 2022, were not reviewed by the auditor.
- Note 2: GLORY TEK (SAMOA) and GLORY TEK Suzhou jointly held 100% equity interest of GLORY TEK Yancheng.
- Note 3: Shinfox Energy Co., Ltd. (hereinafter referred to as Shinfox Energy Co., Ltd.) made a cash capital increase in 2022. POI a subsidiary of the Group, was not recognized according to its shareholding ratio, 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 6 (31) for details.
- Note 4: 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 second-tier 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 6 (31) for details.
- Note 5: Although Shinfox Energy Company holds 33.50% shareholding ratio of Junezhe Co., Ltd., the group obtained control of Junezhe as Shinfox entered into an agreement with its key-shareholders whereby Shinfox and a designated person acquired two out of three seats on the Board of Directors, and obtained substantial control over the decision-making on active itites of Junezhe. The Group disposed all the equity interest interest in Junezhe Co.,Ltd. in December 2022. Please refer to Note 6(33) for more details.
- Note 6: A subsidiary that was newly established or acquired through merger in 2022.
- Note 7: A subsidiary that was newly established or acquired through merger in 2023.
- Note 8: PQI Mobility Inc. cancelled its registration of incorporation in October, 2022. PQI H.K. held 100% equity interest of PQI YANCHENG.

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 31 March 2023, 31 December 2022 and 31 March 2022 were \$6,857,315, \$6,828,731 and \$4,439,638 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					
		March 31, 2023		December 31, 2022		March 31, 2022	
		Ownership		Ownership		Ownership	
		Amount	%	Amount	%	Amount	%
SHINFOX Energy Co., Ltd.	Taiwan	5,672,286	52.37	5,645,030	52.37	3,248,188	49.82

Summarised financial information of the subsidiaries:

Balance sheets

	SHINFOX Energy Co.,Ltd		
	March 31,2022	December 31,2022	March 31,2022
Current assets	\$ 14,033,067	\$ 13,319,560	\$ 12,160,585
Non-current assets	5,115,211	4,897,758	1,801,608
Current liabilities	(6,774,221)	(6,090,718)	(7,232,723)
Non-current liabilities	(1,747,375)	(1,550,105)	(500,696)
Total net assets	<u>\$ 10,626,682</u>	<u>\$ 10,576,495</u>	<u>\$ 6,228,774</u>

Statements of comprehensive income

	SHINFOX Energy Co., Ltd.	
	Three months ended March 31,2023	Three months ended March 31,2022
Revenue	\$ 1,388,509	\$ 819,108
Profit before income tax	73,275	61,376
Income tax expense	(16,078)	(13,389)
Profit for the period	57,197	47,987
Other comprehensive loss, net of tax	(7,010)	683
Total comprehensive income for the period	<u>\$ 50,187</u>	<u>\$ 48,670</u>
Comprehensive income (loss) attributable to non-controlling interest	<u>\$ 2,045</u>	<u>\$ 5,642</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

Statements of cash flows

SHINFOX Energy Co., Ltd.			
	Three months ended March 31, 2023		Three months ended March 31, 2022
Net cash provided by (used in) operating activities	(\$	1,351,160)	(\$ 2,375,081)
Net cash provided by (used in) investing activities		438,976	(1,864,945)
Net cash provided by financing activities		898,942	4,716,420
Effect of exchange rates on cash and cash equivalents		799	655
Increase (Decrease)in cash and cash equivalents	(	12,443)	477,049
Cash and cash equivalents, beginning of period		1,831,512	1,283,288
Cash and cash equivalents, end of period	\$	1,819,069	\$ 1,760,337

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 2022 Consolidated Financial Report.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 11,278	\$ 10,504	\$ 10,600
Checking accounts and demand deposits	2,192,067	2,997,281	3,295,951
Cash equivalents			
Time deposits	3,322,809	2,724,910	1,787,119
Total	\$ 5,526,154	\$ 5,732,695	\$ 5,093,670

1. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
2. The Group has not cash and cash equivalents pledged to others.

(2) Financial assets/liabilities at fair value through profit or loss

1. The balances of financial assets/liabilities measured at fair value through profit or loss as of March 31, 2023, December 31, 2022 and March 31, 2022 are all zero.
2. Amounts recognized in profit or loss in relation to financial assets/liabilities at fair value through profit or loss are listed below:

Items	March 31, 2023	March 31, 2022
Financial assets mandatorily measured at fair value through profit or loss		
Realized gains and losses on forward foreign exchange contracts	\$ 1,919	\$ -

3. The forward foreign exchange transactions entered into by the Group are to hedge against the risks arising from fluctuations in foreign currency assets, but do not qualify for hedge accounting.”
 4. The Group has not pledged financial assets measured at fair value through profit or loss as collateral.
 5. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note12(2).
- (3) Financial assets at fair value through other comprehensive income

Items	March 31, 2023	December 31, 2022	March 31, 2022
Equity instruments:			
listed stocks	\$ 1,563,140	\$ 1,263,416	\$ 1,263,416
Unlisted stocks	1,749,339	1,561,077	1,562,790
	3,312,479	2,824,493	2,826,206
Valuation adjustment	(913,777)	(920,124)	(870,104)
Total	\$ 2,398,702	\$ 1,904,369	\$ 1,956,102

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 \$2,398,702 and \$1,904,369 and \$1,956,102 as at March 31, 2023, December 31, 2022 and March 31,2022, 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 March 31,2023	Three months ended March 31,2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 24,275	(\$ 145,231)
The accumulated loss on disposal reclassified to retained earnings	(\$ 774)	\$ -

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

(4) Financial assets at amortized cost

Items	March 31, 2023	December 31, 2022	March 31, 2022
Current items :			
Pledged time deposits	\$ 1,735,056	\$ 1,716,729	\$ 1,710,000
Restricted deposits	321,817	1,131,507	611,696
Time deposits maturing over three months	57,921	58,039	405,990
Total	<u>\$ 2,114,794</u>	<u>\$ 2,906,275</u>	<u>\$ 2,727,686</u>

Non-current items :

Pledged time deposits	\$ 373,353	\$ 373,353	\$ 5,118
Restricted deposits	<u>21,665</u>	<u>19,935</u>	<u>14,021</u>
Total	<u>\$ 395,018</u>	<u>\$ 393,288</u>	<u>\$ 19,139</u>

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

	Three months ended March 31, 2023	Three months ended March 31, 2022
Interest income	<u>\$ 6,797</u>	<u>\$ 1,921</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 March 31, 2023, December 31, 2022 and March 31, 2022, 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 financial assets at amortised cost held by the Group was \$2,509,812 and \$3,299,563 and \$2,746,825 respectively.
4. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2). The counterparties of the of the Group's investment in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivables	<u>\$ 33,108</u>	<u>\$ 34,952</u>	<u>\$ 2,415</u>
Accounts receivables	\$ 902,702	\$ 1,199,480	\$ 1,182,303
Less : loss allowance for uncollectible accounts	<u>(23,110)</u>	<u>(24,172)</u>	<u>(33,023)</u>
	<u>\$ 879,592</u>	<u>\$ 1,175,308</u>	<u>\$ 1,149,280</u>

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

	March 31, 2023		March 31, 2022	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not pass due	\$ 822,826	\$ 33,108	\$ 1,049,899	\$ 34,952
UP to 30 days	72,134	-	146,065	-
31 to 90 days	6,047	-	525	-
91 to 180 days	-	-	233	-
UP 181 days	1,695	-	2,758	-
	<u>\$ 902,702</u>	<u>\$ 33,108</u>	<u>\$ 1,199,480</u>	<u>\$ 34,952</u>

	March 31, 2022	
	Accounts receivable	Notes receivable
Not pass due	\$ 1,017,947	\$ 2,415
UP to 30 days	150,170	-
31 to 90 days	2,335	-
91 to 180 days	811	-
UP 181 days	11,040	-
	<u>\$ 1,182,303</u>	<u>\$ 2,415</u>

The above ageing analysis was based on past due date.

- As of March 31, 2023 ,December 31, 2022 and March 31,2022, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2022, the balance of receivables from contracts with customers amounted to \$1,183,032.
- The Group has no accounts receivable and notes receivable pledged to others.
- Information relating to credit risk of accounts receivable is provided in Note 12(2).
- As of March 31, 2023, December 31, 2022 and March 31,2022, 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 \$33,108, \$34,952 and \$2,415; \$879,592, \$1,175,308 and \$1,149,280 respectively.

(6) Inventories

	March 31,2023		
	Cost	Allowance and valuation loss	Book value
Raw material	\$ 792,506	(\$ 51,264)	\$ 741,242
Work in progress	115,618	(2,921)	112,697
Finished goods	293,689	(30,410)	263,279
Merchandise	153,298	(5,902)	147,396
Total	<u>\$ 1,355,111</u>	<u>(\$ 90,497)</u>	<u>\$ 1,264,614</u>

	December 31,2022		
	Cost	Allowance and valuation loss	Book value
Raw material	\$ 947,790	(\$ 49,194)	\$ 898,596
Work in progress	89,493	(1,889)	87,604
Finished goods	199,295	(34,649)	164,646
Merchandise	160,206	(6,010)	154,196
Total	<u>\$ 1,396,784</u>	<u>(\$ 91,742)</u>	<u>\$ 1,305,042</u>

	March 31,2022		
	Cost	Allowance and valuation loss	Book value
Raw material	\$ 849,085	(\$ 26,967)	\$ 822,118
Work in progress	92,332	(5,986)	86,346
Finished goods	406,809	(58,994)	347,815
Merchandise	190,282	(5,749)	184,533
Total	<u>\$ 1,538,508</u>	<u>(\$ 97,696)</u>	<u>\$ 1,440,812</u>

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

	Three months ended March 31,2023	Three months ended March 31,2022
Cost of goods sold	\$ 2,267,602	\$ 1,964,352
Cost of services	152,522	230,238
Unamortised manufacturing expenses	35,485	37,792
Inventory recovery benefits	(1,245)	(954)
Gain on physical inventory	(34)	(303)
	<u>\$ 2,454,330</u>	<u>\$ 2,231,125</u>

The Group reversed a previous inventory write-down because the Group sold certain inventories which were previously provided with loss on decline in market value and obsolescence during the three months ended March 31,2023 and 2022.

(7) Prepayment

	March 31,2023	December 31,2022	March 31,2022
Advance payment to construction	\$ 4,395,187	\$ 4,192,448	\$ 2,958,413
others	909,097	885,968	710,491
	<u>\$ 5,304,284</u>	<u>\$ 5,078,416</u>	<u>\$ 3,668,904</u>

(8) Investments accounted for using the equity method

	<u>March 31,2023</u>	<u>December 31,2022</u>	<u>March 31,2022</u>
<u>Investee companies</u>	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Associates :			
Shinfox Far East Company Pte Ltd	\$ 971,896	\$ -	\$ -
POWER CHANNEL LIMITED	720,722	585,875	556,386
Studio A Technology Limited	118,607	122,882	118,019
Synergy Co., Ltd.	32,556	33,353	34,955
TEGNA ELECTRONICS PRIVATE LIMITED	25,370	24,049	25,687
CHUNG CHIA POWER Co., Ltd.	-	170,089	176,222
Joint ventures :			
Changpin Wind Power Ltd.	115,935	116,102	-
Add:prepayments for investments-shinfox Far East Company Pte Ltd	-	981,545	-
Changpin Wind Power Ltd.	-	-	120,000
	<u>\$ 1,985,086</u>	<u>\$ 2,033,895</u>	<u>\$ 1,031,269</u>

1. The Group's share of profits and losses of related companies and joint ventures using the equity method for the three months ended March 31, 2023 and 2022, that is recognized based on the evaluation of the financial report for the same period that has not been reviewed by the auditor.

