

**FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND IN-
DEPENDENT AUDITORS' REVIEW REPORT
MARCH 31,2024 AND 2023**

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

FIT HOLDING CO., LTD.
MARCH 31, 2024 AND 2023 CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT
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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR 24000498

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

Introduction

We have reviewed the accompanying consolidated balance sheets of FIT Holding Co., Ltd. and subsidiaries (the "Group") as at March 31, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months then ended, as well as the consolidated statement of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

As explained in Note 4(3), the financial statements of certain insignificant consolidated subsidiaries and information disclosed in Note 13 were not reviewed by independent auditors. Those statements reflect total assets of NT\$8,259,071 thousand and NT\$7,975,720 thousand, constituting 17% and 24% of the consolidated total assets, and total liabilities of NT\$761,346 thousand and NT\$1,949,383 thousand, constituting 3% and 10% of the consolidated total liabilities as at March 31, 2024 and 2023, and total comprehensive income of NT\$(45,577) thousand and NT\$20,693 thousand, constituting (13%) and 50% of the consolidated total comprehensive (loss) income for the three months then ended. As explained in Note 6(8), certain investments accounted for using equity method were assessed and shares of profit or loss of associates and joint ventures accounted for using equity method as of March 31, 2024 and 2023 were disclosed based on the financial statements which were not reviewed by independent auditors. The balance of investment accounted for under equity method was NT\$1,086,398 thousand and NT\$1,985,086 thousand, constituting 2% and 6% of consolidated total assets as of March 31, 2024 and 2023, respectively, and the share of profit of associates and joint venture accounted for under equity method was NT\$50,389 thousand and NT\$7,882 thousand, constituting 15% and 19% of consolidated total comprehensive (loss) income for the three months then ended, respectively.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated

subsidiaries and investments accounted for using the equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Zhou, Hsiao-Zi Liang Yi Chang
For and on behalf of PricewaterhouseCoopers, Taiwan
May 14, 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
MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023
(Expressed in thousands of New Taiwan dollars)

(The balance sheets as of March 31, 2024 and 2023 are reviewed, not audited)

| | | | March 31,2024 | | December 31,2023 | | March 31,2023 | |
|--------------------|--|-------------|---------------|-----|------------------|-----|---------------|-----|
| Assets | | Notes | AMOUNT | % | AMOUNT | % | AMOUNT | % |
| Current assets | | | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 7,161,511 | 15 | \$ 6,953,129 | 16 | \$ 5,526,154 | 17 |
| 1110 | Financial assets at fair value | 6(2)(18) | 10,382 | - | 5,167 | - | - | - |
| | through profit or loss-current | | | | | | | |
| 1136 | Current financial assets at | 6(4)&8 | 2,867,380 | 6 | 2,854,354 | 6 | 2,114,794 | 6 |
| | amortised cost | | | | | | | |
| 1140 | Current contract assets | 6(24) | 10,809,663 | 23 | 8,675,960 | 20 | 3,848,663 | 12 |
| 1150 | Notes receivable,net | 6(5) | 30,231 | - | 25,654 | - | 33,108 | - |
| 1170 | Accounts receivable,net | 6(5) | 1,275,474 | 3 | 1,978,008 | 5 | 879,592 | 3 |
| 1180 | Accounts receivable-related parties | 7 | 20,884 | - | 33,703 | - | 22,598 | - |
| 1200 | Other receivables | 7 | 88,840 | - | 99,617 | - | 74,573 | - |
| 1220 | Current tax assets | | 51,305 | - | 46,172 | - | 39,303 | - |
| 130X | Inventories | 6(6) | 1,101,331 | 3 | 1,348,972 | 3 | 1,264,614 | 4 |
| 1410 | Prepayments | 6(7) | 7,215,294 | 15 | 6,100,798 | 14 | 5,304,284 | 16 |
| 1470 | Other current assets | 8 | 1,013,635 | 2 | 1,016,418 | 2 | 1,015,947 | 3 |
| 11XX | Current assets | | 31,645,930 | 67 | 29,137,952 | 66 | 20,123,630 | 61 |
| Non-current assets | | | | | | | | |
| 1517 | Non-current financial assets at fair value | 6(3) | 3,098,253 | 7 | 3,152,254 | 7 | 2,398,702 | 7 |
| | through other comprehensive income | | | | | | | |
| 1535 | Non-current financial assets at | 6(4)and 8 | 418,054 | 1 | 407,261 | 1 | 395,018 | 1 |
| | amortised cost | | | | | | | |
| 1550 | Investments accounted for un- | 6(8) | 1,126,298 | 2 | 1,025,851 | 2 | 1,985,086 | 6 |
| | der equity method | | | | | | | |
| 1600 | Property, plant and equipment | 6(9)and 8 | 7,508,841 | 16 | 7,457,444 | 17 | 3,667,558 | 11 |
| 1755 | Right-of-use assets | 6(10) and 7 | 626,190 | 1 | 634,067 | 1 | 590,780 | 2 |
| 1760 | Investment property, net | 6(12)and 8 | 498,903 | 1 | 383,190 | 1 | 390,131 | 1 |
| 1780 | Intangible assets | 6(13) | 1,270,428 | 3 | 1,254,685 | 3 | 1,235,693 | 4 |
| 1840 | Deferred income tax assets | 6(30) | 303,417 | 1 | 284,424 | 1 | 208,404 | 1 |
| 1915 | Prepayments for business facilities | | 175,358 | - | 158,344 | - | 1,783,782 | 5 |
| 1990 | Other non-current assets, others | 6(14)and 8 | 539,499 | 1 | 392,922 | 1 | 349,947 | 1 |
| 15XX | Non-current assets | | 15,565,241 | 33 | 15,150,442 | 34 | 13,005,101 | 39 |
| 1XXX | Total assets | | \$ 47,211,171 | 100 | \$ 44,288,394 | 100 | \$ 33,128,731 | 100 |

(Continued)

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023
(The balance sheets as of March 31, 2024 and 2023 are reviewed, not audited)

| (The balance sheets as of March 31, 2024 and 2023 are reviewed, not audited) | | | | | | | | | | | |
|--|---|-------|---------------|------------|------------------|----|---------------|-----|----|------------|------|
| LIABILITIES AND EQUITY | | Notes | March 31,2024 | | December 31,2023 | | March 31,2023 | | | | |
| | | | AMOUNT | % | AMOUNT | % | AMOUNT | % | | | |
| CURRENT LIABILITIES | | | | | | | | | | | |
| 2100 | Short-term borrowings | 6(15) | \$ | 11,756,463 | 25 | \$ | 9,180,124 | 21 | \$ | 7,774,124 | 24 |
| 2110 | Short-term notes and bills payable | 6(16) | | 3,652,667 | 8 | | 4,005,614 | 9 | | 1,898,330 | 6 |
| 2130 | Current contract liabilities | 6(24) | | 285,602 | 1 | | 196,582 | 1 | | 361,538 | 1 |
| 2150 | Notes payable | | | 19,769 | - | | 32,677 | - | | 1,286 | - |
| 2170 | Accounts payable | | | 1,462,566 | 3 | | 2,581,229 | 6 | | 1,114,342 | 3 |
| 2180 | Accounts payable - related parties | 7 | | 1,065 | - | | 9,910 | - | | 5,593 | - |
| 2200 | Other payables | 6(17) | | 1,465,449 | 3 | | 1,076,237 | 2 | | 1,184,071 | 4 |
| 2220 | Other payables - related parties | 7 | | 1,515,611 | 3 | | 16,700 | - | | 19,054 | - |
| 2230 | Current income tax liabilities | | | 234,259 | 1 | | 194,596 | - | | 94,736 | - |
| 2280 | Current lease liabilities | 7 | | 93,024 | - | | 94,184 | - | | 81,091 | - |
| 2320 | Long-term liabilities, current portion | 6(19) | | 443,246 | 1 | | 233,246 | 1 | | 1,398,246 | 4 |
| 2399 | Other current liabilities, others | | | 139,496 | - | | 163,505 | - | | 136,419 | 1 |
| 21XX | Total current Liabilities | | | 21,069,217 | 45 | | 17,784,604 | 40 | | 14,068,830 | 43 |
| Non-current liabilities | | | | | | | | | | | |
| 2530 | Bonds payable | 6(18) | | 2,353,687 | 5 | | 2,851,779 | 6 | | - | - |
| 2540 | Long-term borrowings | 6(19) | | 5,982,311 | 12 | | 6,265,211 | 14 | | 4,075,796 | 12 |
| 2570 | Deferred income tax liabilities | 6(30) | | 352,475 | 1 | | 289,288 | 1 | | 273,852 | 1 |
| 2580 | Non-current lease liabilities | 7 | | 315,313 | 1 | | 321,670 | 1 | | 284,188 | 1 |
| 2600 | Other non-current liabilities | | | 60,544 | - | | 62,703 | - | | 49,725 | - |
| 25XX | Total Non-current liabilities | | | 9,064,330 | 19 | | 9,790,651 | 22 | | 4,683,561 | 14 |
| 2XXX | Total liabilities | | | 30,133,547 | 64 | | 27,575,255 | 62 | | 18,752,391 | 57 |
| Equity ATTRIBUTABLE TO SHARE-HOLDERS OF THE PARENT | | | | | | | | | | | |
| Share capital | | 6(21) | | | | | | | | | |
| 3110 | Share capital - common stock | | | 2,462,421 | 5 | | 2,462,421 | 6 | | 2,462,421 | 7 |
| Capital surplus | | 6(22) | | | | | | | | | |
| 3200 | Capital surplus | | | 5,005,212 | 11 | | 5,004,042 | 11 | | 4,841,073 | 14 |
| Retained earnings | | 6(23) | | | | | | | | | |
| 3310 | Legal reserve | | | 105,157 | - | | 105,157 | - | | 51,068 | - |
| 3320 | Special reserve | | | 299,035 | 1 | | 299,035 | 1 | | 229,129 | 1 |
| 3350 | Unappropriated retained earnings | | | 54,370 | - | | 239,431 | 1 | | 206,807 | 1 |
| Other equity interest | | | | | | | | | | | |
| 3400 | Other equity interest | | | 479,740 | 1 | | 409,333 | - | (| 271,473) | (1) |
| 31XX | Equity attributable to owners of the parent | | | 8,405,935 | 18 | | 8,519,419 | 19 | | 7,519,025 | 22 |
| 36XX | Non-controlling interest | | | 8,671,689 | 18 | | 8,193,720 | 19 | | 6,857,315 | 21 |
| 3XXX | Total equity | | | 17,077,624 | 36 | | 16,713,139 | 38 | | 14,376,340 | 43 |
| Significant contingent liabilities and unrecognised contract commitments | | 9 | | | | | | | | | |
| Significant events after the balance sheet date | | 11 | | | | | | | | | |
| 3X2X | Total liabilities and equity | | \$ | 47,211,171 | 100 | \$ | 44,288,394 | 100 | \$ | 33,128,731 | 100 |

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(UNAUDITED)

| Items | | Notes | Three months ended March 31 | | | |
|-------|--|--------------|-----------------------------|-------|---------------|-------|
| | | | 2024 | | 2023 | |
| | | | AMOUNT | % | AMOUNT | % |
| 4000 | Sales revenue | 6(24)and 7 | \$ 3,850,356 | 100 | 2,810,635 | 100 |
| 5000 | Operating costs | 6(6)(29)and7 | (3,370,092) | (87) | (2,454,330) | (87) |
| 5900 | Gross profit | | 480,264 | 13 | 356,305 | 13 |
| | Operating expenses | 6(29) | | | | |
| 6100 | Selling expenses | | (49,890) | (1) | (38,252) | (1) |
| 6200 | General and administrative expenses | | (264,150) | (7) | (181,853) | (7) |
| 6300 | Research and development expenses | | (53,772) | (2) | (55,133) | (2) |
| 6450 | Expect credit loss | 12(2) | (241) | - | 1,107 | - |
| 6000 | Total operating expenses | | (368,053) | (10) | (274,131) | (10) |
| 6900 | Operating profit | | 112,211 | 3 | 82,174 | 3 |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | 6(25) | 36,146 | 1 | 21,298 | 1 |
| 7010 | Other income | 6(26)and7 | 32,466 | 1 | 25,044 | 1 |
| 7020 | Other gains and losses | 6(2)(27) | 129,983 | 4 | (42,840) | (2) |
| 7050 | Finance costs | 6(28)and 7 | (66,022) | (2) | (37,456) | (1) |
| 7060 | Share of profit of associates and joint ventures accounted for using equity method | 6(8) | 47,936 | 1 | 7,882 | - |
| 7000 | Total non-operating income and expenses | | 180,509 | 5 | (26,072) | (1) |
| 7900 | Profit before income tax | | 292,720 | 8 | 56,102 | 2 |
| 7950 | Income tax expense | 6(30) | (69,961) | (2) | (29,643) | (1) |
| 8200 | Profit for the year | | \$ 222,759 | 6 | 26,459 | 1 |

(continued)

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

| | | Three months ended March 31 | | | |
|---|--|-----------------------------|--------------|------------|-------------|
| | | 2024 | | 2023 | |
| Items | Notes | AMOUNT | % | AMOUNT | % |
| Components of other comprehensive income that will not be reclassified to profit or loss | | | | | |
| 8316 | Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | 6(3) | (\$ 55,384) | (2) | \$ 24,275 1 |
| 8310 | Components of other comprehensive income that will not be reclassified to profit or loss | | (55,384) | (2) | 24,275 1 |
| Components of other comprehensive income that will be reclassified to profit or loss | | | | | |
| 8361 | Financial statements translation differences of foreign operations | | 201,816 5 | (10,151) | (1) |
| 8399 | Income tax relating to the components of other comprehensive income | 6(30) | (23,005) | - | 627 - |
| 8360 | Components of other comprehensive income that will be reclassified to profit or loss | | 178,811 5 | (9,524) | (1) |
| 8300 | Other comprehensive (loss) income for the year | | \$ 123,427 3 | \$ 14,751 | - |
| 8500 | Total comprehensive income for the year | | \$ 346,186 9 | \$ 41,210 | 1 |
| Profit attributable to: | | | | | |
| 8610 | Owners of the parent | | \$ 184,302 5 | (\$ 5,800) | - |
| 8620 | Non-controlling interest | | 38,457 1 | 32,259 | 1 |
| | Total | | \$ 222,759 6 | \$ 26,459 | 1 |
| Comprehensive (loss) income attributable to: | | | | | |
| 8710 | Owners of the parent | | \$ 254,709 7 | \$ 12,626 | - |
| 8720 | Non-controlling interest | | 91,477 2 | 28,584 | 1 |
| | Total | | \$ 346,186 9 | \$ 41,210 | 1 |
| Earnings per share | | | | | |
| 9750 | Basic earnings (loss)per share (in dollars) | 6(31) | \$ 0.75 | (\$ 0.02) | |
| 9850 | Diluted earnings (loss)per share (in dollars) | | \$ 0.75 | (\$ 0.02) | |

(Continued)

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

(UNAUDITED)

| | | Equity attributable to owners of the parent | | | | | | | | | |
|--|-------|---|--|---------------|-----------------|---|--|--|--------------|-------------------------------|--------------|
| | | Retained Earnings | | | | | Other equity interest | | | | |
| | | | Capital sur- plus, addi- tional paid-in capital | | | Unappropriated retained earn- ings (accumu- lated deficit) | Financial state- ments translation differences of foreign opera- tions | Unrealised gains (losses) from financial assets measured at fair value through other comprehen- sive income | | Non-controlling in- terest | Total equity |
| Notes | | Share capital - common stock | | Legal reserve | Special reserve | | | | Total | | |
| <u>Three months ended March 31, 2023</u> | | | | | | | | | | | |
| | | \$ 2,462,421 | \$ 4,841,997 | \$ 51,068 | \$ 229,129 | \$ 582,744 | (\$ 177,959) | (\$ 112,714) | \$ 7,876,686 | \$ 6,828,731 | \$14,705,417 |
| | | - | - | - | - | (5,800) | - | - | (5,800) | 32,259 | 26,459 |
| | | - | - | - | - | - | (5,849) | 24,275 | 18,426 | (3,675) | 14,751 |
| | 6(3) | - | - | - | - | (5,800) | (5,849) | 24,275 | 12,626 | 28,584 | 41,210 |
| | | | | | | | | | | | |
| | | - | 122,197 | - | - | - | - | - | 122,197 | - | 122,197 |
| | 6(22) | - | (123,121) | - | - | - | - | - | (123,121) | - | (123,121) |
| | 6(23) | - | - | - | - | (369,363) | - | - | (369,363) | - | (369,363) |
| | 6(3) | - | - | - | - | (774) | - | 774 | - | - | - |
| | | \$ 2,462,421 | \$ 4,841,073 | \$ 51,068 | \$ 229,129 | \$ 206,807 | (\$ 183,808) | (\$ 87,665) | \$ 7,519,025 | \$ 6,857,315 | \$14,376,340 |
| <u>Three months ended March 31, 2024</u> | | | | | | | | | | | |
| | | \$ 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 |
| | | - | - | - | - | 184,302 | - | - | 184,302 | 38,457 | 222,759 |
| | | - | - | - | - | - | 125,791 | (55,384) | 70,407 | 53,020 | 123,427 |
| | 6(3) | - | - | - | - | 184,302 | 125,791 | (55,384) | 254,709 | 91,477 | 346,186 |
| | | | | | | | | | | | |
| | 6(8) | - | 2,113 | - | - | - | - | - | 2,113 | - | 2,113 |
| | 6(22) | - | (123,121) | - | - | - | - | - | (123,121) | - | (123,121) |
| | 6(23) | - | - | - | - | (369,363) | - | - | (369,363) | - | (369,363) |
| | 6(18) | - | 122,178 | - | - | - | - | - | 122,178 | 386,492 | 508,670 |
| | | \$ 2,462,421 | \$ 5,005,212 | \$ 105,157 | \$ 229,035 | \$ 54,370 | (\$ 100,815) | \$ 580,555 | \$ 8,405,935 | \$ 8,671,689 | \$17,077,624 |

