FIT HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 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.

DECEMBER 31, 2023 AND 2022 CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

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FIT HOLDING CO., LTD.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2023, pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the entity that is required to be included in the consolidated financial statements of affiliates, is the same as the entity required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

FIT Holding Co., Ltd.

March 7, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 23004859

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

Opinion

We have audited the accompanying consolidated balance sheets of FIT Holding Co., Ltd. and subsidiaries (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2023 financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters. Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Recognition of construction revenue - assessment on the stage of completion

Description

Please refer to Note 4(31) for accounting policy on construction contracts; Note 5(2) for the uncertainty of critical judgement, accounting estimates and assumptions applied to construction contracts and Note 6(24) for details of contract assets, contract liabilities and construction revenue, which amounted to NT$ 8,675,960 thousand, NT$43,541 thousand and NT$10,285,643 thousand, respectively, as of December 31, 2023.

The Group's construction revenue and costs mainly arise from undertaking construction works. If the outcome of a construction contract can be estimated reliably, profit or loss should be recognised by reference to the stage of completion of the contract activity, using the percentage-of-completion method of accounting, over the contract term. The stage of completion of a construction contract is measured by the proportion of contract costs incurred for the construction performed as of the financial reporting date to the estimated total costs for the construction contract over time.

As the estimated total costs are assessed by the management based on the different nature of constructions and the price fluctuations in the market to estimate the costs for each construction activity such as estimated subcontract charges and material and labour expenses, and the complexity of aforementioned total cost usually involves subjective judgement and contains a high degree of uncertainty, which might affect the construction revenue recognition, we consider the assessment on the stage of completion which was applied on construction revenue recognition as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter on the stage of completion:

A. Obtained an understanding on the nature of business and industry, and assessed the reasonableness of internal process applied to estimate total construction cost, including the basis for estimating the expected total cost for construction contracts of the same nature.
B. Assessed and tested the internal controls used by the management to recognise construction revenue based on the stage of completion, including checking the supporting documents of additional or reduced constructions and significant constructions performed in the period.
C. Sampled and tested the subcontracts that have been assigned, and assessed the basis and reasonableness of estimating costs for those that have not been assigned.
D. Performed substantive procedures relating to the construction profit or loss statement, including sampling and verifying the costs incurred in the period with the appropriate evidence, and recalculating and confirming that construction revenue calculated based on the stage of completion had been accounted for appropriately.

Valuation of goodwill impairment

Description

Please refer to Note 4(21) for accounting policies on impairment loss on non-financial assets, Note 5(2) for the uncertainty of accounting estimates and assumptions applied to goodwill impairment valuation, and Note 6(13) for details of intangible assets.

The amount of goodwill was generated from the acquisition of subsidiaries, Power Quotient International Co., Ltd. and Foxlink Image Technology Co., Ltd.. As of December 31, 2023, the balance of goodwill amounted to NT$ 320,570 thousand and NT$ 611,760 thousand, respectively. The Company valued the impairment of goodwill through the discounted cash flow method which measures the cash generating unit's recoverable amount. As the assumptions of expected future cash flows involved subjective judgement and a high degree of uncertainty which would cause a material impact on the valuation result, the valuation of goodwill impairment was identified as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Obtained an understanding and assessed the reasonableness of valuation of goodwill impairment policies and procedures.
B. Obtained the external appraisal report on impairment valuation and examined the external appraiser's qualification and assessed the independence, competence and objectiveness.
C. Assessed that the valuation model used in the appraisal report was widely used and appropriate.
D. Assessed the reasonableness of significant assumptions (including expected growth rate and discount rate) applied in the appraisal report.

Valuation of property, plant and equipment impairment

Description

Please refer to Note 4(21) for accounting policies on impairment loss on non-financial assets, Note 5(2) for the uncertainty of accounting estimates and assumptions applied to property, plant and equipment impairment valuation, and Note 6(9) for details of property, plant and equipment.

As the 3C components' life cycles are relatively short and the market is highly competitive, there is a high risk of property, plant and equipment incurring an impairment loss. The Company's subsidiaries valued the impairment of the cash generating unit's property, plant and equipment which had an indication of impairment. We mainly relied on the external appraisal report. As the external appraisal report on impairment valuation involved subjective judgement and a high degree of uncertainty which would cause a material impact on the valuation result, the valuation of property, plant and equipment impairment was identified as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Obtained an understanding and assessed the reasonableness of valuation of property, plant and equipment impairment policies and procedures.
B. Examined the external appraiser's qualification and assessed the independence, competence and objectiveness.
C. Verified whether the list of properties for the external appraiser is correct.
D. Assessed that the valuation method used in the appraisal report was appropriate.
E. Tested the external appraisal report's valuation basis adequacy.

Other matter - Reference to the reports of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates and the information disclosed in Note 13, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT$33,401 thousand and NT$203,442 thousand, constituting 0.08% and 0.63% of the consolidated total assets as at December 31, 2023 and 2022, respectively, and the share of loss of associates and joint ventures accounted for under the equity method amounted to

NT$48 thousand and NT$(9,441) thousand, constituting 0% and (1.57%) of the consolidated total comprehensive income for the years then ended, respectively.

Other matter-Parent company only financial statements

We have audited and expressed an unqualified opinion with an other matters section on the parent company only financial statements of FIT Holding Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group’s financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chou, Hsiao-Tzu　　　　　　　　Liang Yi Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 7, 2024

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
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 6,953,129	16	$ 5,732,695	18
1110	Financial assets at fair value through profit or loss - current	6(2)	5,167	-	-	-
1136	Current financial assets at amortised cost	6(4) and 8	2,854,354	6	2,906,275	9
1140	Current contract assets	6(24)	8,675,960	20	2,716,125	8
1150	Notes receivable, net	6(5)	25,654	-	34,952	-
1170	Accounts receivable, net	6(5)	1,978,008	5	1,175,308	4
1180	Accounts receivable - related parties	7	33,703	-	40,899	-
1200	Other receivables	7	99,617	-	42,464	-
1220	Current tax assets		46,172	-	41,363	-
130X	Inventories	6(6)	1,348,972	3	1,305,042	4
1410	Prepayments	6(7)	6,100,798	14	5,078,416	16
1470	Other current assets	8	1,016,418	2	1,018,679	3
11XX	**Current Assets**		29,137,952	66	20,092,218	62
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	3,152,254	7	1,904,369	6
1535	Non-current financial assets at amortised cost	6(4) and 8	407,261	1	393,288	1
1550	Investments accounted for using equity method	6(8)	1,025,851	2	2,033,895	6
1600	Property, plant and equipment	6(9) and 8	7,457,444	17	3,651,644	11
1755	Right-of-use assets	6(10) and 7	634,067	1	520,496	2
1760	Investment property, net	6(12) and 8	383,190	1	392,454	1
1780	Intangible assets	6(13)	1,254,685	3	1,258,124	4
1840	Deferred income tax assets	6(31)	284,424	1	206,839	1
1915	Prepayments for business facilities		158,344	-	1,560,221	5
1990	Other non-current assets, others	6(14) and 8	392,922	1	375,454	1
15XX	**Non-current assets**		15,150,442	34	12,296,784	38
1XXX	**Total assets**		$ 44,288,394	100	$ 32,389,002	100

(Continued)

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(15)	$ 9,180,124	21	$ 7,035,719	22
2110	Short-term notes and bills payable	6(16)	4,005,614	9	1,789,159	6
2130	Current contract liabilities	6(24)	196,582	1	390,739	1
2150	Notes payable		32,677	-	656	-
2170	Accounts payable		2,581,229	6	1,414,445	4
2180	Accounts payable to related parties	7	9,910	-	2,573	-
2200	Other payables	6(17)	1,076,237	2	799,765	3
2220	Other payables to related parties	7	16,700	-	32,160	-
2230	Current income tax liabilities		194,596	-	66,500	-
2280	Current lease liabilities	7	94,184	-	57,848	-
2320	Long-term liabilities, current portion	6(19)	233,246	1	689,541	2
2399	Other current liabilities, others		163,505	-	128,048	1
21XX	**Current Liabilities**		17,784,604	40	12,407,153	39
	Non-current liabilities					
2530	Bonds payable	6(18)	2,851,779	6	-	-
2540	Long-term borrowings	6(19)	6,265,211	14	4,708,173	14
2570	Deferred income tax liabilities	6(31)	289,288	1	282,365	1
2580	Non-current lease liabilities	7	321,670	1	234,480	1
2600	Other non-current liabilities		62,703	-	51,414	-
25XX	**Non-current liabilities**		9,790,651	22	5,276,432	16
2XXX	**Total Liabilities**		27,575,255	62	17,683,585	55
	Equity					
	Share capital	6(21)				
3110	Share capital - common stock		2,462,421	6	2,462,421	7
	Capital surplus	6(22)				
3200	Capital surplus		5,004,042	11	4,841,997	15
	Retained earnings	6(23)				
3310	Legal reserve		105,157	-	51,068	-
3320	Special reserve		299,035	1	229,129	1
3350	Unappropriated retained earnings		239,431	1	582,744	2
	Other equity interest					
3400	Other equity interest		409,333	-	(290,673)	(1)
31XX	**Equity attributable to owners of the parent**		8,519,419	19	7,876,686	24
36XX	Non-controlling interest		8,193,720	19	6,828,731	21
3XXX	**Total equity**		16,713,139	38	14,705,417	45
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 44,288,394	100	$ 32,389,002	100

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

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

			Year ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(24) and 7	$ 17,423,002	100	$ 12,069,249	100
5000	Operating costs	6(6)(30) and 7	(15,145,984)	(87)	(10,259,716)	(85)
5900	Gross profit		2,277,018	13	1,809,533	15
	Operating expenses	6(30)				
6100	Selling expenses		(179,902)	(1)	(191,356)	(1)
6200	General and administrative expenses		(888,927)	(5)	(692,903)	(6)
6300	Research and development expenses		(309,923)	(2)	(369,415)	(3)
6450	Expected credit loss	12(2)	532	-	(1,886)	-
6000	Total operating expenses		(1,378,220)	(8)	(1,255,560)	(10)
6500	Net other income (expenses)	6(25)	118,111	1	-	-
6900	Operating profit		1,016,909	6	553,973	5
	Non-operating income and expenses					
7100	Interest income	6(4)(26)	109,922	1	68,260	1
7010	Other income	6(12)(27) and 7	233,263	1	152,742	1
7020	Other gains and losses	6(2)(28)	(73,812)	(1)	156,976	1
7050	Finance costs	6(10)(29) and 7	(199,742)	(1)	(135,701)	(1)
7060	Share of profit of associates and joint ventures accounted for using equity method	6(8)	15,471	-	50,271	-
7000	Total non-operating income and expenses		85,102	-	292,548	2
7900	**Profit before income tax**		1,102,011	6	846,521	7
7950	Income tax expense	6(31)	(208,132)	(1)	(186,130)	(2)
8200	**Profit for the year**		$ 893,879	5	$ 660,391	5
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(20)	$ 515	-	$ 14,127	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	330,370	2	(195,251)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(31)	(103)	-	(2,826)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		330,782	2	(183,950)	(1)
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(125,227)	(1)	156,765	1
8399	Income tax relating to the components of other comprehensive income	6(31)	3,589	-	(31,306)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		(121,638)	(1)	125,459	1
8300	**Other comprehensive income(loss) for the year**		$ 209,144	1	($ 58,491)	-
8500	**Total comprehensive income for the year**		$ 1,103,023	6	$ 601,900	5
	Profit attributable to:					
8610	Owners of the parent		$ 567,916	3	$ 529,589	4
8620	Non-controlling interest		325,963	2	130,802	1
	Total		$ 893,879	5	$ 660,391	5
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 850,051	5	$ 470,985	4
8720	Non-controlling interest		252,972	1	130,915	1
	Total		$ 1,103,023	6	$ 601,900	5
	Earinings per share	6(32)				
9750	Basic earnings per share (in dollars)		$	2.31	$	2.15
9850	Diluted earnings per share (in dollars)		$	2.30	$	2.14

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent									
				Retained earnings			Other equity interest				
	Notes	Share capital - common stock	Total capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
Year 2022											
Balance at January 1, 2022		$ 2,462,421	$ 4,890,319	$ 8,985	$ 8,361	$ 427,826	($ 303,305)	$ 82,537	$ 7,577,144	$ 4,413,374	$ 11,990,518
Profit		-	-	-	-	529,589	-	-	529,589	130,802	660,391
Other comprehensive income (loss)		-	-	-	-	11,301	125,346	(195,251)	(58,604)	113	(58,491)
Total comprehensive income (loss)		-	-	-	-	540,890	125,346	(195,251)	470,985	130,915	601,900
Cash dividends from capital surplus	6(22)	-	(246,242)	-	-	-	-	-	(246,242)	-	(246,242)
Appropriation and distribution of retained earnings	6(23)										
Legal reserve appropriated		-	-	42,083	-	(42,083)	-	-	-	-	-
Special reserve appropriated		-	-	-	220,768	(220,768)	-	-	-	-	-
Cash dividends to shareholders		-	-	-	-	(123,121)	-	-	(123,121)	-	(123,121)
Adjustments to share of changes in equity of associates and joint ventures accounted for using the equity method		-	2,127	-	-	-	-	-	2,127	-	2,127
Changes in non-controlling interest		-	194,140	-	-	-	-	-	194,140	2,281,988	2,476,128
Compensation costs		-	1,653	-	-	-	-	-	1,653	2,454	4,107
Balance at December 31, 2022		$ 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
Year 2023											
Balance at January 1, 2023		$ 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
Profit		-	-	-	-	567,916	-	-	567,916	325,963	893,879
Other comprehensive income (loss)		-	-	-	-	412	(48,647)	330,370	282,135	(72,991)	209,144
Total comprehensive income (loss)		-	-	-	-	568,328	(48,647)	330,370	850,051	252,972	1,103,023
Cash dividends from capital surplus	6(22)	-	(123,121)	-	-	-	-	-	(123,121)	-	(123,121)
Appropriation and distribution of retained earnings	6(23)										
Legal reserve appropriated		-	-	54,089	-	(54,089)	-	-	-	-	-
Special reserve appropriated		-	-	-	69,906	(69,906)	-	-	-	-	-
Cash dividends to shareholders		-	-	-	-	(369,363)	-	-	(369,363)	-	(369,363)
Adjustments to share of changes in equity of associates and joint ventures accounted for using the equity method	6(8)	-	119,631	-	-	-	-	-	119,631	-	119,631
Changes in ownership interests in subsidiaries	6(33)	-	148,215	-	-	-	-	-	148,215	1,073,478	1,221,693
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(33)	-	17,320	-	-	-	-	-	17,320	60,838	78,158
Changes in non-controlling interest		-	-	-	-	-	-	-	-	(22,299)	(22,299)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(3)	-	-	-	-	(418,283)	-	418,283	-	-	-
Balance at December 31, 2023		$ 2,462,421	$ 5,004,042	$ 105,157	$ 299,035	$ 239,431	($ 226,606)	$ 635,939	$ 8,519,419	$ 8,193,720	$ 16,713,139