2. Associates

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

<u>Company name</u>	<u>Principal place</u>	<u>Shareholding ratio</u>			<u>Nature of relationship</u>	<u>Methods of Measurement</u>
	<u>Of business</u>	<u>March 31,2023</u>	<u>December 31,2022</u>	<u>March 31,2022</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.

(b)The summarized financial information of the associates that are material to the Group is as follows:

Balance sheet

	<u>POWER CHANNEL LIMITED</u>		
	<u>March 31,2023</u>	<u>December 31,2022</u>	<u>March 31,2022</u>
Current assets	\$ 30,726	\$ 19,662	\$ -
Non-current assets	1,631,481	1,265,605	1,201,329
Current liabilities	-	-	-
Non- current liabilities	-	-	-
Total net assets	<u>\$ 1,662,207</u>	<u>\$ 1,285,267</u>	<u>\$ 1,201,329</u>
Share in associate's net assets	\$ 594,239	\$ 459,483	\$ 429,475
Goodwill	<u>126,483</u>	<u>126,392</u>	<u>126,911</u>
Carrying amount of the associate	<u>\$ 720,722</u>	<u>\$ 585,875</u>	<u>\$ 556,386</u>

Statement of comprehensive income

POWER CHANNEL LIMITED		
	Three months ended March 31,2022	Three months ended March 31,2022
Revenue	\$ -	\$ -
Profit for the period from continuing operations	\$ 33,789	\$ 35,218
Other comprehensive income,net of tax	-	-
Total comprehensive income	\$ 33,789	\$ 35,218
Dividends received from associates	\$ -	\$ -

(c)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 March 31, 2023, December 31, 2022 and March 31,2022,the carrying amount of the Group's individually immaterial associates amounted to \$1,148,429, \$350,373 and \$354,883, respectively.

	Three months ended March 31,2023	Three months ended March 31,2022
Profit (loss)for the period from continuing operations	(\$ 9,219)	\$ 2,544
Other comprehensive income,net of tax	-	-
Total comprehensive income	(\$ 9,219)	\$ 2,544

Note: Tegna Eletronics Private Limited., Synergy Co., Ltd. ,Studio A Technology Limited and Shinfox Far East Company Pte Ltd.

3. Joint venture

The carrying amount of the Group's interests in all individually immaterial joint ventures and the Group's share of the operating results are summarized below:

As of March 31,2023,December 31,2022 and March 31,2022,the carrying amount of the Group's individually immaterial joint ventures amounted to \$115,935,\$116,102 and \$0.

	Three months ended March 31,2023	Three months ended March 31,2022
Total comprehensive loss	(\$ 335)	\$ -

- CHUNG CHIA POWER Co.,Ltd carried out a cash capital increase by issuing new shares on January 29,2023. As the group did not subscribe to the new shares in proportion to its ownership and thus lost significant influence, its equity stake in the company decreased from 20% to 8%. Subsequently, the financial assets were reclassified as fair value through other comprehensive income.

(9) 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, 2023							
Cost	\$ 1,205,962	\$ 4,002,934	\$ 121,876	\$ 334,640	\$ 1,122,200	\$ 1,009,586	\$ 7,797,198
Accumulated depreciation	(158,974)	(2,451,013)	(103,373)	(321,112)	(1,111,082)	-	(4,145,554)
<u>2023</u>	<u>\$ 1,046,988</u>	<u>\$ 1,551,921</u>	<u>\$ 18,503</u>	<u>\$ 13,528</u>	<u>\$ 11,118</u>	<u>\$ 1,009,586</u>	<u>\$ 3,651,644</u>
Opening net book amount as at January 1	\$ 1,046,988	\$ 1,551,921	\$ 18,503	\$ 13,528	\$ 11,118	\$ 1,009,586	\$ 3,651,644
Additions	35,562	4,529	1,639	-	577	41,201	83,508
Disposals	-	-	(187)	-	-	-	(187)
Reclassifications	-	-	-	-	-	(1,281)	(1,281)
Depreciation charge	(5,781)	(49,873)	(2,336)	(2,548)	(11,306)	-	(71,844)
Net change differences	<u>3,730</u>	<u>1,890</u>	<u>66</u>	<u>79</u>	<u>(47)</u>	<u>-</u>	<u>5,718</u>
Closing net book amount as at March 31	<u>\$ 1,080,499</u>	<u>\$ 1,508,467</u>	<u>\$ 17,685</u>	<u>\$ 11,059</u>	<u>\$ 342</u>	<u>\$ 1,049,506</u>	<u>\$ 3,667,558</u>
At March 31, 2023							
cost	\$ 1,245,737	\$ 4,016,760	\$ 120,828	\$ 335,283	\$ 1,125,454	\$ 1,049,506	\$ 7,893,568
Accumulated depreciation	(165,238)	(2,508,293)	(103,143)	(324,224)	(1,125,112)	-	(4,226,010)
	<u>\$ 1,080,499</u>	<u>\$ 1,508,467</u>	<u>\$ 17,685</u>	<u>\$ 11,059</u>	<u>\$ 342</u>	<u>\$ 1,049,506</u>	<u>\$ 3,667,558</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, 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>\$ 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>
2022							
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	-	5,199	2,414	179	2,054	63,452	73,298
Disposals	-	-	(152)	-	-	-	(152)
Reclassifications	-	-	-	-	-	54,692	54,692
Depreciation charge	(5,768)	(57,641)	(2,282)	(2,355)	(7,081)	-	(75,127)
Net change differ ances	<u>27,339</u>	<u>11,727</u>	<u>5,614</u>	<u>(2,349)</u>	<u>3,648</u>	<u>-</u>	<u>45,979</u>
Closing net book amount as at March 31	<u>\$ 1,081,102</u>	<u>\$ 1,410,331</u>	<u>\$ 23,517</u>	<u>\$ 16,956</u>	<u>\$ 28,501</u>	<u>\$ 1,007,434</u>	<u>\$ 3,567,841</u>
At March 31, 2022							
Cost	\$ 1,224,738	\$ 3,749,702	\$ 124,333	\$ 333,931	\$ 1,285,990	\$ 1,007,434	\$ 7,726,128
Accumulated depreciation	(143,636)	(2,339,371)	(100,816)	(316,975)	(1,257,489)	-	(4,158,287)
	<u>\$ 1,081,102</u>	<u>\$ 1,410,331</u>	<u>\$ 23,517</u>	<u>\$ 16,956</u>	<u>\$ 28,501</u>	<u>\$ 1,007,434</u>	<u>\$ 3,567,841</u>

A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	<u>Three months ended March 31, 2023</u>
Amount capitalised	\$ 9,233
Range of the interest rates for capitalisation	2.3423%~2.5536%

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

(10) 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>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 285,279	\$ 287,805	\$ 289,812
Building	302,289	229,914	244,464
Transportation equipment (Business vehicles)	3,212	2,765	4,770
Office equipment (photocopiers)	-	12	63
	<u>\$ 590,780</u>	<u>\$ 520,496</u>	<u>\$ 539,109</u>

	<u>Three months ended March 31, 2023</u>	<u>Three months ended March 31, 2022</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 3,201	\$ 2,919
Building	26,796	18,984
Transportation equipment (Business vehicles)	679	664
Office equipment (photocopiers)	12	17
	<u>\$ 30,688</u>	<u>\$ 22,584</u>

3. For the three months ended March 31, 2023 and 2022, the additions to right-of-use assets amounted to \$103,337 and \$4,238, respectively.
4. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Three months ended March 31,2023</u>	<u>Three months ended March 31,2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,565	\$ 1,097
Expense on short-term lease contracts	2,286	2,376
Expense on leases of low-value assets	695	292
Expense on variable lease payments	1,634	1,221
Profit from lease modification	77	-

5. For the three months ended March 31,2023 and 2022,the Group’s total cash outflows for leases amounted to \$34,718 and \$24,970 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 3.76%~35.3% 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 \$16.

(11) 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. For the three months ended March 31,2023 and 2022, the Group recognized rent income in the amounts of \$8,569 and \$8,210 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>March 31,2023</u>	<u>December 31, 2022</u>	<u>March 31,2022</u>
2022	\$ -	\$ -	\$ 24,550
2023	25,626	34,195	32,679
After 2024	8,501	8,501	8,501
Total	<u>\$ 34,127</u>	<u>\$ 42,696</u>	<u>\$ 65,730</u>

(12) Investment property

	Land	Buildings and Structures	Total
At January 1, 2023			
cost	\$ 344,587	\$ 71,458	\$ 416,045
Accumulated depreciation	-	(23,591)	(23,591)
	<u>\$ 344,587</u>	<u>\$ 47,867</u>	<u>\$ 392,454</u>
<u>2023</u>			
Opening net book amount as at January 1	\$ 344,587	\$ 47,867	\$ 392,454
Accumulated depreciation	-	(2,323)	(2,323)
Closing net book amount as at March 31	<u>\$ 344,587</u>	<u>\$ 45,544</u>	<u>\$ 390,131</u>
At March 31,2023			
cost	\$ 344,587	\$ 71,458	\$ 416,045
Accumulated depreciation	-	(25,914)	(25,914)
	<u>\$ 344,587</u>	<u>\$ 45,544</u>	<u>\$ 390,131</u>

	Land	Buildings and Structures	Total
At January 1, 2022			
cost	\$ 344,587	\$ 70,720	\$ 415,307
Accumulated depreciation	-	(14,496)	(14,496)
	<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
Depreciation charge	-	(2,206)	(2,206)
Closing net book amount as at March 31	<u>\$ 344,587</u>	<u>\$ 54,018</u>	<u>\$ 398,605</u>
At March 31,2022			
cost	\$ 344,587	\$ 70,720	415,307
Accumulated depreciation	-	(16,702)	(16,702)
	<u>\$ 344,587</u>	<u>\$ 54,018</u>	<u>\$ 398,605</u>

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

	<u>Three months ended March 31,2023</u>	<u>Three months ended March 31,2022</u>
Rental income from investment property	\$ 8,569	\$ 8,210
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 2,323</u>	<u>\$ 2,206</u>

2. The fair value of the investment property held by the Group as of March 31, 2023 ,December 31, 2022 and March 31 2022 was \$548,707 and \$502,230,and \$403,501 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.