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

| | | Three months ended March 31 | |
|--|--------------------------|-----------------------------|---------------|
| | Notes | 2024 | 2023 |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | |
| Profit before tax | | \$ 292,720 | \$ 56,102 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Depreciation (including investment property and right-of-use assets) | 6(9)(10)(12)(27) and(29) | 92,915 | 104,855 |
| Amortisation | 6(13) (29) | 16,071 | 19,982 |
| Expected credit loss (rising profits) | 12(2) | 241 | (1,107) |
| Gains on disposal of property, plant and equipment | 6(9)(27) | (3,461) | (9) |
| Financial assets at fair value through profit or loss | 6(2)(27) | (7,219) | - |
| Share of profit of associates and joint ventures accounted for using the equity method | | (47,936) | (7,882) |
| Interest expense | 6(28) | 66,022 | 37,456 |
| Interest income | 6(25) | (36,146) | (21,298) |
| Deferred government grants revenue recognised | 6(27) | (2,756) | (1,718) |
| Profit from lease modification | 6(10) | - | (77) |
| Changes in operating assets and liabilities | | | |
| Changes in operating asset | | | |
| Current contract assets | | (2,133,703) | (1,132,538) |
| Notes receivable, net | | (4,577) | 1,844 |
| Accounts receivable | | 702,293 | 296,823 |
| Accounts receivable - related parties | | 12,819 | 18,301 |
| Other receivables | | 7,848 | (34,412) |
| Inventories | | 247,641 | 40,428 |
| Prepayments | | (1,114,496) | (225,868) |
| Other current assets | | 584 | 2,355 |
| Changes in operating liabilities | | | |
| Contract liabilities - current | | 89,020 | (29,201) |
| Notes payable | | (12,908) | 630 |
| Accounts payable | | (1,118,663) | (300,103) |
| Accounts payable to related parties | | (8,845) | 3,020 |
| Other payables | | (6,643) | (266,798) |
| Other payables to related parties | | (1,089) | (13,106) |
| Other current liabilities | | (24,009) | 8,371 |
| Cash outflow generated from operations | | (2,994,277) | (1,443,950) |
| Interest received | | 39,075 | 23,601 |
| Interest paid | | (75,781) | (38,974) |
| Dividends received | | 10,527 | - |
| Income tax paid | | (8,468) | (3,820) |
| Net cash flows (used in) from operating activities | | (3,028,924) | (1,463,143) |

(continued)

FIT HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

| | | Three months ended March 31 | |
|--|----------|-----------------------------|------------------|
| | Notes | 2024 | 2023 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| (Decrease) Increase in financial assets at amortised cost | | (\$ 23,819) | \$ 789,751 |
| Acquisition of financial assets at fair value | 6(3) | | |
| through other comprehensive income | | - | (299,724) |
| Acquisition of investments accounted for using the equity method | | (40,670) | - |
| Acquisition of property,plant and equipment | 6(9)(33) | (239,089) | (30,470) |
| Proceeds from disposal of property,plant and equipment | 6(9) | 3,466 | 196 |
| Acquisition of intangible assets | 6(13) | (6,257) | (2,677) |
| Increase in prepayments for business facilities | | (17,714) | (138,095) |
| Decrease (increase) in refundable deposits | | (106,815) | 26,695 |
| Increase in other non-current assets | | (37,563) | (811) |
| Net cash flows from (used in) investing activities | | <u>468,461</u> | <u>344,865</u> |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| Increase in short-term borrowings | 6(34) | 6,779,339 | 7,648,000 |
| Decrease in short-term borrowings | 6(34) | (4,203,000) | (6,909,595) |
| Increase (decrease) in short-term notes payable | 6(34) | (352,947) | 109,171 |
| Increase in long-term borrowings | 6(34) | 3,193,710 | 2,815,622 |
| Decrease in long-term borrowings | 6(34) | (3,266,610) | (2,739,294) |
| Repayment of lease liabilities | 6(34) | (27,336) | (28,538) |
| Other payables - related parties | 6(34) | 1,500,000 | - |
| Decrease in guarantee deposits received | | (1,620) | (485) |
| Increase in other non-current liabilities | | <u>2,217</u> | <u>514</u> |
| Net cash flows (used in) from financing activities | | <u>3,623,753</u> | <u>895,395</u> |
| Changes in foreign currency exchange | | <u>82,014</u> | <u>16,342</u> |
| Net increase(decrease) in cash and cash equivalents | | 208,382 | (206,541) |
| Cash and cash equivalents at beginning of period | | <u>6,953,129</u> | <u>5,732,695</u> |
| Cash and cash equivalents at end of period | | \$ 7,161,511 | \$ 5,526,154 |

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

FIT HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2024 AND 2023

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

1. History and organization

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

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

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

These consolidated financial statements were authorized for issuance by the Board of Directors on May 14, 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”) that came into effects as endorsed by the Financial Supervisory Commission (“FSC”)

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

| <u>New Standards, Interpretations and Amendments</u> | <u>Effective date by International Accounting Standards Board</u> |
|--|---|
| 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

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

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

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

| <u>New Standards, Interpretations and Amendments</u> | <u>Effective date by International Accounting Standards Board</u> |
|---|---|
| Amendments to IFRS 10 and IAS 28, Sale or contribution of assets between an investor and its associate or joint venture | To be determined by International Accounting Standards Board |
| IFRS 17, 'Insurance contracts' | January 1, 2023 |
| Amendments to IFRS 17, 'Insurance contracts' | January 1, 2023 |
| Amendments to IFRS 17, 'Initial application of IFRS 17 and IFRS 9-comparative information' | January 1, 2023 |
| IFRS 18 "Presentation and Disclosure in Financial Statements" | January 1, 2027 |
| Amendments to IAS 21. 'Lack of exchangeability' | January 1, 2025 |

Except for the evaluations mentioned below, the Group has assessed that the above criteria and interpretations do not have a significant impact on the Group's financial position and financial performance:

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1, updates the structure of the statement of comprehensive income, introduces disclosures for management performance measures, and enhances the principles of aggregation and disaggregation applied in the primary financial statements and notes.

4. Summary of Significant Accounting Policies

Significant accounting policies are the same as Note 4 to the consolidated financial statements for 2023, except for the statement of compliance, the basis of preparation, the basis of consolidation and the newly added parts. Unless otherwise stated, these policies apply consistently throughout all reporting periods.

(1) Compliance statement

1. This consolidated financial report has been prepared in accordance with the Financial Reporting Standards for Issuers of Securities and the International Accounting Standard No. 34 "Interim Financial Reporting", endorsed and issued into effect by the FSC.
2. This consolidated financial report should be read together with the consolidated financial report for the year 2023.

(2) Basis of preparation

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

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

B. The preparation of financial statements in accordance with IFRSs recognized and issued by the FSC requires some important accounting estimates.. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between the fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B.Subsidiaries included in the consolidated financial statements:

| Name of Investor | Name of Subsidiary | Main business Activities | Ownership(%) | | | Description |
|------------------------------|--|--|---------------|------------------|---------------|-------------|
| | | | March 31 2024 | December 31 2023 | March 31 2023 | |
| The Company | Glory Science Co., Ltd. (Glory Science) | Manufacture and sale of optical lens components and other products | 100 | 100 | 100 | |
| The Company | Foxlink Image Technology Co.,Ltd(Foxlink Image) | Manufacture and sale of image scanners and multifunction printers | 100 | 100 | 100 | |
| The Company | Power Quotient International Co.,Ltd.(PQI) | Manufacture of electronic telecommunication components | 100 | 100 | 100 | |
| The Company | Shin Fong Power Co.,Ltd | Engery service management | 16.30 | 16.30 | 16.30 | Note1 |
| Glory Science | GLORY TEK (BVI) CO.,LTD.(GLORY TEK) | General investments holding | 100 | 100 | 100 | |
| GLORY TEK (BVI) CO.,LTD. | GLORY OPTICS (BVI) CO., LTD.(GLORY OPTICS) | Sales agent | 100 | 100 | 100 | |
| GLORY TEK (BVI) CO.,LTD. | GLORY TEK (SAMOA) CO.,LTD. (GLORY TEK (SAMOA)) | General investments holding | 100 | 100 | 100 | |
| GLORY TEK (BVI) CO.,LTD. | GLORYTEK SCIENCE INDIA PRIVATE LIMITED(GLORYTEK SCIENCE INDIA) | Manufacture and sale of the components of communication and consumer electronics | 99.27 | 99.27 | 99.27 | |
| GLORY TEK (SAMOA) CO., LTD. | Glorytec(Szhou)Co.,Ltd (Glorytek Suzhou) | Production and processing and sale of optical lens components and other | 100 | 100 | 100 | |
| GLORY TEK (SAMOA) CO., LTD. | Glory Optics (Yancheng) Co., Ltd(GOYC) | Production and processing and sale of optical lens components and other | 47 | 47 | 35 | Note2 |
| GLORY OPTICS (BVI) CO., LTD. | Glorytek(Yan cheng) Co., Ltd (Glorytek) | Production and processing and sale of optical lens components and other | 100 | 100 | 100 | |
| Glorytek Yan-cheng | Yancheng Yaowei Technology Co.,Ltd (YYWT) | Production and processing and sale of optical lens components and other | 100 | 100 | 100 | |
| Glorytek Suzhou | Glory Optics(Yancheng)Co.,Ltd.(GOYC) | Production and processing and sale of optical lens components and other | 53 | 53 | 65 | Note2 |
| Foxlink Image | Accu-Image Technology Limited(AITL) | Manufacture and sale of image scanners | 100 | 100 | 100 | |
| Foxlink Image | Shih Fong Power Co.,Ltd(Shih | Energy service management | 34.7 | 34.7 | 34.7 | Note1 |

| Name of Investor | Name of Subsidiary | Main business Activities | Ownership(%) | | | Description |
|------------------|--|---|---------------|------------------|---------------|-------------|
| | | | March 31 2024 | December 31 2023 | March 31 2023 | |
| AITL | Dong Guan Fu-Zhang Precision Industry Co.,Ltd | Mould develment and moulding tool manufacture | 100 | 100 | 100 | Note1 |
| AITL | Dongguan Fu Wei Electronics Co.,Ltd(Dongguan Fu Wei) | Manufacture and sale of im-age scanners and multifunc-tion printers | 100 | 100 | 100 | |
| AITL | Wei Hai Fu Kang Electric Co.,Ltd (WHFK) | Manufacture and Sale of parts and scaners | 100 | 100 | 100 | |
| AITL | Dong Guan Han Yang Computer Co.,Ltd(DGHY) | Manufacture of image scanners and multi func-tion printers and investment | 100 | 100 | 100 | Note1 |
| PQI | Power Quotient International (H.K) Co.,Ltd(PQI H.K.) | Sale of electronic Tel ecommunication com ponents | 100 | 100 | 100 | Note1 |
| PQI | PQI Japan Co.,Ltd (PQI JANPAN) | Sale of electronic tele-com-munication com-ponents | 100 | 100 | 100 | Note1 |
| PQI | Syscom Development | Specialized invesments | 100 | 100 | 100 | Note1 |
| PQI | Apix Limited | Specialized invest-ments holding | 100 | 100 | 100 | |
| PQI | Power Sufficient International Co.,Ltd(PSI) | Sale of medical instru-ments | 100 | 100 | 100 | Note1 |
| PQI | Shinfox Energy Co.,td.(Shinfox) | Mechanical installation and piping engineering | 47.63 | 47.63 | 47.63 | Note8 |
| Shinfox | Foxwell Energy Corpora-tion Ltd.(Foxwell Energy) | Energy service man-agement | 100 | 100 | 100 | |
| Shinfox | Shinfox Natural Gas Co., Ltd(Shinfox Natural Gas) | Energy service man-agement | 80 | 80 | 80 | Note1 |
| Shinfox | Kunshan Jiuwei Info Tech Co.,Ltd(Kun Shan Jiuwei) | Supply chain finance | 100 | 100 | 100 | Note1 |
| Shinfox | Foxwell Power Co.,Ltd(Foxwell Power) | Energy service man-agement | 77.57 | 77.57 | 80.23 | Note1 、 5 |
| Shinfox | Jiuwei Power Co.,Ltd(Jiuwei Power) | Natural gas service management | 100 | 100 | 100 | Note1 |
| Shinfox | Elegant Energy TECH Co.,Ltd. | Energy service man-agement | 100 | 100 | 100 | Note1 |
| Shinfox | Yuanshan Forest Natural Resources Co.,Ltd | Tree planting industry | 100 | 100 | 100 | Note1 |

| Name of Investor | Name of Subsidiary | Main business Activities | Ownership(%) | | | Description |
|---|--|--|---------------|------------------|---------------|-------------|
| | | | March 31 2024 | December 31 2023 | March 31 2023 | |
| Shinfox | Diwei Electric Power Co., Ltd. | Electricity Generating Enterprise | - | - | 100 | Note1 、4 |
| Shinfox | Guanwei Power Co., Ltd. | Electricity Generating Enterprise | 51 | 51 | 100 | Note1 、6 |
| Shinfox | Junwei Power Co., Ltd. | Electricity Generating Enterprise | 100 | 100 | - | Note1 、3 |
| Shinfox | Shinfox Far East Company Pte.Ltd.(SFE) | Maritime Engineering | 67 | 67 | - | Note1 、7 |
| Shinfox | Eastern Rainbow Green Energy Environmental Technology Co., Ltd. (Eastern Rainbow Green Energy) | Electricity Generating Enterprise | 56.63 | 56.63 | - | Note1 、3 |
| 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 | 100 | - | Note1 、3 |
| Eastern Rainbow Green Energy | Kunshan Eastern Rainbow Environmental Equipment Co., Ltd.(Kunshan Eastern Rainbow) | Energy Technical Services | 100 | 100 | - | Note1 、3 |
| Foxwell Power | Liangwei Electric Power Co., Ltd. | Electricity Generating Enterprise | - | - | 100 | Note1 、4 |
| Foxwell Power | Xinwei Power Co., Ltd. | Electricity Generating Enterprise | 100 | 100 | 100 | Note1 、3 |
| Foxwell Power | Foxwell Certification Co., Ltd. (Foxwell Certification) | Energy Technical Services | 100 | 100 | - | Note1 、3 |
| Syscom Development Co.,Ltd | Foxlink Powerbank International Technology Private Limited | Manufacture of electronic telecommunication components | 99.27 | 99.27 | 99.27 | Note1 |
| Apix Limited(BVI) | Sinocity Industries Limited (Sinocity) | Sales of electronic equipment | 100 | 100 | 100 | |
| Apix Limited(BVI) | Perennial Ace Limited (Perennial) | Specialised investments holding | 100 | 100 | 100 | Note1 |
| Sinocity | DG LIFESTYLE STORE LIMITED(DG) | Sales of electronic equipment | 100 | 100 | 100 | |
| PQI YANCHENG | PQI (Xuzhou)New Energy Co.,Ltd. (PQI Xuzhou) | Manufacture and sales of electronic telecommunication components | 100 | 100 | 100 | Note1 |

Note 1: The financial statements for Foxwell Power Co., Ltd. and Jiuwei Power Co., Ltd. as of March 31, 2024, were reviewed by the auditor, while the financial statements for the rest of the years were not reviewed by the auditor.

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

Note 3: A subsidiary that was newly established or acquired through merger in 2023.

Note 4: In December 2023, the Group sold 100% of shares in Diwei Power and Liangwei Power, and therefore lost control over the subsidiaries.

Note 5: 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.

Note 6: For the year ended December 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%.

Note 7: 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%.

Note 8: As of March 31, 2024, bondholders of Shinfox Energy Co., Ltd. have requested to convert their bonds into a total of 4,699 common shares of Shinfox Energy Co., Ltd., resulting in a decrease in the shareholding ratio to 46.61%. Please refer to Note 6 (18).

C. Subsidiaries not included in the consolidated financial statements

None

D. Adjustments of subsidiaries with different balance sheet dates

None.

E. Significant restrictions

None.

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

The total non-controlling interests of the Group as at 31 March 2024, 31 December 2023 and 31 March 2023 were \$8,671,689, \$8,193,720 and \$6,857,315 respectively. The following are the non-controlling interests and subsidiaries that are significant to the Group information:

| Name of Subsidiary | Principal place of business | Non-controlling interest | | | | | |
|--------------------------|-----------------------------|--------------------------|-------|-------------------|-------|----------------|-------|
| | | March 31, 2024 | | December 31, 2023 | | March 31, 2023 | |
| | | Ownership | | Ownership | | Ownership | |
| | | Amount | % | Amount | % | Amount | % |
| SHINFOX Energy Co., Ltd. | Taiwan | 7,482,013 | 53.39 | 7,004,540 | 52.37 | 5,672,286 | 52.37 |

Summarised financial information of the subsidiaries:

Balance sheets

| | SHINFOX Energy Co., Ltd | | |
|-------------------------|-------------------------|-------------------|----------------|
| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
| Current assets | \$ 25,486,535 | \$ 22,854,710 | \$ 14,033,067 |
| Non-current assets | 6,799,046 | 6,433,007 | 5,115,211 |
| Current liabilities | (14,746,335) | (12,106,378) | (6,774,221) |
| Non-current liabilities | (4,536,138) | (4,862,455) | (1,747,375) |
| Total net assets | \$ 13,003,108 | \$ 12,318,884 | \$ 10,626,682 |

Statements of comprehensive income

| | SHINFOX Energy Co., Ltd. | |
|--|-----------------------------------|-----------------------------------|
| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
| Revenue | \$ 2,331,338 | \$ 1,388,509 |
| Profit before income tax | 112,276 | 73,275 |
| Income tax expense | (27,673) | (16,078) |
| Profit for the period | 84,603 | 57,197 |
| Other comprehensive loss, net of tax | 90,951 | (7,010) |
| Total comprehensive income for the period | \$ 175,554 | \$ 50,187 |
| Comprehensive income (loss) attributable to non-controlling interest | (\$ 3,298) | \$ 2,045 |
| Dividends paid to non-controlling interest | \$ - | \$ - |

Statements of cash flows

| | SHINFOX Energy Co., Ltd. | |
|---|-----------------------------------|-----------------------------------|
| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
| Net cash provided by (used in) operating activities | (\$ 3,362,209) | (\$ 1,350,672) |
| Net cash provided by (used in) investing activities | (347,674) | 438,488 |
| Net cash provided by financing activities | 3,860,576 | 898,942 |
| Effect of exchange rates on cash and cash equivalents | 8,977 | 799 |
| Increase in cash and cash equivalents | 159,670 | (12,443) |
| Cash and cash equivalents, beginning of period | 3,912,463 | 1,831,512 |
| Cash and cash equivalents, end of period | \$ 4,072,133 | \$ 1,819,069 |

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

There is no significant change in the current period, please refer to Note 5 of the 2023 Consolidated Financial Report.