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

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

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 1,102,011	$ 846,521
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including investment property and right-of-use assets)	6(9)(10)(12)(28)(30)	400,169	393,728
Amortizations	6(13)(30)	77,336	16,826
(Gain on reversal of) expected credit loss	12(2)	(532)	1,886
Gains on disposals of property, plant and equipment	6(9)(28)	(2,650)	(2,293)
Financial assets at fair value through profit or loss	6(28)	(110)	-
Share of profit of associates and joint ventures accounted for using the equity method		(15,471)	(50,271)
Interest expense	6(29)	199,742	135,701
Interest income	6(26)	(109,922)	(68,260)
Dividend income	6(27)	(90,410)	(44,690)
Gains on disposals of investments	6(25)(28)	(173,194)	(12,866)
Compensation cost of employee share options		-	4,107
Deferred government grants revenue recognised	6(28)	(5,201)	(5,956)
Profit from lease modification	6(10)	(157)	(1,246)
Gain recognised in bargain purchase transaction	6(27)	(707)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		(5,786,802)	500,328
Notes receivable, net		9,298	(30,693)
Accounts receivable		(751,000)	(48,117)
Accounts receivable - related parties		7,196	10,648
Other receivables		290,596	14,004
Inventories		(43,930)	54,007
Prepayments		(964,034)	(2,461,722)
Other current assets		4,205	15,118
Changes in operating liabilities			
Contract liabilities - current		(314,223)	6,857
Notes payable		32,021	506
Accounts payable		816,184	(1,314,408)
Accounts payable to related parties		7,337	(2,744)
Other payables		234,251	3,403
Other payables to related parties		(15,460)	2,291
Other current liabilities		35,457	(34,580)
Cash outflow generated from operations		(5,058,000)	(2,071,915)
Interest received		110,228	66,549
Interest paid		(188,966)	(130,902)
Dividends received		90,410	44,690
Income tax paid		(115,587)	(259,435)
Net cash flows used in operating activities		(5,161,915)	(2,351,013)

(Continued)

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

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through other comprehensive income		$ 180,000	$ -
Decrease (increase) in financial assets at amortised cost		47,618	(1,183,485)
Acquisition of financial assets at fair value through other comprehensive income	6(3)	(918,233)	-
Net cash flow from acquisition of subsidiaries	6(34)	(381,756)	(199,214)
Net cash flow from disposal of subsidiaries	6(35)	227,394	65,262
Acquisition of investments accounted for using the equity method	6(8)	(490)	(1,101,545)
Acquisition of property, plant and equipment	6(9)(35)	(880,252)	(536,604)
Proceeds from disposal of property, plant and equipment	6(9)	6,509	5,477
Acquisition of intangible assets	6(13)	(2,926)	(9,887)
Increase in prepayments for business facilities		(18,071)	(1,390,394)
Increase in refundable deposits		(8,624)	(1,214,898)
Increase in other non-current assets		(2,309)	(12,890)
Net cash flows used in investing activities		(1,751,140)	(5,578,178)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(36)	28,604,288	31,298,547
Decrease in short-term borrowings	6(36)	(26,488,053)	(27,348,828)
Increase in short-term notes payable	6(36)	2,387,532	192,637
Increase in long-term borrowings	6(36)	11,206,793	11,507,524
Decrease in long-term borrowings	6(36)	(10,137,954)	(9,187,677)
Repayment of lease liabilities	6(36)	(113,529)	(84,163)
Increase in guarantee deposits received		7,180	4,767
Increase in other non-current liabilities		304	486
Issuance of bonds by subsidiaries		3,153,604	-
Cash dividends paid	6(23)	(369,363)	(123,121)
Cash dividends from capital surplus	6(22)	(123,121)	(246,242)
Subsidiary's cash dividends paid to non-controlling interests		(56,599)	(102,908)
Changes in non-controlling interest	6(33)	95,138	2,703,696
Net cash flows from financing activities		8,166,220	8,614,718
Changes in foreign currency exchange		(32,731)	78,822
Net increase in cash and cash equivalents		1,220,434	764,349
Cash and cash equivalents at beginning of year		5,732,695	4,968,346
Cash and cash equivalents at end of year		$ 6,953,129	$ 5,732,695

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

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 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.

C. Cheng Uei Precision Industry Co., Ltd. became the ultimate parent company of the Company after acquiring over half of the seats in the Company's Board of Directors due to the abovementioned shares swap.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 7, 2024.

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") Accounting Standards that came into effect 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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 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) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	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.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

(2) Basis of preparation

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

(a) Financial assets and liabilities (including derivatives) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit assets and liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

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

(b) Inter-company transactions, balances and unrealised 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 recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised 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 recognised 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(%) December 31, 2023	Ownership(%) December 31, 2022	Description
The Company	Glory Science Co., Ltd. (Glory Science)	Manufacture and sale of optical lens components and other products	100	100	
The Company	Foxlink Image Technology Co., Ltd. (Foxlink Image)	Manufacture and sale of image scanners and multifunction printers	100	100	
The Company	Power Quotient International Co., Ltd. (PQI)	Manufacture of electronic telecommunication components	100	100	
The Company	Shih Fong Power Co., Ltd. (Shih Fong)	Energy service management	16.30	16.30	Note 1
Glory Science	GLORY TEK (BVI) CO.,LTD.(GLORY TEK)	General investments holding	100	100	
GLORY TEK	GLORY OPTICS (BVI) CO., LTD.(GLORY OPTICS)	Sales agent	100	100	
GLORY TEK	GLORY TEK (SAMOA) CO., LTD.(GLORY TEK (SAMOA))	General investments holding	100	100	
GLORY TEK	GLORYTEK SCIENCE INDIA PRIVATE LIMITED (GLORYTEK SCIENCE INDIA)	Manufacture and sale of the components of communication and consumer electronics	99.27	99.27	
GLORY TEK (SAMOA)	Glorytek (Suzhou) Co., Ltd. (Glorytek Suzhou)	Production and processing and sale of optical lens components and other products	100	100	
GLORY TEK (SAMOA)	Glory Optics (Yancheng) Co., Ltd. (GOYC)	Production and processing and sale of optical lens components and other products	47	35	Note 2

Name of investor	Name of subsidiary	Main business activities	Ownership(%) December 31, 2023	December 31, 2022	Description
GLORY OPTICS	Glorytek (Yancheng) Co., Ltd. (Glorytek Yancheng)	Production and processing and sale of optical lens components and other products	100	100	
Glorytek Yancheng	Yancheng Yaowei Technology Co., Ltd. (YYWT)	Production and processing and sale of optical lens components and other products	100	100	
Glorytek Suzhou	Glory Optics (Yancheng) Co., Ltd. (GOYC)	Production and processing and sale of optical lens components and other products	53	65	Note 2
Foxlink Image	ACCU-IMAGE TECHNOLOGY LIMITED (AITL)	Manufacture and sale of image scanners and multifunction printers	100	100	
Foxlink Image	Shih Fong Power Co., Ltd. (Shih Fong)	Energy service management	34.70	34.70	Note 1
AITL	Dong Guan Fu Zhang Precision Industry Co., Ltd. (DGFZ)	Mould development and moulding tool manufacture	100	100	
AITL	Dongguan Fu Wei Electronics Co., Ltd. (Dongguan Fu Wei)	Manufacture and sale of image scanners and multifunction printers	100	100	
AITL	Wei Hai Fu Kang Electric Co., Ltd. (WHFK)	Manufacture and sale of parts and moulds of photocopiers and scanners	100	100	
AITL	Dong Guan HanYang Computer Co., Ltd. (DGHY)	Manufacture of image scanners and multifunction printers and investment of real estate	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%) December 31, 2023	Ownership(%) December 31, 2022	Description
PQI	Power Quotient International (H.K.) Co., Ltd. (PQI H.K.)	Sale of electronic telecommunication components	100	100	
PQI	PQI Japan Co., Ltd. (PQI JAPAN)	Sale of electronic telecommunication components	100	100	
PQI	Syscom Development Co., Ltd. (SYSCOM)	Specialized investments holding	100	100	
PQI	Apix Limited (APIX)	Specialized investments holding	100	100	
PQI	Power Sufficient International Co., Ltd. (PSI)	Sale of medical instruments	100	100	
PQI	Shinfox Energy Co. Ltd. (Shinfox)	Energy service management	47.63	47.63	Note 3
Shinfox	Foxwell Energy Corporation Ltd. (Foxwell Energy)	Energy service management	100	100	
Shinfox	Shinfox Natural Gas Co., Ltd. (Shinfox Natural Gas)	Energy service management	80	80	
Shinfox	Kunshan Jiuwei Info Tech Co., Ltd. (Kunshan Jiuwei)	Supply chain finance energy service management	100	100	
Shinfox	Foxwell Power Co., Ltd. (Foxwell Power)	Energy service management	77.57	80.23	Note8

Name of investor	Name of subsidiary	Main business activities	Ownership(%) December 31, 2023	Ownership(%) December 31, 2022	Description
Shinfox	Junezhe Co., Ltd.	Dredging industry	–	–	Notes 4
Shinfox	Jiuwei Power Co., Ltd. (Jiuwei Power)	Natural gas service management	100	100	
Shinfox	Elegant Energy TECH Co., Ltd.(Elegant Energy)	Energy service management	100	100	Note 5
Shinfox	Yuanshan Forest Natural Resources Co., Ltd. (Yuanshan Forest)	Afforestation	100	100	Note 5
Shinfox	Diwei Power Co., Ltd. (Diwei Power)	Electricity generating enterprise	–	100	Note 5、7
Shinfox	Guanwei Power Co., Ltd. (Guanwei Power)	Electricity generating enterprise	51	100	Note 5、9
Shinfox	Junwei Power Co., Ltd. (Junwei Power)	Electricity generating enterprise	100	–	Note 6
Shinfox	Shinfox Far East Company Pte. Ltd.(SFE)	Maritime Engineering	67	–	Note 10
Shinfox	Eastern Rainbow Green Energy Environmental Technology Co., Ltd. (Eastern Rainbow Green Energy)	Electricity generating enterprise	56.63	–	Note 6
Eastern Rainbow Green Energy Environmental Technology Co., Ltd. (Eastern Rainbow Green Energy)	Eastern Rainbow Environmental Technology Co., Ltd. (Eastern Rainbow Environmental)	Energy Technical Services	100	–	Note 6

Name of investor	Name of subsidiary	Main business activities	Ownership(%) December 31, 2023	Ownership(%) December 31, 2022	Description
Eastern Rainbow Green Energy	Kunshan Eastern Rainbow Environmental Equipment Co., Ltd. (Kunshan Eastern Rainbow)	Energy Technical Services	100	–	Note 6
Foxwell Energy	Liangwei Power Co., Ltd. (Liangwei Power)	Electricity generating enterprise	–	100	Note 5、7
Foxwell Energy	Xinwei Power Co., Ltd. (Xinwei Power)	Electricity generating enterprise	100	–	Note 6
Foxwell Power	Foxwell Certification Co., Ltd. (Foxwell Certification)	Energy Technical Services	100	–	Note 6
SYSCOM	FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED (FOXLINK POWERBANK)	Manufacture of electronic telecommunication components	99.27	99.27	
APIX	Sinocity Industries Limited (Sinocity)	Sales of electronic equipment	100	100	
APIX	Perennial Ace Limited (Perennial)	Specialised investments holding	100	100	
Sinocity	DG LIFESTYLE STORE LIMITED (DG)	Sales of electronic equipment	100	100	
PQI H.K.	Power Quotient Technology (YANCHENG) Co., Ltd. (PQI YANCHENG)	Manufacture of electronic telecommunication components	100	100	
PQI YANCHENG	PQI (Xuzhou) New Energy Co.,Ltd. (PQI Xuzhou)	Manufacture of electronic telecommunication components	100	100	

Note 1: The Company jointly held 51% of the share capital of Shih Fong with Foxlink Image.

Note 2: GLORY TEK (SAMOA) and Glorytek Suzhou jointly held 100% equity interest of GOYC.

Note 3: Shinfox Energy Co. Ltd. (the "Shinfox") increased its capital for the year ended December 31, 2022. The Group's subsidiary, PQI, did not acquire shares proportionally to its interest. As a result, PQI decreased its share interest to 47.63% and maintained control over Shinfox. Please refer to Note 6(33) for more details.

Note 4: Although Shinfox holds 33.50% shareholding ratio of Junezhe, 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 activities of Junezhe. The Group disposed all the equity interest in Junezhe Co., Ltd. in December 2022. Please refer to Note 6(35) for more details.

Note 5: A subsidiary that was newly established or acquired through merger in 2022.

Note 6: A subsidiary that was established and invested or acquired through merger in 2023.

Note 7: In December 2023, the Group sold 100% of shares in Diwei Power and Liangwei Power, in the amount of $240,472, and therefore lost control over the subsidiaries. The Group recognised gains on disposal of investments of $118,111, which was recorded under 'Other operating income and expenses, net' in the statement of comprehensive income. For information on cash flows of the subsidiaries, please refer to Note 6 (35).

Note 8: For the year ended December 31, 2023, the Group disposed 1,601 thousand shares of Foxwell Power and the shareholding ratio was 77.57% after the disposal. Please refer to Note 6 (33).

Note 9: For the year ended Decembler 31, 2023, because the Group did not participate in the capital increase of Guanwei Power Co., Ltd. proportionally to its interests, the Group decreased its share interests to 51%. Please refer to Note 6 (33).

Note 10: The Group prepaid investments to Shinfox Far East Company Pte Ltd. on December 27, 2022, acquired 40% equity interests in the entity under equity settlement and acquired another 27% equity interests in the entity on November 6, 2023, resulting in the shareholding ratio reaching to 67%.

C. Subsidiaries not included in the consolidated financial statements

None.

D. Adjustments for subsidiaries with different balance sheet dates

None.

E. Significant restrictions

None.

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

As of December 31, 2023 and 2022, the non-controlling interest amounted to $8,193,720 and $6,828,731, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest December 31, 2023		Non-controlling interest December 31, 2022	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
SHINFOX Energy Co., Ltd.	Taiwan	7,004,540	52.37	5,645,030	52.37

Summarised financial information of the subsidiaries:

Balance sheets

	SHINFOX Energy Co., Ltd. December 31, 2023	SHINFOX Energy Co., Ltd. December 31, 2022
Current assets	$ 22,854,710	$ 13,319,560
Non-current assets	6,433,007	4,897,758
Current liabilities	(12,106,378)	(6,090,718)
Non-current liabilities	(48,624,550)	(1,550,105)
Total net assets	($ 31,443,211)	$ 10,576,495

Statements of comprehensive income

	SHINFOX Energy Co., Ltd. Year ended December 31, 2023	SHINFOX Energy Co., Ltd. Year ended December 31, 2022
Revenue	$ 11,249,582	$ 4,301,192
Profit before income tax	772,253	309,136
Income tax expense	(148,675)	(66,604)
Profit for the period	623,578	242,532
Other comprehensive (loss) income, net of tax	(107,265)	238
Total comprehensive income for the period	$ 516,313	$ 242,770
Comprehensive (loss) income attributable to non-controlling interest	($ 48,077)	$ 17,320
Dividends paid to non-controlling interest	$ 56,599	$ 102,908

Statements of cash flows

	SHINFOX Energy Co., Ltd.	
	Year ended December 31, 2023	Year ended December 31, 2022
Net cash used in operating activities	($ 5,548,262)	($ 2,813,803)
Net cash used in investing activities	(276,744)	(5,538,314)
Net cash provided by financing activities	7,924,117	8,899,905
Effect of exchange rates on cash and cash equivalents	(18,160)	436
Increase in cash and cash equivalents	2,080,951	548,224
Cash and cash equivalents, beginning of period	1,831,512	1,283,288
Cash and cash equivalents, end of period	$ 3,912,463	$ 1,831,512

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars (NTD), which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

C. The construction contracts contracted by the Group are generally longer than one year. The assets and liabilities of the construction projects are classified as current or non-current according to the business cycle.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leasing arrangements (lessor) - lease receivables/ operating leases

A. Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.

(a) At commencement of the lease term, the lessor should record a finance lease in the balance sheet as 'lease receivables' at an amount equal to the net investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as 'unearned finance income of finance lease'.

(b) The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

(c) Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

B. Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(15) Investments accounted for using equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

I. When the Group disposed a subsidiary who is engaged in developing and constructing renewable power plant, related income and expenses arising from the disposal transaction are belong to operating activities, which will be recognised in other income and expenses, net based on the actual operating conditions.

(16) Investment accounted for using equity method – joint ventures

Investment of joint arrangements are classified as joint ventures based on its contractual rights and obligations.