(13) Intangible assets

	<u>Goodwill</u>	<u>Customer Relationship</u>	<u>Trademarks</u>	<u>Others</u>	<u>Total</u>
At January 1,2023					
Cost	\$ 971,947	\$ 197,637	\$ 50,773	\$ 100,973	\$ 1,321,330
Accumulated depreciation	-	(4,616)	-	(58,590)	(63,206)
	<u>\$ 971,947</u>	<u>\$ 193,021</u>	<u>\$ 50,773</u>	<u>\$ 42,383</u>	<u>\$ 1,258,124</u>
<u>2023</u>					
Opening net book amount as at January 1,2023	\$ 971,947	\$ 193,021	\$ 50,773	\$ 42,383	\$ 1,258,124
Additions	-	-	-	2,677	2,677
Amortisation charge	-	(16,854)	-	(3,128)	(19,982)
Net exchange differences	(4,700)	-	(430)	4	(5,126)
Closing net book amount as at March 31	<u>\$ 967,247</u>	<u>\$ 176,167</u>	<u>\$ 50,343</u>	<u>\$ 41,936</u>	<u>\$ 1,235,693</u>
At March 31,2023					
Cost	\$ 967,247	\$ 197,637	\$ 50,343	\$ 102,347	\$ 1,317,574
Accumulated depreciation	-	(21,470)	-	(60,411)	(81,881)
	<u>\$ 967,247</u>	<u>\$ 176,167</u>	<u>\$ 50,343</u>	<u>\$ 41,936</u>	<u>\$ 1,235,693</u>
	<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—acquired separately	-	-	-	2,592	2,592
Additions—acquired through business combinations	39,528	197,637	-	-	237,165
Amortisation charge	-	(957)	-	(2,984)	(3,941)
Net exchange differences	17,083	-	1,526	51	18,696
Closing net book amount as at March 31	<u>\$ 934,256</u>	<u>\$ 196,680</u>	<u>\$ 47,326</u>	<u>\$ 42,342</u>	<u>\$ 1,220,604</u>
At March 31,2022					
Cost	\$ 934,256	\$ 197,637	\$ 47,326	\$ 95,807	\$ 1,275,026
Accumulated depreciation	-	(957)	-	(53,465)	(54,422)
	<u>\$ 934,256</u>	<u>\$ 196,680</u>	<u>\$ 47,326</u>	<u>\$ 42,342</u>	<u>\$ 1,220,604</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:

	<u>March 31,2023</u>		<u>December 31,2022</u>	
	<u>Goodwill</u>	<u>Trademarks</u>	<u>Goodwill</u>	<u>Trademarks</u>
System and peripheral products	\$ 611,760	\$ -	\$ 611,760	\$ -
3C retail and peripheral products	315,959	50,343	320,659	50,773
Energy Service Management	<u>39,528</u>	<u>-</u>	<u>39,528</u>	<u>-</u>
	<u>\$ 967,247</u>	<u>\$ 50,343</u>	<u>\$ 971,947</u>	<u>\$ 50,773</u>
			<u>March 32,2022</u>	
			<u>Goodwill</u>	<u>Trademarks</u>
System and peripheral products			\$ 611,760	\$ -
3C retail and peripheral products			282,968	47,326
Energy Service Management			<u>39,528</u>	<u>-</u>
			<u>\$ 934,256</u>	<u>\$ 47,326</u>

2. 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 (13.36%~15.16%) based on financial budgets covering a five-year period.
3. 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.
4. 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. Please refer to Note 6(32).

(14) Other non-current assets-others

	<u>March 31,2023</u>	<u>December 31,2022</u>	<u>March 31,2022</u>
Guarantee deposits paid (Note)	\$ 234,713	\$ 261,031	\$ 43,078
Net defined benefit asset	96,751	96,737	81,943
Other non-current assets	<u>18,483</u>	<u>17,686</u>	<u>19,425</u>
	<u>\$ 349,947</u>	<u>\$ 375,454</u>	<u>\$ 144,446</u>

Note: Please refer to Note 8.

(15) Short-term borrowings

<u>Type of borrowings</u>	<u>March 31,2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	\$ 6,918,000	1.58%~3.03%	None
Secured borrowings	<u>856,124</u>	2.13%~2.93%	Please refer to note 8
	<u>\$ 7,774,124</u>		

<u>Type of borrowings</u>	<u>December 31,2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	\$ 6,179,595	1.29%~2.86%	None
Secured borrowings	<u>856,124</u>	2.00%~2.50%	Please refer to note 8
	<u>\$ 7,035,719</u>		

<u>Type of borrowings</u>	<u>March 31,2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	\$ 4,775,790	0.79%~1.70%	None
Secured borrowings	<u>4,052,719</u>	1.15%~2.09%	Please refer to note 8
	<u>\$ 8,828,509</u>		

(16) Short-term notes and bills payable

	<u>March 31,2023</u>	<u>December 31,2022</u>	<u>March 31,2022</u>
Commercial papers	\$ 1,902,800	\$ 1,792,400	\$ 478,300
Discount amortisation	<u>(4,470)</u>	<u>(3,241)</u>	<u>(431)</u>
	<u>\$ 1,898,330</u>	<u>\$ 1,789,159</u>	<u>\$ 477,869</u>
Annual interest rate range	<u>1.76%~2.69%</u>	<u>2.04%~2.51%</u>	<u>1.29%~1.69%</u>

Information on collateral pledged for short-term notes and bills payable is provided in Note 8.

(17) Other account payables

	<u>March 31,2023</u>	<u>December 31,2022</u>	<u>March 31,2022</u>
Dividends payable	\$ 492,484	\$ -	\$ 369,363
Payable on salary and bonus	227,596	339,944	262,206
Payable on employees compensation and directors remuneration	170,418	167,196	188,390
Payable on equipment	143,379	90,341	26,591
Others	<u>150,194</u>	<u>202,284</u>	<u>183,315</u>
	<u>\$ 1,184,071</u>	<u>\$ 799,765</u>	<u>\$ 1,029,865</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>March 31, 2023</u>
Long-term bank borrowings				
Bank unsecured borrowings				
FIT Holding				
-including covenants	Borrowing period is from February 2022 to September 2024; pay entire amount of principal when due, interest is repayable monthly.	1.80%~1.90%	\$ 810,000	\$ 630,000
-without covenants	Borrowing period is from July 2021 to August 2024; pay entire amount of principal when due, interest is repayable monthly.	1.70%~2.00%	-	800,000
Foxlink Image				
-including covenants	Borrowing period is from January 2022 to January 2024 ; pay entire amount of principal when due, interest is repayable monthly.	1.80%	1,937,000	115,000
-without covenants	Borrowing period is from July 2021 to December 2024 ; pay entire amount of principal when due, interest is repayable monthly	1.57%~1.95%	1,660,000	1,310,000
PQI				
-including covenants	Borrowing period is from September 2022 to February 2024; pay principal based on each bank's regulations, interest is repayable monthly.	1.90%	-	300,000
-without covenants	Borrowing period is from December 2021 to June 2025; pay principal based on each bank's regulations, interest is repayable monthly.	2.00%	-	600,000
Glory Science				
-without covenants	Borrowing period is from July 15, 2019 to December 23, 2024; pay principal and interest based on each bank's regulations.	1.74%~2.19%	-	105,000
Foxwell Energy				
-without covenants	Borrowing period is from January 2019 to December 2035; pay entire amount in installments.	2.01%~2.15%	282,053	35,055
Foxwell Power				
-including covenants	Borrowing period is from October 2022 to September 2028; pay entire amount in installments.	2.42%	-	7,188
Bank secured borrowings				
Glory Science				
	Borrowing period is from December 31 2019 to December 31 2024; pay principal in installments quarterly, interest is calculated monthly.	1.86%	-	35,000

Foxwell Energy	Borrowing period is from May 2018 to February 2036; pay entire amount in installments.	2.01%~2.51%	226,227	267,840
Foxwell Power	Borrowing period is from October 2022 to September 2028; pay entire amount in installments.	2.42%	-	107,813
Syndicated borrowings Foxwell Power	Borrowing period is from October 2022 to October 2025; pay entire Amount of principal when due.	2.34%~2.55%	565,900	1,184,100
Less: Current portion (shown as other current liabilities)				5,496,996
Less: Syndicated expense				(1,398,246)
Less: Amortization of long-term notes and bill payable discount				(21,875)
				(1,079)
				<u>\$ 4,075,796</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, 2022</u>
Long-term bank borrowings				
Bank unsecured borrowings				
FIT Holding				
-including covenants	Borrowing period is from February 2022 to September 2024; pay entire amount of principal when due, interest is repayable monthly.	1.51%~2.05%	\$ 722,000	\$ 630,000
-without covenants	Borrowing period is from July 2021 to August 2024; pay entire amount of principal when due, interest is repayable monthly.	1.63%~1.88%	-	800,000
Foxlink Image				
-including covenants	Borrowing period is from January 2022 to January 2024 ; pay entire amount of principal when due, interest is repayable monthly.	2.00%	2,085,000	115,000
-without covenants	Borrowing period is from July 2021 to December 2024 ; pay entire amount of principal when due, interest is repayable monthly	1.41%~1.97%	1,640,000	1,410,000
PQI				
-including covenants	Borrowing period is from September 2022 to February 2024; pay principal based on each bank's regulations, interest is repayable monthly.	1.88%	-	300,000
-without covenants	Borrowing period is from July 2021 to June 2025; pay principal based on each bank's regulations, interest is repayable monthly.	1.78%~1.88%	-	600,000

Glory Science -without covenants	Borrowing period is from July 15,2019 to December 23, 2024; pay principal and interest based on each bank's regulations.	1.44~2.07%	-	110,000
Shinfox -without covenants	Borrowing period is from February 2019 to February 2023; pay entire amount in installments.	2.21%	-	1,295
Foxwell Energy -without covenants	Borrowing period is from January 2019 to December 2035; pay entire amount in installments.	1.88%~1.97%	282,098	35,882
Foxwell Power	Borrowing period is from October 2022 to September 2028;pay entire amount in installments.	2.15%	-	7,500
Bank secured borrowings				
Glory Science	Borrowing period is from December 31 2019 to December 31 2024; pay principal in installments quarterly, interest is calculated monthly.	1.61%	-	45,000
Foxwell Energy	Borrowing period is from May 2018 to February 2036; pay entire amount in installments.	1.88%~2.35%	223,996	275,013
Foxwell Power	Borrowing period is from October 2022 to September 2028;pay entire amount in installments.	2.15%	-	112,500
Syndicated borrowings				
Foxwell Power	Borrowing period is from October 2022 to October 2025;pay entire Amount of principal when due.	2.32%~2.41%	770,100	<u>979,900</u> 5,422,090
Less: Current portion (shown as other current liabilities)				(689,541)
Less:Syndicated expense				(24,063)
Less:Amortization of long-term notes and bill payable discount				<u>(313)</u>
				<u>\$4,708,173</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>March 31, 2022</u>
Long-term bank borrowings				
Bank unsecured borrowings				
FIT Holding -including covenants	Borrowing period is from February 2022 to February 2024; pay entire amount of principal when due, interest is repayable monthly.	1.2%	\$ 332,000	\$ 300,000

-without covenants	Borrowing period is from September 2021 to August 2023; pay entire amount of principal when due, interest is repayable monthly.	1.17%~1.45%	470,000	230,000
Foxlink Image -including covenants	Borrowing period is from January 2022 to January 2024; pay entire amount of principal when due, interest is repayable monthly.	0.95%	1,848,000	300,000
-without covenants	Borrowing period is from June 2021 to March 2024; pay entire amount of principal when due, interest is repayable monthly.	0.94%~1.23%	1,754,000	1,358,000
PQI -including covenants	Borrowing period is from December 2021 to February 2024; pay principal based on each bank's regulations, interest is repayable monthly.	1.20%~1.25%	200,000	400,000
Glory Science -without covenants	Borrowing period is from July 2019 to July 2024; pay principal and interest based on each bank's regulations.	1.04%~1.5%	-	268,000
Shinfox -without covenants	Borrowing period is from February 2019 to February 2023; pay entire amount in installments.	1.96%	-	7,067
Foxwell Energy -without covenants	Borrowing period is from January 2019 to December 2035; pay entire amount in installments.	1.44%~1.49%	286,683	38,361
Bank secured borrowings Glory Science	Borrowing period is from December 2019 to December 2024; pay principal in installments quarterly, interest is calculated monthly.	1.11%	-	55,000
Foxwell Energy	Borrowing period is from May 2018 to February 2036; pay entire amount in installments.	1.44%~1.68%	355,881	296,531
				3,252,959
Less: Current portion (shown as other current liabilities)				(296,970)
				<u>\$ 2,955,989</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 \$2,700 thousand. As of March 31, 2023, the borrowings that have been used amounted to \$1,045 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 80%;
 - (b) Liabilities not exceeding 200% of tangible net equity;
 - (c) Interest coverage of at least 300% to 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\$ 8,000,000 thousand;
 - (f) Net equity of at least NT\$1,800,000 thousand.
2. The borrowing agreement between the Group's subsidiary, Foxwell Power Co., Ltd., and Taishin bank stipulates that the Group shall annually review the financial ratios to maintain a current ratio not less than 150%, a net debt-to-equity ratio not less than 200% and a net asset value not less than \$800,000 during the facility period. Additionally, the Group is required to review the shareholding ratio of the ultimate parent company and the parent company on a semi-annual basis. For the three months ended March 31, 2023.
3. The Group's subsidiary, Foxwell Power Co., Ltd., entered into a syndicated contract for a credit line of \$1,750,000 with 3 financial institutions including O-Bank, etc., financial commitments are summarized as follow:
 - (a) Foxwell Power Co., Ltd committed to review the latest six months' or twelve months' revenue from ancillary services on a semi-annual or annual basis after the site of the project has been qualified to trade on the energy trading platform and the first settlement amount of ancillary services revenue has been remitted to the reserve account. The interest rate will be adjusted by 0.1% if the cumulative number of times did not meet the above requirement of which the revenue reached 80% of the average monthly income listed in the "Estimated statement of annual gain and loss and cash flow".
 - (b) Foxwell Power Co., Ltd. committed to review the DSCR semi-annually based on the revenue from ancillary services and the principal and interest amount for the last twelve months, which shall not be less than 1.1 times from the date the first monthly settlement amount of ancillary services revenue for the site of project has been remitted to the reserve account for a full twelve months.
4. Information on collateral pledged for long-term borrowings is provided in Note 8.
5. As of March 31, 2023, the borrowings that have been used amounted to as follows:

Company	Bank	Credit line	Amount of borrowings used
FIT Holding 、 Foxlink Image 、 PQI 、Glory Science	Jih Sun Bank(Note)	\$ 500,000	\$ 500,000
FIT Holding 、 PQI	Hua Nan Bank(Note)	200,000	200,000
Foxlink Image 、 PQI	Mega Bank(Note)	300,000	300,000
FIT Holding	SCSB	300,000	300,000
FIT Holding	Mega Bank	300,000	300,000
Foxlink Image	E.SUN Bank(Note)	400,000	80,000
Foxlink Image	Bank Of Taiwan	300,000	300,000
Foxlink Image	Hua Nan Bank	200,000	200,000
Foxlink Image	Taiwan Cooperative Bank	500,000	500,000

Foxlink Image	First Bank	250,000	50,000
Foxlink Image	Cathay United Bank(Note)	300,000	-
Foxlink Image	KGI Bank	400,000	160,000
PQI	Yuanta Bank	300,000	300,000
PQI	SCSB	300,000	300,000
Glory Science	Hua Nan Bank	75,000	75,000
Glory Science	Chang Hwa Bank	65,000	65,000
Foxwell Energy	Taishin Bank(Note)	51,035	48,849
Foxwell Energy	Mega Bank	268,552	268,552
Foxwell Energy	Bank SinoPac	568,995	62,900

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 ended March 31, 2023 and 2022 were \$14 and \$110, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to \$36.
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 ended March 31, 2023 and 2022 were \$17,109 and \$15,172, 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 March 31, 2023, 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 March 31, 2023 amounted to 246,242 thousand shares.

(21) Capital

2023					
	<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	\$ 3,536,813	\$ 204,782	\$ 1,034,198	\$ 66,204	\$ 4,841,997
Capital surplus used to issue cash to shareholders	(123,121)	-	-	-	(123,121)
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	122,197	122,197
At March 31	<u>\$ 3,413,692</u>	<u>\$ 204,782</u>	<u>\$ 1,034,198</u>	<u>\$ 188,401</u>	<u>\$ 4,841,073</u>

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)
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	51	51
At March 31	<u>\$ 3,536,813</u>	<u>\$ 204,782</u>	<u>\$ 837,883</u>	<u>\$ 64,650</u>	<u>\$ 4,644,128</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 \$123,121 (NT\$0.5(in dollars) per share) on March 13, 2023, and \$246,242(NT1 per share) on March 24,2022.

(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.

- D. In accordance with the Company's Articles of Incorporation and as resolved by the Board of Directors on March 24, 2022, the Company distributed cash dividends amounting to \$123,121. Also, the appropriation of 2021 earnings as proposed and resolved by the shareholders on July 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

E. The appropriation of 2022 earnings as proposed and resolved by the Board of Directors on March 13, 2023 are as follows::

	2022	
	<u>Amount</u>	<u>Dividend per Share(NTD)</u>
Legal reserve	\$ 54,089	
Special reserve	69,906	
Cash dividends	369,363	\$ 1.50

As of May 12,2023, aforementioned appropriation of 2022 earnings,except for cash dividends has been resolved by the Board of Directors (had not been reported to shareholders) on March 13,2023 and were presented as dividends payable in the financial statements while others had not been resolved by shareholders.Information about earning distribution of the Company as approved and proposed by the Board of Directors and resolved at the shareholders’ will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(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 March 31,2023</u>	<u>China</u>	<u>Taiwan</u>	<u>Hong Kong</u>	<u>US</u>
System and peripheral products	\$ 340,638	\$ 1,140	\$ 6,652	\$ 118,532
3C retail and peripheral products	519	17,472	410,379	23
3C components	21,167	7,510	1,180	-
Energy service management	1,068	1,387,441	-	-
	<u>\$ 363,392</u>	<u>\$ 1,413,563</u>	<u>\$ 418,211</u>	<u>\$ 118,555</u>
<u>Three months ended March 31,2023</u>	<u>Europe</u>	<u>Others</u>		<u>Total</u>
System and peripheral products	\$ 109,768	\$ 368,083		\$ 944,813
3C retail and peripheral products	-	3,107		431,500
3C components	626	15,330		45,813
Energy service management	-	-		1,388,509
	<u>\$ 110,394</u>	<u>\$ 386,520</u>		<u>\$ 2,810,635</u>

Revenue from external customer contracts

<u>Three months ended March 31,2022</u>	<u>China</u>	<u>Taiwan</u>	<u>Hong Kong</u>	<u>US</u>
System and peripheral products	\$ 248,588	\$ 346	\$ 2,085	\$ 397,809
3C retail and peripheral products	1,832	13,543	475,929	2,121
3C components	21,436	18,795	81	911
Energy service management	1,114	817,506	-	-
	<u>\$ 272,970</u>	<u>\$ 850,190</u>	<u>\$ 478,095</u>	<u>\$ 400,841</u>

<u>Three months ended March 31,2022</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>
System and peripheral products	\$ 145,242	\$ 424,252	\$ 1,218,322
3C retail and peripheral products	-	1,170	494,595
3C components	-	19,372	60,595
Energy service management	-	-	818,620
	<u>\$ 145,242</u>	<u>\$ 444,794</u>	<u>\$ 2,592,132</u>

Revenue from external customer contracts

B. Unfulfilled construction contracts

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 March 31, 2023 ,December 31,2022 and March 31,2022 are as follows:

<u>Year</u>	<u>Year expected to recognise revenue</u>	<u>Contracted amount</u>
March 31,2023	Year 2023-2025	\$ 49,678,504
December 31, 2022	Year 2023-2025	50,750,368
March 31,2022	Year 2022-2025	53,639,654

C. Contract assets and contract liabilities

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

	<u>March 31,2023</u>	<u>December 31,2022</u>	<u>March 31,2022</u>
Contract assets:			
Contract assets:			
- construction contracts	<u>\$ 3,848,663</u>	<u>\$ 2,716,125</u>	<u>\$ 3,590,185</u>
Contract liabilities:			
Contract liabilities:	360,455	387,568	356,649
- advance sales receipts			
Contract liabilities:			
- construction contracts	<u>1,083</u>	<u>3,171</u>	<u>2,329</u>
	<u>\$ 361,538</u>	<u>\$ 390,739</u>	<u>\$ 358,978</u>

(b)The aforementioned revenue-related contract assets and contract liabilities as at March 31,2023, December 31, 2022 and March 31, 2022 are as follows:

	<u>March 31,2023</u>	<u>December 31,2022</u>	<u>March 31,2022</u>
Total costs incurred and revenue recognized	\$ 8,533,978	\$ 8,411,401	\$ 4,928,603
Less:Progress billings	<u>(4,686,398)</u>	<u>(5,698,447)</u>	<u>(1,340,747)</u>
Net balance sheet position for Construction in progress	<u>\$ 3,847,580</u>	<u>\$ 2,712,954</u>	<u>\$ 3,587,856</u>
Presented as:			
Contract assets- current	\$ 3,848,663	\$ 2,716,125	\$ 3,590,185
Contract liabilities-current	<u>(1,083)</u>	<u>(3,171)</u>	<u>(2,329)</u>
	<u>\$ 3,847,580</u>	<u>\$ 2,712,954</u>	<u>\$ 3,587,856</u>

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

	<u>Three months ended March 31,2023</u>	<u>Three months ended March 31,2022</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Unearned revenue	<u>\$ 17,536</u>	<u>\$ 6,375</u>

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

(24) Interest income

	<u>Three months ended March 31,2023</u>	<u>Three months ended March 31,2022</u>
Interest income from bank deposits	\$ 14,501	\$ 2,254
Interest income from financial assets measured at amortised cost	<u>6,797</u>	<u>1,921</u>
	<u>\$ 21,298</u>	<u>\$ 4,175</u>

(25) Other income

	<u>Three months ended March 31,2023</u>	<u>Three months ended March 31,2022</u>
Rent income	\$ 19,601	\$ 17,520
Other income-Other	5,443	7,320
Compensation income	<u>-</u>	<u>35,167</u>
	<u>\$ 25,044</u>	<u>\$ 60,007</u>

(26) Other gains and losses

	<u>Three months ended March 31,2023</u>	<u>Three months ended March 31,2022</u>
Financial assets (liabilities) measured at fair value through profit or loss	\$ 1,919	\$ -
Government grants revenue	1,718	2,067
Gain on disposals of property, plant and equipment	9	2,201
Foreign exchange gains(loss)	(15,596)	69,804
Depreciation charge on investment property	(2,323)	(2,206)
Others	<u>(28,567)</u>	<u>1,221</u>
	<u>(\$ 42,840)</u>	<u>\$ 73,087</u>

(27) Finance costs

	Three months ended March 31,2023	Three months ended March 31,2022
Interest expense :		
Bank loans	\$ 35,891	\$ 19,545
Lease liabilities	1,565	1,097
Loans from related parties	-	7,890
	<u>\$ 37,456</u>	<u>\$ 28,532</u>

(28) Expense by nature

<u>Nature</u>	Three months ended March31,2023		
	Classified as operating costs	Classified as Operating Expenses	Total
Employee benefit expense			
Wages and salaries	\$ 162,099	\$ 128,928	\$ 291,027
Labour and health insurance fees	10,033	10,355	20,388
Pension costs	10,043	7,052	17,095
Other personnel expenses	8,954	11,636	20,590
	<u>\$ 191,129</u>	<u>\$ 157,971</u>	<u>\$ 349,100</u>
Depreciation charge	<u>\$ 68,476</u>	<u>\$ 34,056</u>	<u>\$ 102,532</u>
Amortisation charge	<u>\$ 47</u>	<u>\$ 19,935</u>	<u>\$ 19,982</u>

<u>Nature</u>	Three months ended March 31,2022		
	Classified as operating costs	Classified as Operating Expenses	Total
Employee benefit expense			
Wages and salaries	\$ 210,285	\$ 165,943	\$ 376,228
Labour and health insurance fees	8,097	9,784	17,881
Pension costs	9,850	5,212	15,062
Other personnel expenses	9,018	6,458	15,476
	<u>\$ 237,250</u>	<u>\$ 187,397</u>	<u>\$ 424,647</u>
Depreciation charge	<u>\$ 61,667</u>	<u>\$ 36,044</u>	<u>\$ 97,711</u>
Amortisation charge	<u>\$ 47</u>	<u>\$ 3,894</u>	<u>\$ 3,941</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 three months ended March 31,2023 and 2022, employees' compensation was accrued at

\$0 and \$7,500, respectively; directors' remuneration was accrued at \$0 and 1,250. The aforementioned amounts were recognized in salary expenses. For the three months ended March 31, 2023 and 2022 is reported as net loss after tax, therefore, employees' remuneration and directors' remuneration have not been accrued.