6. Details of Significant Accounts

(1) Cash and cash equivalents

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---------------------------------------|---------------------|---------------------|---------------------|
| Cash on hand | \$ 12,706 | \$ 13,444 | \$ 11,278 |
| Checking accounts and demand deposits | 4,336,750 | 2,182,662 | 2,192,067 |
| Cash equivalents | | | |
| Time deposits | 2,812,055 | 4,757,023 | 3,322,809 |
| Total | <u>\$ 7,161,511</u> | <u>\$ 6,953,129</u> | <u>\$ 5,526,154</u> |

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

(2) Financial assets at fair value through profit or loss (As of March 31, 2023 : None)

| Items | March 31, 2024 | March 31, 2023 |
|--|------------------|-----------------|
| Current items: | | |
| Financial assets mandatorily measured at fair value through profit or loss | | |
| Listed stocks | \$ 927 | \$ 927 |
| Convertible bonds | 3,900 | 3,900 |
| | 4,827 | 4,827 |
| Valuation adjustment | 5,555 | 340 |
| | <u>\$ 10,382</u> | <u>\$ 5,167</u> |

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

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|--|-----------------------------------|-----------------------------------|
| Current items: | | |
| Financial assets mandatorily measured at fair value through profit or loss | | |
| Convertible bonds | \$ 7,222 | \$ - |
| Listed stocks | (3) | - |
| Realized gains and losses on forward foreign exchange contracts | - | 1,919 |
| Total | <u>\$ 7,219</u> | <u>\$ 1,919</u> |

- B. The forward foreign exchange transactions entered into by the Group are to hedge against the risks arising from fluctuations in foreign currency assets, but do not qualify for hedge accounting.”
- C. The Group has not pledged financial assets measured at fair value through profit or loss 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 | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|----------------------|---------------------|---------------------|---------------------|
| Equity instruments: | | | |
| listed stocks | \$ 2,505,140 | \$ 2,505,140 | \$ 1,563,140 |
| Unlisted stocks | 579,670 | 578,287 | 1,749,339 |
| | 3,084,810 | 3,083,427 | 3,312,479 |
| Valuation adjustment | 13,443 | 68,827 | (913,777) |
| Total | <u>\$ 3,098,253</u> | <u>\$ 3,152,254</u> | <u>\$ 2,398,702</u> |

- 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 \$3,098,253 and \$3,152,254 and \$2,398,702 as at March 31, 2024, December 31, 2023 and March 31, 2023, 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 three months ended March 31, 2023.
- C. Amounts recognized in profit or loss in relation to financial assets/liabilities at fair value through profit or loss are listed below:

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|--|-----------------------------------|-----------------------------------|
| <u>Equity instruments at fair value through other comprehensive income</u> | | |
| Fair value change recognised in other comprehensive income | (\$ 55,384) | \$ 24,275 |
| The accumulated loss on disposal reclassified to retained earnings | \$ - | (\$ 774) |

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

(4) Financial assets at amortized cost

| Items | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|--|---------------------|---------------------|---------------------|
| Current items : | | | |
| Pledged time deposits | \$ 1,675,106 | \$ 1,689,866 | \$ 1,735,056 |
| Restricted deposits | 359,855 | 385,825 | 321,817 |
| Time deposits maturing over three months | 832,419 | 778,663 | 57,921 |
| Total | <u>\$ 2,867,380</u> | <u>\$ 2,854,354</u> | <u>\$ 2,114,794</u> |

Non-current items :

| | | | |
|-----------------------|-------------------|-------------------|-------------------|
| Pledged time deposits | \$ 383,267 | \$ 383,267 | \$ 373,353 |
| Restricted deposits | 34,787 | 23,994 | 21,665 |
| Total | <u>\$ 418,054</u> | <u>\$ 407,261</u> | <u>\$ 395,018</u> |

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

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|-----------------|-----------------------------------|-----------------------------------|
| Interest income | <u>\$ 4,887</u> | <u>\$ 6,797</u> |

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

C. As at March 31, 2024, December 31, 2023 and March 31, 2023, 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 \$3,285,434 and \$3,261,615 and \$2,509,812 respectively.

D. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2). The counterparties of the of the Group's investment in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|--|---------------------|---------------------|-------------------|
| Notes receivables | <u>\$ 30,231</u> | <u>\$ 25,654</u> | <u>\$ 33,108</u> |
| Accounts receivables | \$ 1,198,857 | \$ 1,149,178 | \$ 897,038 |
| Construction payments receivable | 100,493 | 852,465 | 5,664 |
| Less : loss allowance for uncollectible accounts | <u>(23,876)</u> | <u>(23,635)</u> | <u>(23,110)</u> |
| | <u>\$ 1,275,474</u> | <u>\$ 1,978,008</u> | <u>\$ 879,592</u> |

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

| | March 31, 2024 | | December 31, 2023 | |
|----------------|---------------------|------------------|---------------------|------------------|
| | Accounts receivable | Notes receivable | Accounts receivable | Notes receivable |
| Not pass due | \$ 1,249,975 | \$ 30,231 | \$ 1,877,583 | \$ 25,654 |
| UP to 30 days | 46,932 | - | 114,854 | - |
| 31 to 90 days | 98 | - | 7,511 | - |
| 91 to 180 days | 411 | - | - | - |
| UP 181 days | 1,934 | - | 1,695 | - |
| | <u>\$ 1,299,350</u> | <u>\$ 30,231</u> | <u>\$ 2,001,643</u> | <u>\$ 25,654</u> |

| | March 31, 2023 | |
|----------------|---------------------|------------------|
| | Accounts receivable | Notes receivable |
| Not pass due | \$ 822,826 | \$ 33,108 |
| UP to 30 days | 72,134 | - |
| 31 to 90 days | 6,047 | - |
| 91 to 180 days | - | - |
| UP 181 days | 1,695 | - |
| | <u>\$ 902,702</u> | <u>\$ 33,108</u> |

The above ageing analysis was based on past due date.

- B. As of March 31, 2024 ,December 31, 2023 and March 31,2023, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2023, the balance of receivables from contracts with customers amounted to \$1,234,432.
- 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 of March 31, 2024, December 31, 2023 and March 31,2023, 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 \$30,321, \$25,654 and \$33,108; \$1,275,474, \$1,978,008 and \$879,592 respectively.

(6) Inventories

| | March 31,2024 | | |
|------------------|---------------------|------------------------------|---------------------|
| | Cost | Allowance and valuation loss | Book value |
| Raw material | \$ 577,221 | (\$ 41,687) | \$ 535,534 |
| Work in progress | 144,100 | (4,843) | 139,257 |
| Finished goods | 288,607 | (35,908) | 252,699 |
| Merchandise | 174,736 | (895) | 173,841 |
| Total | <u>\$ 1,184,664</u> | <u>(\$ 83,333)</u> | <u>\$ 1,101,331</u> |

| | December 31,2023 | | |
|------------------|---------------------|------------------------------|---------------------|
| | Cost | Allowance and valuation loss | Book value |
| Raw material | \$ 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 |
| Total | <u>\$ 1,436,568</u> | <u>(\$ 87,596)</u> | <u>\$ 1,348,972</u> |

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

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

| | Three months ended March 31,2024 | Three months ended March 31,2023 |
|--|-------------------------------------|-------------------------------------|
| Cost of engineering and electrical sales | \$ 2,060,111 | \$ 1,217,653 |
| Cost of goods sold | 1,276,009 | 1,190,471 |
| Unamortised manufacturing expenses | 31,226 | 35,485 |
| Cost of services | 6,000 | 12,000 |
| Loss on scrapping inventory | 1,009 | - |
| Inventory recovery benefits | (4,263) | (1,245) |
| Gain on physical inventory | - | (34) |
| | <u>\$ 3,370,092</u> | <u>\$ 2,454,330</u> |

The Group reversed a previous inventory write-down because the Group sold certain inventories which were previously provided with loss on decline in market value and obsolescence during the three months ended March 31,2024 and 2023.

(7) Prepayment

| | March 31,2024 | December 31,2023 | March 31,2023 |
|---------------------------------|---------------------|---------------------|---------------------|
| Advance payment to construction | \$ 5,940,465 | \$ 4,658,272 | \$ 4,365,187 |
| Excess business tax paid | 652,330 | 549,363 | 472,442 |
| Others | 622,499 | 893,163 | 436,655 |
| | <u>\$ 7,215,294</u> | <u>\$ 6,100,798</u> | <u>\$ 5,304,284</u> |

(8) Investments accounted for using the equity method

| | <u>March 31,2024</u> | <u>December 31,2023</u> | <u>March 31,2023</u> |
|-----------------------------------|------------------------|-------------------------|------------------------|
| <u>Investee companies</u> | <u>Carrying amount</u> | <u>Carrying amount</u> | <u>Carrying amount</u> |
| Associates : | | | |
| POWER CHANNEL LIMITED | \$ 815,290 | \$ 753,722 | \$ 720,722 |
| Studio A Technology Limited | 106,612 | 105,982 | 118,607 |
| Cheng Shin Digital CO.,LTD | 39,900 | 1,682 | - |
| Synergy Co., Ltd. | 32,547 | 33,401 | 32,556 |
| TEGNA ELECTRONICS PRIVATE LIMITED | 26,177 | 25,085 | 25,370 |
| Shinfox Far East Company Pte Ltd | - | - | 971,896 |
| Joint ventures : | | | |
| Changpin Wind Power Ltd. | 105,772 | 105,979 | 115,935 |
| | <u>\$ 1,126,298</u> | <u>\$ 1,025,851</u> | <u>\$ 1,985,086</u> |

A. The Group's share of profit or loss from associates and joint ventures accounted for using the equity method for the three months ended March 31, 2024 and 2023,, was recognized based on the financial statements of the investees for the same periods. Except for Cheng Shin Digital CO., LTD, which was evaluated and recognized based on the financial statements reviewed by an auditor, the rest were evaluated and recognized based on the financial statements for the same periods that were not reviewed by an auditor.

B. Associates

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

| <u>Company name</u> | <u>Principal place of business</u> | <u>Shareholding ratio</u> | | | <u>Nature of relationship</u> | <u>Methods of Measurement</u> |
|---------------------|------------------------------------|---------------------------|-------------------------|----------------------|-------------------------------|-------------------------------|
| | | <u>March 31,2024</u> | <u>December 31,2023</u> | <u>March 31,2023</u> | | |
| POWER CHANNEL | China (Note 1) | 35.75% | 35.75% | 35.75% | Note 2 | Equity method |

Note 1: Registered location is Hong Kong.

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

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

Balance sheet

| | <u>POWER CHANNEL LIMITED</u> | | |
|----------------------------------|------------------------------|-------------------------|----------------------|
| | <u>March 31,2024</u> | <u>December 31,2023</u> | <u>March 31,2023</u> |
| Current assets | \$ 69 | \$ 28,970 | \$ 30,726 |
| Non-current assets | 1,927,213 | 1,741,522 | 1,631,481 |
| Current liabilities | - | - | - |
| Non- current liabilities | - | - | - |
| Total net assets | <u>\$ 1,927,282</u> | <u>\$ 1,770,492</u> | <u>\$ 1,662,207</u> |
| Share in associate's net assets | \$ 689,003 | \$ 632,951 | \$ 594,239 |
| Goodwill | 126,287 | 120,771 | 126,483 |
| Carrying amount of the associate | <u>\$ 815,290</u> | <u>\$ 753,722</u> | <u>\$ 720,722</u> |

Statement of comprehensive income

| | POWER CHANNEL LIMITED | |
|--|----------------------------------|----------------------------------|
| | Three months ended March 31,2024 | Three months ended March 31,2023 |
| Revenue | \$ - | \$ - |
| Profit for the period from continuing operations | \$ 121,122 | \$ 33,789 |
| Other comprehensive income,net of tax | - | - |
| Total comprehensive income | \$ 121,122 | \$ 33,789 |
| Dividends received from associates | \$ 10,527 | \$ - |

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

As of March 31, 2024, December 31, 2023 and March 31,2023,the carrying amount of the Group's individually immaterial associates amounted to \$205,236, \$166,150 and \$1,148,429, respectively.

| | Three months ended March 31,2024 | Three months ended March 31,2023 |
|--|-------------------------------------|-------------------------------------|
| Profit (loss)for the period from continuing operations | (\$ 2,455) | (\$ 9,219) |
| Other comprehensive income,net of tax | - | - |
| Total comprehensive income | (\$ 2,455) | (\$ 9,219) |

Note: Tegna Eletronics 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 summarized below:

As of March 31,2024,December 31,2023 and March 31,2023,the carrying amount of the Group's individually immaterial joint ventures amounted to \$105,772,\$105,979 and \$115,935.

| | Three months ended March 31,2024 | Three months ended March 31,2023 |
|--------------------------|-------------------------------------|-------------------------------------|
| Total comprehensive loss | (\$ 206) | (\$ 168) |

- D. 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 were fully disposed of in December 2023.
- E. 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.
- F. 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.

- G. 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 May 14, 2024.
- H. 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.
- I. For the three months ended March 31, 2024, the Group recognized a change in capital surplus of \$12,113 for the investee Power Channel Limited, accounted for using the equity method, related to Sharetronic Data Technology Co., Ltd.

(9) Property, plant and equipment Buildings and structures

| | Land | Buildings and Structures | Machinery | Office equipment | Ship equipment | Leasehold improvement | Other equipment | Unfinished construction | Total |
|---|------------------|-----------------------------|---------------------|---------------------|-------------------|--------------------------|------------------|----------------------------|---------------------|
| At January 1, 2024 | | | | | | | | | |
| 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) |
| <u>2024</u> | <u>\$ 82,558</u> | <u>\$ 1,054,196</u> | <u>\$ 1,119,357</u> | <u>\$ 20,368</u> | <u>\$ 295,736</u> | <u>\$ 18,692</u> | <u>\$ 35,659</u> | <u>\$ 4,830,878</u> | <u>\$ 7,457,444</u> |
| Opening net book amount as at January 1 | 82,558 | \$ 1,054,196 | \$ 1,119,357 | \$ 20,368 | \$ 295,736 | \$ 18,692 | \$ 35,659 | \$ 4,830,878 | \$ 7,457,444 |
| Additions | - | 2,888 | 8,903 | 2,909 | - | 245 | 390 | 151,336 | 166,671 |
| Disposals | - | - | - | (5) | - | - | - | - | (5) |
| Reclassifications | - | (108,061) | 11,039 | - | - | - | (7,972) | (46,414) | (151,408) |
| Depreciation charge | - | (6,237) | (35,336) | (2,138) | (7,766) | (2,722) | (9,489) | - | (63,688) |
| Net change differences | - | 13,693 | 4,653 | 961 | 12,336 | 1,589 | (2,679) | 69,274 | 99,827 |
| Closing net book amount as at March 31 | <u>\$ 82,558</u> | <u>\$ 956,479</u> | <u>\$ 1,108,616</u> | <u>\$ 22,095</u> | <u>\$ 300,306</u> | <u>\$ 17,804</u> | <u>\$ 15,909</u> | <u>\$ 5,005,074</u> | <u>\$ 7,508,841</u> |
| At March 31, 2024 | | | | | | | | | |
| cost | \$ 82,558 | \$ 1,133,474 | \$ 4,229,673 | \$ 129,111 | \$ 316,112 | \$ 357,526 | \$ 547,656 | \$ 5,005,074 | \$ 11,801,184 |
| Accumulated depreciation | - | (176,995) | (3,121,057) | (107,016) | (15,806) | (339,722) | (531,747) | - | (4,292,343) |
| | <u>\$ 82,558</u> | <u>\$ 956,479</u> | <u>\$ 1,108,616</u> | <u>\$ 22,095</u> | <u>\$ 300,306</u> | <u>\$ 17,804</u> | <u>\$ 15,909</u> | <u>\$ 5,005,074</u> | <u>\$ 7,508,841</u> |

| | <u>Buildings and Structures</u> | <u>Machinery</u> | <u>Office equipment</u> | <u>Leasehold Improvement</u> | <u>Other equipment</u> | <u>Unfinished Construction</u> | <u>Total</u> |
|--|-------------------------------------|---------------------|-------------------------|----------------------------------|------------------------|------------------------------------|---------------------|
| At January 1, 2023 | | | | | | | |
| cost | \$ 1,205,962 | \$ 4,002,934 | \$ 121,876 | \$ 334,640 | \$ 1,122,200 | \$ 1,009,586 | \$ 7,797,198 |
| Accumulated depreciation | (158,974) | (2,451,013) | (103,373) | (321,112) | (1,111,082) | - | (4,145,554) |
| | <u>\$ 1,046,988</u> | <u>\$ 1,551,921</u> | <u>\$ 18,503</u> | <u>\$ 13,528</u> | <u>\$ 11,118</u> | <u>\$ 1,009,586</u> | <u>\$ 3,651,644</u> |
| <u>2023</u> | | | | | | | |
| Opening net book amount as at January 1 | \$ 1,046,988 | \$ 1,551,921 | \$ 18,503 | \$ 13,528 | \$ 11,118 | \$ 1,009,586 | \$ 3,651,644 |
| Additions | 35,562 | 4,529 | 1,639 | - | 577 | 41,201 | 83,508 |
| Disposals | - | - | (187) | - | - | - | (187) |
| Reclassifications | - | - | - | - | - | (1,281) | (1,281) |
| Depreciation charge | (5,781) | (49,873) | (2,336) | (2,548) | (11,306) | - | (71,844) |
| Net change differ ances | <u>3,730</u> | <u>1,890</u> | <u>66</u> | <u>79</u> | <u>(47)</u> | <u>-</u> | <u>5,718</u> |
| Closing net book amount as at March 31 | <u>\$ 1,080,499</u> | <u>\$ 1,508,467</u> | <u>\$ 17,685</u> | <u>\$ 11,059</u> | <u>\$ 342</u> | <u>\$ 1,049,506</u> | <u>\$ 3,667,558</u> |
| At March 31, 2023 | | | | | | | |
| Cost | \$ 1,245,737 | \$ 4,016,760 | \$ 120,828 | \$ 335,283 | \$ 1,125,454 | \$ 1,049,506 | \$ 7,893,568 |
| Accumulated depreciation | (165,238) | (2,508,293) | (103,143) | (324,224) | (1,125,112) | - | (4,226,010) |
| | <u>\$ 1,080,499</u> | <u>\$ 1,508,467</u> | <u>\$ 17,685</u> | <u>\$ 11,059</u> | <u>\$ 342</u> | <u>\$ 1,049,506</u> | <u>\$ 3,667,558</u> |

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:

| | Three months ended Mar 31 | |
|--|---------------------------|-----------------|
| | 2024 | 2023 |
| Amount capitalised | \$ 14,881 | \$ 9,233 |
| Range of the interest rates for capitalisation | 1.6%~2.689% | 2.3423%~2.5536% |

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

(10) Leasing arrangements – lessee

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

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|-------------------|-------------------|-------------------|
| | Carrying amount | Carrying amount | Carrying amount |
| Land | \$ 342,702 | \$ 343,467 | \$ 285,279 |
| Building | 278,230 | 286,972 | 302,289 |
| Transportation equipment (Business vehicles) | 5,065 | 3,431 | 3,212 |
| Office equipment (photocopiers) | 193 | 197 | - |
| | <u>\$ 626,190</u> | <u>\$ 634,067</u> | <u>\$ 590,780</u> |

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|---|-----------------------------------|-----------------------------------|
| | Depreciation charge | Depreciation charge |
| Land | \$ 4,769 | \$ 3,201 |
| Building | 23,807 | 26,796 |
| Transportation equipment (Business vehicles) | 715 | 679 |
| Office equipment (photocopiers) | 11 | 12 |
| Less : Capitalisation of depreciation | <u>(1,869)</u> | <u>-</u> |
| | <u>\$ 27,433</u> | <u>\$ 30,668</u> |

3. For the three months ended March 31, 2024 and 2023, the additions to right-of-use assets amounted to \$8,845 and \$103,337, respectively.
4. The information on profit and loss accounts relating to lease contracts is as follows:

| | <u>Three months ended March 31,2024</u> | <u>Three months ended March 31,2023</u> |
|---------------------------------------|---|---|
| <u>Items affecting profit or loss</u> | | |
| Interest expense on lease liabilities | \$ 1,789 | \$ 1,565 |
| Expense on short-term lease contracts | 3,148 | 2,286 |
| Expense on leases of low-value assets | 654 | 695 |
| Expense on variable lease payments | 1,394 | 1,634 |
| Profit from lease modification | - | 77 |

5. For the three months ended March 31,2024 and 2023,the Group’s total cash outflows for leases amounted to \$34,321 and \$34,718 respectively..
6. Variable lease payments
 - (1) Some of the Group’s lease contracts contain variable lease payment terms that are linked to sales generated from electricity sold. For aforementioned contracts, up to 3.66%~51.14% of lease payments are on the basis of variable payment terms and are accrued based on the sales amount. Variable payment terms are used for a variety of reasons and various lease payments that depend on sales are recognized in profit or loss in the period in which the event or condition that triggers those payments occurs.
 - (2) A 1% increase in the aggregate sales amount with such variable lease contracts would increase total lease payments by approximately \$14.