The Group accounts for its interest in a joint venture using equity method. Unrealised profits and losses arising from the transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, all such losses shall be recognised immediately. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(17) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	1 ~ 50 years
Machinery and equipment	5 ~ 20 years
Transportation equipment	5 years
Office equipment	2 ~ 5 years
Leasehold improvements	3 ~ 7 years
Molding equipment	1 ~ 2 year(s)
Other equipment	3 ~ 15 years

(18) Leasing arrangements (lessee) - right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable;

(b) Variable lease payments that depend on an index or a rate;

(c) Amounts expected to be payable by the lessee under residual value guarantees;

(d) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and

(e) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee; and

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(19) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 15 ~ 50 years.

(20) Intangible assets

A. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

B. Trademark right (indefinite useful life)

Trademark right is stated at cost and regarded as having an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future. Trademark right is not amortised, but is tested annually for impairment.

C. Except for goodwill and trademark right, intangible assets are mainly computer software and customer relationships and amortised on a straight-line basis over its estimated useful life of 3 to 5 years.

(21) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(22) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(23) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(24) Convertible bonds payable

Convertible bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares, but not by exchanging a fixed amount of cash for a fixed number of common shares) and put options. The Company classifies the bonds payable upon issuance as a financial asset, financial liability or equity in accordance with the contract terms. They are accounted for as follows:

(a) The embedded put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

(b) The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

(c) The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

(d) Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

(e) When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus—share options'.

(25) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expired.

(26) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(27) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date.

(28) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(29) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company’s equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company’s equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(30) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved at the Board of Directors' meeting. Cash dividends are recorded as liabilities; stock dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(31) Revenue recognition

A. Sales revenue

(a) The Group manufactures and sells optical instrument components, image scanners and electronic components. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.

(c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Service revenue

The Group provides services such as products research, development and mold repair, energy-saving services, equipment maintenance services, design and development of solar power projects, energy storage system ancillary and other services. If the outcome of services provided can be estimated reliably or the milestone of the research and development project is reached, revenue should be recognised by reference to the stage of project or the point in time of billing. The Company's certain revenue from providing services is recognised when the services are rendered and certain revenue from providing services is recognised in the accounting period in which the services are rendered.

C. Construction contract revenue

(a) The Group's construction revenue mainly arises from undertaking construction contracts. As the cost of construction input is directly related to the stage of completion of performance obligations, revenue is recognised by the proportion of contract costs input to the estimated total costs.

(b) The Group's revenue is recognised as contract assets over time based on the proportion of the cost of construction input. Accounts receivable from a service contract are recognised in which the Group bills monthly at the amount to which the Group has the right to invoice. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

D. Electricity (and Gas) sales revenue

The Group's electricity (and gas) sales revenue arising from the sales of goods is recognised when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity.

(32) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are recognised as non-current liabilities and are amortised to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(33) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(34) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Please refer to Note 6(13) for the information of goodwill impairment.

B. Impairment assessment of tangible assets

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

C. Construction revenue recognition

The Group's construction revenue is recognised by reference to the stage of completion of the contract activity, using the percentage-of-completion method of accounting, over the contract term. Contract costs are expensed as incurred. The stage of completion of a contract is measured by the proportion of contract costs incurred for work performed to date to the estimated total costs for the contract.

As the estimated total costs and contract items are assessed and determined by the management based on different nature of constructions and complying with fluctuations in market prices, estimated subcontract charges and material and labour expenses, etc., any changes in estimates might affect the calculation of profit or loss from construction contracts. The transaction prices of the unsatisfied performance obligations of the Group's construction contracts are provided in Note 6(24).

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 13,444	$ 10,504
Checking accounts and demand deposits	2,182,662	2,997,281
Cash equivalents		
Time deposits	4,757,023	2,724,910
	$ 6,953,129	$ 5,732,695

A. 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.

B. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss (For the year ended December 31, 2022：None)

	December 31, 2023
Current items:	
Financial assets mandatorily measured at fair value through profit or loss	
Listed stocks	$ 927
Convertible bonds	3,900
	4,827
Valuation adjustment	340
	$ 5,167

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	2023
Financial assets mandatorily measured at fair value through profit or loss	
Realized gains and losses on forward foreign exchange contracts	$ 2, 443
Listed stocks	110
Total	$ 2, 553

B. The Group entered into forward foreign exchange contracts to hedge exchange rate fluctuations of foreign currency denominated assets and liabilities. However, these forward foreign exchange contracts are not accounted for under hedge accounting. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

C. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

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

Items	December 31, 2023	December 31, 2022
Equity instruments		
Listed stocks	$ 2,505,140	$ 1,263,416
Unlisted stocks	578,287	1,561,077
	3,083,427	2,824,493
Valuation adjustment	68,827	(920,124)
	$ 3,152,254	$ 1,904,369

A. 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 $3,152,254 and $1,904,369 as at December 31, 2023 and 2022, respectively.

B. As the investee company was dissolved, the Group derecognised the original investment cost and decreased retained earnings by $744 which was adjusted from cumulative loss for the year ended December 31, 2023.

C. The Group derecognised original investment costs at the effective date of merger as their investee, TAIWAN STAR TELECOM CORPORATION LIMITED, was dissolved by exchanging shares with TAIWAN MOBILE CO., LTD.. Accordingly, the Group wrote off accumulated loss by decreasing retained earnings based on shareholding ratio amounting to $417,539.

D. Amounts recognised in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31,	
	2023	2022
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 330,370	($ 195,251)
The accumulated loss on disposal reclassified to retained earnings	($ 418,283)	$ -

E. 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 amortised cost

Items	December 31, 2023	December 31, 2022
Current items:		
Pledged time deposits	$ 1,689,866	$ 1,716,729
Restricted bank deposits	385,825	1,131,507
Time deposits maturing in excess of three months	778,663	58,039
	$ 2,854,354	$ 2,906,275
Non-current items:		
Pledged time deposits	$ 383,267	$ 373,353
Restricted bank deposits	23,994	19,935
	$ 407,261	$ 393,288

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31,	
	2023	2022
Interest income	$ 34,533	$ 15,481

B. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

C. As at December 31, 2023 and 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 $3,261,615 and $3,299,563, respectively.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments 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

	December 31, 2023	December 31, 2022
Notes receivable	$ 25,654	$ 34,952
Accounts receivable	$ 1,149,178	$ 1,191,690
Construction payments receivable	852,465	$ 7,790
Less: Allowance for uncollectible accounts	(23,635)	(24,172)
	$ 1,978,008	$ 1,175,308

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

	December 31, 2023		December 31, 2022	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 1,877,583	$ 25,654	$ 1,049,899	$ 34,952
Up to 30 days	114,854	-	146,065	-
31 to 90 days	7,511	-	525	-
91 to 180 days	-	-	233	-
Over 181 days	1,695	-	2,758	-
	$ 2,001,643	$ 25,654	$ 1,199,480	$ 34,952

The above ageing analysis was based on past due date.

B. As of December 31, 2023 and 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.

C. The Group has no accounts receivable and notes receivable pledged to others.

D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

E. As at December 31, 2023 and 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 $25,654 and $34,952; $1,978,008 and $1,175,308, respectively.

(6) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 631,097	($ 54,764)	$ 576,333
Work in progress	107,377	(4,451)	102,926
Finished goods	310,532	(27,510)	283,022
Merchandise	387,562	(871)	386,691
	$ 1,436,568	($ 87,596)	$ 1,348,972

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 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
	$ 1,396,784	($ 91,742)	$ 1,305,042

The cost of inventories recognised as expense for the year:

	Year ended December 31,	
	2023	2022
Cost of engineering and electricity sales	$ 10,054,709	$ 3,736,667
Cost of goods sold	4,300,176	5,538,653
Cost of services	654,302	841,698
Unamortised manufacturing expenses	139,910	149,442
Loss on scrapping inventory	1,061	97
Gain on reversal of decline in market value	(4,146)	(6,749)
Gain on physical inventory	(28)	(92)
	$ 15,145,984	$ 10,259,716

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 years ended December 31, 2023 and 2022.

(7) Prepayment

	December 31, 2023	December 31, 2022
Advance payment to construction	$ 4,658,272	$ 4,192,448
Excess business tax paid	549,363	420,680
Others	893,163	465,288
	$ 6,100,798	$ 5,078,416

(8) Investments accounted for using the equity method

	December 31, 2023	December 31, 2022
Investee companies	Carrying amount	Carrying amount
Associates：		
Power Channel Limited	$ 753,722	$ 585,875
Studio A Technology Limited	105,982	122,882
Synergy Co., Ltd.	33,401	33,353
Tegna Electronics Private Limited	25,085	24,049
Cheng Shin Digital CO., LTD.	1,682	-
CHUNG CHIA POWER Co., Ltd.	-	170,089
Joint venture：		
Changpin Wind Power Ltd.	105,979	116,102
Add：prepayments for investments-Shinfox Far East Company Pte Ltd	-	981,545
	$ 1,025,851	$ 2,033,895

A. The Group’s investments accounted for using the equity method for the years ended December 31, 2023 and 2022 were recognised based on the financial statements audited and attested by independent auditors.

B. Associates

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

Company name	Principal place of business	Shareholding ratio December 31, 2023	Shareholding ratio December 31, 2022	Nature of relationship	Methods of measurement
Power Channel	China (Note 1)	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 summarised financial information of the associates that are material to the Group is as follows:

Balance sheets

	Power Channel Limited December 31, 2023	Power Channel Limited December 31, 2022
Current assets	$ 28,970	$ 19,662
Non-current assets	1,741,522	1,265,605
Current liabilities	-	-
Non-current liabilities	-	-
Total net assets	$ 1,770,492	$ 1,285,267
Share in associate's net assets	632,951	459,483
Goodwill	120,771	126,392
Carrying amount of the associate	$ 753,722	$ 585,875

Statement of comprehensive income

	Power Channel Limited Year ended December 31, 2023	Power Channel Limited Year ended December 31, 2022
Revenue	$ -	$ -
Profit for the period from continuing operations	$ 165,112	$ 134,185
Other comprehensive income, net of tax	-	-
Total comprehensive income	$ 165,112	$ 134,185
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 summarised below:

As of December 31, 2023 and 2022, the carrying amount of the Group’s individually immaterial associates amounted to $166,150 and $350,373, respectively.

	Year ended December 31,	
	2023	2022
(Loss) profit for the year from continuing operations	($ 35,941)	$ 23,385
Other comprehensive loss, net of tax	-	-
Total comprehensive (loss) income	($ 35,941)	$ 23,385

Note: Tegna Electronics Private Limited., Synergy Co., Ltd. , Studio A Technology Limited. and Cheng Shin Digital Co., Ltd.

C. 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 summarised below:

(a) As of December 31, 2023 and 2022, the carrying amount of the Group's individually immaterial joint ventures amounted to $105,979 and $116,102, respectively.

(b) For the years ended December 31, 2023 and 2022, the Group's interests in immaterial joint ventures and the Group's share of the operating results are summarised below:

	Year ended December 31,	
	2023	2022
Profit for the year from continuing operations	($ 10,123)	($ 896)
Total comprehensive loss	($ 10,123)	($ 896)

D. On March 18, 2022, the Group jointly established Changpin Wind Power Ltd. with the consideration amounting to $120,000.

E. Chung Chia Power Co., Ltd. increased its capital by issuing new shares on January 29, 2023. The Group did not acquire shares proportionally to its interest and lost its significant influence, resulting in the decrease of equity interests in the entity from 20% to 8%, which was subsequently recorded as financial assets at fair value through other comprehensive income, and recognised gain on disposal of investment amounting to $10,058.

F. On October 17, 2023, the Group acquired 49% equity interests in Cheng Shin Digital Co., Ltd. in the amount of $490. Gain recognised in bargain purchase transaction from the acquisition amounted to $707.

G. On December 27, 2022, the Group invested in Shinfox Far East Company Pte. Ltd. with the consideration amounting to $981,545 (shown as prepayment for investment), and in January 2023, the Group acquired 40% equity interests in the entity under equity settlement. On September 25, 2023, the Board of Directors of the Group resolved to increase its shareholding in an overseas investee, Shinfox Far East Company Pte. Ltd. On November 6, 2023, the Group acquired 27% equity interests with the consideration amounting to $675,778. As a result, the Group's shareholding ratio increased to 67%, which became the Group's subsidiary. The Group recognised gain on disposal of investment amounting to $45,025 (shown as 'other gains and losses

- gains on disposal of investments') due to this transaction. The Group recognised share of (loss)/profit accounted for under equity method amounting to ($33,302) before the Group increasing its shareholdings in the entity for the year ended December 31, 2023.

H. On September 25, 2023, the Board of Directors of the Company resolved to invest in renewable power plants in Vietnam, GIO Thanh Energy Joint Stock Company, SECO Joint Stock Company, Vietnam Renewable Energy Joint Company Stock and SECO Joint Stock Company. The Group's shareholding ratio in each investee will be 35%. The contract was signed by both parties on September 29, 2023, with an investment amount of VND 853,248,000 thousand. However, the investment has not yet actually been completed as of March 7, 2024.

I. For the year ended December 31, 2023, the investee under the equity method, POWER CHANNEL LIMITED, of the Group did not participate in the capital increase of Sharetronic Data Technology Co., Ltd. proportionally to ownership, and the shareholding ratio decreased to 16.89%. The Group recognised capital surplus according to shareholding ratio amounting to $119,631.

(9) Property, plant and equipment

	Land	Buildings and structures	Machinery	Office equipment	Ship equipment	Leasehold improvements	Other equipment	Unfinished construction	Total
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)
	$ -	$ 1,046,988	$ 1,551,921	$ 18,503	$ -	$ 13,528	$ 11,118	$ 1,009,586	$ 3,651,644
2023									
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	54,772	36,891	30,400	7,534	-	117	3,277	854,341	987,332
Acquired from business combinations	27,786	7,369	1,061	4,833	314,947	7,629	343	1,712,627	2,076,595
Disposals	-	-	(2,718)	(1,141)	-	-	-	-	(3,859)
Disposal of subsidiaries	-	-	(226,964)	-	-	-	-	(36,189)	(263,153)
Reclassifications	-	-	(44,414)	-	-	10,435	61,289	1,359,738	1,387,048
Depreciation charge	-	(23,390)	(185,277)	(9,121)	(9,352)	(10,630)	(41,882)	-	(279,652)
Net exchange differences	-	(13,662)	(4,652)	(240)	(9,859)	(2,387)	1,514	(69,225)	(98,511)
Closing net book amount as at December 31	$ 82,558	$ 1,054,196	$ 1,119,357	$ 20,368	$ 295,736	$ 18,692	$ 35,659	$ 4,830,878	$ 7,457,444
At December 31, 2023									
Cost	$ 82,558	$ 1,237,696	$ 4,339,041	$ 126,672	$ 303,319	$ 348,524	$ 563,226	$ 4,830,878	$ 11,831,914
Accumulated depreciation	-	(183,500)	(3,219,684)	(106,304)	(7,583)	(329,832)	(527,567)	-	(4,374,470)
	$ 82,558	$ 1,054,196	$ 1,119,357	$ 20,368	$ 295,736	$ 18,692	$ 35,659	$ 4,830,878	$ 7,457,444

	Buildings and structures	Machinery	Office equipment	Leasehold improvements	Other equipment	Unfinished construction	Total
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)
	$1,059,531	$ 1,451,046	$ 17,923	$ 21,481	$ 29,880	$ 889,290	$ 3,469,151
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	-	422,946	10,433	4,071	14,542	120,306	572,298
Disposals	-	(957)	(1,448)	(234)	(545)	-	(3,184)
Disposal of subsidiaries	-	(173,333)	-	-	-	-	(173,333)
Reclassifications	(482)	61,540	-	-	(256)	(10)	60,792
Depreciation charge	(22,962)	(216,200)	(9,371)	(9,512)	(34,670)	-	(292,715)
Net exchange differences	10,901	6,879	966	(2,278)	2,167	-	18,635
Closing net book amount as at December 31	$1,046,988	$ 1,551,921	$ 18,503	$ 13,528	$ 11,118	$ 1,009,586	$ 3,651,644
At December 31, 2022							
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)
	$1,046,988	$ 1,551,921	$ 18,503	$ 13,528	$ 11,118	$ 1,009,586	$ 3,651,644

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:

	Year ended December 31,	
	2023	2022
Amount capitalised	$ 47,797	$ 4,343
Range of the interest rates for capitalisation	1.95%~2.689%	1.88%~2.863%

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

(10) Leasing arrangements - lessee

A. The Group leases various assets including land, buildings, land for solar energy equipment and energy storage 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.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Land	$ 343,467	$ 287,805
Buildings	286,972	229,914
Transportation equipment (Business vehicles)	3,431	2,765
Office equipment (Photocopiers)	197	12
	$ 634,067	$ 520,496

	Year ended December 31,	
	2023	2022
	Depreciation charge	Depreciation charge
Land	$ 18,966	$ 12,146
Buildings	95,948	77,043
Transportation equipment (Business vehicles)	3,713	2,659
Office equipment (Photocopiers)	26	70
Less: Capitalisation of depreciation	(7,400)	-
	$ 111,253	$ 91,918

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $205,985 and $47,083, respectively.