C. In accordance with the resolution of the board of directors, the employees' remuneration and directors' remuneration for the 2022 amounted to \$34,000 and \$3,860, respectively. There was a difference of \$1,140 compared to the employee remuneration of \$34,000 and director remuneration of \$5,000 recognized in the financial report for the 2022. This difference has been adjusted in the income statement for the 2023 and will be disbursed in cash.

D. 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 March 31, 2023</u>	<u>Three months ended March 31, 2022</u>
Current tax:		
Current tax on profits for the year	\$ 27,157	\$ 8,663
Tax on undistributed surplus earnings	6,752	4,269
Prior year income tax (over) underestimation	<u>3,842</u>	<u>(5)</u>
Total current tax	37,751	12,927
Deferred tax :		
Origination and reversal of temporary differences	<u>(8,108)</u>	<u>13,861</u>
Total deferred tax	<u>(8,108)</u>	<u>13,861</u>
Income tax expense	<u>\$ 29,643</u>	<u>\$ 26,788</u>

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

	<u>Three months ended March 31,2023</u>	<u>Three months ended March 31,2022</u>
Currency translation differences	(\$ <u>627</u>)	\$ <u>25,093</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 2021 have been assessed and approved by the Tax Authority.

(30) Earnings per share

	<u>Three months ended March 31,2023</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shates outstanding(share in thousands)</u>	<u>Loss per Share (in dollars)</u>
<u>Basic earnings per share</u>			
Loss attributable to the parent	(\$ <u>5,800</u>)	<u>246,242</u>	(\$ <u>0.02</u>)
	<u>Three months ended March 31,2022</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shates outstanding(share in thousands)</u>	<u>Earnings per Share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ <u>132,338</u>	<u>246,242</u>	\$ <u>0.54</u>
<u>Diluted earnings per share</u>			
Profit attributable to the parent	\$ <u>132,338</u>	<u>246,242</u>	
Assumed conversion of all dilutive potential ordinary shares Employees compensation	<u>-</u>	<u>1,102</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ <u>132,338</u>	<u>247,344</u>	\$ <u>0.54</u>

Due to the net loss incurred by the group from January 1 to March 31 2023, the potential common shares will have an anti-dilutive effect and therefore result in the same loss per basic share.

(31) Transsactions with non-controlling interest

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 in creased 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.

(32) Business combinations (For the three months ended March 31,2023:None)

- 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 \$9,641 and \$9,415 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 \$2,592,881 and \$180,820, respectively.

(33) Supplemental cash flow information

The group sold 33.5% of shares in the subsidiary-Junezhe Co.,Ltd. on December 27,2022 and therefore lost control over the subsidiary (please refer to Note4(3) B.).The details of the consideration received from the transaction(including cash and cash equivalent) and assets and liabilities relating to the subsidiary are as follows:

	<u>December 27,2022</u>
Receive consideration	
Cash	\$ 77,050
Carrying amount of the assets and liabilities of Junezhe	
Cash	11,788
Accounts receivable	16,790
Other current assets	1,091
Property,plant and equipent	173,333
Accounts payable(including related parties)	(4,013)
Other payables	(3,587)
Current income tax liabilities	(7,081)
Other current liabilities	(17)
Total net assets	<u>\$ 188,304</u>

(34) 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>Lease Liability</u>	<u>Liabilities from financing activities gross</u>
January 1,2023	\$ 7,035,719	\$ 1,789,159	\$ 5,397,714	\$ 292,328	\$ 14,514,920
Changes in cash flow from financing activitie	738,405	109,171	76,328	(28,538)	895,366
Changes in other non-cash items	-	-	-	101,693	101,693
Impact of changes in foreign exchange rate	-	-	-	(204)	(204)
March 31,2023	<u>\$ 7,774,124</u>	<u>\$ 1,898,330</u>	<u>\$ 5,474,042</u>	<u>\$ 365,279</u>	<u>\$ 15,511,775</u>

	<u>Short-term borrowing</u>	<u>Short-term notes and bills payable</u>	<u>Long-term borrowings_ (including Current portion)</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	5,742,509	(1,118,653)	175,092	(19,984)	4,778,964
Changes in other non-cash items	-	-	-	2,448	2,448
Impact of changes in foreign exchange rate	-	-	-	541	541
March 31,2022	<u>\$ 8,828,509</u>	<u>\$ 477,869</u>	<u>\$ 3,252,959</u>	<u>\$ 299,530</u>	<u>\$ 12,858,867</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 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
Chern Feng Engineering Tech Co.,Ltd(Chern Feng)	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
Hon Hai Precision Industry Co., Ltd.	Other related party
STUDIO A TECHNOLOGY LTD.(STUDIO A)	Associate
Chung Chia Power Co.,Ltd(Chung Chia)	Associate
Synergy Co., Ltd.(Synergy)	Associate
Changpin Wind Power Ltd.(Changpin)	Joint Venture(Note 2)

Note1: Chern Feng Engineering Tech Co.,Ltd. was the Group's related party because Chern Feng Engineering Tech Co.,Ltd, was the major shareholder of the Group's subsidiary-Junezhe Co.,Ltd.However,the Group disposed all the equity interest in Junezhe Co., Ltd. On December 27,2022.Chern Feng Engineering Tech Co.,Ltd. was no longer a related party of the Group starting from December 27,2022.

Note2: 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 March 31,2023	Three months ended March 31,2022
Cheng Uei	\$ 11,933	\$ 11,461
Other related parties	20,888	16,227
Associate	9,015	4,163
	<u>\$ 41,836</u>	<u>\$ 31,851</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 March 31,2023	Three months ended March 31,2022
Purchases of goods :		
Cheng Uei	\$ 1,553	\$ 4,460
STUDIO A	1,519	362
Others	421	-
	<u>\$ 3,493</u>	<u>\$ 4,822</u>
Engineering cost :		
other related parties	<u>\$ -</u>	<u>\$ 12,513</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

	March 31,2023	December 31,2022	March 31,2022
Accounts receivable :			
Cheng Uei	\$ 12,276	\$ 26,614	\$ 10,564
STUDIO A	4,818	-	3,393
FGEDG	3,106	9,269	2,151
Other related parties	2,398	5,016	7,689
	<u>\$ 22,598</u>	<u>\$ 40,899</u>	<u>\$ 23,797</u>
Other receivables :			
Sharetronic	\$ 11,079	\$ 10,248	\$ 21,405
Cheng Uei	14	148	25
Associate	1,496	8	-
Other related parties	316	117	1,382
	<u>\$ 12,905</u>	<u>\$ 10,521</u>	<u>\$ 22,812</u>

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

D. Payables to related parties

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Accounts payable :			
Cheng Uei	\$ 4,100	\$ 2,518	\$ 7,359
STUDIO A	1,070	55	165
Other related parties	423	-	55
Former related parties	-	-	7,472
	<u>\$ 5,593</u>	<u>\$ 2,573</u>	<u>\$ 15,051</u>
Other payables :			
Cheng Uei	\$ 11,725	\$ 10,828	\$ 11,415
CU	4,830	19,612	4,552
Other related parties	1,978	1,720	2,768
Associate	521	-	1,138
	<u>\$ 19,054</u>	<u>\$ 32,160</u>	<u>\$ 19,873</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 March 31, 2023</u>	<u>Three months ended March 31, 2022</u>
Cheng Uei	\$ 14,935	\$ -

- (c) Lease liability
- i. Outstanding balance

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Cheng Uei	\$ 130,401	\$ 122,374	\$ 137,461
Other related parties	-	4,894	18,098
	<u>\$ 130,401</u>	<u>\$ 127,268</u>	<u>\$ 155,559</u>

ii. Interest expense

	<u>Three months ended March 31, 2023</u>	<u>Three months ended March 31, 2022</u>
Cheng Uei	\$ 490	\$ 513
Other related parties	9	58
	<u>\$ 499</u>	<u>\$ 571</u>

F.Rental revenue

	<u>Three months ended March 31,2023</u>	<u>Three months ended March 31, 2022</u>
Other re- lated par- ties	\$ 10,918	\$ 7,393
Cheng Uei	5,118	4,873
	<u>\$ 16,036</u>	<u>\$ 12,266</u>

G.Loans from related parties:

Loans from related parties :

Interest expense

	<u>Three months ended March 31,2023</u>	<u>Three months ended March 31,2022</u>
Cheng Uei	<u>\$ -</u>	<u>\$ 7,890</u>

The loans are settled at maturity. The interest rate was 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 March 31,2023</u>	<u>Three months ended March 31,2022</u>
Salaries and other short-term em- ployee benefits	\$ 5,349	\$ 5,629
Post-employment benefits	228	217
	<u>\$ 5,577</u>	<u>\$ 5,846</u>

8. Pledged Assets

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

	<u>Book Value</u>			
<u>Pledged asset</u>	<u>March 31,2023</u>	<u>December 31,2022</u>	<u>March 31,2022</u>	<u>Purpose</u>
Time deposits (shown as financial assets at amortised cost-current)	\$ 68,272	\$ 228,732	\$ 157,053	Guarantee for fast cust- oms clearance and issu- ance of material purcha- sing guarantee and secu- rity deposit
Guarantee deposits paid (show as other non-current assets)	220,077	246,058	24,892	Guarantee for electric e- nergy transfer,deposits,- guarantee and customs deposit
Guarantee deposits paid (show as other current assets)	999,332	999,710	1,001,274	Guarantee for Construction performan- Ce,performance bond

Restricted bank deposits and pledged time deposits (show as financial assets at amortised cost-current)	1,988,601	2,619,504	2,164,643	Letters of guarantee for construction performance, short-term borrowings and uarantee notes,etc.
Time deposits(show as financial assets at amortised cost-non-current)	4,500	4,500	4,500	Guarantee for lease Performance
Restricted bank deposits and pledged time deposits(show as financial assets at amortised cost-non-current)	390,518	388,788	14,639	Impound, performance guar-antee and guarantee for dev-eloppment plan
Property, plant and equipment	1,239,736	1,028,412	882,914	Short-term notes and bills, Short-term and long-term borrowings
Investment Property	4,990	6,654	10,828	Short-term and long-term borrowings
	<u>\$ 4,916,026</u>	<u>\$ 5,522,358</u>	<u>\$ 4,260,743</u>	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

A. Central Motion Picture Corporation (the “Central Motion Picture”), a financial asset at fair value through other comprehensive income of the Group, amounting to \$177,555, was determined to be an affiliate organisation 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 Organisations (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 are 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. Subsidiaries of the Group, Shih Fong Power Co., Ltd.(the “Shih Fong”), 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 in 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 extension was applied for according to the law year by year and the Work Permit was obtained as approved and issued by the Ministry of Economic Affairs. Certain litigations occurring during the period of application for the renewal of the Work Permit are as follows:

(a) Administrative Appeal

The local indigenous peoples (the “Applicants”) filed an administrative appeal on May 14, 2021 with the Administrative Appeals Committee of the Executive Yuan (the “Committee”), requesting “the suspension of the Project” and “the revocation of Work Permit in 2021 issued by the Ministry of Economic Affairs”. Regarding the dispute with the former, the administrative appeal was dismissed by the Committee on May 31, 2021; and regarding the dispute with the latter, the decision of administrative appeal was rendered by the Committee on March 3, 2022 and the original administrative action was revoked.