(11) Leasing arrangements – lessor

1. The Group leases various assets, including land and buildings. Rental contracts are typically made for periods of 1 and 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
2. For the three months ended March 31,2024 and 2023, the Group recognized rent income in the amounts of \$8,569, based on the operating lease agreement, which does not include variable lease payments.
3. The maturity analysis of the lease payments under the operating leases is as follows:

| | <u>March 31,2024</u> | <u>December 31, 2023</u> | <u>March 31,2023</u> |
|-------|----------------------|--------------------------|----------------------|
| 2023 | \$ - | \$ - | \$ 25,626 |
| 2024 | 25,602 | 8,583 | 8,501 |
| Total | <u>\$ 25,602</u> | <u>\$ 8,583</u> | <u>\$ 34,127</u> |

(12) Investment property

| | Land | Buildings and Structures | Total |
|---|-------------------|--------------------------|-------------------|
| At January 1, 2024 | | | |
| cost | \$ 344,587 | \$ 71,458 | \$ 416,045 |
| Accumulated depreciation | - | (32,855) | (32,855) |
| | <u>\$ 344,587</u> | <u>\$ 38,603</u> | <u>\$ 383,190</u> |
| <u>2024</u> | | | |
| Opening net book amount as at January 1 | \$ 344,587 | \$ 38,603 | \$ 383,190 |
| Reclassifications | - | 117,507 | 117,507 |
| Depreciation charge | - | (1,794) | (1,794) |
| Closing net book amount as at March 31 | <u>\$ 344,587</u> | <u>\$ 154,316</u> | <u>\$ 498,903</u> |
| At March 31,2024 | | | |
| cost | \$ 344,587 | \$ 188,965 | \$ 533,552 |
| Accumulated depreciation | - | (34,649) | (34,649) |
| | <u>\$ 344,587</u> | <u>\$ 154,316</u> | <u>\$ 498,903</u> |
| | Land | Buildings and Structures | Total |
| At January 1, 2023 | | | |
| cost | \$ 344,587 | \$ 71,458 | \$ 416,045 |
| Accumulated depreciation | - | (23,591) | (23,591) |
| | <u>\$ 344,587</u> | <u>\$ 47,867</u> | <u>\$ 392,454</u> |
| <u>2023</u> | | | |
| Opening net book amount as at January 1 | \$ 344,587 | \$ 47,867 | \$ 392,454 |
| Depreciation charge | - | (2,323) | (2,323) |
| Closing net book amount as at March 31 | <u>\$ 344,587</u> | <u>\$ 45,544</u> | <u>\$ 390,131</u> |
| At March 31,2023 | | | |
| cost | \$ 344,587 | \$ 71,458 | \$ 416,045 |
| Accumulated depreciation | - | (25,914) | (25,914) |
| | <u>\$ 344,587</u> | <u>\$ 45,544</u> | <u>\$ 390,131</u> |

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

| | Three months ended March 31,2024 | Three months ended March 31,2023 |
|---|----------------------------------|----------------------------------|
| Rental income from investment property | \$ 8,569 | \$ 8,569 |
| Direct operating expenses arising from the investment property that generated rental income during the year | \$ 1,794 | \$ 2,323 |

2. The fair value of the investment property held by the Group as of March 31, 2024 ,December 31, 2023 and March 31 2023 was \$607,671 and \$548,707,and \$548,707 respectively, which

was valued by external independent appraisers. Valuations were made using the comparison, income and cost approach.

3. The Group has no investment property pledged to others. Please refer to Note 8 for details.

(13) Intangible assets

| | <u>Goodwill</u> | <u>Customer Relationship</u> | <u>Trademarks</u> | <u>Others</u> | <u>Total</u> |
|--|---------------------|------------------------------|-------------------|------------------|---------------------|
| At January 1,2024 | | | | | |
| Cost | \$ 1,031,255 | \$ 197,637 | \$ 50,765 | \$ 113,296 | \$ 1,392,953 |
| Accumulated depreciation | - | (68,956) | - | (69,312) | (138,268) |
| | <u>\$ 1,031,255</u> | <u>\$ 128,681</u> | <u>\$ 50,765</u> | <u>\$ 43,984</u> | <u>\$ 1,254,685</u> |
| <u>2024</u> | | | | | |
| Opening net book amount as at January 1,2024 | \$ 1,031,255 | \$ 128,681 | \$ 50,765 | \$ 43,984 | \$ 1,254,685 |
| Additions | - | - | - | 6,257 | 6,257 |
| Amortisation charge | - | (12,353) | - | (3,718) | (16,071) |
| Net exchange differences | 23,411 | - | 2,141 | 5 | 25,557 |
| Closing net book amount as at March 31 | <u>\$ 1,054,666</u> | <u>\$ 116,328</u> | <u>\$ 52,906</u> | <u>\$ 46,528</u> | <u>\$ 1,270,428</u> |
| At March 31,2024 | | | | | |
| Cost | \$ 1,054,666 | \$ 197,637 | \$ 52,906 | \$ 119,776 | \$ 1,424,985 |
| Accumulated depreciation | - | (81,309) | - | (73,248) | (154,557) |
| | <u>\$ 1,054,666</u> | <u>\$ 116,328</u> | <u>\$ 52,906</u> | <u>\$ 46,528</u> | <u>\$ 1,270,428</u> |
| | <u>Goodwill</u> | <u>Customer Relationship</u> | <u>Trademarks</u> | <u>Others</u> | <u>Total</u> |
| At January 1,2023 | | | | | |
| Cost | \$ 971,947 | \$ 197,637 | \$ 50,773 | \$ 100,973 | \$ 1,321,330 |
| Accumulated depreciation | - | (4,616) | - | (58,590) | (63,206) |
| | <u>\$ 971,947</u> | <u>\$ 193,021</u> | <u>\$ 50,773</u> | <u>\$ 42,383</u> | <u>\$ 1,258,124</u> |
| <u>2023</u> | | | | | |
| Opening net book amount as at January 1,2023 | \$ 971,947 | \$ 193,021 | \$ 50,773 | \$ 42,383 | \$ 1,258,124 |
| Additions—acquired separately | - | - | - | 2,677 | 2,677 |
| Additions—acquired through business combinations | - | - | - | - | - |
| Amortisation charge | - | (16,854) | - | (3,128) | (19,982) |
| Net exchange differences | (4,700) | - | (430) | 4 | (5,126) |
| Closing net book amount as at March 31 | <u>\$ 967,247</u> | <u>\$ 176,167</u> | <u>\$ 50,343</u> | <u>\$ 41,936</u> | <u>\$ 1,235,693</u> |
| At March 31,2023 | | | | | |
| Cost | \$ 967,247 | \$ 197,637 | \$ 50,343 | \$ 102,347 | \$ 1,317,574 |
| Accumulated depreciation | - | (21,470) | - | (60,411) | (81,881) |
| | <u>\$ 967,247</u> | <u>\$ 176,167</u> | <u>\$ 50,343</u> | <u>\$ 41,936</u> | <u>\$ 1,235,693</u> |

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

| | <u>March 31,2024</u> | | <u>December 31,2023</u> | |
|-----------------------------------|----------------------|-------------------|-------------------------|-------------------|
| | <u>Goodwill</u> | <u>Trademarks</u> | <u>Goodwill</u> | <u>Trademarks</u> |
| System and peripheral products | \$ 611,760 | \$ - | \$ 611,760 | \$ - |
| 3C retail and peripheral products | 343,981 | 52,906 | 320,570 | 50,765 |
| Energy Service Management | <u>98,925</u> | <u>-</u> | <u>98,825</u> | <u>-</u> |
| | <u>\$ 1,054,666</u> | <u>\$ 52,906</u> | <u>\$ 1,031,255</u> | <u>\$ 50,765</u> |
| | | | <u>March 31,2023</u> | |
| | | | <u>Goodwill</u> | <u>Trademarks</u> |
| System and peripheral products | | | 611,760 | \$ - |
| 3C retail and peripheral products | | | 315,959 | 50,343 |
| Energy Service Management | | | <u>39,528</u> | <u>-</u> |
| | | | <u>\$ 967,247</u> | <u>\$ 50,343</u> |

2. The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so the goodwill and trademark right (indefinite useful life) were not impaired. The recoverable amount of goodwill and trademark right (indefinite useful life) has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections and discount rate (12.34%~19.33%) based on financial budgets covering a five-year period.
3. The goodwill generated by the Group due to the merger and acquisition. According to International Accounting Standard No. 36, the goodwill obtained from business combination shall be subject to an impairment test at least annually. The company itself is a cash-generating unit that generates independent cash flows.
Goodwill is assessed by calculating the company's value-in-use and book value of net assets to assess whether impairment is required. For the calculation of value-in-use, it mainly considers the operating net profit rate, growth rate and discount rate.

(14) Other non-current assets-others

| | <u>March 31,2024</u> | <u>December 31,2023</u> | <u>March 31,2023</u> |
|--------------------------------|----------------------|-------------------------|----------------------|
| Guarantee deposits paid (Note) | \$ 385,204 | \$ 276,191 | \$ 234,713 |
| Net defined benefit asset | 99,160 | 99,011 | 96,751 |
| Other non-current assets | <u>55,135</u> | <u>17,720</u> | <u>18,483</u> |
| | <u>\$ 539,499</u> | <u>\$ 392,922</u> | <u>\$ 349,947</u> |

Note: Please refer to Note 8.

(15) Short-term borrowings

| <u>Type of borrowings</u> | <u>March 31,2024</u> | <u>Interest rate range</u> | <u>Collateral</u> |
|---------------------------|----------------------|----------------------------|------------------------|
| Bank borrowings | | | |
| Unsecured borrowings | \$ 10,950,339 | 1.70%~3.99% | None |
| Secured borrowings | 806,124 | 3.05% | Please refer to note 8 |
| | <u>\$ 11,756,463</u> | | |

| <u>Type of borrowings</u> | <u>December 31,2023</u> | <u>Interest rate range</u> | <u>Collateral</u> |
|---------------------------|-------------------------|----------------------------|------------------------|
| Bank borrowings | | | |
| Unsecured borrowings | \$ 8,374,000 | 1.70%~3.17% | None |
| Secured borrowings | 806,124 | 2.93% | Please refer to note 8 |
| | <u>\$ 9,180,124</u> | | |

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

(16) Short-term notes and bills payable

| | <u>March 31,2024</u> | <u>December 31,2023</u> | <u>March 31,2023</u> |
|----------------------------|----------------------|-------------------------|----------------------|
| Commercial papers | \$ 3,663,200 | \$ 4,013,200 | \$ 1,902,800 |
| Discount amortisation | (10,533) | (7,586) | (4,470) |
| | <u>\$ 3,652,667</u> | <u>\$ 4,005,614</u> | <u>\$ 1,898,330</u> |
| Annual interest rate range | <u>1.88%~2.69%</u> | <u>1.79%~2.68%</u> | <u>1.76%~2.69%</u> |

The short-term notes and bills payable are not secured by collateral.

(17) Other account payables

| | <u>March 31,2024</u> | <u>December 31,2023</u> | <u>March 31,2023</u> |
|--|----------------------|-------------------------|----------------------|
| Dividends payable | \$ 492,484 | \$ - | \$ 492,484 |
| Payable on salary and bonus | 353,570 | 455,577 | 227,596 |
| Payable on employees compensation and directors remuneration | 269,799 | 192,013 | 170,418 |
| Payable on equipment | 67,869 | 142,156 | 143,379 |
| Others | 281,727 | 286,491 | 150,194 |
| | <u>\$ 1,465,449</u> | <u>\$ 1,076,237</u> | <u>\$ 1,184,071</u> |

(18) Bonds payables (For the month ended of March 31, 2023 : None)

| | <u>March 31,2024</u> | <u>December 31,2023</u> |
|--------------------------------|----------------------|-------------------------|
| Bonds payables | \$ 2,464,300 | \$ 3,000,000 |
| Less:Discount on bonds payable | (110,613) | (148,221) |
| | <u>\$ 2,353,687</u> | <u>\$ 2,851,779</u> |

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

- (a) The Company - 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 the Company 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. As of March 31, 2024, bondholders applied to exercise the amount totaling 535,700, converting into 4,699 thousand shares of common stock of Senwei Energy Company. The exercise of conversion rights resulted in an increase of 122,178 in equity attributable to owners of the parent company and an increase of 386,492 in non-controlling interests. As of March 31, 2024, the issuance of the aforementioned 4,699 thousand shares of common stock is still pending the board of directors' resolution on the capital increase record date.
- (d) The Company 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 the Company 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 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 \$9,117 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 rate of the bonds payable after such separation was 1.7688%.

(19) Long-term borrowings

| Type of borrowings | Long-term bank borrowings and repayment term | Interest rate Range | Unused credit line | March 31, 2024 |
|---------------------------|---|------------------------|-----------------------|-------------------|
| 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. | 1.85%~2.00% | \$ 100,000 | \$ 700,000 |
| -without covenants | Borrowing period is from May 2023 to May 2027; pay entire amount of principal when due, interest is repayable monthly. | 2.13%~2.23% | - | 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% | 1,900,000 | 300,000 |
| -without covenants | Borrowing period is from Mar 2023 to December 2025 ; pay entire amount of principal when due, interest is repayable monthly | 1.83%~1.93% | 600,000 | 1,750,000 |
| PQI | | | | |
| -including covenants | Borrowing period is from August 2023 to October 2025; pay principal based on each bank's regulations, interest is repayable monthly. | 2.11%~2.23% | 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. | 2.13%~2.21% | - | 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% | - | 80,000 |
| Foxwell Energy | | | | |
| -without covenants | Borrowing period is from January 2019 to December 2035; pay entire amount in installments. | 2.23%~2.28% | 281,849 | 31,749 |
| Foxwell Power | | | | |
| -including covenants | Borrowing period is from October 2022 to September 2028; pay entire amount in installments. | 2.55% | - | 5,937 |
| Bank secured borrowings | | | | |
| Glory Science | | | | |
| | Borrowing period is from December 31 2019 to December 31 2024; pay principal in installments quarterly, interest is calculated monthly. | 1.86% | - | 20,000 |

| | | | | |
|--|--|-------------|---------|---------------------|
| Foxwell Energy | Borrowing period is from May 2018 to February 2036; pay entire amount in installments. | 2.23%~2.65% | 224,245 | 239,151 |
| Foxwell Power | Borrowing period is from October 2022 to September 2028;pay entire amount in installments. | 2.55% | - | 89,063 |
| Syndicated borrowings Foxwell Power | Borrowing period is from October 2022 to October 2025;pay entire Amount of principal when due. | 2.47%~2.69% | 151,800 | <u>1,598,200</u> |
| Less: Current portion (shown as other current liabilities) | | | | 6,439,100 |
| Less:Syndicated expense | | | | (443,246) |
| Less:Amortization of long-term notes and bill payable discount | | | | (13,125) |
| | | | | <u>(418)</u> |
| | | | | <u>\$ 5,982,311</u> |

| Type of borrowings | Long-term bank borrowings 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 May 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 Mar 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; payprincipal 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; payprincipal and interest based on each bank's regulations. | 1.86%~2.32% | - | 85,000 |

| | | | | |
|--|---|-------------|---------|-------------------------------|
| 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 31 2019 to December 31 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 | <u>1,494,400</u> 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) |
| | | | | <u>\$ 6,265,211</u> |

| Type of borrowings | Long-term bank borrowings and repayment term | Interest rate Range | Unused credit line | March 31, 2023 |
|---------------------------------------|---|---------------------|--------------------|----------------|
| Long-term bank borrowings | | | | |
| Bank unsecured borrowings | | | | |
| FIT Holding -including covenants | Borrowing period is from February 2022 to September 2024; pay entire amount of principal when due, interest is repayable monthly. | 1.80%~1.90% | \$ 810,000 | \$ 630,000 |
| -without covenants | Borrowing period is from July 2021 to August 2024; pay entire amount of principal when due, interest is repayable monthly. | 1.70%~2.00% | - | 800,000 |
| Foxlink Image -including covenants | Borrowing period is from January 2022 to January 2024 ; pay entire amount of principal when due, interest is repayable monthly. | 1.80% | 1,937,000 | 115,000 |

| | | | | |
|---|--|-------------|---------|---------------------|
| -without covenants | Borrowing period is from July 2021 to December 2024 ; pay entire amount of principal when due, interest is repayable monthly | 1.57%~1.95% | 166,000 | 1,310,000 |
| PQI | | | | |
| -including covenants | Borrowing period is from September 2022 to February 2024; pay principal based on each bank's regulations, interest is repayable monthly. | 1.90% | - | 300,000 |
| -without covenants | Borrowing period is from July 2021 to June 2025; pay principal based on each bank's regulations, interest is repayable monthly. | 2.00% | - | 600,000 |
| Glory Science | | | | |
| -without covenants | Borrowing period is from July 15, 2019 to December 23, 2024; pay principal and interest based on each bank's regulations. | 1.74%~2.19% | - | 105,000 |
| Foxwell Energy | | | | |
| -without covenants | Borrowing period is from January 2019 to December 2035; pay entire amount in installments. | 2.01%~2.15% | 282,053 | 35,055 |
| Foxwell Power | | | | |
| -including covenants | Borrowing period is from October 2022 to September 2028; pay entire amount in installments. | 2.42% | - | 7,188 |
| Bank secured borrowings | | | | |
| Glory Science | | | | |
| | Borrowing period is from December 31 2019 to December 31 2024; pay principal in installments quarterly, interest is calculated monthly. | 1.86% | - | 35,000 |
| Foxwell Energy | | | | |
| | Borrowing period is from May 2018 to February 2036; pay entire amount in installments. | 2.01%~2.51% | 226,227 | 267,840 |
| Foxwell Power | | | | |
| | Borrowing period is from October 2022 to September 2028; pay entire amount in installments. | 2.42% | - | <u>107,813</u> |
| Syndicated borrowings | | | | |
| Foxwell Power | | | | |
| | Borrowing period is from October 2022 to October 2025; pay entire Amount of principal when due. | 2.34%~2.55% | 565,900 | <u>1,184,100</u> |
| Less: Current portion (shown as other current liabilities) | | | | 5,496,996 |
| Less: Syndicated expense | | | | (1,398,246) |
| Less: Amortization of long-term notes and bill payable discount | | | | (21,875) |
| | | | | <u>(1,079)</u> |
| | | | | <u>\$ 4,075,796</u> |