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

	Year ended December 31,	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 5,827	$ 4,401
Expense on short-term lease contracts	10,442	13,140
Expense on leases of low-value assets	2,680	1,950
Expense on variable lease payments	10,308	6,453
Profit from lease modification	157	1,246

E. For the years ended December 31, 2023 and 2022, the Group's total cash outflows for leases were $142,786 and $110,107, respectively.

F. Variable lease payments

(a) 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 3.73% ~ 44.12% 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 recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

(b) A 1% increase in the amount of sales of electricity with such variable lease contracts would increase total lease payments by approximately $103.

(11) Leasing arrangements - lessor

A. 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.

B. For the years ended December 31, 2023 and 2022, the Group recognised rent income in the amounts of $34,276 and $33,679, respectively, based on the operating lease agreement, which does not include variable lease payments.

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

	December 31, 2023	December 31, 2022
2023	-	34,195
2024	8,583	8,501
	$ 8,583	$ 42,696

(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)
	$ 344,587	$	47,867	$	392,454
2023					
Opening net book amount as at January 1	$ 344,587	$	47,867	$	392,454
Depreciation charge	-	(	9,264)	(	9,264)
Closing net book amount as at December 31	$ 344,587	$	38,603	$	383,190
At December 31, 2023					
Cost	$ 344,587	$	71,458	$	416,045
Accumulated depreciation	-	(	32,855)	(	32,855)
	$ 344,587	$	38,603	$	383,190

	Land		Buildings and structures		Total
At January 1, 2022					
Cost	$ 344,587	$	70,720	$	415,307
Accumulated depreciation	-	(	14,496)	(	14,496)
	$ 344,587	$	56,224	$	400,811
2022					
Opening net book amount as at January 1	$ 344,587	$	56,224	$	400,811
Reclassifications	-		738		738
Depreciation charge	-	(	9,095)	(	9,095)
Closing net book amount as at December 31	$ 344,587	$	47,867	$	392,454
At December 31, 2022					
Cost	$ 344,587	$	71,458	$	416,045
Accumulated depreciation	-	(	23,591)	(	23,591)
	$ 344,587	$	47,867	$	392,454

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

	Year ended December 31	
	2023	2022
Rental income from investment property	$ 34,276	$ 33,679
Direct operating expenses arising from the investment property that generated rental income during the year	$ 9,264	$ 9,095

B. The fair value of the investment property held by the Group as at December 31, 2023 and 2022 was $548,707 and $502,230, respectively, which was valued by external independent appraisers. Valuations were made using the comparison, income and cost approach.

C. Information about the investment property that was pledged to others as collaterals is provided in Note 8.

(13) Intangible assets

	Goodwill	Customer relationship	Trademarks	Others	Total
At January 1, 2023					
Cost	$ 971,947	$ 197,637	$ 50,773	$ 100,973	$ 1,321,330
Accumulated amortisation and impairment	-	(4,616)	-	(58,590)	(63,206)
	$ 971,947	$ 193,021	$ 50,773	$ 42,383	$ 1,258,124
2023					
Opening net book amount as at January 1	$ 971,947	$ 193,021	$ 50,773	$ 42,383	$ 1,258,124
Additions-acquired separately	-	-	-	2,926	2,926
Additions-acquired through business combinations	59,397	-	-	716	60,113
Reclassifications	-	-	-	10,992	10,992
Amortisation charge	-	(64,340)	-	(12,996)	(77,336)
Net exchange differences	(89)	-	(8)	(37)	(134)
Closing net book amount as at December 31	$1,031,255	$ 128,681	$ 50,765	$ 43,984	$ 1,254,685
At December 31, 2023					
Cost	$1,031,255	$ 197,637	$ 50,765	$ 113,296	$ 1,392,953
Accumulated amortisation and impairment	-	(68,956)	-	(69,312)	(138,268)
	$1,031,255	$ 128,681	$ 50,765	$ 43,984	$ 1,254,685

	Goodwill	Customer relationship	Trademarks	Others	Total
At January 1, 2022					
Cost	$ 877,645	$ -	$ 45,764	$ 94,432	$ 1,017,841
Accumulated amortisation and impairment	-	-	-	(51,749)	(51,749)
	$ 877,645	$ -	$ 45,764	$ 42,683	$ 966,092
2022					
Opening net book amount as at January 1	$ 877,645	$ -	$ 45,764	$ 42,683	$ 966,092
Additions-acquired separately	-	-	-	9,887	9,887
Additions-acquired through business combinations	39,528	197,637	-	-	237,165
Reclassifications	-	-	-	2,000	2,000
Amortisation charge	-	(4,616)	-	(12,210)	(16,826)
Net exchange differences	54,774	-	5,009	23	59,806
Closing net book amount as at December 31	$ 971,947	$ 193,021	$ 50,773	$ 42,383	$ 1,258,124
At December 31, 2022					
Cost	$ 971,947	$ 197,637	$ 50,773	$ 100,973	$ 1,321,330
Accumulated amortisation and impairment	-	(4,616)	-	(58,590)	(63,206)
	$ 971,947	$ 193,021	$ 50,773	$ 42,383	$ 1,258,124

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

	December 31, 2023		December 31, 2022	
	Goodwill	Trademarks	Goodwill	Trademarks
System and peripheral products	$ 611,760	$ -	$ 611,760	$ -
3C retail and peripheral products	320,570	50,765	320,659	50,773
Energy service management	98,925	-	39,528	-
	$ 1,031,255	$ 50,765	$ 971,947	$ 50,773

B. The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so 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 (12.34 %~ 19.33%) based on financial budgets covering a five-year period.

C. The Group's goodwill arose from business combinations in order to improve benefit comprising of potential customer relations and operating revenue in the location of acquired companies.

Based on IAS 36, goodwill acquired in a business combination should be tested at least annually for impairment. For the impairment testing of goodwill, goodwill acquired in a business combination is allocated to each of the cash-generating units that are expected to benefit from the synergies of the business combination. Each company may be a cash-generating unit which can generate independent cash flows.

For goodwill, the impairment is calculated based on value in use and carrying amount of net assets of the entity. The key assumptions used for value in use calculations are operating profit margin, growth rate and discount rate.

D. 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 (34).

(14) Other non-current assets, others

	December 31, 2023	December 31, 2022
Guarantee deposits paid (Note)	$ 276,191	$ 261,031
Net defined benefit asset	99,011	96,737
Other non-current assets	17,720	17,686
	$ 392,922	$ 375,454

Note: Please refer to Note 8.

(15) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 8,374,000	1.70%~3.17%	None
Secured borrowings	806,124	2.93%	Please refer to Note 8
	$ 9,180,124		

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

(16) Short-term notes and bills payable

	December 31, 2023	December 31, 2022
Commercial papers	$ 4,013,200	$ 1,792,400
Discount amortisation	(7,586)	(3,241)
	$ 4,005,614	$ 1,789,159
Interest rate range	1.79%~2.68%	2.04%~2.51%

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

(17) Other accounts payable

	December 31, 2023	December 31, 2022
Payable on salary and bonus	$ 455,577	$ 339,944
Payable on employees' compensation and directors' and supervisors' remuneration	192,013	167,196
Payable on equipment	142,156	90,341
Others	286,491	202,284
	$ 1,076,237	$ 799,765

(18) Bonds payable (As of December 31, 2022: None)

	December 31, 2023
Payable on secured convertible bonds	$ 3,000,000
Less: Discount on bonds payable	(148,221)
	$ 2,851,779

A. The terms of the first domestic secured convertible bonds issued by the subsidiary, Shinfox Energy Co., Ltd., of the Group are as follows:

(a) Shinfox Energy Co., Ltd. issued $3,000,000, 0% first domestic secured convertible bonds, as approved by the regulatory authority. The bonds mature three years from the issue date (November 22, 2023 ~ November 22, 2026) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on November 22, 2023.

(b) The bondholders have the right to ask for conversion of the bonds into common shares of Shinfox Energy Co., Ltd. during the period from the date after three months of the bonds issue before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

(c) The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds. The conversion price on the date of the bonds issue amounted to NT$114.

(d) Shinfox Energy Co., Ltd. may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of Shinfox Energy Co., Ltd. common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.

(e) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to

$311,227 were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32. The call options and put options embedded in bonds payable were separated from their host contracts and were recognised in $3,900 of 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rates of the bonds payable after such separation ranged at 1.7688%

(19) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2023
Long-term bank borrowings				
Bank unsecured borrowings				
FIT Holding				
- including covenants	Borrowing period is from September 2023 to October 2025; pay entire amount of principal when due, interest is repayable monthly.	1.90%~2.06%	$ 979,000	$ 500,000
- without covenants	Borrowing period is from May 2023 to December 2027; pay entire amount of principal when due, interest is repayable monthly.	2.00%	-	600,000
Foxlink Image				
- including covenants	Borrowing period is from September 2023 to December 2025; pay entire amount of principal when due, interest is repayable monthly.	1.90%~1.95%	1,844,000	356,000
- without covenants	Borrowing period is from March 2023 to December 2025; pay entire amount of principal when due, interest is repayable monthly.	1.80%~1.90%	600,000	2,050,000
PQI				
- including covenants	Borrowing period is from August 2023 to October 2025; payprincipal based on each bank's regulations, interest is repayable monthly.	2.11%~2.21%	75,000	425,000
- without covenants	Borrowing period is from June 2022 to June 2026; pay principal based on each bank's regulations, interest is repayable monthly.	2.00%~2.10%	-	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.	1.86%~2.32%	-	85,000

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2023
Long-term bank borrowings				
Bank unsecured borrowings				
Foxwell Energy - without covenants	Borrowing period is from January 2019 to December 2035; pay entire amount in installments.	2.23%~2.28%	277,448	32,576
Foxwell Power - including covenants	Borrowing period is from October 2022 to September 2028; pay entire amount in installments.	2.55%	-	6,250
Bank secured borrowings				
Glory Science	Borrowing period is from December 2019 to December 2024; pay principal in installments quarterly, interest is calculated monthly.	1.86%	-	25,000
Foxwell Energy	Borrowing period is from May 2018 to February 2036; pay entire amount in installments.	2.23%~2.65%	220,646	246,323
Foxwell Power	Borrowing period is from October 2022 to September 2028; pay entire amount in installments.	2.55%	-	93,750
Syndicated borrowings				
Foxwell Power	Borrowing period is from October 2022 to October 2025; pay entire amount of principal when due.	2.58%~2.69%	255,600	1,494,400
				6,514,299
Less: Current portion (shown as other current liabilities)				(233,246)
Less: Syndicated expense				(15,313)
Less: Amortization of long-term notes and bill payable discount				(529)
				$ 6,265,211

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2022
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; payprincipal 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

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2022
Long-term bank borrowings				
Bank unsecured borrowings				
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 - including covenants	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 2019 to December 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	979,900
				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				(313)
				$ 4,708,173

A. The Group entered into the borrowing contracts with Bank SinoPac, EnTie Bank, Far Eastern Int'l Bank, Taishin Bank and Yuanta Commercial Bank, and the total credit line is $2,900,000. As of December 31, 2023, the borrowings that have been used amounted to $1,281,000. 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 500%;

(d) Debt not exceeding 75% of total assets;

(e) Tangible net equity of at least NT$1,500,000 thousand to NT$8,000,000 thousand; and

(f) Net equity of at least NT$1,800,000 thousand.

B. On March 7, 2022, the long-term borrowing agreement between the Group's second-tier 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 more than 200% and a net asset value not less than $800,000 before July 31 during the facility period each year. Additionally, the Group is required to review the shareholding ratio of the ultimate parent company and the parent company on a semi-annual basis. As of December 31, 2022, the Group had not violated the terms of the contracts with the abovementioned banks; as of December 31, 2023, the Group had reclassified the unpaid portion as current portion of long-term borrowings in accordance with the terms of the contracts.

C. The Group's second-tier 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. The credit line is divided into item A and item B. As of December 31, 2023 and 2022, the drawn credit line were all item A. The purpose of item B is to repay the outstanding balance of item A for the Company, and thus when the preconditions for the first drawdown of credit item B are met, the credit line of item A will be converted into the borrowing of item B. The financial commitments related to item B are as follows:

(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) The Group committed to review the DSCR (Debt Service Coverage Ratio) semi-annually based on the revenue from ancillary services and the principal and interest amount for the last twelve months 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. The Group should repay the principal in advance within three months or by other appropriate means as agreed by the management bank, so that the DSCR will not be lower than 1.1 times.

D. On March 10, 2023, the Group’s second-tier subsidiary, Foxwell Power Co., Ltd., entered into a loan agreement with 11 banks including CTBC bank for a credit line of $6,720,000. During the contract period, the company is required to have net tangible assets in the consolidated financial statements not lower than $6,000,000 and maintain shareholding ratio of the parent company on a semi-annual basis.

E. Information on collateral pledged for long-term borrowings is provided in Note 8.

F. As of December 31, 2023, the borrowings that have been used amounted to as follows:

Company	Bank	Credit line	Amount of borrowings used
Foxlink Image、PQI	Mega Bank(Note)	$ 300,000	$ 300,000
FIT Holding	Mega Bank	300,000	300,000
FIT Holding	SCSB	300,000	300,000
Foxlink Image	KGI Bank	400,000	400,000
Foxlink Image	E.SUN Bank(Note)	400,000	300,000
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	250,000
Foxlink Image	Cathay United Bank(Note)	300,000	100,000
PQI	SCSB	300,000	300,000
Glory Science	Hua Nan Bank	70,000	70,000
Glory Science	Chang Hwa Bank	40,000	40,000
Foxwell Energy	Bank SinoPac	310,024	32,576

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

(20) Pensions

A. (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 amounts recognised in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	($ 28,603)	($ 29,122)
Fair value of plan assets	127,614	125,859
Net defined benefit asset (shown as other non- current assets)	$ 99,011	$ 96,737

(c) Movements in net defined benefit assets (liabilities) are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets (liability)
2023			
At January 1	($ 29,122)	$ 125,859	$ 96,737
Interest (expense) income	(431)	2,048	1,617
	(29,553)	127,907	98,354
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	335	335
Change in financial assumptions	(447)	-	(447)
Experience adjustments	627	-	627
	180	335	515
Pension fund contribution	-	142	142
Paid pension	770	(770)	-
At December 31	($ 28,603)	$ 127,614	$ 99,011

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets (liability)
2022			
At January 1	($ 34,348)	$ 116,222	$ 81,874
Interest (expense) income	(244)	838	594
	(34,592)	117,060	82,468
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	8,871	8,871
Change in financial assumptions	2,114	-	2,114
Experience adjustments	3,142	-	3,142
	5,256	8,871	14,127
Pension fund contribution	-	142	142
Paid pension	214	(214)	-
At December 31	($ 29,122)	$ 125,859	$ 96,737

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31	
	2023	2022
Discount rate	1.20%~1.875%	1.25%~2%
Future salary increases	2%~5%	2%~5%

Assumptions regarding future mortality experience are set based on the 6th Taiwan Annuity Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 1%	Decrease 1%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 799)	$ 832	$ 775	($ 724)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 880)	$ 917	$ 861	($ 803)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to $142.

