

Stock code: 3712

FIT Holding Co., Ltd.

2024 General Shareholders' Meeting Meeting Agenda

May 27, 2024

(Venue: 2nd floor, No. 49, Section 4, Zhongyang Road, Tucheng
District, New Taipei City)

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FIT Holding Co., Ltd.

Meeting Procedure of 2024 General Shareholders' Meeting

Method for convening the meeting: A physical shareholders' meeting

Time: 9 am on May 27 (Monday), 2024

Venue: No. 49, Section 4, Zhongyang Road, Tucheng District, New Taipei City (Conference Room, 2nd floor)

- I. Report on the attendance rate
- II. Call the Meeting to Order
- III. Chairperson Remarks
- IV. Matters to be Reported
- V. Matters for Approval
- VI. Matters for Election
- VII. Matters for Discussion
- VIII. Extempore Motions
- IX. Meeting Adjourned

FIT Holding Co., Ltd.

Agenda of 2024 General Shareholders' Meeting

One. Chairperson Remarks

Two. Matters to be Reported

- I. The Company's business report for the year 2023.
- II. Audit Committee's report on the review of the Company's final accounts for the year 2023.
- III. Report on the Company's distribution of earnings and capital reserve in cash for the year 2023.
- IV. Report on the Company's distribution of remuneration of employees and directors for the year 2023.

Three. Matters for Approval

- I. 2023 Business Report and financial statements of the Company.
- II. 2023 earnings distribution of the Company.

Four. Matters for Election

Holding a by-election for an independent director.

Five. Matters for Discussion

Proposal for lifting the non-compete clause for newly elected independent directors.

Six. Extempore Motions

Seven. Meeting Adjourned

Matters to be Reported

Proposal 1

Proposal: The Company's business report for the year 2023; please review.

Explanation: Please refer to Annex I (pages 6~11) for the business report.

Proposal 2

Proposal: Audit Committee's report on the review of the Company's final accounts for the year 2023; please review.

Explanation: Please refer to Annex II (page 12) for the Audit Committee's review report.

Proposal 3

Proposal: Report on the Company's distribution of earnings and capital reserve in cash for the year 2023; please review.

Explanation:

1. The board meeting of the Company decides to allocate cash dividends to shareholders from the distributable earnings of 2023 for a total of NT\$369,363,219, at NT\$1.5 per share. The capital reserve of NT\$123,121,073 from the premium over the share issuance amount at face value will be distributed in cash at NT\$0.5 per share. The distribution will be made according to the shareholdings of shareholders as recorded in the register of shareholders on the ex-dividend date at NT\$2 per share (calculated to NT\$1, rounded up to the nearest NT\$1, with the difference charged to the Company's expenses).
2. The chairman of the board is authorized to determine the ex-dividend date, issue date and other relevant matters. If the dividend rate is subject to change due to the change of the number of outstanding ordinary shares of the Company, the chairman of the board is also authorized to handle it with full authority.

Proposal 4

Proposal: Report on the Company's distribution of remuneration of employees and directors for the year 2023; please review.

Explanation: In accordance with the Company's Articles of Incorporation, the Company distributed NT\$33,920,000 as the remuneration for its employees and NT\$4,080,000 as the remuneration for its directors in 2023, and all of them were paid in cash. There was no difference between the amount in the resolution above and the expenses recognized in 2023.

Matters for Approval

Proposal 1 proposed by the board of directors

Proposal: 2023 Business Report and financial statements of the Company; please recognize.

Explanation:

1. The financial statements of the Company for the year 2023 have been audited by PwC Taiwan, and have been reviewed together with the business report by the Audit Committee, and a written review report is issued accordingly.
2. Please refer to Annex I to Annex III (page 6~41) for the related documents.

Resolution:

Proposal 2 proposed by the board of directors

Proposal: 2023 earnings distribution of the Company; please recognize.

Explanation:

The earnings distribution table of the Company for the year 2023 was approved by the board meeting, and the review by the Audit Committee has been completed , Please refer to Annex IV (page 42).

Resolution:

Matters for Election

Proposal: The holding of a by-election for an independent director. Please proceed to vote.