- A. The Group entered into the borrowing contracts with Bank SinoPac, EnTie Bank, Far Eastern Bank, Taishin Bank and Yuanta Commercial Bank, and the total credit line is \$2,900 thousand. As of March 31, 2024, the borrowings that have been used amounted to \$1,425 thousand. In the duration period of these contracts, the financial ratios in the semi-annual consolidated and annual consolidated financial statements shall be as follows:
- (a) Current assets to current liabilities ratio of at least 80%;
 - (b) Liabilities not exceeding 200% of tangible net equity;
 - (c) Interest coverage of at least 300% to 500%;
 - (d) Financial liabilities not exceeding 75% of tangible net equity
 - (e) Tangible net equity of at least NT\$1,500,000 thousand to NT\$ 8,000,000 thousand;
 - (f) Net equity of at least NT\$1,800,000 thousand.
- 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, 2023, 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. Foxwell Power Co., Ltd. received a credit approval letter from Taishin Bank on February 29, 2024. During the credit period, financial ratios will be reviewed semi-annually based on the consolidated financial statements issued by an accountant. The agreed financial ratios are as follows: the current ratio should not be less than 100%, the debt-to-equity ratio should not exceed 250%, and the net worth should not be less than \$800,000. Additionally, every six months, the ultimate parent company and the parent company's shareholding ratio must be reviewed. If the aforementioned financial ratios are not met, an additional interest rate of 0.15% will be applied. As of March 31, 2024, the debt-to-equity ratio did not meet the agreed ratio and will be handled according to the agreement on the review date.
- 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 March 31, 2024, December 31, 2023 and March 31, 2023, 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) Foxwell Power Co., Ltd. committed to review the DSCR semi-annually based on the revenue from ancillary services and the principal and interest amount for the last twelve months, which shall not be less than 1.1 times from the date the first monthly settlement amount of ancillary services revenue for the site of project has been remitted to the reserve account for a full twelve months.
- D. The Group's second-tier subsidiary, Foxwell Energy Co. Ltd., signed a loan agreement with CTBC Bank and ten other banks on March 10, 2023. An amendment to the agreement was

signed on January 29, 2024, adjusting the loan amount to \$3,360,000. During the contract period, the tangible net worth must be no less than \$6,000,000, as reflected in the financial statements reviewed semi-annually, and the parent company's shareholding ratio must be maintained.

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

(20) Pensions

1. (a) The Group has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor, Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Group contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Group would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contributions for the deficit by next March.
- (b) The pension costs under the abovementioned defined contribution plan for the three months ended March 31, 2024 and 2023 were \$149 and \$14, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2025 amount to \$142.
2. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6%~8% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company's foreign subsidiaries have established a defined contribution pension plan in accordance with the local regulations. Other than the monthly contributions, the Group has no further obligations.
- (c) The pension costs under the abovementioned defined contribution pension plan for the three months ended March 31, 2024 and 2023 were \$21,020 and \$17,109, 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 March 31, 2024, the Company's authorized capital was \$3,000,000, consisting of 300,000 thousand shares of ordinary stock (including 30,000 thousand shares reserved for employee stock options), and the paid-in capital was \$2,462,421 with a par value of \$10 (in dollars) per share. Ordinary shares outstanding as at March 31, 2024 amounted to 246,242 thousand shares.

(22) Capital

| | 2024 | | | | |
|--|---------------------|---|--|------------------------------------|---------------------|
| | 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 | \$ 3,413,692 | \$ 222,102 | \$ 1,182,413 | \$185,835 | \$ 5,004,042 |
| Capital surplus used to issue cash to shareholders | (123,121) | - | - | - | (123,121) |
| Convertible bonds issued by the subsidiary | - | - | 122,178 | - | 122,178 |
| Recognition of change in equity of associates in proportion to the Group's ownership | - | - | - | 2,113 | 2,113 |
| At March 31 | <u>\$ 3,290,571</u> | <u>\$ 222,102</u> | <u>\$ 1,304,591</u> | <u>\$ 187,948</u> | <u>\$ 5,005,212</u> |

| | 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) |
| Recognition of change in equity of associates in proportion to the Group's ownership | - | - | - | 122,197 | 122,197 |
| At March 31 | <u>\$ 3,413,692</u> | <u>\$ 204,782</u> | <u>\$ 1,034,198</u> | <u>\$ 188,401</u> | <u>\$ 4,841,073</u> |

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

B. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover the accumulated deficit unless the legal reserve is insufficient.

C. The shareholders resolved the Company to distribute cash by a capital surplus of \$123,121

(NT\$0.5(in dollars) per share) on March 7, 2024, and \$123,121(NT\$0.5(in dollars) per share) on March 13,2023.

(23) Retained earnings

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

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

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

- C. (a)In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b)The Company is substantially a continuation of Glory Science,therefore, the amount previously set aside by the Company as special reserve in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865 , dated April 6,2012, shall be the same as the amount reclassified from accumulated translation adjustment under shareholders' equity to retained earnings for the exemptions elected by the Group. The special reserve increased as a result of retained earnings arising from the adoption of IFRS amounted to \$8,361.

- D. In accordance with the Company's Articles of Incorporation and as resolved by the Board of Directors on March 16, 2023, the Company distributed cash dividends amounting to \$369,363. Also, the appropriation of 2022 earnings as proposed and resolved by the shareholders on May 30, 2023 are as follows:

| | 2022 | |
|-----------------|-----------|-------------------------|
| | Amount | Dividend per Share(NTD) |
| Legal reserve | \$ 54,089 | |
| Special reserve | 69,906 | |
| Cash dividends | 369,363 | \$ 1.50 |

- E. The appropriation of 2023 earnings as proposed and resolved by the Board of Directors on March 7, 2024 are as follows::

| | 2023 | |
|-----------------|------------|-------------------------|
| | Amount | Dividend per Share(NTD) |
| Legal reserve | \$ 15,004 | |
| Special reserve | (290,674) | |
| Cash dividends | 369,363 | \$ 1.50 |

As of May 14, 2024, aforementioned appropriation of 2023 earnings, except for cash dividends has been resolved by the Board of Directors (had not been reported to shareholders) on March 7, 2024 and were presented as dividends payable in the financial statements while others had not been resolved by shareholders. Information about earning distribution of the Company as approved and proposed by the Board of Directors and resolved at the shareholders' will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(24) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue in the following major product lines and geographical regions:

Revenue from external customer contracts

| <u>Three months ended March 31, 2024</u> | <u>China</u> | <u>Taiwan</u> | <u>Hong Kong</u> | <u>US</u> |
|--|-------------------|---------------------|-------------------|-------------------|
| System and peripheral products | \$ 304,041 | \$ 868 | \$ 53,116 | \$ 182,356 |
| 3C retail and peripheral products | 4,551 | 25,582 | 319,386 | - |
| 3C components | 23,108 | 3,218 | - | - |
| Energy service management | 17,218 | 2,314,118 | - | - |
| | <u>\$ 348,918</u> | <u>\$ 2,343,786</u> | <u>\$ 372,502</u> | <u>\$ 182,356</u> |

| <u>Three months ended March 31, 2024</u> | <u>Europe</u> | <u>Others</u> | <u>Total</u> |
|--|-------------------|-------------------|---------------------|
| System and peripheral products | \$ 237,148 | \$ 351,519 | \$ 1,129,048 |
| 3C retail and peripheral products | - | 92 | 349,611 |
| 3C components | 529 | 13,506 | 40,361 |
| Energy service management | - | - | 2,331,336 |
| | <u>\$ 237,677</u> | <u>\$ 365,117</u> | <u>\$ 3,850,356</u> |

Revenue from external customer contracts

| <u>Three months ended March 31, 2023</u> | <u>China</u> | <u>Taiwan</u> | <u>Hong Kong</u> | <u>US</u> |
|--|-------------------|---------------------|-------------------|-------------------|
| System and peripheral products | \$ 340,638 | \$ 1,140 | \$ 6,652 | \$ 118,532 |
| 3C retail and peripheral products | 519 | 17,472 | 410,379 | 23 |
| 3C components | 21,167 | 7,510 | 1,180 | - |
| Energy service management | 1,068 | 1,387,441 | - | - |
| | <u>\$ 363,392</u> | <u>\$ 1,413,563</u> | <u>\$ 418,211</u> | <u>\$ 118,555</u> |

| <u>Three months ended March 31, 2023</u> | <u>Europe</u> | <u>Others</u> | <u>Total</u> |
|--|-------------------|-------------------|---------------------|
| System and peripheral products | \$ 185,767 | \$ 292,084 | \$ 944,813 |
| 3C retail and peripheral products | - | 3,107 | 431,500 |
| 3C components | 626 | 15,330 | 45,813 |
| Energy service management | - | - | 1,388,509 |
| | <u>\$ 186,393</u> | <u>\$ 310,521</u> | <u>\$ 2,810,635</u> |

B. Unfulfilled construction contracts

Aggregate amount of the transaction price allocated to and the year expected to recognize revenue for the unsatisfied performance obligations in relation to the contracted significant construction contracts as of March 31, 2024 ,December 31,2023 and March 31,2023 are as follows:

| <u>Year</u> | <u>Year expected to recognise revenue</u> | <u>Contracted amount</u> |
|-------------------|---|--------------------------|
| March 31,2024 | Year 2023-2025 | \$ 42,944,980 |
| December 31, 2023 | Year 2023-2025 | 41,439,682 |
| March 31,2023 | Year 2023-2025 | 49,678,504 |

C. Contract assets and contract liabilities

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

| | <u>March 31,2024</u> | <u>December 31,2023</u> | <u>March 31,2023</u> |
|--------------------------|----------------------|-------------------------|----------------------|
| Contract assets: | | | |
| Contract assets: | | | |
| - construction contracts | <u>\$ 10,809,663</u> | <u>\$ 8,675,960</u> | <u>\$ 3,848,663</u> |
| Contract liabilities: | | | |
| Contract liabilities: | 195,636 | 153,805 | 360,455 |
| - advance sales receipts | | | |
| Contract liabilities: | | | |
| - construction contracts | <u>89,966</u> | <u>42,777</u> | <u>1,083</u> |
| | <u>\$ 285,602</u> | <u>\$ 196,582</u> | <u>\$ 361,538</u> |

(b)The aforementioned revenue-related contract assets and contract liabilities as at March 31,2024, December 31, 2023 and March 31, 2023 are as follows:

| | <u>March 31,2024</u> | <u>December 31,2023</u> | <u>March 31,2023</u> |
|---|----------------------|-------------------------|----------------------|
| Total costs incurred and revenue recognized | \$ 20,391,000 | \$ 20,545,655 | \$ 8,533,978 |
| Less:Progress billings | <u>(9,671,303)</u> | <u>(11,912,472)</u> | <u>(4,686,398)</u> |
| Net balance sheet position for Construction in progress | <u>\$ 10,719,697</u> | <u>\$ 8,633,183</u> | <u>\$ 3,847,580</u> |
| Presented as: | | | |
| Contract assets- current | \$ 10,809,663 | \$ 8,675,960 | \$ 3,848,663 |
| Contract liabilities-current | <u>(89,966)</u> | <u>(42,777)</u> | <u>(1,083)</u> |
| | <u>\$ 10,719,697</u> | <u>\$ 8,633,183</u> | <u>\$ 3,847,580</u> |

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

| | <u>Three months ended March 31,2024</u> | <u>Three months ended March 31,2023</u> |
|--|---|---|
| Revenue recognised that was included in the contract liability balance at the be- ginning of the period | | |
| Unearned revenue | <u>\$ 7,357</u> | <u>\$ 17,536</u> |

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

(25) Interest income

| | Three months ended March 31,2024 | Three months ended March 31,2023 |
|--|-------------------------------------|-------------------------------------|
| Interest income from bank deposits | \$ 31,259 | \$ 14,501 |
| Interest income from financial assets measured at amortised cost | 4,887 | 6,797 |
| | <u>\$ 36,146</u> | <u>\$ 21,298</u> |

(26) Other income

| | Three months ended March 31,2024 | Three months ended March 31,2023 |
|--------------------|-------------------------------------|-------------------------------------|
| Rent income | \$ 19,430 | \$ 19,601 |
| Other income-Other | 13,036 | 5,443 |
| | <u>\$ 32,466</u> | <u>\$ 25,044</u> |

(27) Other gains and losses

| | Three months ended March 31,2024 | Three months ended March 31,2023 |
|--|-------------------------------------|-------------------------------------|
| Foreign exchange gains(loss) | \$ 119,540 | (15,596) |
| Financial assets (liabilities) measured at fair value through profit or loss | \$ 7,219 | \$ 1,919 |
| Gain on disposals of property, plant and equipment | 3,461 | 9 |
| Government grants revenue | 2,756 | 1,718 |
| Depreciation charge on investment (property) | (1,794) | (2,323) |
| Others | (1,199) | (28,567) |
| | <u>\$ 129,983</u> | <u>(\$ 42,840)</u> |

(28) Finance costs

| | Three months ended March 31,2024 | Three months ended March 31,2023 |
|----------------------------|-------------------------------------|-------------------------------------|
| Interest expense : | | |
| Bank loans | \$ 49,333 | \$ 35,883 |
| Bonds payable | 12,583 | - |
| Lease liabilities | 1,789 | 1,565 |
| Loans from related parties | 2,301 | - |
| Other Interest Expenses | 16 | 8 |
| | <u>\$ 66,022</u> | <u>\$ 37,456</u> |

(29) Expense by nature

| Nature | Three months ended March 31,2024 | | |
|----------------------------------|----------------------------------|--|-------------------|
| | Classified as operating costs | Classified as Operating Expenses | Total |
| Employee benefit expense | | | |
| Wages and salaries | \$ 105,475 | \$ 196,717 | \$ 302,192 |
| Labour and health insurance fees | 24,028 | 16,777 | 40,805 |
| Pension costs | 12,370 | 8,501 | 20,871 |
| Other personnel expenses | 7,169 | 7,066 | 14,235 |
| | <u>\$ 149,042</u> | <u>\$ 229,061</u> | <u>\$ 378,103</u> |
| Depreciation charge | <u>\$ 60,069</u> | <u>\$ 31,052</u> | <u>\$ 91,121</u> |
| Amortisation charge | <u>\$ 33</u> | <u>\$ 16,038</u> | <u>\$ 16,071</u> |

| Nature | Three months ended March 31,2023 | | |
|----------------------------------|----------------------------------|--|-------------------|
| | Classified as operating costs | Classified as Operating Expenses | Total |
| Employee benefit expense | | | |
| Wages and salaries | \$ 162,099 | \$ 128,928 | \$ 291,027 |
| Labour and health insurance fees | 10,033 | 10,355 | 20,388 |
| Pension costs | 10,043 | 7,052 | 17,095 |
| Other personnel expenses | 8,954 | 11,636 | 20,590 |
| | <u>\$ 191,129</u> | <u>\$ 157,971</u> | <u>\$ 349,100</u> |
| Depreciation charge | <u>\$ 68,476</u> | <u>\$ 34,056</u> | <u>\$ 102,532</u> |
| Amortisation charge | <u>\$ 47</u> | <u>\$ 19,935</u> | <u>\$ 19,982</u> |

A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 6% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.

B. For the three months ended March 31,2024 and 2023, employees' compensation was accrued at \$11,000 and \$0, respectively; directors' remuneration was accrued at \$1,000 and 0. The aforementioned amounts were recognized in salary expenses. For the three months ended March 31,2023 is reported as net loss after tax, therefore, employees' remuneration and directors' remuneration have not been accrued.

C. The employees' compensation and directors' remuneration as resolved by the Board of Directors were the same as the estimated amount recognized in the 2023 financial statements.

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

(30) Income tax

(A) Income tax expense

(a) Components of income tax expense :

| | <u>Three months ended March 31,2024</u> | <u>Three months ended March 31,2023</u> |
|---|---|---|
| Current tax: | | |
| Current tax on profits for the year | \$ 44,387 | \$ 27,157 |
| Tax on undistributed surplus earnings | - | 6,752 |
| Prior year income tax (over) underestimation | 331 | 3,842 |
| Total current tax | <u>44,718</u> | <u>37,751</u> |
| Deferred tax : | | |
| Origination and reversal of temporary differences | 25,243 | (8,108) |
| Total deferred tax | <u>25,243</u> | <u>(8,108)</u> |
| Income tax expense | <u>\$ 69,961</u> | <u>\$ 29,643</u> |

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

| | <u>Three months ended March 31,2024</u> | <u>Three months ended March 31,2023</u> |
|----------------------------------|---|---|
| Currency translation differences | \$ 23,005 | (\$ 627) |

B. The Company's income tax returns through 2018 have been assessed and approved by the Tax Authority. The Company's domestic subsidiaries' income tax returns through 2018 and 2022 have been assessed and approved by the Tax Authority.