(g) As of December 31, 2023, the weighted average duration of the retirement plan is 10~17.9 years.

B. (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 defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022, were $88,731 and $56,448, respectively.

(21) Share capital

As described in Note 1, the Company acquired 100% of the shares of Glory Science, PQI and Foxlink Image through share swap by exchanging 1 common share of Glory Science into 1 common share of the Company, 1 common share of PQI converted to 0.194 common share of the Company and 1 common share of Foxlink Image converted to 0.529 common share of the Company. As of December 31, 2023, the Company's authorised 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 December 31, 2022 amounted to 246,242 thousand shares.

(22) Capital surplus

	2023				
	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates	Total
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)
The Group did not participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary	-	-	(22)	-	(22)
Convertible bonds issued by the subsidiary.	-	-	148,237	-	148,237
Transactions with non-controlling interest	-	17,320	-	-	17,320
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	119,631	119,631
At December 31	$ 3,413,692	$ 222,102	$ 1,182,413	$ 185,835	$ 5,004,042

	2022				
	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates	Total
At January 1	$ 3,783,055	$ 204,782	$ 837,883	$ 64,599	$ 4,890,319
Capital surplus used to issue cash to shareholders	(246,242)	-	-	-	(246,242)
Transactions with non-controlling interest	-	-	194,140	-	194,140
Compensation cost	-	-	1,653	-	1,653
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	522	1,605	2,127
At December 31	$ 3,536,813	$ 204,782	$ 1,034,198	$ 66,204	$ 4,841,997

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 reorganisation 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 on 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 capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

C. The shareholders resolved that the Company distribute cash by using capital surplus of $123,121 (NT$0.5 (in dollars) per share) and $246,242 (NT$1 (in dollars) per share) on March 13, 2023 and March 24, 2022, respectively.

(23) <u>Retained earnings</u>

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. Special reserve

(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) 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. The appropriation of 2022 and 2021 earnings as proposed and resolved by the shareholders on May 30, 2023 and July 17, 2022 are as follows:

	2021		2022	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 42,083		$ 54,089	
Special reserve	220,768		69,906	
Cash dividends	123,121	$ 0.50	369,363	$ 1.50

For the information relating to the distribution of earnings as approved by the Board of shareholders, please refer to the " Market Observation Post System" at the website of the Taiwan Stock Exchange.

(24) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and service over time and at a point in time in the following major product lines and geographical regions:

Revenue from external customer contracts

2023	China	Taiwan	Hong Kong	US
System and peripheral products	$ 1,209,591	$ 7,022	$ 237,696	$ 640,339
3C retail and peripheral products	520	84,806	1,535,155	33
3C components	66,723	22,859	6,364	6,127
Energy service management	14,528	11,232,960	-	-
	$ 1,291,362	$ 11,347,647	$ 1,779,215	$ 646,499

2023	Europe	Others	Total
System and peripheral products	$ 685,287	$ 1,620,281	$ 4,400,216
3C retail and peripheral products	-	11,916	1,632,430
3C components	954	39,841	142,868
Energy service management	-	-	11,247,488
	$ 686,241	$ 1,672,038	$ 17,423,002

2022	China	Taiwan	Hong Kong	US
System and peripheral products	$ 1,365,088	$ 5,723	$ 12,270	$ 1,546,507
3C retail and peripheral products	5,037	67,810	2,136,646	3,279
3C components	118,457	50,518	8,032	1,132
Energy service management	17,265	4,276,302	-	-
	$ 1,505,847	$ 4,400,353	$ 2,156,948	$ 1,550,918

2022	Europe	Others	Total
System and peripheral products	$ 692,110	$ 1,684,555	$ 5,306,253
3C retail and peripheral products	-	1,504	2,214,276
3C components	2,066	74,948	255,153
Energy service management	-	-	4,293,567
	$ 694,176	$ 1,761,007	$ 12,069,249

B. Transaction price of performance obligations of unfulfilled construction contracts.

Revenue from significant construction contracts contracted as of December 31, 2023, was recognised according to the completion of offshore and energy saving construction. Aggregate contracted amount and the year expected to recognise revenue for the unsatisfied performance obligations of such construction are as follows:

Year	Year expected to recognise revenue	Contracted amount
December 31, 2023	Year 2023~2025	$ 41,439,682
December 31, 2022	Year 2023~2025	50,750,368

C. Contract assets and contract liabilities

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

	December 31, 2023	December 31, 2022
Contract assets:		
Contract assets – construction contracts	$ 8,675,960	$ 2,716,125
Contract liabilities:		
Contract liabilities – advance sales receipts	153,805	387,568
Contract liabilities – construction contracts	42,777	3,171
	$ 196,582	$ 390,739

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

	Year ended December 31, 2023	Year ended December 31, 2022
Total costs incurred and revenue recognised	$ 20,545,655	$ 8,411,401
Less: Progress billings	(11,912,472)	(5,698,447)
Net balance sheet position for Construction in progress	$ 8,633,183	$ 2,712,954
Presented as:		
Contract assets- current	$ 8,675,960	$ 2,716,125
Contract liabilities- current	(42,777)	(3,171)
	$ 8,633,183	$ 2,712,954

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

	Year ended December 31,	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Unearned revenue	$ 247,836	$ 53,295

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

(25) Other income and expenses– net

	Year ended December 31, 2023	Year ended December 31, 2022
Gains on disposal of investments	$ 118,111	$ -

(26) Interest income

	Year ended December 31,	
	2023	2022
Interest income from bank deposits	$ 75,389	$ 52,779
Interest income from financial assets measured at amortised cost	34,533	15,481
	$ 109,922	$ 68,260

(27) Other income

	Year ended December 31,	
	2023	2022
Dividend income	$ 90,410	$ 44,690
Rent income	82,809	70,218
Compensation income	15,351	35,167
Gains recognised in bargain purchase transaction	707	
Others	43,986	2,667
	$ 233,263	$ 152,742

Details of gain recognised in bargain purchase transaction, please refer to Note 6(8) F.

(28) Other gains and losses

	Year ended December 31,	
	2023	2022
Gains on disposals of investments	$ 55,083	$ 12,866
Government grants revenue	5,201	5,956
Gains on disposals of property, plant and equipment	2,650	2,293
Gains on financial assets at fair value through profit or loss	2,553	-
Foreign exchange (losses) gains	(78,574)	147,239
Depreciation charge on investment property	(9,264)	(9,095)
Others	(51,461)	(2,283)
	($ 73,812)	$ 156,976

(29) Finance costs

	Year ended December 31, 2023	Year ended December 31, 2022
Interest expense		
Bank loans	$ 188,413	$ 123,410
Lease liabilities	5,827	4,401
Bonds payable	5,502	-
Loans from related parties	-	7,890
	$ 199,742	$ 135,701

(30) Expenses by nature

Nature	Year ended December 31, 2023 Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 585,787	$ 794,634	$ 1,380,421
Labour and health insurance fees	63,596	40,932	104,528
Pension costs	55,762	31,352	87,114
Other personnel expenses	31,883	33,039	64,922
	$ 737,028	$ 899,957	$ 1,636,985
Depreciation charge	$ 256,356	$ 134,549	$ 390,905
Amortisation charge	$ 158	$ 77,178	$ 77,336

Nature	Year ended December 31, 2022 Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 452,033	$ 643,836	$ 1,095,869
Labour and health insurance fees	29,406	38,060	67,466
Pension costs	29,063	26,791	55,854
Other personnel expenses	34,571	25,088	59,659
	$ 545,073	$ 733,775	$ 1,278,848
Depreciation charge	$ 250,243	$ 134,390	$ 384,633
Amortisation charge	$ 186	$ 16,640	$ 16,826

A. In accordance with 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 years ended December 31, 2023 and 2022, employees' compensation was accrued at $33,920 and $34,000, respectively; while directors' and supervisors' remuneration was accrued at $4,080 and $5,000, respectively. The aforementioned amounts were recognised in salary expenses.

C. For 2022, the employees' compensation and directors' remuneration resolved by the Board of Directors amounted to $34,000 and $3,860, respectively. The difference of $1,140 between the amounts resolved by the Board of Directors and the amounts recognised in the 2022 financial statements had been adjusted in the profit or loss of 2023, and will be disbursed in the form of cash.

D. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(31) Income tax

A. Income tax expense

(a) Components of income tax expense :

	Year ended December 31, 2023	Year ended December 31, 2022
Current tax:		
Current tax on profits for the year	$ 234,761	$ 102,012
Tax on undistributed surplus earnings	4,469	4,904
Prior year income tax underestimation	4,644	20,138
Total current tax	243,874	127,054
Deferred tax:		
Origination and reversal of temporary differences	(35,742)	59,076
Total deferred tax	(35,742)	59,076
Income tax expense	$ 208,132	$ 186,130

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

	Year ended December 31, 2023	Year ended December 31, 2022
Currency translation differences for the year	$ 3,589	($ 31,306)
Remeasurement of defined benefit obligations	(103)	(2,826)
	$ 3,486	($ 34,132)

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2023	Year ended December 31, 2022
Tax calculated based on profit before tax and statutory tax rate	$ 511,210	$ 201,738
Temporary difference not recognised as deferred tax assets	38,562	73,976
Prior year income tax underestimate	4,644	20,138
Tax on undistributed surplus earnings	4,469	4,904
Effects of Alternative Minimum Tax	3,851	-
Change in assessment of realisation of deferred tax assets	2,335	
Expenses disallowed by tax regulation	(319,942)	(41,461)
Tax effects of investment tax credits	(36,997)	(32,261)
Prior year loss carryforward income tax	-	(40,904)
Income tax expense	$ 208,132	$ 186,130

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2023 At January 1	Recognised in profit or loss	Recognised in other comprehensive income	Business combination	At December 31
Temporary differences:					
－Deferred tax assets:					
Loss carryforward	$ 79,173	$ 20,103	$ -	$ 34,144	$ 133,420
Depreciation difference between tax and financial basis	51,991	(736)	-	-	51,255
Warranty cost of after-sale service	18,415	6,264	-	-	24,679
Unrealized loss on market price decline and obsolete and slow-moving inventory	14,063	1,572	-	-	15,635
Losses on doubtful debts	15,431	-	-	-	15,431
Unrealised gain on inter-affiliate accounts	14,442	(6,461)	-	-	7,981
Onerous contracts	-	5,557	-	-	5,557
Others	13,324	13,601	3,589	(48)	30,466
	$ 206,839	$ 39,900	$ 3,589	$ 34,096	$ 284,424
－Deferred tax liabilities:					
Unrealised exchange gain	($ 173,126)	($ 22,868)	$ -	($ 2,662)	($ 198,656)
Intangible assets-customer relationship	(38,605)	12,868	-	-	(25,737)
Others	(70,634)	5,842	(103)	-	(64,895)
	($ 282,365)	($ 4,158)	($ 103)	($ 2,662)	($ 289,288)
	($ 75,526)	$ 35,742	$ 3,486	$ 31,434	($ 4,864)

	2022				
	At January 1	Recognised in profit or loss	Recognised in other comprehensive income	Business combination	At December 31
Temporary differences:					
—Deferred tax assets:					
Loss carryforward	$ 72,498	$ 6,675	$ -	$ -	$ 79,173
Depreciation difference between tax and financial basis	50,760	1,231	-	-	51,991
Warranty cost of after-sale service	13,702	4,713	-	-	18,415
Currency translation differences	26,015	-	(23,570)	-	2,445
Unrealized loss on market price decline and obsolete and slow-moving inventory	15,388	(1,325)	-	-	14,063
Losses on doubtful debts	15,057	374	-	-	15,431
Unrealised gain on inter-affiliate accounts	20,902	(6,460)	-	-	14,442
Others	20,619	(9,715)	(25)	-	10,879
	$ 234,941	($ 4,507)	($ 23,595)	$ -	$ 206,839
—Deferred tax liabilities:					
Unrealised exchange gain	($ 112,839)	($ 60,287)	$ -	$ -	($ 173,126)
Intangible assets-customer relationship	-	923	-	(39,528)	(38,605)
Others	(64,892)	4,795	(10,537)	-	(70,634)
	($ 177,731)	($ 54,569)	($ 10,537)	($ 39,528)	($ 282,365)
	$ 57,210	($ 59,076)	($ 34,132)	($ 39,528)	($ 75,526)

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets of the Company's domestic subsidiaries are as follows:

December 31, 2023				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2014~2023	$ 2,855,266	$ 2,326,811	$ 1,482,845	2024~2033

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2013~2022	$ 2,476,409	$ 2,384,515	$ 1,813,210	2023~2032

E. 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.

(32) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders			
Profit attributable to the parent	$ 567,916	246,242	$ 2.31
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 567,916	246,242	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	583	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 567,916	246,825	$ 2.30

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic and diluted loss per share			
Profit attributable to the parent	$ 529,589	246,242	$ 2.15
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 529,589	246,242	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,435	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 529,589	247,677	$ 2.14

(33) Transactions with non-controlling interest

A. The Group did not participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary.

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

(b) Second-tier subsidiary, Guanwei Power Co., Ltd., of the Group increased its capital by issuing new shares on July 5, 2023. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 49%, and the transaction price amounted to $34,300. This transaction resulted in an increase in the non-controlling interests by $22, and a decrease in the equity attributable to owners of the parent by $22.

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

In December 2023, second-tier subsidiary, Shinfox Energy Co., Ltd., of the Group disposed 2.67% of shares in Foxwell Power Co., Ltd. in the amount of $60,838. The transaction increased non-controlling interest by $43,518 and increased the equity attributable to owners of parent by $17,320.

C. For the year ended December 31, 2023, the Group's second-tier subsidiary, Shinfox Energy Co., Ltd., had changes in equity due to issuing convertible bonds. This transaction resulted in an increase in the non-controlling interests by $162,990, and an increase in the equity attributable to owners of the parent by $148,237.

(34) Business combinations

A. Elegant Energy

(a) On February 14, 2022, the Group acquired 100% of the share capital of Elegant Energy for $200,000 and obtained the control over Elegant Energy. As a result of the acquisition, the Group is expected to increase its presence in the onshore wind power generation markets.

(b) The following table summarises the consideration paid for Elegant Energy and the fair values of the assets acquired and liabilities assumed at the acquisition date:

		February 14, 2022
Purchase consideration		
Cash	$	200,000
Fair value of the identifiable assets acquired and liabilities assumed		
Cash		786
Other current assets		3,293
Intangible assets		197,637
Other current liabilities	(	1,716)
Deferred tax liabilities	(	39,528)
Total identifiable net assets		160,472
Goodwill	$	39,528

(c) The allocation of purchase price of Elegant Energy has been completed in the first quarter of 2022. The fair values of the identifiable intangible assets-customer relationship acquired amounted to $197,637.

(d) The operating revenue included in the consolidated statement of comprehensive income since February 14, 2022 contributed by Elegant Energy was $1,998. Elegant Energy also contributed profit before income tax of $1,990 over the same period. Had Elegant Energy been consolidated from January 1, 2022, the consolidated statement of comprehensive income would show operating revenue of $12,069,998 and profit before income tax of $842,306.