In accordance with the decision of the Committee, the Ministry of Economic Affairs sent a letter to Shih Fong on March 10, 2022, ordering it to consult and obtain consent and participation from the indigenous peoples or tribes. Shih Fong disagreed with the judgement and filed an administrative litigation according to the law on April 29, 2022, requesting the Executive Yuan to revoke the decision of administrative appeal of Shih Fong’s Work Permit in 2021. Currently, the case trial has been initiated by the court on November 9, 2022. However, as of the reporting date, the judgement had not been made.

(b) Administrative Appeal

The Applicants disagreed with the decision of dismiss on May 31, 2021 by the Committee and filed an administrative litigation with the Taipei High Administrative Court (the “High Court”). On December 3, 2021, the Court rendered a judgement that “the Project is suspended until the administrative litigation is finalised”. The Ministry of Economic Affairs and Shih Fong disagreed with the abovementioned judgement and filed an counterappeal with the Supreme Administrative Court (the “Supreme Court”). On March 31, 2022, the Supreme Court revoked the original verdict, excluding certain final judgements.

However, in order to conduct the construction smoothly in the future and respect the will of local peoples, Shih Fong sent a letter to the Zhuoxi Township Office on April 7, 2022, requesting it to consult and obtain consent from tribes. Shih Fong completed relevant tribal consultation and obtained a majority of consent in December 2022 and sent a letter to the Bureau of Energy to report the results of the tribal consultation. The Company had obtained the renewal Work Permit in 2021 and 2022 in December 2022 and the Work Permit in 2023 renewed by the Ministry of Economic Affairs in February 2023 which will be valid until December 31, 2023.

- C. Subsidiaries of the Group, Foxwell Energy Corporation Ltd.(the “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 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 May 12, 2023, 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.

(2)Commitments

- A. Information on endorsement/guarantee of the Company is provided in Note 13(2).
- B. As of March 31, 2023, December 31, 2022 and March 31, 2022, 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, amounted to \$5,400,000, respectively, of which the amounts provided by the Group to banks as pledges (shown as financial assets at amortised cost) were \$1,620,000, the endorsement and guarantee amount provided by the subsidiary, Shinfox Energy Co., Ltd. were \$3,780,000, respectively, and the amounts pledged by the letter of guarantee assigned by subcontractors were both \$1,608,370, respectively.
- C. As of March 31, 2023, December 31, 2022 and March 31, 2022, the subsidiary of this group, Shinfox Energy Co., Ltd., provided performance guarantees and credit limit guarantees for the contract projects of the subsidiary of this group, Foxwell Energy Corporation Ltd. in the amounts of \$15,212,653, \$12,762,997 and \$0 respectively.
- D. As of March 31, 2023, December 31, 2022 and March 31, 2022, the letters of guarantee to be issued by the bank, which are required for performance guarantee under the contracted photovoltaic electric systems, amounted to \$49,994, \$75,144 and \$98,249, respectively.
- E. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:
 - (a) As of March 31, 2023, December 31, 2022 and March 31, 2022, equipment purchases agreements contracted but not recognised and paid amounted to \$720,281,391,120 and \$134,404, respectively.
 - (b) The Company entered into a construction cooperation contract with non-related parties with a total consideration of \$47,532,769. As of March 31, 2023, the consideration of \$11,290,687 was settled.
- 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 December 31, 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 March 31, 2023, 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.

10. Significant Disaster Loss

None

11. Significant Subsequent Events

On April 7, 2023, the subsidiary of this group, Shinfox Energy Co., Ltd., signed a wind power plant turnkey project contract and a 20-year wind power generation equipment maintenance contract with the joint venture company Changpin.

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>March 31,2023</u>	<u>December 31,2022</u>	<u>March 31,2022</u>
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	<u>\$ 2,398,702</u>	<u>\$ 1,904,369</u>	<u>\$ 1,956,102</u>
Financial assets at amortised cost			
Cash and cash equivalents	\$ 5,526,154	\$ 5,732,695	\$ 5,093,670
Financial assets at amortised Cost	2,509,812	3,299,563	2,746,825
Notes receivable	33,108	34,952	2,415
Accounts receivable (include ing related parties)	902,190	1,216,207	1,173,077
Other receivables(include ing related parties)	74,573	42,464	40,071
Guarantee deposits paid	<u>1,234,045</u>	<u>1,260,741</u>	<u>1,044,352</u>
	<u>\$ 10,279,882</u>	<u>\$ 11,586,622</u>	<u>\$ 10,100,410</u>

Financial liabilities

Short-term borrowings	\$ 7,774,124	\$ 7,035,719	\$ 8,828,509
Short-term notes and bills payable	1,898,330	1,789,159	477,869
Notes payable	1,286	656	40,034
Accounts payable (including related parties)	1,119,935	1,417,018	1,431,576
Other payables (including related parties)	1,203,125	831,925	1,049,738
Long-term borrowings (including current portion)	5,474,042	5,397,714	3,252,959
Guarantee deposits received	24,183	24,668	19,735
	<u>\$ 17,495,025</u>	<u>\$ 16,496,859</u>	<u>\$ 15,100,420</u>
Lease liability	<u>\$ 365,279</u>	<u>\$ 292,328</u>	<u>\$ 299,530</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. To reduce the adverse impact on the financial performance of the Group caused by uncertainty, the Group undertakes forward exchange contracts to hedge against exchange rate risks; the derivative instruments undertaken by the Group are for hedging purposes and not for trading or speculation.

(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) Information on undertaking derivatives to avoid financial risks is provided in Note 6(2).

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 utilizes forward foreign exchange transactions to hedge against exchange rate risks; however, hedge accounting is not applied, and financial assets or liabilities measured at fair value through profit or loss are recognized. Please refer to Note 6(2) for further details.

- iv. 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:

March 31, 2023			
	Foreign currency amount(In thousands)	Exchange rate	Book value (NTD)
(Foreign currency:functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 52,492	30.4500	\$ 1,598,381
RMB:NTD	93,283	4.4310	413,337
JPY:NTD	468,172	0.2288	107,118
HKD:NTD	913	3.8790	3,542
EUR:NTD	168	33.1500	5,569
HKD:RMB	4,304	0.8754	16,695
USD:RMB	21,146	6.8577	643,896
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 21,718	30.4500	\$ 661,313
RMB:NTD	72,977	4.4310	323,361
JPY:NTD	51,860	0.2288	11,866
USD:RMB	4,841	6.8577	147,408
USD:HKD	805	7.8500	24,512

December 31, 2022			
	Foreign currency amount(In thousands)	Exchange rate	Book value (NTD)
(Foreign currency:functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 61,896	30.7100	\$ 1,900,826
RMB:NTD	85,787	4.4080	378,149
JPY:NTD	468,592	0.2324	108,901
HKD:NTD	984	3.938	3,875
EUR:NTD	168	32.7200	5,497
HKD:RMB	8,240	0.8934	32,449
USD:RMB	22,044	6.9574	676,971

Financial liabilities**Monetary items**

USD:NTD	\$	28,022	30.7100	\$	860,556
RMB:NTD		84,699	4.4080		373,353
JPY:NTD		7,140	0.2324		1,659
USD:RMB		4,820	6.9574		148,022
USD:HKD		3,992	7.7984		122,594

March 31, 2022

	Foreign currency amount(In thousands)	Exchange rate	Book value (NTD)
--	--	---------------	---------------------

(Foreign currency:functional currency)**Financial assets****Monetary items**

USD:NTD	\$	45,463	28.6250	\$	1,301,378
RMB:NTD		229,937	4.5060		1,036,096
JPY:NTD		468,269	0.2353		110,184
HKD:NTD		3,491	3.6560		12,763
EUR:NTD		168	31.9200		5,363
HKD:RMB		4,516	0.8114		16,510
USD:RMB		9,436	6.3482		270,106

Financial liabilities**Monetary items**

USD:NTD	\$	32,337	28.6250	\$	925,647
RMB:NTD		106,981	4.5060		482,056
JPY:NTD		7,227	0.2353		1,701
USD:RMB		4,402	6.3482		126,007
USD:HKD		1,001	0.2350		28,654

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 ended March 31, 2023 and 2022 amounted to (\$15,596) and 69,804, respectively.

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

Three months ended March 31,2023				
Sensitivity analysis				
	Degree of Variation	Effect on profit or loss before tax	Effect on other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 15,984	\$ -	
RMB:NTD	1%	4,133	-	
JPY:NTD	1%	1,071	-	
HKD:NTD	1%	35	-	
EUR:NTD	1%	56	-	
HKD:RMB	1%	167	-	
USD:RMB	1%	6,439	-	
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 6,613	\$ -	
RMB:NTD	1%	3,234	-	
JPY:NTD	1%	119	-	
USD:RMB	1%	1,474	-	
USD:HKD	1%	245	-	
Three months ended March 31,2022				
Sensitivity analysis				
	Degree of Variation	Effect on profit or loss before tax	Effect on other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 13,014	\$ -	
RMB:NTD	1%	10,361	-	
JPY:NTD	1%	1,102	-	
HKD:NTD	1%	128	-	
EUR:NTD	1%	54	-	
HKD:RMB	1%	165	-	
USD:RMB	1%	2,701	-	
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 9,256	\$ -	
RMB:NTD	1%	4,821	-	
JPY:NTD	1%	17	-	
USD:RMB	1%	1,260	-	
USD:HKD	1%	287	-	

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares issued by listed and unlisted companies at home and abroad. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity for the three months ended March 31, 2023 and 2022 would have increased/decreased by \$19,190 and \$15,649 respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. 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 three months ended March 31, 2023 and 2022, the Group's borrowings were denominated in New Taiwan Dollars and US Dollars.
- ii. If the borrowing interest rate had increased/decreased by 0.1% with all other variables held constant, profit, net of tax for the three months ended March 31, 2023 and 2022 would have decreased/increased by \$12,117 and \$10,047, respectively. The main factor is that changes in interest expense result in 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 March 31, 2023, December 31 2022 and March 31, 2022, the provision matrix is as follows:

	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
<u>March 31,2023</u>			
Not past due	0.03%~4.41%	\$ 822,826	\$ 247
Up to 30 days past due	0.03%~5%	72,134	19,959
31~90 days past due	20%	6,047	1,209
91~180 days past due	100%	-	-
Over 181 days past due	100%	<u>1,695</u>	<u>1,695</u>
		<u>\$ 902,702</u>	<u>\$ 23,110</u>
	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
<u>December 31,2022</u>			
Not past due	0.03%~3.57%	\$ 1,049,899	\$ 315
Up to 30 days past due	0.03%~5%	146,065	20,761
31~90 days past due	20%	525	105
91~180 days past due	100%	233	233
Over 181 days past due	100%	<u>2,758</u>	<u>2,758</u>
		<u>\$ 1,199,480</u>	<u>\$ 24,172</u>
	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
<u>March 31,2022</u>			
Not past due	0.03%	\$ 1,017,947	\$ 305
Up to 30 days past due	0.03%~5%	150,170	20,400
31~90 days past due	20%	2,335	467
91~180 days past due	100%	811	811
Over 181 days past due	100%	<u>11,040</u>	<u>11,040</u>
		<u>\$ 1,182,303</u>	<u>\$ 33,023</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>2023</u>
	<u>Accounts receivable</u>
At January 1	\$ 24,172
Amounts written off due to irrecoverability	(1,107)
Effect of foreign exchange	<u>45</u>
At March 31	<u>\$ 23,110</u>
	<u>2022</u>
	<u>Accounts receivable</u>
At January 1	\$ 32,906
Provision for impairment	79
Effect of foreign exchange	<u>38</u>
At March 31	<u>\$ 33,023</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

		Between 2	
March 31,2023	<u>Less than 1 year</u>	<u>and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 7,817,739	\$ -	\$ -
Short-term notes and bills payable	1,898,330	-	-
Notes payable	1,286	-	-
Accounts payable (Related parties)	1,119,935	-	-
Other payables (Related parties)	1,203,125	-	-
Lease liability	85,277	201,081	202,100
Long-term borrowings (including current portion)	2,490,035	3,958,044	157,917