(31) Earnings per share

| | <u>Three months ended March 31,2024</u> | | |
|--|---|--|--|
| | <u>Amount after tax</u> | <u>Weighted average number of ordinary shares outstanding (share in thousands)</u> | <u>Earnings per Share (in dollars)</u> |
| <u>Basic earnings per share</u> | | | |
| Profit attributable to the parent | <u>\$ 184,302</u> | <u>246,242</u> | <u>\$ 0.75</u> |
| <u>Diluted earnings per share</u> | | | |
| Profit attributable to the parent | \$ 184,302 | 246,242 | |
| Assumed conversion of all dilutive potential ordinary shares Employees compensation | <u>-</u> | <u>778</u> | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | <u>\$ 184,302</u> | <u>247,020</u> | <u>\$ 0.75</u> |

| | Three months ended March 31,2023 | | |
|---------------------------------|----------------------------------|---|--------------------------------|
| | Amount after tax | Weighted average num- ber of ordinary shates outstanding(share in thousands) | Loss per Share (in dollars) |
| <u>Basic earnings per share</u> | | | |
| Loss attributable to the parent | (\$ 5,800) | 246,242 | (\$ 0.02) |

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

(32) Business combinations

A. 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 for the three months end for March 31,2024 would show operating revenue of \$42,415 and loss before income tax of (\$17,953).

B. 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 for the three months end for March 31,2024 would show operating revenue of \$0 and loss before income tax of (\$4,816).

C. 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 s proportionate share of the recognised amounts of acquiree's identifiable net assets | 159,688 | 787,798 |
| | <u>377,708</u> | <u>2,437,145</u> |
| 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 | 9,290 | 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 | <u>368,189</u> | <u>2,387,267</u> |
| Goodwill | <u>\$ 9,519</u> | <u>\$ 49,878</u> |

(33) Supplemental cash flow information

Investing activities with partial cash payments

| | Three months ended March 31,2024 | Three months ended March 31,2023 |
|--|-------------------------------------|-------------------------------------|
| Purchase of property, plant and equipment | \$ 166,671 | \$ 83,508 |
| Add: Opening balance of payable on quipment | 142,156 | 90,341 |
| Less: Ending balance of payable on equipment | (67,869) | (143,379) |
| Capitalisation of depreciation | <u>(1,869)</u> | <u>-</u> |
| Cash paid during the period | <u>\$ 239,089</u> | <u>\$ 30,470</u> |

(34) Changes in liabilities from financing activities

| | Short-term borrowing | Short-term notes and bills payable | Long-term borrowings_ (including Current portion) | Bonds payable | Lease Liability | Other paya- ble-related_ party | Liabilities From financing activities gross |
|--|-------------------------|--|---|------------------|--------------------|--------------------------------------|---|
| January 1,2024 | \$ 9,180,124 | \$ 4,005,614 | \$ 6,498,457 | \$2,851,779 | \$ 415,854 | \$ - | \$ 22,951,828 |
| Changes in cash flow from fi- nancing activitie | 2,576,339 | (352,947) | (72,900) | - | (27,336) | 1,500,000 | 3,623,156 |
| Changes in other non-cash | - | - | - | (498,092) | 16,352 | - | (481,740) |

items

| | | | | | | | |
|--|---------------------|---------------------|---------------------|--------------------|-------------------|--------------------|----------------------|
| Impact of changes in foreign exchange rate | - | - | - | - | 3,467 | - | 3,467 |
| March 31,2024 | <u>\$11,756,463</u> | <u>\$ 3,652,667</u> | <u>\$ 6,425,557</u> | <u>\$2,353,687</u> | <u>\$ 408,337</u> | <u>\$1,500,000</u> | <u>\$ 24,596,711</u> |

| | Short-term borrowing | Short-term notes and bills payable | Long-term borrowings_ (including Current portion) | Lease Liability | Liabilities from financing activities gross |
|--|-------------------------|---|---|--------------------|--|
| Janua2023 | \$ 7,035,719 | \$ 1,789,159 | \$ 5,397,714 | \$ 292,328 | \$ 14,514,920 |
| Changes in cash flow from fi- nancing Activitie | 738,405 | 109,171 | 76,328 | (28,538) | 895,366 |
| Changes in other non-cash items | - | - | - | 101,693 | 101,693 |
| Impact of changes in foreign exchange rate | - | - | - | (204) | (204) |
| March 31,2023 | <u>\$ 7,774,124</u> | <u>\$ 1,898,330</u> | <u>\$ 5,474,042</u> | <u>\$ 365,279</u> | <u>\$ 15,511,775</u> |

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 |
| Studio A Inc.(Studio A) | Other related party |
| Straight A Inc.(Straight A) | Other related party |
| Sharetronic Data Technology Co.,Ltd(Sharetronic) | Other related party |
| Dongguam Fuqiang Electronics Co.,Ltd(DGFQ) | Other related party |
| Fugang Electric (Kunshan) Co.,Ltd | Other related party |
| Foxlink Technical India Private Ltd. | Other related party |
| Hon Hai Precision Industry Co., Ltd. | Other related party |
| STUDIO A TECHNOLOGY LTD.(STUDIO A | Associat |
| Synergy Co., Ltd.(Synergy) | Associate |
| Changpin Wind Power Ltd.(Changpin) | Joint Venture |
| Cheng Shin Digital Co., Ltd. (Cheng Shin Digital) | Associate (Note) |
| Note: The Group became a related party to the company after acquiring a 49% equity stake on October 17, 2023. | |

(2) Significant related party transactions

A. Operating revenue

| | Three months ended March 31,2024 | Three months ended March 31,2023 |
|-----------------------|-------------------------------------|-------------------------------------|
| Other related parties | \$ 28,397 | \$ 20,888 |
| Associate | 24,467 | 9,015 |
| Cheng Uei | 5,629 | 11,933 |
| Joint Venture | 1 | - |
| | <u>\$ 58,494</u> | <u>\$ 41,836</u> |

(a) Goods sold to the abovementioned related parties are based on mutual agreement and are not sold to the third parties. The collection terms are 90 to 120 days after monthly billings.

(b) The Group 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

| | Three months ended March 31,2024 | Three months ended March 31,2023 |
|-----------------------|-------------------------------------|-------------------------------------|
| Purchases of goods : | | |
| Associate | \$ 646 | \$ 1,519 |
| Other related parties | 543 | 421 |
| Cheng Uei | 48 | 1,553 |
| | <u>\$ 1,237</u> | <u>\$ 3,493</u> |

Engineering cost :

| | | |
|-----------------------|-----------------|-------------|
| other related parties | <u>\$ 1,905</u> | <u>\$ -</u> |
|-----------------------|-----------------|-------------|

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

C. Receivables from related parties

| | March 31,2024 | December 31,2023 | March 31,2023 |
|-----------------------|------------------|------------------|------------------|
| Accounts receivable : | | | |
| Cheng Uei | \$ 8,388 | \$ 17,784 | \$ 12,276 |
| Other related parties | 5,741 | 6,598 | 10,322 |
| Joint Venture | 5,250 | 5,250 | - |
| Associate | 1,505 | 4,071 | - |
| | <u>\$ 20,884</u> | <u>\$ 33,703</u> | <u>\$ 22,598</u> |
| Other receivables : | | | |
| Sharetronic | \$ 12,567 | \$ 6,338 | \$ 11,079 |
| Associate | 1,383 | 1,982 | 1,496 |
| Other related parties | 352 | 535 | 316 |
| Cheng Uei | 38 | 18 | 14 |
| | <u>\$ 14,340</u> | <u>\$ 8,873</u> | <u>\$ 12,905</u> |

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

D. Payables to related parties

| | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|-----------------------|-----------------------|--------------------------|-----------------------|
| Accounts payable : | | | |
| Cheng Uei | \$ 757 | \$ 8,584 | \$ 4,100 |
| Other related parties | 114 | 1,288 | 423 |
| Associate | <u>194</u> | <u>38</u> | <u>1,070</u> |
| | <u>\$ 1,065</u> | <u>\$ 9,910</u> | <u>\$ 5,593</u> |

Other payables :

| | | | |
|-----------------------|------------------|------------------|------------------|
| Cheng Uei | \$ 11,286 | \$ 9,657 | \$ 11,725 |
| Other related parties | 3,736 | 6,907 | 6,808 |
| Associate | <u>589</u> | <u>136</u> | <u>521</u> |
| | <u>\$ 15,611</u> | <u>\$ 16,700</u> | <u>\$ 19,054</u> |

(a) Payables to related parties, mainly arose from purchases, and the payment terms are 90 to 120 days after monthly billings.

(b) Other payables to related parties, mainly arose from management, legal and system maintenance fees payable.

E, Lease transactions — lessee

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

(b) Acquisition of use-of-right assets

| | <u>Three months ended March 31, 2024</u> | <u>Three months ended March 31, 2023</u> |
|-----------|--|--|
| Cheng Uei | <u>\$ 3,222</u> | <u>\$ 14,935</u> |

(c) Lease liability

i. Outstanding balance

| | <u>March 31, 2024</u> | <u>December 31, 2023</u> | <u>March 31, 2023</u> |
|-----------|-----------------------|--------------------------|-----------------------|
| Cheng Uei | <u>\$ 108,883</u> | <u>\$ 111,104</u> | <u>\$ 130,401</u> |

ii. Interest expense

| | <u>Three months ended March 31, 2024</u> | <u>Three months ended March 31, 2023</u> |
|-----------------------|--|--|
| Cheng Uei | \$ 423 | \$ 490 |
| Other related parties | <u>-</u> | <u>9</u> |
| | <u>\$ 423</u> | <u>\$ 499</u> |

F.Rental revenue

| | <u>Three months ended March 31,2024</u> | <u>Three months ended March 31, 2023</u> |
|---------------------------------|---|--|
| Other re- lated par- ties | \$ 10,862 | \$ 10,918 |
| Cheng Uei | 5,118 | 5,118 |
| | <u>\$ 15,980</u> | <u>\$ 16,036</u> |

G.Loans from related parties:

Loans from related parties : (From January1,2023 to March 31,2023:None)

(a) Outstanding balance

| | <u>March 31,2024</u> |
|-----------|----------------------|
| Cheng Uei | <u>\$ 1,500,000</u> |

(b) Interest expense

| | <u>Three months ended March 31,2024</u> |
|-----------|---|
| Cheng Uei | <u>\$ 2,301</u> |

The loans are settled at maturity. The interest rate was 8% per annum.

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

(3) Key management compensation

| | <u>Three months ended March 31,2024</u> | <u>Three months ended March 31,2023</u> |
|---|---|---|
| Salaries and other short-term em- ployee benefits | \$ 23,427 | \$ 5,349 |
| Post-employment benefits | 773 | 228 |
| | <u>\$ 24,200</u> | <u>\$ 5,577</u> |

8. Pledged Assets

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

| | <u>Book Value</u> | | | |
|---|----------------------|-------------------------|----------------------|---|
| <u>Pledged asset</u> | <u>March 31,2024</u> | <u>December 31,2023</u> | <u>March 31,2023</u> | <u>Purpose</u> |
| Time deposits (shown as financial assets at amortised cost-current) | \$ 68,273 | \$ 65,776 | \$ 68,272 | Guarantee for fast cust- oms clearance and issu- ance of material purcha- sing guarantee and secu- rity deposit |
| Restricted bank deposits and pledged time deposits (show as financial assets at amortised cost-current) | 1,966,688 | 2,009,915 | 1,988,601 | Letters of guarantee for construction performance, short-term borrowings and g- uarantee notes,etc. |

| | | | | |
|--|---------------------|---------------------|---------------------|--|
| Guarantee deposits paid (show as other current assets) | 999,455 | 1,001,654 | 999,332 | Guarantee for Construction performane, performance bond |
| Guarantee deposits paid (show as other non-current assets) | 369,417 | 262,327 | 220,077 | Guarantee for electric e- nergy transfer,deposits,- guarantee and customs deposit |
| Time deposits(show as financial assets at amortised cost-non-current) | 4,500 | 4,500 | 4,500 | Guarantee for lease Performance |
| Restricted bank deposits and pledged time deposits(show as financial assets at amortised cost-non-current) | 413,554 | 402,761 | 390,518 | Impound, bond guarantee, performance guarantee and guarantee for developpment plan |
| Property, plant and equipment | 873,153 | 1,004,783 | 1,239,736 | Long-term borrowings |
| Investment Property | 116,356 | - | 4,990 | Long-term borrowings |
| | <u>\$ 4,811,396</u> | <u>\$ 4,751,716</u> | <u>\$ 4,916,026</u> | |

9. Significant Contingent Liabilities and Unrecognized 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 and it was dismissed by the Taipei High Administrative Court on March 14, 2024.

(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 May 14, 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) Commitments

- A. As of March 31, 2024, December 31, 2023 and March 31, 2023 , 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.
- B. 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 \$22,333,666, \$19,786,950 and \$15,212,563 as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

- C. As of March 31, 2024, December 31, 2023 and March 31, 2023, the letters of guarantee to be issued by the bank, which are required for performance guarantee under the contracted photovoltaic electric systems, amounted to \$213,501, \$150,519 and \$49,994, respectively.
- D. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:
 - (a) As of March 31, 2024, December 31, 2023 and March 31, 2023, equipment purchases agreements contracted but not recognised and paid amounted to \$270,084,495,306 and \$720,281, respectively.
 - (b) The Company entered into a construction cooperation contract with a total consideration of \$51,647,232. As of March 31, 2024, the consideration of \$17,486,818 was settled.
- E. On August 13, 2020, the Group entered into an equipment procurement contract and an operation and maintenance contract with Taiwan Power Company for the Phase II of Taipower's Offshore Wind Power Project, the "Wind Farm Property Procurement and Installation Project" amounting to \$56,588,000 and \$6,300,000, respectively. The terms of the equipment procurement contract specifies that the Company shall complete the foundation construction for WTGS and offshore substation as of September 30, 2024, shall complete all WTGS which shall be under the security constrained dispatch process as of December 31, 2025, shall complete the whole construction as of December 31, 2025 and shall provide 2 years warranties from the date of completion and acceptance of the whole construction. In addition, the equipment shall provide guaranteed generating capacity. The performance term of this project is divided into stages progress and the final completion deadline. The default penalty shall be computed until the termination date of the contract according to each stage of the project. The operation and maintenance contract specifies the terms such as the guaranteed annual availability and default penalty of all WTGS as well as the relevant rights and obligations of both parties. The contract period is 5 years from the time when all WTGS are under the security constrained dispatch process. As of March 31, 2024, the Group's construction projects were completed on schedule and there was no compensation loss incurred due to overdue projects.
- F. The Group entered the operation and maintenance contract with Changyuan Wind Power Ltd., Beiyuan Wind Power Ltd. and Shinfox Power Co., Ltd. for WTGS and solar energy equipment. The contract specifies the terms such as the bonus and penalty of operation and maintenance as well as the relevant rights and obligations of both parties. The contract period is 20 years from the parallel connection date.

10. Significant Disaster Loss
None

11. Significant Subsequent Events

- A. On May 14, 2024, the Board of Directors of second-tier subsidiary, Shinfox Energy Co., Ltd., a subsidiary of our group, resolved to provide an endorsement guarantee of approximately USD 7,268,000 for a project contract of SFE, another subsidiary of our group.
- B. On May 14, 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, Foxwell Energy Co. Ltd., with the credit line within the limit of US\$5 million financial institutions.

12. Others

(1)Capital management

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

(2)Financial instruments

A. Financial instruments by category

| | <u>March 31,2024</u> | <u>December 31,2023</u> | <u>March 31,2023</u> |
|--|----------------------|-------------------------|----------------------|
| <u>Financial assets</u> | | | |
| Financial assets at fair value through profit or loss | | | |
| Financial assets mandatorily measured at fair value through profit or loss | <u>\$ 10,382</u> | <u>\$ 5,167</u> | <u>\$ -</u> |
| Financial assets at fair value through other comprehensive income | | | |
| Designation of equity instrument | <u>\$ 3,098,253</u> | <u>\$ 3,152,254</u> | <u>\$ 2,398,702</u> |
| Financial assets at amortised cost | | | |
| Cash and cash equivalents | \$ 7,161,511 | \$ 6,953,129 | \$ 5,526,154 |
| Financial assets at amortised cost | 3,285,434 | 3,261,615 | 2,509,812 |
| Notes receivable | 30,231 | 25,654 | 33,108 |
| Accounts receivable (including related parties) | 1,296,358 | 2,011,711 | 902,190 |
| Other receivables (including related parties) | 88,840 | 99,617 | 74,573 |
| Guarantee deposits paid | <u>1,384,659</u> | <u>1,277,845</u> | <u>1,234,045</u> |
| | <u>\$ 13,247,033</u> | <u>\$ 13,629,571</u> | <u>\$ 10,279,882</u> |
| <u>Financial liabilities</u> | | | |
| Short-term borrowings | \$ 11,756,463 | \$ 9,180,124 | \$ 7,774,124 |
| Short-term notes and bills payable | 3,652,667 | 4,005,614 | 1,898,330 |
| Notes payable | 19,769 | 32,677 | 1,286 |
| Accounts payable (including related parties) | 1,463,631 | 2,591,139 | 1,119,935 |
| Other payables (including related parties) | 2,981,060 | 1,092,937 | 1,203,125 |
| Long-term borrowings (including current portion) | 6,425,557 | 6,498,457 | 5,474,042 |
| Guarantee deposits received | <u>38,708</u> | <u>40,328</u> | <u>24,183</u> |
| | <u>\$ 26,337,855</u> | <u>\$ 23,441,276</u> | <u>\$ 17,495,025</u> |
| Lease liability | <u>\$ 408,337</u> | <u>\$ 415,854</u> | <u>\$ 365,279</u> |

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. To reduce the adverse impact on the financial performance of the Group caused by uncertainty, the Group undertakes forward exchange contracts to hedge against exchange rate risks; the derivative instruments undertaken by the Group are for hedging purposes and not for trading or speculation.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.
- (c) Information on undertaking derivatives to avoid financial risks is provided in Note 6(2).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currencies, primarily with respect to the USD and RMB. The foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group entities are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of the highly probable USD and RMB expenditures.
- iii. The group utilizes forward foreign exchange transactions to hedge against exchange rate risks; however, hedge accounting is not applied, and financial assets or liabilities measured at fair value through profit or loss are recognized. Please refer to Note 6(2) for further details.
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

| March 31, 2024 | | | |
|--|-----------|---------------|------------------|
| Foreign currency amount(In thousands) | | Exchange rate | Book value (NTD) |
| (Foreign currency: functional currency) | | | |
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | \$ 84,812 | 32.0000 | \$ 2,713,984 |
| RMB:NTD | 52,242 | 4.4080 | 230,283 |
| HKD:NTD | 2,230 | 4.0890 | 9,118 |
| EUR:NTD | 168 | 34.4600 | 5,789 |
| HKD:RMB | 3,066 | 0.9276 | 12,536 |

| | | | |
|------------------------------|-----------|---------|------------|
| USD:RMB | 15,803 | 7.2595 | 505,696 |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | \$ 17,569 | 32.0000 | \$ 562,208 |
| RMB:NTD | 1,608 | 4.4080 | 7,088 |
| USD:RMB | 2,302 | 7.2595 | 73,664 |
| USD:HKD | 986 | 7.8259 | 31,552 |

| December 31,2023 | | | |
|---|--|---------------|---------------------|
| | Foreign currency amount(In thousands) | Exchange rate | Book value (NTD) |
| (Foreign currency:functional currency) | | | |
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | \$ 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 | 3.929 | 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 |

| | | | |
|------------------------------|-----------|---------|------------|
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| 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 |

| March 31,2023 | | | |
|---|--|---------------|---------------------|
| | Foreign currency amount(In thousands) | Exchange rate | Book value (NTD) |
| (Foreign currency:functional currency) | | | |
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | \$ 52,492 | 30.4500 | \$ 1,598,381 |
| RMB:NTD | 93,283 | 4.4310 | 413,337 |
| JPY:NTD | 468,172 | 0.2288 | 107,118 |
| HKD:NTD | 913 | 3.8790 | 3,542 |
| EUR:NTD | 168 | 33.1500 | 5,569 |
| HKD:RMB | 4,304 | 0.8754 | 16,695 |
| USD:RMB | 21,146 | 6.8577 | 643,896 |

Financial liabilitiesMonetary items

| | | | | | |
|---------|----|--------|---------|----|---------|
| USD:NTD | \$ | 21,718 | 30.4500 | \$ | 661,313 |
| RMB:NTD | | 72,977 | 4.4310 | | 323,361 |
| JPY:NTD | | 51,860 | 0.2288 | | 11,866 |
| USD:RMB | | 4,841 | 6.8577 | | 147,408 |
| USD:HKD | | 805 | 7.8500 | | 24,512 |

D. The total exchange gain (loss), including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2024 and 2023 amounted to \$119,540 and (\$15,596), respectively.