B. Eastern Rainbow Engineering Co. Ltd.

(a) On October 6, 2023, the Group acquired new ordinary shares issued by Eastern Rainbow Engineering Co. Ltd. amounting to $218,020 in the form of cash. After the acquisition, the Group held 56.63% equity interests in Eastern Rainbow Engineering Co. Ltd. and obtained control over the entity.

(b) The allocation of the acquisition price of Eastern Rainbow Engineering Co. Ltd. was completed in the fourth quarter of 2023, and the fair value of the identifiable intangible assets and goodwill acquired amounted to $716 and $9,519, respectively.

(c) The operating revenue included in the consolidated statement of comprehensive income since October 6, 2023 contributed by Eastern Rainbow Engineering Co. Ltd. was $67,503. Eastern Rainbow Engineering Co. Ltd. also contributed loss before income tax of ($23,557) over the same period. Had Eastern Rainbow Engineering Co. Ltd. been consolidated from January 1, 2023, the consolidated statement of comprehensive income would show operating revenue of $241,902 and loss before income tax of ($59,035).

C. Shinfox Far East Company Pte. Ltd. (SFE)

(a) The Group originally held 40% equity interests in SFE before the combination and acquired another 27% equity interests with the consideration amounting to $1,649,347 in the form of cash. After the acquisition, the Group held totaling 67% equity interests in SFE and obtained the control over SFE. The Company recognised gain on disposal of investment amounting to $45,025 (shown as ‘other gains and losses -gains on disposal of investments’).

(b) The allocation of the acquisition price of SFE was completed in the fourth quarter of 2023, and the fair value of goodwill acquired amounted to $49,878.

(c) The operating revenue included in the consolidated statement of comprehensive income since November 6, 2023 contributed by SFE was $522,429. SFE also contributed loss before income tax of ($92,246) over the same period. Had SFE been consolidated from January 1, 2023, the consolidated statement of comprehensive income would show operating revenue of $1,875,937 and loss before income tax of ($491).

D. The following table summarises the consideration paid for Eastern Rainbow Engineering Co. Ltd. and SFE and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	Eastern Rainbow Engineering Co. Ltd.	SFE
Purchase consideration		
Cash paid	$ 218,020	663,097
Fair value of equity interest held before the business combination	-	986,250
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	159,688	787,798
	377,708	2,437,145
Fair value of the identifiable assets acquired and liabilities assumed		
Cash	273,914	225,447
Other current assets	284,856	396,034
Property, plant and equipment	38,072	2,038,523
Intangible assets	716	-
Deferred tax assets	34,144	-
Other non-current assets	9,209	14,451
Other current liabilities	(237,750)	(278,405)
Deferred tax liabilities	(2,710)	-
Other non-current liabilities	(32,262)	(8,783)
Total identifiable net assets	368,189	2,387,267
Goodwill	$ 9,519	$ 49,878

(35) Supplemental cash flow information

A. Investing activities with partial cash payments

		Year ended December 31, 2023
Purchase of property, plant and equipment	$	987,332
Add: Opening balance of payable on equipment		90,341
Less: Ending balance of payable on equipment	(	142,156)
Capitalisation of depreciation	(	7,400)
Capitalisation of interest expense	(	47,865)
Cash paid during the year	$	880,252

B. 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 Note 4(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:

		December 27,2022
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 equipment		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	$	188,304

C. The Group sold 100% of share in subsidiary Diwei Power Co., Ltd. and Liangwei Power Co., Ltd. on December 25, 2023 and therefore lost control over the subsidiary (please refer to Note 4(3) B.). The details of the consideration received from the transaction (including cash and cash equivalents) and assets and liabilities relating to the subsidiary are as follows:

	Diwei Power Co., Ltd.	Liangwei Power Co., Ltd.
Consideration received		
Cash	$ 77,297	$ 163,175
Carrying amount of the assets and liabilities		
Cash	4,362	8,716
Other current assets	21,819	26,243
Property, plant and equipment	102,700	160,452
Short-term notes and bills payable	(76,587)	(94,490)
Other current liabilities	(16,353)	(14,501)
Total net assets	35,941	86,420

(36) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings (including current portion)	Bonds payable	Lease liability	Liabilities from financing activities-gross
January 1, 2023	$ 7,035,719	$ 1,789,159	$ 5,397,714	$ -	$ 292,328	$ 14,514,920
Changes in cash flow from financing activities	2,116,235	2,387,532	1,068,839	3,153,604	(113,529)	8,612,681
Discount on bonds and issuance cost	-	-	-	(307,327)	-	(307,327)
Changes in other non-cash items	28,170	(171,077)	31,904	5,502	236,267	130,766
Impact of changes in foreign exchange rate	-	-	-	-	788	788
December 31, 2023	$ 9,180,124	$ 4,005,614	$ 6,498,457	$ 2,851,779	$ 415,854	$ 22,951,828

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings (including current portion)	Lease liability	Liabilities from financing activities-gross
January 1, 2022	$ 3,086,000	$ 1,596,522	$ 3,077,867	$ 316,525	$ 8,076,914
Changes in cash flow from financing activities	3,949,719	192,637	2,319,847	(84,163)	6,378,040
Changes in other non-cash items	-	-	-	54,449	54,449
Impact of changes in foreign exchange rate	-	-	-	5,517	5,517
December 31, 2022	$ 7,035,719	$ 1,789,159	$ 5,397,714	$ 292,328	$ 14,514,920

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
Dongguan Fuqiang Electronics Co., Ltd. (DGFQ)	Other related party
Chern Feng Engineering Tech Co., Ltd.(Chern Feng)	Former other related party (Note 1)
Central Motion Picture Corporation (Central Motion Picture)	Other related party
Fugang Electric (Kunshan) Co., Ltd.	Other related party
Foxlink Techinical India Private Ltd.(Foxlink India)	Other related party
Hon Hai Precision Industry Co., Ltd. (Hon Hai)	Other related party
Studio A Technology Limited (Studio A Hong Kong)	Associates
Synergy Co., Ltd. (Synergy)	Associates
Changpin Wind Power Ltd.(Changpin)	Joint Venture (Note 2)
Deepwaters Digital Support Inc. (Deepwaters)	Other related party
Far East Offshore Wind Power Company Pte Ltd. (FEO)	Other related party
Cheng Shin Digital Co., Ltd. (Cheng Shin Digital)	Associates

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 acquired the investment accounted for 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

	Year ended December 31,	
	2023	2022
Joint venture	$ 133,354	$ 60,000
Associates	64,676	43,480
Other related parties	54,974	145,584
Cheng Uei	48,365	131,194
	$ 301,369	$ 380,258

(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 entered into contracted construction agreements with related parties and charged construction revenue, service revenue and electricity sales revenue from related parties. The transaction price and credit terms are the same with the market situation or the general customers.

B. Purchases

	Year ended December 31,	
	2023	2022
Purchases of goods:		
Cheng Uei	$ 12,872	$ 18,581
Associates	4,697	3,074
Other related parties	1,572	253
	$ 19,141	$ 21,908
Cost of engineering sales：		
Other related parties	$ 1,225	$ -
Former other related party	-	60,007
	$ 1,225	$ 60,007

The prices and terms are determined in accordance with mutual agreement, and the payment term is 90 to 120 days after monthly billings. The remaining cost of engineering sales is calculated based on the contracted construction agreement entered into using market quotes.

C. Receivables from related parties

	December 31, 2023	December 31, 2022
Accounts receivable:		
Cheng Uei	$ 17,784	$ 26,614
Other related parties	6,598	14,285
Joint Venture	5,250	-
Associates	4,071	-
	$ 33,703	$ 40,899
Other receivables:		
Sharetronic	$ 6,338	$ 10,248
Associates	1,982	8
Other related parties	535	117
Cheng Uei	18	148
	$ 8,873	$ 10,521

Other receivables are mainly rental income, human support income and advance.

D. Payables to related parties

	December 31, 2023	December 31, 2022
Accounts payable:		
Cheng Uei	$ 8,584	$ 2,518
Other related parties	1,288	-
Associates	38	55
	$ 9,910	$ 2,573
Other payables:		
Cheng Uei	$ 9,657	$ 10,828
Other related parties	6,907	21,332
Associates	136	-
	$ 16,700	$ 32,160

(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. Property transactions

Acquisition of property, plant and equipment

	Year ended December 31, 2023	Year ended December 31, 2022
Other related parties	$ -	$ 3,980

F. 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. Rents are paid monthly.

(b)Acquisition of use-of-right assets

	Year ended December 31, 2023	Year ended December 31, 2022
Cheng Uei	$ 14,935	$ 7,838

(c) Lease liability

i. Outstanding balance

	December 31, 2023	December 31, 2022
Cheng Uei	$ 111,104	$ 122,374
Other related parties	-	4,894
	$ 111,104	$ 127,268

ii. Interest expense

	Year ended December 31,	
	2023	2022
Cheng Uei	$ 1,886	$ 1,924
Other related parties	9	165
	$ 1,895	$ 2,089

G. Rental revenue

	Year ended December 31,	
	2023	2022
Other related parties	$ 48,273	$ 30,781
Cheng Uei	20,471	19,874
	$ 68,744	$ 50,655

H. Loans from related parties:

Interest expense

	Year ended December 31,	
	2023	2022
Cheng Uei	$ -	$ 7,890

The loans are settled at maturity. Interest rate for the year ended December 31, 2023 was 1.6% per annum.

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

(3) Key management compensation

	Year ended December 31,	
	2023	2022
Salaries and other short-term employee benefits	$ 23,643	$ 23,940
Post-employment benefits	913	859
	$ 24,556	$ 24,799

8. Pledged Assets

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

	Book value		
Pledged asset	December 31, 2023	December 31, 2022	Purpose
Time deposits (shown as financial assets at amortised cost- current)	$ 65,776	$ 228,732	Guarantee for fast Customs Clearance and issuance of material purchasing guarantee and security deposit
Restricted bank deposits and pledged time deposits (shown as financial assets at amortised cost- current)	2,009,915	2,619,504	Letters of guarantee for construction performance , short-term borrowings and guarantee notes, etc.
Guarantee deposits paid (shown as other current assets)	1,001,654	999,710	Guarantee for construction performance, performance bond
Guarantee deposits paid (shown as other non-current assets)	262,327	246,058	Guarantee for electric energy transfer, deposits, guarantee and customs deposit
Time deposits (shown as financial assets at amortised cost-non-current)	4,500	4,500	Guarantee for lease performance
Restricted bank deposits and pledged time deposits (shown as financial assets at amortised cost- non-current)	402,761	388,788	Impound, bond guarantee, performance guarantee and guarantee for development plan
Property, plant and equipment	1,004,783	1,028,412	Short-term notes and bills and long-term borrowings
Investment property	-	6,654	Short-term and long-term borrowings
	$ 4,751,716	$ 5,522,358	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

A. The Group's subsidiary, Shih Fong Power Co., Ltd. ("Shih Fong"), carried out the "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, an 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 that ensued during the period of application for the renewal of the Work Permit were as follows:

(a) Administrative Appeal

The local indigenous peoples (the "Petitioners") filed a petition on May 14, 2021 with the Administrative Appeals Committee of the Executive Yuan (AAC), 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 from the AAC on May 31, 2021; and regarding the dispute with the latter, the decision of administrative appeal was rendered by the AAC on March 3, 2022 and the original administrative action was revoked. In accordance with the decision of the AAC, 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 litigation

The Petitioners disagreed with the decision of dismiss on May 31, 2021 by the AAC and filed an administrative litigation with the Taipei High Administrative Court (THAC). On December 3, 2021, the THAC 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 (SAC). On March 31, 2022, the SAC 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 the 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. Shih Fong had obtained the renewal Work Permit in 2021 and 2022 in December 2022 and the Work Permit in 2023 was renewed by the Ministry of Economic Affairs in February 2023. However, the Petitioners disagreed with the issuance of the Work Permit in 2023 by the Ministry of Economic Affairs and requested for a suspension until the administrative litigation is finalised. On September 28, 2023, the Supreme Court issued a ruling that "the execution shall be stayed until the administrative litigation is concluded and the certain litigation expenses shall all be abandoned." Shih Fong had obtained the Work Permit for 2024 to 2026 was renewed by the Ministry of Economic Affairs in February 2024 which will be valid until December 31, 2026.

B. The Group's second-tier subsidiary, Foxwell Energy Corporation Ltd. ("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 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 reserves the right to claim compensation from the contractor. As of March 7, 2024, 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.

C. The Group's second-tier subsidiary, Elegant Energy TECH Co., Ltd., was commissioned by VAI Renewables Co., Ltd. to develop a wind farm. As there are objections over the development process of the wind farm, VAI Renewables Co., Ltd. has filed a claim for reimbursement to the second-tier subsidiary, Elegant Energy TECH Co., Ltd., for approximately $33,593, which has not yet started trial proceedings, and it is not possible to predict the outcome of the court trial.

(2) <u>Commitments</u>

A. Information on endorsement/guarantee of the Company is provided in Note 13(2).

B. As of December 31, 2023 and 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, both amounted to $5,400,000, of which the amounts provided by the Group to banks as pledges (shown as financial assets at amortised cost) were both $1,620,000, the endorsement and guarantee amount provided by the second-tier subsidiary, Shinfox Energy Co., Ltd. was both $3,780,000, and the amounts pledged by the letter of guarantee assigned by subcontractors were both $1,608,370.

C. Except as described in Note 9(2) B., the Group's second-tier subsidiary, Shinfox Energy Co., Ltd., provided performance guarantee on the subcontracted construction and the credit line on the guaranteed amount to the Group's second-tier subsidiary, Foxwell Energy Corporation Ltd., amounting to $19,786,950 and $12,762,997 as of December 31, 2023 and 2022, respectively.

D. As of December 31, 2023 and 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 $150,519 and $75,144, respectively.

E. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

(a) As of December 31, 2023 and 2022, equipment purchases agreements contracted but not recognised and paid amounted to $495,306 and $391,120, respectively.

(b) The Company entered into a construction cooperation contract with non-related parties with a total consideration of $44,455,932. As of December 31, 2023, the consideration of $16,380,673 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 December 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. <u>Significant Disaster Loss</u>

None.

11. <u>Significant Subsequent Events</u>

A. The appropriation of 2023 earnings had been approved by the Board of Directors on March 7, 2024. Details are summarized below:

	2023	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 15,004	
Special reserve	(290,674)	
Cash dividends	369,363	$ 1.50

B. The cash payment from capital surplus amounting to $123,121 (NT$0.5 (in dollars) per share) had been approved by the Board of Directors on March 7, 2024.

C. On February 27, 2024, the Board of Directors of the subsidiary, Shinfox Energy Co., Ltd., of the Group resolved to provide endorsements and guarantees for the investee company, Changpin Wind Power Ltd. by pledging the shares of Changpin Wind Power Ltd. to Bank SinoPac with the 50% shareholding ratio of which the value amounted to $120,000 to apply for a project financing facility.

D. On February 27, 2024, the Board of Directors of the second-tier subsidiary, Shinfox Energy Co., Ltd., of the Group resolved to provide an endorsement and guarantee for the subsidiary, SFE, with the credit line within the limit of US$100 million (equivalent to approximately NT$3.15 billion) to financial institutions.

E. On February 27, 2024, to meet the needs of the Group’s subsidiary, SFE, for purchasing heavy lifting vessels. The Board of Directors of the second-tier subsidiary, Shinfox Energy Co., Ltd., of the Group resolved to provide short-term financing facilities with a borrowing amount of $1,500,000 and the interest is repayable monthly at an annual interest rate of 8%.