(Proposed by the Board of Directors)

Explanation: 1. The Company's independent director, Wei-Lin Wang, resigned on August 2, 2023 due to personal factors, and there were fewer than three independent directors. A by-election for an independent director was required. In accordance with Article 192-1 of the Company Act and Article 17 of the Company's Articles of Incorporation, the Company adopts the candidate nomination system for the election of independent directors. The term of office for the newly appointed independent director shall commence immediately after the election in the annual shareholders' meeting on May 27, 2024, and shall continue until June 16, 2025, completing the original term and being consistent with the third Board of Directors.

2. The list of independent director candidates was reviewed and approved by the Company's Board of Directors on March 7, 2024. Please refer to Annex V (page 43) for his/her education, experience, and other relevant information.

Voting Results:

Matters for Discussion

Proposal: The release of non-competition restrictions for newly elected independent directors of the Company. (Proposed by the Board of Directors)

Explanation:

1. Article 209 (1) of the Company Act stipulates that "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval".
2. The Company proposed to release the non-competition restrictions for newly elected independent directors in other companies in the same industry to be approved by the shareholders' meeting.
3. Please refer to Annex VI for the information on the release of non-competition restrictions (Page 44).

Resolution:

Extempore Motions

Meeting Adjourned

FIT Holding Co., Ltd.

Business Report

The consolidated operating income of the Company in 2023 was NT\$17,423,002 thousand, an increase of 44.36% compared with NT\$12,069,249 thousand in 2022. The net profit after tax attributable to the parent company in 2023 was NT\$ 567,916 thousand, with earnings per share after tax of NT\$2.31, an increase of 7.24% from the \$2.15 earnings per share and NT\$529,589 thousand net profit after tax attributable to the parent company in 2022. Foxwell Energy Co., Ltd has recognized the progress-based revenue of offshore construction projects, resulting in a significant increase in revenue. Due to the impact of the global economy, the destocking speed of Foxlink Image Technology Co., Ltd and Glory Science Co., Ltd was not as fast as expected, resulting in a decrease in orders, and the group's profit increased only slightly.

The descriptions of the business development of each important subsidiary of the Group are as follows: Foxlink Image will focus on the R&D and production of scanners and automatic paper feeders for major manufacturers in the world, and will develop higher-end and low-cost products to obtain orders from customers and increase profitability. Glory Science will transform to develop optical communication products and other special applications, which is expected to get them out of the red. Power Quotient's own brand will promote green energy and environmental protection, using product replacement to reduce carbon emissions and lighten the earth's load.

The important strategic growth in the next phase will still focus on the areas of “clean energy” and “energy saving and carbon reduction”. The Company is striving for a layout in the clean energy industry. At present, Shih Fong Power Co., Ltd is in charge of hydropower, Shinfox Energy is in charge of land wind power and solar power plant turnkey projects and maintenance, and Foxwell Energy Corporation Ltd is in charge of offshore wind power and solar power plant investment, development, and operation. Shinfox Natural Gas Co., Ltd has obtained its import permit for liquefied natural gas (LNG) to improve air pollution and serve as a cleaner alternative fuel, and the supply operations of the first batch of imported natural gas were completed by the end of August 2021. Foxwell Power Co., Ltd offers green power trading and integrates energy-saving services and power services (such as energy storage systems) to form a comprehensive energy service platform through e-commerce. Jiuwei Power Co., Ltd was established in November 2021, and its main business is the development, construction, and operation of natural gas power plants. Founded in March 2022, Yuanshan Forestry focuses on the development of carbon capture and storage technology, which is part of the Group’s efforts toward advanced planning in response to climate change. In April 2023, Foxwell Certification Co., Ltd was established to provide professional carbon footprint verification and inspection

services, completing the green energy platform service to achieve its goal of sustainability.

The Company will thrive on a stable basis and create greater profits for shareholders. Therefore, we need to be prepared to face challenges and solve problems, so as to ensure the growth of the Company's revenue and profit. Lastly, I hope that all shareholders can continue to support and encourage the company, and I wish all shareholders the best of everything.

I. 2023 Business Results

(1) Implementation Results of Business Plan

Unit: NT\$ thousand

Item	2023	2022	Growth rate
Operating income	17,423,002	12,069,249	44.36%
Operating cost	15,145,984	10,259,716	47.63%
Operating margin	2,277,018	1,809,533	25.83%
Operating expenses	1,378,220	1,255,560	9.77%
Net other income (expenses)	118,111	0	-
Operating profit	1,016,909	553,973	83.57%
Non-operating income and expenses	85,102	292,548	(70.91%)
Net profit before tax	1,102,011	846,521	30.18%
Net profit for the period	893,879	660,391	35.36%
Net profit attributable to the parent company	567,916	529,589	7.24%

(2) Budget Execution Ability

The company did not prepare the 2023 financial forecast, so this is not applicable.