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

| | | Three months ended March 31, 2024 | | |
|--|----|-----------------------------------|-------------------------------------|--------------------------------------|
| | | Sensitivity analysis | | |
| | | Degree of Variation | Effect on profit or loss before tax | Effect on other comprehensive income |
| (Foreign currency: functional currency) | | | | |
| <u>Financial assets</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:NTD | 1% | \$ | 27,140 | \$ - |
| RMB:NTD | 1% | | 2,303 | - |
| HKD:NTD | 1% | | 91 | - |
| EUR:NTD | 1% | | 58 | - |
| HKD:RMB | 1% | | 125 | - |
| USD:RMB | 1% | | 5,057 | - |
| <u>Financial liabilities</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:NTD | 1% | \$ | 5,622 | \$ - |
| RMB:NTD | 1% | | 71 | - |
| USD:RMB | 1% | | 737 | - |
| USD:HKD | 1% | | 316 | - |

| | | Three months ended March 31, 2023 | | |
|--|----|-----------------------------------|-------------------------------------|--------------------------------------|
| | | Sensitivity analysis | | |
| | | Degree of Variation | Effect on profit or loss before tax | Effect on other comprehensive income |
| (Foreign currency: functional currency) | | | | |
| <u>Financial assets</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:NTD | 1% | \$ | 15,984 | \$ - |
| RMB:NTD | 1% | | 4,133 | - |
| JPY:NTD | 1% | | 1,071 | - |
| HKD:NTD | 1% | | 35 | - |

| | | | |
|------------------------------|----|----------|------|
| EUR:NTD | 1% | 56 | - |
| HKD:RMB | 1% | 167 | - |
| USD:RMB | 1% | 6,439 | - |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | 1% | \$ 6,613 | \$ - |
| RMB:NTD | 1% | 3,234 | - |
| JPY:NTD | 1% | 119 | - |
| USD:RMB | 1% | 1,474 | - |
| USD:HKD | 1% | 245 | - |

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 three months ended Mar 31, 2024 and 2023 would have increased/decreased by \$83 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 \$24,786 and \$19,190, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from short-term borrowings and long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. For the three months ended March 31, 2024 and 2023, the Group's borrowings were denominated in New Taiwan Dollars and US Dollars.
 - ii. If the borrowing interest rate had increased/decreased by 0.1% with all other variables held constant, profit, net of tax for the three months ended March 31, 2024 and 2023 would have decreased or increased by \$17,468 and \$12,117, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.
- (b) Credit risk
- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contractual obligations. The main factor is that counterparts could not repay in full the accounts receivable based on the agreed terms.
 - ii. The Group manages their credit risk, taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with the limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
 - iii. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

- iv. The default occurs when the contract payments are past due over 90 days.
- v. The Group classifies customers' accounts receivable and contract assets in accordance with default situation. The Group applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
- vi. The Group used the forecastability to adjust the historical and timely information to assess the default possibility of accounts receivable. On March 31, 2024, December 31, 2023 and March 31, 2023, the provision matrix is as follows:

| | <u>Expected loss rate</u> | <u>Total book value</u> | <u>Loss allowance</u> |
|--------------------------|---------------------------|-------------------------|-----------------------|
| <u>March 31, 2024</u> | | | |
| Not past due | 0.03%~4.54% | \$ 1,249,975 | \$ 19,376 |
| Up to 30 days past due | 0.03%~6.54% | 46,932 | 2,135 |
| 31~90 days past due | 0.03%~64.69% | 98 | 20 |
| 91~180 days past due | 100% | 411 | 411 |
| Over 181 days past due | 100% | 1,934 | 1,934 |
| | | <u>\$ 1,299,350</u> | <u>\$ 23,876</u> |
| | <u>Expected loss rate</u> | <u>Total book value</u> | <u>Loss allowance</u> |
| <u>December 31, 2023</u> | | | |
| 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 |
| | | <u>\$ 2,001,643</u> | <u>\$ 23,635</u> |
| | <u>Expected loss rate</u> | <u>Total book value</u> | <u>Loss allowance</u> |
| <u>March 31, 2023</u> | | | |
| Not past due | 0.03%~1.41% | \$ 822,826 | \$ 247 |
| Up to 30 days past due | 0.03%~5% | 72,134 | 19,959 |
| 31~90 days past due | 20% | 6,047 | 1,209 |
| 91~180 days past due | 100% | - | - |
| Over 181 days past due | 100% | 1,695 | 1,695 |
| | | <u>\$ 902,702</u> | <u>\$ 23,110</u> |

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

| | <u>2024</u> |
|---|----------------------------|
| | <u>Accounts receivable</u> |
| At January 1 | \$ 23,635 |
| Provision for impairment | 285 |
| Amounts written off due to irrecoverability | (44) |
| Effect of foreign exchange | <u>-</u> |
| At March 31 | <u>\$ 23,876</u> |
| | <u>2023</u> |
| | <u>Accounts receivable</u> |
| At January 1 | \$ 24,172 |
| Amounts written off due to irrecoverability | (1,107) |
| Effect of foreign exchange | <u>45</u> |
| At March 31 | <u>\$ 23,110</u> |

(c)Liquidity risk

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

Non-derivative financial liabilities

| | | Between 2 | |
|--|-------------------------|--------------------|---------------------|
| March 31,2024 | <u>Less than 1 year</u> | <u>and 5 years</u> | <u>Over 5 years</u> |
| Short-term borrowings | \$ 12,028,518 | \$ - | \$ - |
| Short-term notes and bills payable | 3,663,200 | - | - |
| Notes payable | 19,769 | - | - |
| Accounts payable (Related parties) | 1,463,631 | - | - |
| Other payables (Related parties) | 2,981,060 | - | - |
| Lease liability | 107,792 | 214,088 | 231,233 |
| Bonds payable | - | 2,464,300 | - |
| Long-term borrowings (including current portion) | 577,702 | 6,033,694 | 56,112 |

Non-derivative financial liabilities

| | | Between 2 | |
|------------------------------------|-------------------------|--------------------|---------------------|
| December 31,2023 | <u>Less than 1 year</u> | <u>and 5 years</u> | <u>Over 5 years</u> |
| Short-term borrowings | \$ 9,356,138 | \$ - | \$ - |
| Short-term notes and bills payable | 4,013,200 | - | - |
| Notes payable | 32,677 | - | - |

| | | | |
|--|-----------|-----------|---------|
| Accounts payable (Related parties) | 2,591,139 | - | - |
| Other payables (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 |
| <u>Non-derivative financial liabilities</u> | | | |

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

(3) Financial instruments

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market refers to a market in which transactions for an asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

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

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in unlisted stocks is included in Level 1.

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

- C. 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.

| March 31, 2024 | Fair value | | | |
|-------------------------------|--------------|--------|--------------|--------|
| | Book Value | Level1 | Level2 | Level3 |
| Financial liabilities: | | | | |
| Bonds payable | \$ 2,353,687 | \$ - | \$ 2,364,496 | \$ - |

| December 31,2023 | Fair value | | | |
|-------------------------------|---------------------|---------------|---------------------|---------------|
| | <u>Book Value</u> | <u>Level1</u> | <u>Level2</u> | <u>Level3</u> |
| Financial liabilities: | | | | |
| Bonds payable | <u>\$ 2,851,779</u> | <u>\$ -</u> | <u>\$ 2,851,779</u> | <u>\$ -</u> |

For the month ended of March 31, 2023 : 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 level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

| March 31,2024 | <u>Level1</u> | <u>Level2</u> | <u>Level3</u> | <u>Total</u> |
|---|---------------------|-----------------|-------------------|---------------------|
| Assets | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Equity securities | \$ 1,265 | \$ - | \$ - | \$ 1,265 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | \$2,632,823 | - | 465,430 | 3,098,253 |
| Embedded derivatives | | | | |
| Put options of convertible bonds | - | 9,117 | - | 9,117 |
| | <u>\$ 2,634,088</u> | <u>\$ 9,117</u> | <u>\$ 465,430</u> | <u>\$ 3,108,635</u> |

| December 31,2023 | <u>Level1</u> | <u>Level2</u> | <u>Level3</u> | <u>Total</u> |
|---|---------------------|-----------------|-------------------|---------------------|
| Assets | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| 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 |
| | <u>\$ 2,713,797</u> | <u>\$ 3,900</u> | <u>\$ 439,724</u> | <u>\$ 3,157,421</u> |

| March 31,2023 | Level1 | Level2 | Level3 | Total |
|---|---------------------|-------------|-------------------|---------------------|
| Assets | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | <u>\$ 1,449,938</u> | <u>\$ -</u> | <u>\$ 948,764</u> | <u>\$ 2,398,702</u> |

E. The methods and assumptions the Group used to measure fair value are as follows:

- (a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

- | | <u>Listed shares</u> |
|---|----------------------|
| Market quoted price | Closing price |
| (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. | |
| (c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange, swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market. | |
| (d) The valuation of derivative financial instruments is based on a valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate. | |
| (e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. Price information and parameters used in valuation were carefully assessed and was adjusted according to current market conditions. | |
| (f) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality | |

F. For the three months ended March 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.

G. The following chart is the movement of Level 3 for the three months ended March 31,2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|---|-------------------|-------------------|
| At January 1 | \$ 439,724 | \$ 889,509 |
| Transfers | - | 169,942 |
| Loss recognised in other comprehensive income | 24,324 | (111,079) |
| Effect of exchange rate changes | <u>1,382</u> | <u>392</u> |
| At March 31 | <u>\$ 465,430</u> | <u>\$ 948,764</u> |

- H. For the three months ended March 31, 2024 and 2023, information on transfers into Level 3 is provided in Note 6(8).
- I. Treasury segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- J. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

| | <u>Fair value at March 31, 2024</u> | <u>Valuation technique</u> | <u>Significant unobservable input</u> | <u>Range (weighted average)</u> | <u>Relationship of inputs to fair value</u> |
|--|--|--------------------------------|---|---|--|
| Non-derivative equity instrument: : | | | | | |
| Unlisted shares | \$ 661 | Market comparable companies | Discount for lack of marketability | 20%~50% | The higher the discount for lack of marketability, the lower the fair value Not applicable |
| | 464,769 | Net asset value | Not applicable | - | Not applicable |
| | <u>Fair value at December 31, 2023</u> | <u>Valuation technique</u> | <u>Significant unobservable input</u> | <u>Range (weighted average)</u> | <u>Relationship of inputs to fair value</u> |
| Non-derivative equity instrument: : | | | | | |
| Unlisted shares | \$ 649 | Market comparable companies | Discount for lack of marketability | 20%~50% | The higher the discount for lack of marketability, the lower the fair value Not applicable |
| | 439,075 | Net asset value | Not applicable | - | Not applicable |
| | <u>Fair value at March 31, 2023</u> | <u>Valuation technique</u> | <u>Significant unobservable input</u> | <u>Range (weighted average)</u> | <u>Relationship of inputs to fair value</u> |
| Non-derivative equity instrument: : | | | | | |
| Unlisted shares | \$ 329,260 | Market comparable companies | Discount for lack of marketability | 20% | The higher the discount for lack of marketability, the lower the fair value Not applicable |
| | 619,504 | Net asset value | Not applicable | - | Not applicable |

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

| | | | March 31,2024 | | | |
|-------------------|------------------------------------|--------|------------------------------|---------------------|--|---------------------|
| | | | Recognised in profit or loss | | Recognised in other comprehensive income | |
| | | | Favourable change | Unfavourable change | Favourable change | Unfavourable change |
| Financial assets | Input | Change | | | | |
| Equity instrument | Discount for lack of marketability | ±5% | \$ - | \$ - | \$ 33 | (\$ 33) |

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

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

13. Supplemental Disclosures
 - (1) Significant transaction information
 - A. Loans to others: Please refer to table 1.
 - B. Provision of endorsements and guarantees to others: Please refer to table 2.
 - C. The holding of marketable securities at the end of the period (not including sub subsidiaries, associates and joint ventures): Please refer to table 3.
 - D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
 - 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 4.
 - H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
 - I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2) and 12(2).
 - J. Significant inter-company transactions during the reporting periods: Please refer to table 6.
 - (2) Information for investors

Names, locations and other information about investee companies (not including investors in Mainland China): Please refer to table 7.
 - (3) Information on investments in Mainland China
 - A. Basic information: Please refer to table 8.
 - 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 three months ended March 31, 2024.
 - (4) Major shareholder information

Please refer to table 9.

14. Segment Information

(1) General information

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

(2) Measurement of segment information

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

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

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

Three months ended March 31, 2024

| | Systems and peripheral Products department | 3C product Retail Department | 3C component department | Energy service management | Adjustment | Total |
|--------------------------------|---|------------------------------------|----------------------------|------------------------------|--------------------|---------------------|
| Revenue from external customer | \$ 1,129,048 | \$ 349,611 | \$ 40,361 | \$ 2,331,336 | \$ - | \$ 3,850,356 |
| Inter-segment revenue | - | - | - | 2 | (2) | - |
| Inter-segment revenue | <u>\$ 1,129,048</u> | <u>\$ 349,611</u> | <u>\$ 40,361</u> | <u>\$ 2,331,338</u> | <u>(\$ 2)</u> | <u>\$ 3,850,356</u> |
| Segment income (loss) | <u>\$ 153,158</u> | <u>(\$ 16,147)</u> | <u>(\$ 66,475)</u> | <u>\$ 59,692</u> | <u>(\$ 18,017)</u> | <u>\$ 112,211</u> |

Three months ended March 31, 2023

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

(4) Reconciliation for segment income (loss)

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

A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the three months ended March 31, 2024 and 2023 is provided as follows:

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Reportable segments income | \$ 112,211 | \$ 82,174 |
| Unrealised financial instrument gains | | |
| Non-operating income and expenses, net | 180,509 | (26,072) |
| Income before tax from continuing operations | <u>\$ 292,720</u> | <u>\$ 56,102</u> |

FIT HOLDING CO., LTD.
Loans to others
Three months ended March 31, 2024

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 nine months ended March 31, 2024 | Balance at March 31, 2024 | Actual amount drawn down | Interest rate | Nature of loan (Note 1) | Amount of transactions with the borrower | Reason for short-term financing | Allowance for doubtful accounts | Collateral | | Limit on loans granted to a single party (Note 2) | Ceiling on total loans granted | Footnote |
|-----|--|--|-----------------------------------|--------------------|---|---------------------------|--------------------------|---------------|-------------------------|--|---------------------------------|---------------------------------|------------|---|---|--------------------------------|----------|
| | | | | | Item | | | | | | | | Value | | | | |
| 1 | Foxlink Image Technology Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | Other receivables | Y | 176,320 | 176,320 | 176,320 | 3.00% | 2 | - | Operations | - | - | - | 1,286,609 | 1,286,609 | |
| 1 | Foxlink Image Technology Co., Ltd. | Power Quotient International Co., Ltd. | Other receivables | Y | 500,000 | 500,000 | - | 2.00% | 2 | - | Operations | - | - | - | 1,286,609 | 1,286,609 | |
| 2 | Glorytek (Suzhou) Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | Other receivables-related parties | Y | 220,400 | 220,400 | 156,925 | 3.00% | 2 | - | Operations | - | - | - | 275,855 | 275,855 | |
| 3 | Power Quotient Technology (YANCHENG) Co., Ltd. | Glory Optics (Yancheng) Co., Ltd. | Other receivables | Y | 359,160 | 339,416 | 339,416 | 3.00% | 2 | - | Group capital movement | - | - | - | 718,912 | 718,912 | |
| 3 | Power Quotient Technology (YANCHENG) Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | Other receivables | Y | 220,400 | 220,400 | 220,400 | 3.00% | 2 | - | Group capital movement | - | - | - | 718,912 | 718,912 | |
| 4 | Dongguan Hanyang Computer Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | Other receivables | Y | 87,040 | - | - | 3.65% | 2 | - | Operations | - | - | - | 340,014 | 340,014 | |
| 4 | Dongguan Hanyang Computer Co., Ltd. | Glory Optics (Yancheng) Co., Ltd. | Other receivables | Y | 44,080 | 44,080 | - | 3.65% | 2 | - | Operations | - | - | - | 340,014 | 340,014 | |
| 5 | Shinfox Energy Co. Ltd. | Shinfox Far East Company Pte.Ltd. | Other receivables-related parties | Y | 1,500,000 | 1,500,000 | 1,500,000 | 8.00% | 2 | - | Group capital movement | - | - | - | 4,738,030 | 4,738,030 | |