Non-derivative financial liabilities

		Between 2	
December 31,2022	<u>Less than 1 year</u>	<u>and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 7,064,899	\$ -	\$ -
Short-term notes and bills payable	1,789,159	-	-
Notes payable	656	-	-
Accounts payable (Related parties)	1,417,018	-	-
Other payables (Related parties)	831,925	-	-
Lease liability	60,649	126,378	213,836
Long-term borrowings (including current portion)	761,688	4,596,649	171,275

Non-derivative financial liabilities

March 31,2022		Between 2	
	Less than 1 year	and 5 years	Over 5 years
Short-term borrowings	\$ 8,886,395	\$ -	\$ -
Short-term notes and bills payable	477,869	-	-
Notes payable	40,034	-	-
Accounts payable (Related parties)	1,431,576	-	-
Other payables (Related parties)	1,049,738	-	-
Lease liability	65,551	135,595	229,336
Long-term borrowings (including current portion)	314,269	2,803,927	178,856

(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(12).
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:

March 31,2023

	<u>Level1</u>	<u>Level2</u>	<u>Level1</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 1,449,938</u>	<u>\$ -</u>	<u>\$ 948,764</u>	<u>\$ 2,398,702</u>

December 31,2022	<u>Level1</u>	<u>Level2</u>	<u>Level1</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 1,014,860</u>	<u>\$ -</u>	<u>\$ 889,509</u>	<u>\$ 1,904,369</u>
March 31,2022	<u>Level1</u>	<u>Level2</u>	<u>Level1</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 1,040,988</u>	<u>\$ -</u>	<u>\$ 915,114</u>	<u>\$ 1,956,102</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 three months ended March 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.
- G. The following chart is the movement of Level 3 for the three months ended March 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
At January 1	\$ 889,509	\$ 1,010,777
Transfers into level 3	169,942	-
Loss recognised in other comprehensive income	(111,079)	(98,476)
Effect of exchange rate changes	<u>392</u>	<u>2,813</u>
At March 31	<u>\$ 948,764</u>	<u>\$ 915,114</u>

- H. For the three months ended March 31, 2023 and 2022, 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 March 31, 2023</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	\$ 329,260	Market comparable companies	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value Not applicable
	619,504	Net asset value	Not applicable	-	Not applicable

	<u>Fair value at December 31,2022</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	\$ 426,908	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
	462,601	Net asset valre	Not applicable	-	Not applicable

	<u>Fair value at March 31,2022</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
	464,314	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:

		<u>March 31,2023</u>				
			<u>Recognised in profit or loss</u>		<u>Recognised in other comprehensive income</u>	
			<u>Favourable change</u>	<u>Unfavourable change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
Financial assets	<u>Input</u>	<u>Change</u>				
Equity instrument	Discount for lack of mar- ketability	±5%	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,463</u>	<u>(\$ 16,463)</u>

		December 31,2022				
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Equity instrument	Discount for lack of marketability	±5%	\$ -	\$ -	\$ 21,345	(\$ 21,345)

		March 31,2022				
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Equity instrument	Discount for lack of marketability	±5%	\$ -	\$ -	\$ 22,540	(\$ 22,540)

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: Please refer to Note 6(2) and 12(2).
- 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 in vestors 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 three months ended at March 31, 2023: 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) Measurement of segment information

The Board of Directors assesses the performance of the operating segments based on the operating income(loss).

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

Three months ended March 31, 2023

	Systems and peripheral Products department	3C product Retail Department	3C component department	Energy service management	Adjustment	Total
Revenue from external customer	\$ 944,813	\$ 431,500	\$ 45,813	\$ 1,388,509	\$ -	\$ 2,810,635
Inter-segment revenue	-	-	-	-	-	-
Inter-segment revenue	\$ 944,813	\$ 431,500	\$ 45,813	\$ 1,388,509	\$ -	\$ 2,810,635
Segment income (loss)	\$ 78,009	(\$ 4,817)	(\$ 65,566)	\$ 76,779	(\$ 2,231)	\$ 82,174

Three months ended March 31, 2022

	Systems and peripheral Products department	3C product Retail Department	3C component department	Energy service management	Adjustment	Total
Revenue from external customer	\$ 1,218,322	\$ 494,595	\$ 60,595	\$ 818,620	\$ -	\$ 2,592,132
Inter-segment revenue	-	-	-	488	(488)	-
Inter-segment revenue	\$ 1,218,322	\$ 494,595	\$ 60,595	\$ 819,108	(\$ 488)	\$ 2,592,132
Segment income (loss)	\$ 141,082	(\$ 4,597)	(\$ 89,855)	\$ 29,330	(\$ 12,551)	\$ 63,409

(4) 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 ended March 31,2023 and 2022 is provided as follows:

	Three months ended March 31,2023	Three months ended March 31,2022
Reportable segments income	\$ 82,174	\$ 63,409
Unrealised financial instrument gains		
Non-operating income and expenses, net	(26,072)	121,626
Income before tax from continuing operations	<u>\$ 56,102</u>	<u>\$ 185,035</u>

FIT HOLDING CO., LTD.
Loans to others
Three months ended March 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three months ended		Balance at March 31,2023	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party		Ceiling on total loans granted	Footnote							
					March 31,2023	March 31,2023								Item	Value	(Note 2)										
0	FTT Holding Co., Ltd.	Power Quotient International Co., Ltd.	Other receivables	Y	\$	900,000	\$	900,000	\$	570,000	1.830%	2	\$	-		Operations	\$	-	-	\$	-	\$	2,255,707	\$	3,007,610	
1	Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables	Y		266,700		265,860		177,240	1.5%-2.5%	2		-		Operations		-	-	-			1,040,343		1,040,343	
1	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	Other receivables	Y		400,000		400,000		-	1.830%	2		-		Operations		-	-	-			1,040,343		1,040,343	
2	Glorytek (Suzhou) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Other receivables	Y		28,448		28,358		-	3%	2		-		Operations		-	-	-			264,818		264,818	
2	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables	Y		222,250		221,550		159,516	3%	2		-		Operations		-	-	-			264,818		264,818	
3	Shinfox Energy Co. Ltd.	Foxwell Energy Corporation Ltd.	Other receivables	Y		600,000		600,000		-	Average borrowing rate plus 0.1%	2		-		Group capital movement		-	-	-			4,160,734		4,160,734	
4	Power Quotient Technology (YANCHENG) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Other receivables	Y		533,400		531,720		531,720	2.50%	2		-		Group capital movement		-	-	-			718,246		718,246	
5	Dongguan Hanyang Computer Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables	Y		88,620		88,620		44,310	3.65%	2		-		Operations		-	-	-			312,545		312,545	

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 abovementioned condition, (c), the authorised 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
Three months ended March 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Relationship with the endorser/ guarantor (Note 1)	Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum outstanding endorsement/ guarantee amount as of March 31, 2023	Outstanding endorsement/ guarantee amount at March 31, 2023	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													
0	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.		2	\$ 45,114,150	\$ 1,636,002	\$ 935,952	\$ 765,952	\$ -	12.45	\$ 45,114,150	Y	N	N	
0	FIT Holding Co., Ltd.	Glory Science Co., Ltd.		2	\$ 45,114,150	1,223,350	1,122,930	697,930	-	14.93	45,114,150	Y	N	N	
1	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.		4	15,605,154	1,525,000	1,525,000	1,025,000	-	20.28	15,605,154	N	N	N	
1	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.		4	15,605,154	300,000	300,000	300,000	-	3.99	15,605,154	N	N	N	
2	Shinfox Energy Co. Ltd.	Foxwell Energy Corporation Ltd.		2	62,411,016	28,950,000	28,950,000	18,992,653	\$ -	385.02	62,411,016	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 single party of the Company's and subsidiaries 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 single 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 limit 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)

Three months ended March 31, 2023

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

				As of March 31, 2023				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
				(in thousands)				
FIT Holding Co., Ltd.	Foxwell Energy Co., Ltd	Not applicable	Financial assets at fair value through other comprehensive income-non-current	21,147	\$ 210,529	12.00	\$ 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	164,630	0.80	164,630	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	164,124	4.00	164,124	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	33,065	1,449,938	6.84	1,449,938	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	164,630	0.80	164,630	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 March 31, 2023				
				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	-	74,909	12.90	74,909	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.	CHUNG CHIA POWER Co.,Ltd	Not applicable	Financial assets at fair value through other comprehensive income-non-current	12,000	169,942	8.00	169,942	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

Three months ended March 31, 2023

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, 2023		Addition		Disposal				Balance as at March 31, 2023	
					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
Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	Investment accounted for using equity method	Foxwell Energy Corporation Ltd.	Note1	610,000,000	\$ 6,100,000	77,000,000	\$ 770,000	-	\$ -	\$ -	\$ -	687,000,000	\$ 6,870,000
Shinfox Energy Co., Ltd.	Shinfox Far East Company Ptd Ltd	Investment accounted for using equity method	Shinfox Far East Company Ptd Ltd	Note2	-	-	32,000,000	981,545	-	-	-	-	32,000,000	981,545

Note1 : The company is a subsidiary of the company.

Note2 : The account is classified as an investment under the equity method.

Note3 : The above-mentioned amount represents the investment cost. For detailed information regarding its carrying amount, please refer to Note 6(8) and table 8.

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
Three months ended March 31, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

							Differences in transaction terms compared to third party transactions				
		Relationship with the counterparty	Transaction						Notes/accounts receivable (payable)		Footnote
Purchaser/seller	Counterparty		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	(\$ 156,367)	-80%	Flexible collection, depending on the capital requirement	Mutual agreement	None	\$ 121,477	70%	
Foxlink Image Technology Co., Ltd.	Wei Hai Fu Kang Electric Co., Ltd.	Affiliate	Purchases	156,367	20%	Flexible collection, depending on the capital requirement	Mutual agreement	None	(121,477)	-20%	

FIT HOLDING CO., LTD.
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
Three months ended March 31, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2023	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	\$ 570,000	Note1	\$ -	-	\$ -	\$ -
Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	177,240	Note1	-	-	-	-
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	353,198	0.01	-	-	-	-
Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	168,125	Note1	-	-	-	-
Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Affiliate	261,155	Note1	-	-	-	-
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	140,160	Note1	-	-	-	-
Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliate	235,973	2.02	-	-	-	-
Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliate	100,889	0.01	-	-	-	-
Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliate	121,477	4.30	-	-	52,777	-
Power Quotient Technology (YANCHENG) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Affiliate	531,720	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
Three months ended March 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	1	Other receivables	\$ 570,000	Based on the Company's policies	2%
1	Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	177,240	Based on the Company's policies	1%
2	Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	261,155	Based on the Company's policies	1%
2	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Accounts receivable	353,198	Based on the Company's policies	1%
2	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	140,160	Based on the Company's policies	0%
3	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	168,125	Based on the Company's policies	1%
4	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	235,973	Flexible collection, depending on the capital requirement	1%
4	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Processing Fees Revenue	128,645	Flexible collection, depending on the capital requirement	5%
5	Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	100,889	Flexible collection, depending on the capital requirement	0%
6	Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	121,477	Flexible collection, depending on the capital requirement	0%
6	Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Sales	156,367	Flexible collection, depending on the capital requirement	6%
7	Power Quotient Technology (YANCHENG) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	531,720	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
Three months ended March 31, 2023