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

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 5,167	$ -
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 3,152,254	$ 1,904,369
Financial assets at amortised cost		
Cash and cash equivalents	$ 6,953,129	$ 5,732,695
Financial assets at amortised cost	3,261,615	3,299,563
Notes receivable	25,654	34,952
Accounts receivable(including related parties)	2,011,711	1,216,207
Other receivables(including related parties)	99,617	42,464
Guarantee deposits paid	1,277,845	1,260,741
	$ 13,629,571	$ 11,586,622

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 9,180,124	$ 7,035,719
Short-term notes and bills payable	4,005,614	1,789,159
Notes payable	32,677	656
Accounts payable (including related parties)	2,591,139	1,417,018
Other payables(including related parties)	1,092,937	831,925
Long-term borrowings (including current portion)	6,498,457	5,397,714
Guarantee deposits received	40,328	24,668
	$ 23,441,276	$ 16,496,859
Lease liability	$ 415,854	$ 292,328

B. Financial risk management policies

(a) The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain exchange rate risk. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

(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 about derivative financial instruments that are used to hedge certain exchange rate risk are 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 currency, primarily with respect to the USD and RMB. Foreign exchange rate risk arises from future commercial transactions and recognised 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 highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.

iii. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).

iiii. 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:

	December 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 88,946	30.7050	$ 2,731,087
RMB:NTD	73,337	4.3270	317,329
JPY:NTD	1,020	0.2172	222
HKD:NTD	1,202	3.9290	4,723
EUR:NTD	168	33.9800	5,709
HKD:RMB	3,065	0.9080	12,042
USD:RMB	16,340	7.0961	501,720
Financial liabilities			
Monetary items			
USD:NTD	$ 21,551	30.7050	$ 661,723
RMB:NTD	56	4.3270	242
JPY:NTD	1,767	0.2172	384
USD:RMB	2,005	7.0961	61,564
USD:HKD	569	4.3270	17,471

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
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	3.9380	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

D. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022, amounted to ($78,574) and $147,239, respectively.

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

	Year ended December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 27,311	$ -
RMB:NTD	1%	3,173	-
JPY:NTD	1%	2	-
HKD:NTD	1%	47	-
EUR:NTD	1%	57	-
HKD:RMB	1%	120	-
USD:RMB	1%	5,017	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 6,617	$ -
RMB:NTD	1%	2	-
JPY:NTD	1%	4	-
USD:RMB	1%	616	-
USD:HKD	1%	175	-

	Year ended December 31, 2022				
	Sensitivity analysis				
	Degree of variation	Effect on profit or loss before tax		Effect on other comprehensive income	
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	1%	$	19,008	$	-
RMB:NTD	1%		3,781		-
JPY:NTD	1%		1,089		-
HKD:NTD	1%		39		-
EUR:NTD	1%		55		-
HKD:RMB	1%		324		-
USD:RMB	1%		6,770		-
Financial liabilities					
Monetary items					
USD:NTD	1%	$	8,606	$	-
RMB:NTD	1%		3,734		-
JPY:NTD	1%		17		-
USD:RMB	1%		1,480		-
USD:HKD	1%		1,226		-

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, profit net of tax for the years ended December 31, 2023 and 2022 would have increased/decreased by $41 and $0, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. And other components of equity would have increased/decreased by $25,218 and $15,235, 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. During the years ended December 31, 2023 and 2022, the Group's borrowings were denominated in the NTD and USD.

ii. If the borrowing interest rate had increased/decreased by 0.1% with all other variables held constant, profit, net of tax for the years ended December 31, 2023 and 2022 would have increased/decreased by $15,747 and $11,378, 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 contract 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 analysing 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 limits set by the Board of Directors. The utilisation 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 historical and timely information to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the provision matrix is as follows:

	Expected loss rate	Total book value	Loss allowance
December 31, 2023			
Not past due	0.03%~4.41%	$ 1,877,583	$ 9,563
Up to 30 days past due	0.65%~10.97%	114,854	10,875
31~90 days past due	0.65%~46.01%	7,511	1,502
91~180 days past due	100%	-	-
Over 181 days past due	100%	1,695	1,695
		$ 2,001,643	$ 23,635

	Expected loss rate	Total book value	Loss allowance
December 31, 2022			
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%	2,758	2,758
		$ 1,199,480	$ 24,172

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

	2023
	Accounts receivable
At January 1	$ 24,172
Reversal of impairment loss	(532)
Effect of foreign exchange	(5)
At December 31	$ 23,635

	2022
	Accounts receivable
At January 1	$ 32,906
Provision for impairment	1,886
Reversal of impairment loss	(10,622)
Effect of foreign exchange	2
At December 31	$ 24,172

(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

December 31, 2023	Less than 1 year	Between 2 and 5 years	Over 5 years
Short-term borrowings	$ 9,356,138	$ -	$ -
Short-term notes and bills payable	4,013,200	-	-
Notes payable	32,677	-	-
Accounts payable (including related parties)	2,591,139	-	-
Other payables (including related parties)	1,092,937	-	-
Lease liability	98,355	206,990	161,050
Bonds payable	-	3,000,000	-
Long-term borrowings (including current portion)	284,609	6,294,106	58,909

Non-derivative financial liabilities

December 31, 2022	Less than 1 year	Between 2 and 5 years	Over 5 years
Short-term borrowings	$ 7,064,899	$ -	$ -
Short-term notes and bills payable	1,792,400	-	-
Notes payable	656	-	-
Accounts payable (including related parties)	1,417,018	-	-
Other payables (including related parties)	831,925	-	-
Lease liability	58,412	117,429	123,970
Long-term borrowings (including current portion)	761,688	4,596,649	171,275

(3) Fair value information

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 3.

B. Fair value information of investment property at cost is provided in Note 6(12).

C. Financial instruments not measured at fair value

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable and other payables are approximate to their fair values.

	December 31, 2023			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 2,851,779	$ -	$ 2,851,779	$ -

For the year ended December 31, 2022：None

(b) The methods and assumptions of fair value estimate are as follows:

Bonds payable is measured at present value, which is calculated based on the cash flow expected to be paid and discounted using a market rate prevailing at balance sheet date.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2023 and 2022 are as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 1,267			$ 1,267
Financial assets at fair value through other comprehensive income				
Equity securities	2,712,530		439,724	3,152,254
Embedded derivatives				
Put options of convertible bonds	-	3,900	-	3,900
	$2,713,797	$ 3,900	$ 439,724	$3,157,421

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$1,014,860	$ -	$ 889,509	$1,904,369

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:

	Listed shares
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 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 was 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 years ended December 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 years ended December 31, 2023 and 2022:

	2023	2022
At January 1	$ 889,509	$ 1,010,777
Transfer in	170,604	-
Sold in the period	(493,433)	-
Loss recognised in other comprehensive income	(125,575)	(122,368)
Effect of exchange rate changes	(1,381)	1,100
At December 31	$ 439,724	$ 889,509

H. For the year ended December 31, 2023, information on transfers into Level 3 is provided in Note 6(8). For the year ended December 31, 2022, there were no transfers into Level 3.

I. Treasury segment is in charge of valuation procedures for fair value measurements being categorised 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:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 649	Market comparable companies	Discount for lack of marketability	20%~50%	The higher the discount for lack of marketability, the lower the fair value
	439,075	Net asset value	Not applicable	–	Not applicable

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 426,908	Market comparable companies	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
	462,601	Net asset value	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 categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	±5%	$ -	$ -	$ 32	($ 32)

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

13. Supplementary Disclosures

(1) Significant transactions information

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

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

C. Holding of marketable securities at the end of the period (not including 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 Note 12(2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees 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：

Significant transactions with Mainland China invested companies directly or indirectly through third-party territories and their prices, payment terms, and unrealized gains/losses: please refer to Note 13(1)G for details on significant transactions between the Company and its subsidiaries with Mainland China invested companies for the year ended December 31, 2023.

(4) Major shareholders 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 component, 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:

Year ended December 31, 2023

	Systems and peripheral products department	3C product retail department	3C component department	Energy service management	Adjustment and elimination	Total
Revenue from external customer	$ 4,400,216	$ 1,632,430	$ 142,868	$ 11,247,488	$ -	$ 17,423,002
Inter-segment revenue	–	-	-	2,094	(2,094)	-
Segment Revenue	$ 4,400,216	$ 1,632,430	$ 142,868	$ 11,249,582	($ 2,094)	$ 17,423,002
Segment income (loss)	$ 575,031	$ 7,107	($ 323,016)	$ 789,470	($ 31,683)	$ 1,016,909

Year ended December 31, 2022

	Systems and peripheral products department	3C product retail department	3C component department	Others	Adjustment and elimination	Total
Revenue from external customer	$ 5,306,253	$ 2,214,276	$ 255,153	$ 4,293,567	$ -	$ 12,069,249
Inter-segment revenue	-	-	-	7,625	(7,625)	-
Segment Revenue	$ 5,306,253	$ 2,214,276	$ 255,153	$ 4,301,192	($ 7,625)	$ 12,069,249
Segment income (loss)	$ 619,032	$ 45,045	($ 332,582)	$ 252,387	($ 29,909)	$ 553,973

(4) Reconciliation for segment income (loss)

The external revenue and segment net income reported to the chief operating decision-maker are 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 net income to the income before tax from continuing operations for the years ended December 31, 2023 and 2022 is provided as follows:

	Year ended December 31,	
	2023	2022
Reportable segments income	$ 1,016,909	$ 553,973
Unrealised financial instrument gains		
Non-operating income and expenses, net	85,102	292,548
Income before tax from continuing operations	$ 1,102,011	$ 846,521

(5) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31,			
	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$11,347,647	$ 7,887,269	$ 4,400,353	$ 5,307,168
Hong Kong	1,779,215	641,691	2,156,948	637,583
China	1,291,362	1,219,886	1,505,847	1,298,705
USA	646,499	-	1,550,918	-
Others	2,358,279	138,884	2,455,183	139,483
	$17,423,002	$ 9,887,730	$12,069,249	$ 7,382,939

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31,			
	2023		2022	
	Revenue	Segment	Revenue	Segment
J Company	$ 9,908,573	Energy service management	$ 2,099,298	Energy service management
D Company	1,208,494	Systems and peripheral products department	1,450,745	Systems and peripheral products department
H Company	787,051	Systems and peripheral products department	1,218,002	Systems and peripheral products department
I Company	222,980	Energy service management	1,593,294	Energy service management

FIT HOLDING CO., LTD.

Loans to others

Year ended December 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 year ended December 31, 2023	Balance at December 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 Item	Collateral Value	Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted	Footnote
0	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	Other receivables	Y	$ 900,000	$ -	$ -	1.93%	2	$ -	Operations	$ -	-	$ -	$ 2,555,825	$ 3,407,767	
1	Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables	Y	266,700	173,080	118,992	2.50%	2	-	Operations	-	-	-	1,378,304	1,378,304	
1	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	Other receivables	Y	500,000	500,000	-	2.00%	2	-	Operations	-	-	-	1,378,304	1,378,304	
2	Glorytek (Suzhou) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Other receivables - related parties	Y	28,448	-	-	3%	2	-	Operations	-	-	-	284,865	284,865	
2	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables - related parties	Y	222,250	216,350	154,041	3%	2	-	Operations	-	-	-	284,865	284,865	
3	Shinfox Energy Co. Ltd.	Foxwell Energy Corporation Ltd.	Other receivables - related parties	Y	600,000	-	-	Average borrowing rate plus 0.1%	2	-	Group capital movement	-	-	-	4,463,022	4,463,022	
4	Power Quotient Technology (YANCHENG) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Other receivables	Y	533,400	333,179	333,179	2.50%	2	-	Group capital movement	-	-	-	703,240	703,240	
4	Power Quotient Technology (YANCHENG) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables	Y	221,100	216,350	216,350	2.50%	2	-	Group capital movement	-	-	-	703,240	703,240	
5	Dong Guan HanYang Computer Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables	Y	88,660	86,540	-	3.65%	2	-	Operations	-	-	-	326,156	326,156	

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 singal 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 subsidiaires, 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 singal party shall be lower than 10% of the company's net assets based on the company's lastest financial statements.

(e) Limit on total loans and individual limit on lonas 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

Year ended December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	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 December 31, 2023	Outstanding endorsement/ guarantee amount at December 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
0	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	2	$ 51,116,514	$ 1,636,002	$ 1,320,000	$ 1,025,000	$ -	15.49	$ 51,116,514	Y	N	N	
0	FIT Holding Co., Ltd.	Glory Science Co., Ltd.	2	51,116,514	1,223,350	990,000	680,000	-	11.62	51,116,514	Y	N	N	
0	FIT Holding Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	2	51,116,514	131,340	129,810	129,810	-	1.52	51,116,514	Y	N	Y	
1	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	4	20,674,572	1,925,000	1,365,000	1,225,000	-	16.02	20,674,572	N	N	N	
1	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	4	20,674,572	440,000	440,000	350,000	-	5.16	20,674,572	N	N	N	
2	Shinfox Energy Co. Ltd.	Foxwell Energy Corporation Ltd.	2	66,945,324	31,200,000	31,200,000	23,453,750	-	366.22	66,945,324	N	N	N	
2	Shinfox Energy Co. Ltd.	Shinfox Far East Company Pte. Ltd.	2	62,482,302	630,000	630,000	-	-	7.39	66,945,324	N	N	N	
3	Foxwell Energy Corporation Ltd.	Xinwei Power Co., Ltd.	2	14,227,534	113,200	113,200	113,200	-	1.33	14,227,534	N	N	N	

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

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

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

(1) Limit on total endorsements is 600% of the Company's net asset.

(2) Limit on endorsements to a single party is 600% of the Company's net asset.

(3) Limit on total endorsements granted by the Company and its subsidiaries is 600% of the Company's net asset.

(4) Total limit on the Company's and its subsidiaries endorsement/guarantee to a singal party is 600% of the Company's net assets and to the subisidiaries 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/guarnatee each other with a limat of 10% of the Company's net assets, but not available for the companies whose voting rights are 100% owned directly and indirectly by the Company.

(7) The Company's subsidiary who prepared to provide endorsement/guarnatee 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.

(8) For subsidiaries whose shares are 90% or above held by Foxwell Energy, ceiling on total amount of endorsements and guarantees provided by the Company is 150% of the Company's net asset value; limit on endorsements and guarantees provided by the Company for a single party is 140% of the Company's net asset value.

FIT HOLDING CO., LTD.

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

Year ended December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of December 31, 2023				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares (in thousands)	Book value	Ownership (%)	Fair value	Footnote
FIT Holding Co., Ltd.	LeadsunFox Greenergy Investment Co., Ltd.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	22,500	$ 210,529	12.00	$ 210,529	Not pledged as collateral
Foxlink Image Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	1,631	160,767	0.04	160,767	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	155,396	4.00	155,396	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	49,503	2,390,996	9.66	2,390,996	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	-	14.09	-	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 Mobile Co., Ltd.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	1,631	160,767	0.04	160,767	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

				As of December 31, 2023				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	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	-	73,150	12.90	73,150	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
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
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Shin Kong Financial Holding Co., Ltd.	Not applicable	Financial assets at fair value through profit or loss-current	43	383	-	383	Not pledged as collateral
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Shin Kong Financial Holding Co., Ltd. Preferred Shares B	Not applicable	Financial assets at fair value through profit or loss-current	1	15	-	15	Not pledged as collateral
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Mildef Crete Inc.	Not applicable	Financial assets at fair value through profit or loss-current	10	869	0.02	869	Not pledged as collateral
KunShan Eastern Rainbow Environmental Equipment Co., Ltd.	Wuxi EASTERN Rainbow Environmental Protection Engineering Co., Ltd.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	-	649	10	649	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

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

					Balance as at January 1, 2023		Addition		Disposal				Balance as at December 31, 2023		
Investor	Marketable securities	General ledger account	Counterparty	Relationship with the counterparty	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	Footnote
Shinfox Co., Ltd.	Foxwell Energy Corporation Ltd.	Investment accounted for using equity method	Foxwell Energy Corporation Ltd.	Note1	610,000,000	$ 6,100,000	257,000,000	$ 2,570,000	-	-	-	-	867,000,000	$ 8,670,000	Note3
Shinfox Co., Ltd.	Shinfox Far East Company Pte.Ltd.	Investment accounted for using equity method	Far East Renewable Enegry Company Pte. Ltd.	Note2	-	981,545	53,600,000	675,778	-	-	-	-	53,600,000	1,657,323	Note3、5
Foxlink Image Technology Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	Financial assets at fair value through other comprehensive income-non-current	Cheng Uei Precision Industry Co., Ltd.	Note4	27,503,000	1,263,416	22,000,000	918,233	-	-	-	-	49,503,000	2,181,649	

Note1：The entity is the Company's subsidiary

Note2：The general ledger account is 'Investments accounted for using equity method'.