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

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

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

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

FIT HOLDING CO., LTD.
Provision of endorsements and guarantees to others
Three months ended March 31, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

| Number | Endorser/ guarantor | Party being endorsed/guaranteed Company name | Relationship with the endorser/ guarantor (Note 1) | Limit on endorsements/ guarantees provided for a single party (Note 2) | Maximum outstanding endorsement/ guarantee amount as of March 31, 2024 | Outstanding endorsement/ guarantee amount at March 31, 2024 | 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 | \$ 50,435,610 | \$ 1,320,000 | \$ 1,170,000 | \$ 1,025,000 | \$ - | 13.92 | \$ 50,435,610 | Y | N | N | |
| 0 | FIT Holding Co., Ltd. | Glory Science Co., Ltd. | 2 | 50,435,610 | 990,000 | 990,000 | 695,000 | - | 11.78 | 50,435,610 | Y | N | N | |
| 0 | FIT Holding Co., Ltd. | Glory Optics (Yancheng) Co., Ltd. | 2 | 50,435,610 | 132,240 | 132,240 | 132,240 | - | 1.57 | 50,435,610 | Y | N | Y | |
| 1 | Foxlink Image Technology Co., Ltd. | Power Quotient International Co., Ltd. | 4 | 19,299,144 | 1,440,000 | 1,440,000 | 1,225,000 | - | 17.13 | 19,299,144 | N | N | N | |
| 1 | Foxlink Image Technology Co., Ltd. | Glory Science Co., Ltd. | 4 | 19,299,144 | 440,000 | 440,000 | 370,000 | - | 5.23 | 19,299,144 | N | N | N | |
| 2 | Shinfox Energy Co. Ltd. | Foxwell Energy Co. Ltd. | 2 | 71,070,456 | 31,200,000 | 27,840,000 | 25,483,666 | - | 331.19 | 71,070,456 | N | N | N | |
| 2 | Shinfox Energy Co. Ltd. | Shinfox Far East Company Pte.Ltd. | 2 | 66,332,426 | 3,990,000 | 3,990,000 | 630,000 | - | 47.47 | 71,070,456 | N | N | N | |
| 2 | Shinfox Energy Co. Ltd. | Changpin Wind Power Ltd. | 6 | 66,332,426 | 120,000 | 120,000 | - | - | 1.43 | 71,070,456 | N | N | N | |
| 3 | Foxwell Energy Corporation Ltd. | Xinwei Power Co., Ltd. | 2 | 14,415,415 | 113,200 | - | - | - | - | 14,415,415 | 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 subsidiaries that the Company owned more than 90% (included) voting shares is 600% of the Company's net assets.
- (5) For business transaction with the Company, the guarantee amount should not exceed 150% of the amount of business transaction, which is the higher between sales and purchases.
- (6) The companies whose voting rights are 90% owned directly and indirectly by the Company can provide endorsement/guarantee each other with a limat of 10% of the Company's net assets, but not available for the companies whose voting rights are 100% owned directly and indirectly by the Company.
- (7) The Company's subsidiary who prepared to provide endorsement/guarantee to others due to business transaction shall implement in accordance with the Company's procedures, and the calculation of the Company's net assets shall use the subsidiary's net assets.
- (8) Foxwell Energy Co. Ltd. engages in endorsement guarantees for its subsidiaries with a shareholding of 90% or more, the individual limit shall not exceed 150% of Foxwell Energy Corporation Ltd.'s net worth. For endorsement guarantees on entities other than those mentioned above, the limit for a single enterprise shall not exceed 140% of Foxwell Energy Corporation Ltd.'s net worth.

FIT HOLDING CO., LTD.

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

Three months ended March 31, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

| | | | | As of March 31, 2024 | | | | |
|--|--|---|---|----------------------|------------|---------------|------------|---------------------------|
| Securities held by | Marketable securities | Relationship with the securities issuer | General ledger account | Number of shares | Book value | Ownership (%) | Fair value | Footnote |
| | | | | (in thousands) | | | | |
| FIT Holding Co., Ltd. | Foxwell Energy Co., Ltd | Not applicable | Financial assets at fair value through other comprehensive income-non-current | 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 | 167,942 | 0.04 | 167,942 | 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 | 179,720 | 4.00 | 179,720 | 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 | 2,296,939 | 9.66 | 2,296,939 | 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 | 167,942 | 0.04 | 167,942 | Not pledged as collateral |
| Power Quotient International Co., Ltd. | STACK DEVICES CORP. | Not applicable | Financial assets at fair value through other comprehensive income-non-current | 70 | - | 0.11 | - | Not pledged as collateral |

| Securities held by | Marketable securities | Relationship with the securities issuer | General ledger account | As of March 31, 2024 | | | | |
|---|---|---|---|------------------------------------|------------|---------------|------------|---------------------------|
| | | | | Number of shares (in thousands) | Book value | Ownership (%) | Fair value | Footnote |
| Power Quotient Technology (YANCHENG) Co., Ltd. | Jiangsu Foxlink New Energy Technology Co.,Ltd. | Not applicable | Financial assets at fair value through other comprehensive income-non-current | - | 74,520 | 12.90 | 74,520 | 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 | 350 | - | 350 | Not pledged as collateral |
| Eastern Rainbow Green Energy Environmental Technology Co., Ltd. | Shin Kong Financial Holding Co.,Ltd. Preferred Share B | Not applicable | Financial assets at fair value through profit or loss-current | 1 | 14 | - | 14 | 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 | 901 | 0.02 | 901 | 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 | - | 661 | 10.00 | 661 | Not pledged as collateral |

FIT HOLDING CO., LTD.
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more
Three months ended March 31, 2024

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

| | | | | | | Differences in transaction terms compared to third party transactions | | | | | |
|------------------------------------|------------------------------------|------------------------------------|-------------------|--------------|---------------------------------------|---|------------------|-------------|-------------------------------------|---|----------|
| | | Relationship with the counterparty | Transaction | | | | | | Notes/accounts receivable (payable) | | Footnote |
| Purchaser/seller | Counterparty | | Purchases (sales) | Amount | Percentage of total purchases (sales) | Credit term | Unit price | Credit term | Balance | Percentage of total notes/accounts receivable (payable) | |
| Wei Hai Fu Kang Electric Co., Ltd. | Foxlink Image Technology Co., Ltd. | Affiliate | Sales | (\$ 216,573) | 100 | Flexible collection, depending on the capital requirement | Mutual agreement | None | \$ 174,641 | 97% | |
| Foxlink Image Technology Co., Ltd. | Wei Hai Fu Kang Electric Co., Ltd. | Affiliate | Purchases | 216,573 | 23% | Flexible collection, depending on the capital requirement | Mutual agreement | None | (174,641) | -24% | |
| Foxwell Energy Co. Ltd. | Shinfox Far East Company Pte Ltd | Affiliate | Purchases | 362,627 | 17.13% | Note1 | Note1 | Note1 | 199,012 | 1.03% | |
| Shinfox Far East Company Pte Ltd | Foxwell Energy Co. Ltd. | Affiliate | Sales | 362,627 | 15.55% | Note1 | Note1 | Note1 | 199,012 | 0.62% | |

Note1 : The transaction prices and payment terms for inter-subsidary transactions are in line with market conditions or equivalent to those for general customers.

FIT HOLDING CO., LTD.
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
Three months ended March 31, 2024

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

| Creditor | Counterparty | Relationship with the counterparty | Balance as at March 31, 2024 | Turnover rate | Overdue receivables | | Amount collected subsequent to the balance sheet date | Allowance for doubtful accounts |
|--|------------------------------------|---------------------------------------|---------------------------------|---------------|---------------------|--------------|--|------------------------------------|
| | | | | | Amount | Action taken | | |
| Foxlink Image Technology Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | Affiliate | 176,320 | Note1 | - | - | - | - |
| Glory Science Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | Affiliate | 357,423 | 4.47 | - | - | - | - |
| Glorytek (Suzhou) Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | Affiliate | 169,378 | Note1 | - | - | - | - |
| Glory Science Co., Ltd. | Glory Optics (Yancheng) Co., Ltd. | Affiliate | 259,800 | Note1 | - | - | - | - |
| Glory Science Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | Affiliate | 142,602 | Note1 | - | - | - | - |
| Dongguan Fu Wei Electronics Co., Ltd. | Foxlink Image Technology Co., Ltd. | Affiliate | 361,814 | 1.70 | - | - | 42,922 | - |
| Wei Hai Fu Kang Electric Co., Ltd. | Foxlink Image Technology Co., Ltd. | Affiliate | 174,641 | 5.64 | - | - | 54,336 | - |
| Power Quotient Technology (YANCHENG) Co., Ltd. | Glory Optics (Yancheng) Co., Ltd. | Affiliate | 339,416 | Note1 | - | - | - | - |
| Power Quotient Technology (YANCHENG) Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | Affiliate | 220,400 | Note1 | - | - | - | - |
| Shinfox Far East Company Pte Ltd | Foxwell Energy Co. Ltd. | Affiliate | 199,012 | 2.86 | - | - | - | - |
| Shinfox Energy Co., Ltd. | Shinfox Far East Company Pte Ltd | Affiliate | 1,503,833 | Note1 | - | - | - | - |

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

FIT HOLDING CO., LTD.
Significant inter-company transactions during the reporting period
Three months ended March 31, 2024

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

| Number (Note 1) | Company name | Counterparty | Relationship (Note2) | Transaction | | | Percentage of consolidated total operating revenues or total assets (Note 3) |
|--------------------|--|------------------------------------|----------------------|-------------------------|-----------|---|---|
| | | | | General ledger account | Amount | Transaction terms | |
| 1 | Foxlink Image Technology Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | 3 | Other receivables | 176,320 | Based on the Company's policies | 0% |
| 2 | Glory Science Co., Ltd. | Glory Optics (Yancheng) Co., Ltd. | 3 | Other receivables | 259,800 | Based on the Company's policies | 1% |
| 2 | Glory Science Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | 3 | Accounts receivable | 357,423 | Based on the Company's policies | 1% |
| 2 | Glory Science Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | 3 | Other receivables | 142,602 | Based on the Company's policies | 0% |
| 3 | Glorytek (Suzhou) Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | 3 | Other receivables | 169,378 | Based on the Company's policies | 0% |
| 4 | Dongguan Fu Wei Electronics Co., Ltd. | Foxlink Image Technology Co., Ltd. | 3 | Accounts receivable | 361,814 | Flexible collection, depending on the capital requirement | 1% |
| 4 | Dongguan Fu Wei Electronics Co., Ltd. | Foxlink Image Technology Co., Ltd. | 3 | Processing Fees Revenue | 149,410 | Flexible collection, depending on the capital requirement | 4% |
| 6 | Wei Hai Fu Kang Electric Co., Ltd. | Foxlink Image Technology Co., Ltd. | 3 | Accounts receivable | 174,641 | Flexible collection, depending on the capital requirement | 0% |
| 6 | Wei Hai Fu Kang Electric Co., Ltd. | Foxlink Image Technology Co., Ltd. | 3 | Sales | 216,573 | Flexible collection, depending on the capital requirement | 6% |
| 7 | Power Quotient Technology (YANCHENG) Co., Ltd. | Glory Optics (Yancheng) Co., Ltd. | 3 | Other receivables | 339,416 | Based on the Company's policies | 1% |
| 7 | Power Quotient Technology (YANCHENG) Co., Ltd. | Glorytek (Yancheng) Co., Ltd. | 3 | Other receivables | 220,400 | Based on the Company's policies | 0% |
| 8 | Shinfox Energy Co., Ltd. | Shinfox Far East Company Pte Ltd | 3 | Other receivables | 1,503,833 | Transaction prices are calculated based on the actual amounts incurred. | 3% |
| 8 | Foxwell Energy Co. Ltd. | Shinfox Far East Company Pte Ltd | 3 | Construction cost | 362,627 | Sales price are approximate to normal clients | 9% |

FIT HOLDING CO., LTD.
Information on investees
Three months ended March 31, 2024

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at March 31,2024 | | | Net profit (loss) of the investee for the three months ended March 31,2024 | Investment income (loss) recognized by the Company for the three months ended March 31,2024 | Footnote |
|------------------------------------|--|------------------------|--|------------------------------|---------------------------------|---------------------------------|---------------|------------|--|---|---------------------------------|
| | | | | Balance as at March 31, 2024 | Balance as at December 31, 2023 | Number of shares | Ownership (%) | Book value | | | |
| FIT Holding Co., Ltd. | Glory Science Co., Ltd. | Taiwan | Manufacture and sales of optical instruments | \$ 2,814,868 | \$ 2,814,868 | 60,000,001 | 100.00 | \$ 394,177 | (\$ 31,709) | (\$ 31,709) | Subsidiary (Note 1) |
| FIT Holding Co., Ltd. | Foxlink Image Technology Co., Ltd. | Taiwan | Manufacture of image scanners and multifunction printers | 3,011,140 | 3,011,140 | 164,993,974 | 100.00 | 3,942,263 | 206,032 | 204,478 | Subsidiary (Note 1) |
| FIT Holding Co., Ltd. | Power Quotient International Co., Ltd. | Taiwan | Manufacture and sales of telecommunication electronic components | 3,372,180 | 3,372,180 | 444,690,529 | 100.00 | 5,462,653 | 31,179 | 31,163 | Subsidiary (Note 1) |
| FIT Holding Co., Ltd. | Shih Fong Power Co., Ltd. | Taiwan | Hydroelectricity generation | 299,952 | 299,952 | 37,500,000 | 16.30 | 388,453 | 2,169 | 354 | Subsidiary (Note 2) |
| FIT Holding Co., Ltd. | Synergy Co., Ltd. | Taiwan | Optoelectronics Industry 、Renewable energy and Energy technical services | 36,760 | 36,760 | 3,676,000 | 36.76 | 32,547 | (2,322) | (854) | Investee (Note 2) |
| Foxlink Image Technology Co., Ltd. | ACCU-IMAGE TECHNOLOGY LIMITED | British Virgin Islands | Manufacture of image scanners and multifunction printers | 1,381,660 | 1,381,660 | 20,241,034 | 100.00 | 2,420,141 | 96,207 | - | Second-tier subsidiary (Note 1) |
| Foxlink Image Technology Co., Ltd. | Shih Fong Power Co., Ltd. | Taiwan | Hydroelectricity generation | 957,600 | 957,600 | 79,800,000 | 34.70 | 958,109 | 2,169 | - | Investee (Note 2) |
| ACCU-IMAGE TECHNOLOGY LIMITED | POWER CHANNEL LIMITED | Hong Kong | Holding and reinvesting businesses | 137,280 | 137,280 | 3,575 | 35.75 | 815,290 | 121,122 | - | Investee (Note 2) |
| Glory Science Co., Ltd. | GLORY TEK (BVI) CO., LTD. | British Virgin Islands | General investments business | 1,519,994 | 1,519,994 | 47,499,819 | 100.00 | 87,209 | (44,242) | - | Second-tier subsidiary (Note 1) |

FIT HOLDING CO., LTD.
Information on investments in Mainland China
Three months ended March 31, 2024

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

| Investee in Mainland China | Main business activities | Paid-in capital | Investment method | Taiwan to Mainland China / | | | Accumulated amount of remittance from Taiwan to Mainland China as of March 31,2024 | Net income of investee for the three months ended March 31,2024 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognized by the Company for the three months ended March 31,2024 | Book value of investments in Mainland China as of March 31,2024 | Accumulated amount of investment income remitted back to Taiwan as of March 31,2024 | Footnote |
|---|---|--------------------|----------------------|---|----------------------------------|-------------------------------|--|---|--|--|--|--|----------|
| | | | | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024 | 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 | \$ 194,629 | Note 2 | \$ 194,629 | \$ - | \$ - | \$ 194,629 | \$ 7,678 | 100 | \$ 7,678 | \$ 340,014 | \$ - | Note 8 |
| Sharetronic Data Technology Co., Ltd. | Manufacture and sales of mobile phone, LCD TV Connector and electronic components | 1,074,675 | Note 2 | 137,280 | - | - | 137,280 | 691,710 | 6.04 | 53,728 | 688,910 | - | Note 8 |
| Dong Guan Fu Zhang Precision Industry Co., Ltd. | Mould development and moulding tool manufacture | 259,592 | Note 2 | 190,895 | - | - | 190,895 | (16,258) | 100 | (16,258) | 109,015 | - | Note 8 |
| Wei Hai Fu Kang Electric Co., Ltd. | Manufacture and sale of parts and moulds of photocopiers and scanners | 480,000 | Note 2 | 384,000 | - | - | 384,000 | 43,214 | 100 | 43,214 | 705,551 | - | Note 7 |
| Dongguan Fu Wei Electronics Co., Ltd. | Manufacture and sales of image scanners, multifunction and printers and its accessories | 192,000 | Note 2 | 169,867 | - | - | 169,867 | 7,388 | 100 | 7,388 | 516,062 | - | Note 7 |
| Glorytek (Suzhou) Co., Ltd. | Trading and manufacturing | 448,000 | Note 2 | 399,490 | - | - | 399,490 | (14,206) | 100 | (14,206) | 275,855 | - | Note 7 |
| Glorytek (Yancheng) Co., Ltd. | Trading and manufacturing | 288,000 | Note 2 | 256,815 | - | - | 256,815 | (26,318) | 100 | (26,318) | (697,845) | - | Note 7 |
| Yancheng Yao Wei Technology Co., Ltd | Trading and manufacturing | 44,080 | Note 3 | - | - | - | - | 292 | 100 | 292 | 85,472 | - | Note 7 |
| Glory Optics (Yancheng) Co., Ltd. | Trading and manufacturing | 1,164,660 | Note 4 | 535,006 | - | - | 535,006 | (28,055) | 100 | (28,055) | 378,688 | - | Note 7 |
| Power Quotient Technology (YANCHENG) Co., Ltd. | Manufacture and sales of electronic components | 640,000 | Note 2 | Note5 | - | - | - | 2,483 | 100 | 2,483 | 718,912 | - | Note 7 |
| Jiangsu Foxlink New Energy Technology Co.,Ltd. | Manufacture and sales of electronic components | 44,080 | Note 3 | Note6 | - | - | - | 21 | 100 | 21 | 44,427 | - | Note 8 |
| Kunshan Jiuwei Info Tech Co., Ltd. | Supply chain finance energy service management | 1,600 | Note 1 | 1,600 | - | - | 1,600 | 788 | 100 | 788 | 32,653 | - | Note 8 |
| Kunshan Eastern Rainbow | Energy technical services | 22,040 | Note 1 | 22,040 | - | - | 22,040 | (2,065) | 100 | (2,065) | 29,819 | | Note 8 |

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

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

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

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

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

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

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

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

| Company name | Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024 | 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. | \$ 1,089,559 | \$ 1,259,495 | \$ 1,929,914 |
| Glory Science Co., Ltd. | 1,191,311 | 1,353,727 | 236,872 |
| Power Quotient International Co., Ltd. | 23,640 | 721,080 | 7,820,558 |

FIT HOLDING CO., LTD.
Major shareholders information
March 31, 2024

Table 9

| 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% |