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31,2023			Net profit (loss) of the investee for the three months ended March 31,2023	Investment income (loss) recognized by the Company for the three months ended March 31,2023	Footnote
				Balance as at March 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
FIT Holding Co., Ltd.	Glory Science Co., Ltd.	Taiwan	Manufacture and sales of optical instruments	\$ 2,814,868	\$ 2,814,868	60,000,001	100.00	\$ 630,346	(\$ 64,842)	(\$ 64,842)	Subidiary (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	3,332,813	51,645	50,093	Subidiary (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	4,818,542	17,835	17,779	Subidiary (Note 1)
FIT Holding Co., Ltd.	Shih Fong Power Co., Ltd.	Taiwan	Hydroelectricity generation	299,952	299,952	37,500,000	16.30	386,623	2,705	441	Subidiary (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	32,556	(2,168)	(797)	Investee (Note 2)
Foxlink Image Technology Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	British Virgin Islands	Manufacture of image scanners and multifunction printers	1,314,736	1,314,736	20,241,034	100.00	2,182,621	(14,314)	-	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	954,214	2,705	-	Investee (Note 2)
ACCU-IMAGE TECHNOLOGY LIMITED	POWER CHANNEL LIMITED	Hong Kong	Holding and reinvesting businesses	149,205	149,205	3,575	35.75	720,722	33,789	-	Investee (Note 2)
Glory Science Co., Ltd.	GLORY TEK (BVI) CO., LTD.	British Virgin Islands	General investments business	1,239,310	1,239,310	40,699,819	100.00	59,677	(42,409)	-	Second-tier subsidiary (Note 1)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31,2023			Net profit (loss) of the investee for the three months ended March 31,2023	Investment income (loss) recognized by the Company for the three months ended March 31,2023	Footnote
				Balance as at March 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
GLORY TEK (BVI) CO., LTD.	GLORY TEK (SAMOA) CO., LTD.	Samoa	General investments business	762,792	762,792	25,050,628	100.00	362,170 (	27,214)	-	Third-tier subsidiary (Note 1)
GLORY TEK (BVI) CO., LTD.	GLORY OPTICS (BVI) CO., LTD.	British Virgin Islands	Trading	487,200	487,200	16,000,000	100.00 (	320,280) (	15,413)	-	Third-tier subsidiary (Note 1)
GLORY TEK (BVI) CO., LTD.	GLORYTEK SCIENCE INDIA PRIVATE LIMITED	India	Trading and manufacturing	102,490	102,490	21,773,105	99.27	80,430	21	-	Third-tier subsidiary (Note 1)
GLORYTEK SCIENCE INDIA PRIVATE LIMITED	TEGNA ELECTRONICS PRIVATE LIMITED	India	Trading and manufacturing	11,116	11,116	3,001,000	10.00	12,318	10,492	-	Investee (Note 2)
Power Quotient International Co., Ltd.	Power Quotient International (H.K.) Co., Ltd.	Hong Kong	Sales of electronic telecommunication components	411,562	411,562	106,100,000	100.00	718,678	2,684	-	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 (	155,551)	-	-	Second-tier subsidiary (Note 2)
Power Quotient International Co., Ltd.	SYSCOM DEVELOPMENT CO., LTD.	British Virgin Islands	Specialised investments holding	330,778	330,778	10,862,980	100.00	83,811 (	103)	-	Second-tier subsidiary (Note 2)
Power Quotient International Co., Ltd.	Apix LIMITED	British Virgin Islands	Specialised investments holding	3,150,637	3,150,637	12,501	100.00	1,197,169 (	749)	-	Second-tier subsidiary (Note 1)
Power Quotient International Co., Ltd.	Power Sufficient International Co., Ltd.	Taiwan	Sales of medical equipment	10,000	10,000	1,000,000	100.00	13,160	-	-	Second-tier subsidiary (Note 2)
Power Quotient International Co., Ltd.	Shinfox Energy Co., Ltd.	Taiwan	Energy service management	3,646,600	3,646,600	102,951,145	47.63	4,954,394	55,152	-	Second-tier subsidiary (Note 1)
Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	Taiwan	Energy service management	6,870,000	6,100,000	687,000,000	100.00	6,975,740	86,146	-	Third-tier subsidiary (Note 1)
Shinfox Energy Co., Ltd.	SHINFOX NATURAL GAS CO., LTD.	Taiwan	Energy service management	360,000	360,000	36,000,000	80.00	297,760 (	3,665)	-	Third-tier subsidiary (Note 2)
Shinfox Energy Co., Ltd.	Foxwell Power Co., Ltd.	Taiwan	Energy service management	672,600	672,600	48,140,000	80.23	744,328	14,052	-	Third-tier subsidiary (Note 2)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31,2023			Net profit (loss) of the investee for the three months ended March 31,2023	Investment income (loss) recognized by the Company for the three months ended March 31,2023	Footnote
				Balance as at March 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Shinfox Energy Co., Ltd.	Jiuwei Power Co., Ltd.	Taiwan	Natural gas power generation business	1,100,000	1,100,000	110,000,000	100.00	1,090,770 (	1,559)	-	Third-tier subsidiary (Note 2)
Shinfox Energy Co., Ltd.	CHUNG CHIA POWER Co., Ltd.	Taiwan	Combined Heat and Power	-	180,000	-	0.00	- (	731)	-	Investee (Note 2 、 3)
Shinfox Energy Co., Ltd.	Elegant Energy TECH Co., Ltd.	Taiwan	Energy technical services	200,000	200,000	500,000	100.00	188,712 (	13)	-	Third-tier subsidiary (Note 2)
Shinfox Energy Co., Ltd.	Yuanshan Forest Natural Resources Co., Ltd.	Taiwan	Tree planting industry	10,000	10,000	1,000,000	100.00	9,934 (	13)	-	Third-tier subsidiary (Note 2)
Shinfox Energy Co., Ltd.	Changpin Wind Power Ltd.	Taiwan	Electricity Generating Enterprise	120,000	120,000	12,000,000	50.00	115,935 (	335)	-	Joint venture (Note 2)
Shinfox Energy Co., Ltd.	Diwei Electric Power Co., Ltd.	Taiwan	Electricity Generating Enterprise	30,000	30,000	3,000,000	100.00	30,233	283	-	Third-tier subsidiary (Note 2)
Shinfox Energy Co., Ltd.	Guanwei Power Co., Ltd.	Taiwan	Electricity Generating Enterprise	35,700	35,700	3,570,000	100.00	35,656 (	13)	-	Third-tier subsidiary (Note 2)
Shinfox Energy Co., Ltd.	Shinfox Far East Company Pte Ltd	Singapore	Maritime Engineering	981,545	981,545	32,000,000	40.00	971,896 (	6,248)	-	Third-tier subsidiary (Note 2)
Foxwell Energy Corporation Ltd.	Liangwei Electric Power Co., Ltd.	Taiwan	Electricity Generating Enterprise	40,000	40,000	4,000,000	100.00	40,170	209	-	Four-tier subsidiary (Note 2)
Foxwell Energy Corporation Ltd.	Xinwei Power Co., Ltd.	Taiwan	Electricity Generating Enterprise	500	-	50,000	100.00	478 (	22)	-	Four-tier subsidiary (Note 2)
SYSCOM DEVELOPMENT CO., LTD	Foxlink Powerbank International Technology Private Limited	India	Sales of electronic telecommunication components	102,403	102,403	21,790,000	99.27	81,207	945	-	Third-tier subsidiary (Note 2)
Apix LIMITED	Sinocity Industries Co., Ltd.	Hong Kong	Sales of electronic product	2,618,325	2,618,325	6,000,000	100.00	942,983	1,200	-	Third-tier subsidiary (Note 1)
Apix LIMITED	Perennial Ace Limited	British Virgin Islands	Specialised investments holding	648,585	648,585	-	100.00	254,044 (	1,949)	-	Third-tier subsidiary (Note 2)
Sinocity Industries Co., Ltd.	DG LIFESTYLE STORE LIMITED	Macau	Sales of electronic product	377	377	100,000	100.00 (	10,090) (	325)	-	Four-tier subsidiary (Note 1)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31,2023			Net profit (loss) of the investee for the three months ended March 31,2023	Investment income (loss) recognized by the Company for the three months ended March 31,2023	Footnote
				Balance as at March 31, 2023	Balance as at December 31, 2022	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	118,607	(7,954)	-	Investee (Note 2)
Foxlink Powerbank International Technology Private Limited	TEGNA ELECTRONICS PRIVATE LIMITED	India	Trading and manufacturing	11,113	11,113	3,001,000	10.00	13,052	10,492	-	Investee (Note 2)

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

Note 2: The information provided is disclosed based on the company's own information without being subject to auditor's review.

Note 3:CHUNG CHIA POWER Co., Ltd. carried out a cash capital increase on January 29,2023. The group did not subscribe to the new shares in proportion to our shareholding, resulting in a significant loss of control over the company from January 30,2023. Consequently, the investment has been reclassified as financial assets measured at fair value through other comprehensive income - non-current.

FIT HOLDING CO., LTD.
Information on investments in Mainland China
Three months ended March 31, 2023

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 March 31,2023	Net income of investee for the three months ended March 31,2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three months ended March 31,2023	Book value of investments in Mainland China as of March 31,2023	Accumulated amount of investment income remitted back to Taiwan as of March 31,2023	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	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	\$ 184,633	Note 2	\$ 184,633	\$ -	\$ -	\$ 184,633	\$ 8,419	100	\$ 8,419	\$ 312,545	\$ -	Note 8
Sharetronic Data Technology Co., Ltd.	Manufacutre and sales of mobile phone, LCD TV Connector and electronic components	915,258	Note 2	130,631	-	-	130,631	207,308	6.04	12,080	594,223	-	Note 8
Dong Guan Fu Zhang Precision Industry Co., Ltd.	Mould development and moulding tool manufacture	247,018	Note 2	181,649	-	-	181,649	(20,078)	100	(20,078)	165,155	-	Note 8
Wei Hai Fu Kang Electric Co., Ltd.	Manufacture and sale of parts and moulds of photocopiers and scanners	456,750	Note 2	365,400	-	-	365,400	(10,680)	100	(10,680)	585,453	-	Note 7
Dongguan Fu Wei Electronics Co., Ltd.	Manufacture and sales of image scanners, multifunction and printers and its accessories	182,700	Note 2	161,639	-	-	161,639	(7,335)	100	(7,335)	481,973	-	Note 7
Glorytek (Suzhou) Co., Ltd.	Trading and manufacturing	426,300	Note 2	399,490	-	-	399,490	(17,445)	100	(17,445)	264,818	-	Note 7
Glorytek (Yancheng) Co., Ltd.	Trading and manufacturing	274,050	Note 2	256,815	-	-	256,815	(17,096)	100	(17,096)	(582,501)	-	Note 7
Yancheng Yao Wei Technology Co., Ltd	Trading and manufacturing	44,310	Note 3	-	-	-	-	(83)	100	(83)	85,961	-	Note 7
Glory Optics (Yancheng) Co., Ltd.	Trading and manufacturing	956,064	Note 4	326,960	-	-	326,960	(28,004)	100	(28,004)	291,905	-	Note 7
Power Quotient Technology (YANCHENG) Co., Ltd.	Manufacture and sales of electronic components	609,000	Note 2	Note5	-	-	-	2,717	100	2,717	718,246	-	Note 7
Jiangsu Foxlink New Energy Technology Co.,Ltd.	Manufacture and sales of electronic components	44,310	Note 3	Note6	-	-	-	19	100	19	44,570	-	Note 8
Kunshan Jiuwei Info Tech Co., Ltd.	Supply chain finance energy service management	1,523	Note 1	1,523	-	-	1,523	637	100	637	27,803	-	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 March 31, 2023	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.	\$ 1,036,216	\$ 1,197,920	\$ 1,560,515
Glory Science Co., Ltd.	983,265	1,277,378	378,567
Power Quotient International Co., Ltd.	1,523	665,181	6,348,373

FIT HOLDING CO., LTD.
Major shareholders information
March 31, 2023

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%