Note3：The abovementioned amount is investment cost, information relating to its carrying amount is provided Note 6 (8) and table 8.

Note4：The entity is the Company's parent company.

Note5：The Group prepaid investments to Shinfox Far East Company Pte Ltd. on December 27, 2022, and acquired 40% equity interests in the entity in January 2023, and acquired another 27% equity interests in the entity on November 6, 2023.

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
Year ended December 31, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliate	Sales	($ 667,701)	-90%	Flexible collection, depending on the capital	Mutual agreement	None	$ 132,607	100%	
Foxlink Image Technology Co., Ltd.	Wei Hai Fu Kang Electric Co., Ltd.	Affiliate	Purchases	667,701	19%	Flexible collection, depending on the capital	Mutual agreement	None	(132,607)	-17%	

FIT HOLDING CO., LTD.

Receivables from related parties reaching $100 million or 20% of paid-in capital or more

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023	Turnover rate	Overdue receivables: Amount	Overdue receivables: Action taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	$ 118,992	Note1	$ -	-	$ -	$ -
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	346,939	0.72	-	-	-	-
Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	165,545	Note1	-	-	-	-
Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Affiliate	255,026	Note1	-	-	-	-
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	138,511	Note1	-	-	-	-
Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliate	342,797	1.95	-	-	55,231	-
Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliate	132,607	4.42	-	-	56,523	-
Power Quotient Technology (YANCHENG) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Affiliate	333,179	Note1	-	-	-	-
Power Quotient Technology (YANCHENG) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	216,350	Note1	-	-	-	-

Note 1: The turnover rate was not applicable as the receivables were recorded as other receivables.

FIT HOLDING CO., LTD.
Significant inter-company transactions during the reporting period
Year ended December 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	$ 118,992	Based on the Company's policies	0%
2	Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	255,026	Based on the Company's policies	1%
2	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Accounts receivable	346,939	Based on the Company's policies	1%
2	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	138,511	Based on the Company's policies	0%
3	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	165,545	Based on the Company's policies	0%
4	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	342,797	Flexible collection, depending on the capital requirement	1%
4	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Processing fees revenue	600,085	Flexible collection, depending on the capital requirement	3%
5	Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Processing fees revenue	104,010	Flexible collection, depending on the capital requirement	0%
6	Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	132,607	Flexible collection, depending on the capital requirement	0%

Number (Note 1)	Company name	Counterparty	Relationship (Note2)	Transaction: General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
6	Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Sales revenue	667,701	Flexible collection, depending on the capital requirement	4%
7	Power Quotient Technology (YANCHENG) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	333,179	Based on the Company's policies	1%
7	Power Quotient Technology (YANCHENG) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	216,350	Based on the Company's policies	0%
8	Foxwell Energy Corporation Ltd.	SHINFOX FAR EAST COMPANY PTE. LTD.	3	Construction cost	610,562	Sales prices are approximate to normal clients	1%

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

Year ended December 31, 2023

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: Ownership (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognized by the Company for the year ended December 31, 2023	Footnote
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	$ 426,601	($ 279,500)	($ 279,500)	Subsidiary
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	4,173,056	602,151	595,939	Subsidiary
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	5,213,291	264,600	264,161	Subsidiary
FIT Holding Co., Ltd.	Shih Fong Power Co., Ltd.	Taiwan	Hydroelectricity generation	299,952	299,952	37,500,000	16.30	388,100	11,763	1,918	Subsidiary
FIT Holding Co., Ltd.	Synergy Co., Ltd.	Taiwan	Optoelectronics Industry、Renewable energy and Energy technical services	36,760	36,760	3,676,000	36.76	33,401	130	48	Investee
Foxlink Image Technology Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	British Virgin Islands	Manufacture of image scanners and multifunction printers	1,325,746	1,325,746	20,241,034	100.00	2,274,747	130,291	-	Second-tier subsidiary
Foxlink Image Technology Co., Ltd.	Shih Fong Power Co., Ltd.	Taiwan	Hydroelectricity generation	957,600	957,600	79,800,000	34.70	957,357	11,763	-	Investee
ACCU-IMAGE TECHNOLOGY LIMITED	POWER CHANNEL LIMITED	Hong Kong	Holding and reinvesting businesses	131,724	131,724	3,575	35.75	753,722	165,112	-	Investee
Glory Science Co., Ltd.	GLORY TEK (BVI) CO., LTD.	British Virgin Islands	General investments business	1,458,482	1,249,688	47,499,819	100.00	120,592	(227,607)	-	Second-tier subsidiary
GLORY TEK (BVI) CO., LTD.	GLORY TEK (SAMOA) CO., LTD.	Samoa	General investments business	977,974	769,180	31,850,628	100.00	471,929	(124,162)	-	Third-tier subsidiary

				Initial investment amount		Shares held as at December 31, 2023					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognized by the Company for the year ended December 31, 2023	Footnote
GLORY TEK (BVI) CO., LTD.	GLORY OPTICS (BVI) CO., LTD.	British Virgin Islands	Trading	491,280	491,280	16,000,000	100.00	(393,565)	(103,618)	-	Third-tier subsidiary
GLORY TEK (BVI) CO., LTD.	GLORYTEK SCIENCE INDIA PRIVATE LIMITED	India	Trading and manufacturing	103,349	103,349	21,773,105	99.27	80,173	174	-	Third-tier subsidiary
GLORYTEK SCIENCE INDIA PRIVATE LIMITED	TEGNA ELECTRONICS PRIVATE LIMITED	India	Trading and manufacturing	11,086	11,086	3,001,000	10.00	12,543	5,832	-	Investee
Power Quotient International Co., Ltd.	Power Quotient International (H.K.) Co., Ltd.	Hong Kong	Sales of electronic telecommunication components	416,867	416,867	106,100,000	100.00	703,509	4,361	-	Second-tier subsidiary
Power Quotient International Co., Ltd.	PQI JAPAN CO., LTD	Japan	Sales of electronic telecommunication components	23,129	23,129	24,300	100.00	2,330	132,257	-	Second-tier subsidiary
Power Quotient International Co., Ltd.	SYSCOM DEVELOPMENT CO., LTD.	British Virgin Islands	Specialised investments holding	333,548	333,548	10,862,980	100.00	82,893	198	-	Second-tier subsidiary
Power Quotient International Co., Ltd.	Apix LIMITED	British Virgin Islands	Specialised investments holding	3,177,022	3,177,022	12,501	100.00	1,157,709	20,723	-	Second-tier subsidiary
Power Quotient International Co., Ltd.	Power Sufficient International Co., Ltd.	Taiwan	Sales of medical equipment	10,000	10,000	1,000,000	100.00	13,044	(116)	-	Second-tier subsidiary Note2
Power Quotient International Co., Ltd.	Shinfox Co., Ltd.	Taiwan	Energy service management	3,646,600	3,646,600	102,951,145	47.63	5,314,342	636,385	-	Second-tier subsidiary
Shinfox Co., Ltd.	Foxwell Energy Corporation Ltd.	Taiwan	Energy service management	8,670,000	6,100,000	867,000,000	100.00	9,454,493	763,402	-	Third-tier subsidiary
Shinfox Co., Ltd.	SHINFOX NATURAL GAS CO., LTD.	Taiwan	Energy service management	360,000	360,000	36,000,000	80.00	273,993	(33,373)	-	Third-tier subsidiary
Shinfox Co., Ltd.	Foxwell Power Co., Ltd.	Taiwan	Energy service management	656,590	672,600	46,539,000	77.57	753,148	53,170	-	Third-tier subsidiary
Shinfox Co., Ltd.	Jiuwei Power Co., Ltd.	Taiwan	Natural gas power generation business	1,100,000	1,100,000	110,000,000	100.00	1,086,475	(6,154)	-	Third-tier subsidiary
Shinfox Co., Ltd.	CHUNG CHIA POWER Co., Ltd.	Taiwan	Combined Heat and Power	-	180,000	-	0.00	-	(731)	-	Investee Note1
Shinfox Co., Ltd.	Elegant Energy TECH Co., Ltd	Taiwan	Energy technical services	200,000	200,000	500,000	100.00	146,872	(1,068)	-	Third-tier subsidiary

				Initial investment amount		Shares held as at December 31, 2023					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognized by the Company for the year ended December 31, 2023	Footnote
Shinfox Co., Ltd.	Yuanshan Forest Natural Resources Co., Ltd.	Taiwan	Tree planting industry	100,000	10,000	1,000,000	100.00	99,682	(264)	-	Third-tier subsidiary
Shinfox Co., Ltd.	Changpin Wind Power Ltd.	Taiwan	Electricity Generating Enterprise	120,000	120,000	12,000,000	50.00	105,979	(1,033)	-	Joint Venture
Shinfox Co., Ltd.	Diwei Electric Power Co., Ltd	Taiwan	Electricity Generating Enterprise	-	30,000	-	0.00	-	5,990	-	Third-tier subsidiary
Shinfox Co., Ltd.	Guanwei Power Co., Ltd.	Taiwan	Electricity Generating Enterprise	35,700	35,700	3,570,000	51.00	35,622	(122)	-	Third-tier subsidiary
Shinfox Co., Ltd.	Shinfox Far East Company Pte Ltd	Singapore	Maritime Engineering	1,657,323	981,545	53,600,000	67.00	1,571,897	(261,606)	-	Third-tier subsidiary
Shinfox Co., Ltd.	Junwei Power Co., Ltd.	Taiwan	Electricity Generating Enterprise	12,000	-	1,200,000	100.00	11,955	(45)	-	Third-tier subsidiary
Shinfox Co., Ltd.	Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Taiwan	Energy technical services	218,020	-	19,820,000	56.63	211,405	(11,095)	-	Third-tier subsidiary
Foxwell Energy Corporation Ltd.	Liangwei Electric Power Co., Ltd.	Taiwan	Electricity Generating Enterprise	-	40,000	-	0.00	-	6,459	-	Fourth-tier subsidiary
Foxwell Energy Corporation Ltd.	Xinwei Power Co., Ltd.	Taiwan	Electricity Generating Enterprise	37,300	-	3,730,000	100.00	31,998	(201)	-	Fourth-tier subsidiary
Foxwell Power Corporation Ltd.	Foxwell Certification Co., Ltd.	Taiwan	Energy technical services	10,000	-	1,000,000	100.00	5,794	(4,206)	-	Fourth-tier subsidiary
Foxwell Power Corporation Ltd.	Cheng Shin Digital CO., Ltd.	Taiwan	Energy technical services	490	-	49,000	49.00	1,682	990	-	Fourth-tier subsidiary
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Eastern Rainbow Environmental Resource Co., Ltd.	Taiwan	Energy technical services	2,500	-	250,000	100.00	708	(1,035)	-	Fourth-tier subsidiary
SYSCOM DEVELOPMENT CO., LTD	Foxlink Powerbank International Technology Private Limited	India	Sales of electronic telecommunication components	103,260	103,260	21,790,000	99.27	80,232	163	-	Third-tier subsidiary
Apix LIMITED	Sinocity Industries Co., Ltd.	Hong Kong	Sales of electronic product	2,652,075	2,652,075	6,000,000	100.00	915,010	22,410	-	Third-tier subsidiary
Apix LIMITED	Perennial Ace Limited	British Virgin Islands	Specialised investments holding	654,017	654,017	Shares yet to be issued.	100.00	242,553	(1,688)	-	Third-tier subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: Ownership (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognized by the Company for the year ended December 31, 2023	Footnote
Sinocity Industries Co., Ltd.	DG LIFESTYLE STORE LIMITED	Macau	Sales of electronic product	381	381	100,000	100.00	(11,985)	(2,122)	-	Fourth-tier subsidiary
Perennial Ace Limited	Studio A Technology Limited	Hong Kong	Sales of electronic product	4,998	4,998	1,225,000	24.50	105,982	(181)	-	Investee
Foxlink Powerbank International Technology Private Limited	TEGNA ELECTRONICS PRIVATE LIMITED	India	Trading and manufacturing	11,086	11,086	3,001,000	10.00	12,542	5,832	-	Investee

Note 1: 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.

Note 2: Power Sufficient International Co., Ltd. completed the deregistration process in June 2023.

FIT HOLDING CO., LTD.

Information on investments in Mainland China

Year ended December 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	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2023	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					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	$ 187,013	Note 2	$ 187,013	$ -	$ -	$ 187,013	$ 29,611	100	$ 29,611	$ 326,156	$ -	Note 7
Sharetronic Data Technology Co., Ltd.	Manufacutre and sales of mobile phone, LCD TV Connector and electronic components	1,054,927	Note 2	131,724	-	-	131,724	1,236,247	6.04	59,030	627,763	-	Note 7
Dong Guan Fu Zhang Precision Industry Co., Ltd.	Mould development and moulding tool manufacture	249,087	Note 2	183,170	-	-	183,170	(58,629)	100	(58,629)	123,124	-	Note 7
Wei Hai Fu Kang Electric Co., Ltd.	Manufacture and sale of parts and moulds of photocopiers and scanners	460,575	Note 2	368,460	-	-	368,460	68,708	100	68,708	649,756	-	Note 7
Dongguan Fu Wei Electronics Co., Ltd.	Manufacture and sales of image scanners, multifunction and printers and its accessories	184,230	Note 2	162,992	-	-	162,992	21,789	100	21,789	499,257	-	Note 7
Glorytek (Suzhou) Co., Ltd.	Trading and manufacturing	429,870	Note 2	399,490	-	-	399,490	(72,215)	100	(72,215)	284,865	-	Note 7
Glorytek (Yancheng) Co., Ltd.	Trading and manufacturing	276,345	Note 2	256,815	-	-	256,815	(108,452)	100	(108,452)	(658,937)	-	Note 7
Yancheng Yao Wei Technology Co., Ltd	Trading and manufacturing	43,270	Note 3	-	-	-	-	(419)	100	(419)	83,612	-	Note 7
Glory Optics (Yancheng) Co., Ltd.	Trading and manufacturing	1,143,258	Note 4	326,960	208,046	-	535,006	(124,375)	100	(124,375)	399,535	-	Note 7
Power Quotient Technology (YANCHENG) Co., Ltd.	Manufacture and sales of electronic components	614,100	Note 2	Note5	-	-	-	4,570	100	4,570	703,240	-	Note 7
PQI (Xuzhou) New Energy Co., Ltd	Manufacture and sales of electronic components	43,270	Note 3	Note6	-	-	-	86	100	86	43,590	-	Note 7
Kunshan Jiuwei Info Tech Co., Ltd.	Supply chain finance energy service management	1,536	Note 1	1,536	-	-	1,536	4,817	100	4,817	31,272	-	Note 7
KunShan Eastern Rainbow Environmental Equipment Co., Ltd.	Energy technical services	21,635	Note 1	21,635	-	-	21,635	(1,081)	100	(1,081)	31,318	-	Note 7

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 audited by the independent auditors.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 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.	$ 1,045,726	$ 1,208,785	$ 2,067,457
Glory Science Co., Ltd.	1,191,311	1,288,075	256,314
Power Quotient International Co., Ltd.	23,171	692,386	7,384,801

FIT HOLDING CO., LTD.

Major shareholders information

December 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%