(3) Profitability Analysis

Year		2023	2022
Return on assets (%)		2.75	2.69
Return on shareholders' equity (%)		5.69	4.95
Percentage of paid-in capital (%)	Operating profit	41.30	22.50
	Net profit before tax	44.75	34.38
Net profit rate (%)		5.13	5.47
Basic earnings per share (NT\$) (Note)		2.31	2.15

Note: The ratios above are based on the figures in the consolidated financial statements, and the earnings per share are calculated based on the number of shares after retrospective adjustment.

(4) Research development status

3C Components:

1. Lens-type optical components, sensing optical components.
2. Patented construction of new design of optical communication.
3. Optical mold and development of new material application technology.
4. Optimization and efficiency improvement of automation equipment.
5. Process efficiency and yield.
6. Design and development of new optical plastics and high-temperature materials.
7. Optical design capability development
8. Research and development of optical communication and optical testing capabilities.
9. Mold flow and structural analysis capability development.

10. Application and cooperative development of other optical products.

3C Retail and Peripheral Products:

1. EU legislation requires all small and medium-sized handheld portable electronic devices to have a unified charging interface USB-C in 2024, allowing consumers to charge multiple electronic products through one charger and reducing e-waste. This impact not only directly affects Apple's new models not using the lightning charging interface, but also the demand for a new wave of USB-C charging peripherals and wireless (MagSafe) charging that is expected to be replaced by Apple.
2. In addition to a unified interface, the USB IF has successively proposed the USB-C fast charging protocol and the supported charging power up to 240W, so that electronic devices can be charged faster and have a wider range of applications when complying with the relevant charging protocols. In the past, high-wattage electronic devices could be charged fast or at high-wattage as long as they were equipped with a USB-C interface, met the charging protocol, and were equipped with a USB-C charger and charging cable that met the specifications. Thus, one USB charger could charge all electronic devices that adopted USB-C.
3. Wireless magnetic charging has become an alternative to wired charging for iPhone and Android mobile phones. In addition to charging the device through this non-contact inductive charging method, users could also use the magnetic feature to complete additional charging tasks, such as magnetically attaching the mobile power to the mobile phone holder and attaching the mobile power to the device.
4. The first TWS earphones were released in 2014. Subsequently, the iPhone and several non-Apple Android mobile phone manufacturers removed the original 3.5mm earphone jack, boosting the market demand for TWS Bluetooth wireless earphones and becoming a necessary peripheral for users and gradually replacing the original wired earphones. With the continuous improvement of Bluetooth technology to 5.4, the lag and connection distance issues have been gradually improved. In addition, TWS products have built-in batteries that will degrade over time. However, it is inconvenient to replace the batteries, so users tend to buy new products again. As a result, the demand market continues to expand.

Energy Service Management:

1. Developing renewable energy and clean energy markets.
2. The project contracting business of power plants and improvement of the operation efficiency of power plant maintenance.

System and Peripheral Products:

1. Participating in the development process of customers' new products to providing

customers with various solutions and technical support.

2. We are also actively striving to cultivate R&D talents across the strait, including talents of software, firmware, optics, electronics and institutions, strengthening on-the-job training, and enriching the capability of the R&D team.
3. Continuing to develop related products such as digital imaging and automatic paper feeder modules and actively investing in mold development to increase the company's core mold technology and enhance mold competitiveness to strengthen one-stop service to customers.
4. Establishing a complete testing centers in Taiwan, Dongguan Qingxi and Shandong Weihai to provide rapid testing and verification services during the R&D phase, as well as rapid support and improved product design quality.
5. To promote the control of prohibited substances, lead-free products, record and control carbon emissions, and to develop materials and products that meet environmental protection requirements. Paying close attention to environmental requirements and restrictions in different countries.
6. Committed to bridging the gaps in the world of conservation and continuing to promote ESG sustainability.

II. Summary of 2024 Business Plan

(1) Business Policy

After the establishment of the company, Glory Science Co., Ltd., Power Quotient International Co., Ltd. and Foxlink Image Technology Co., Ltd. will further strengthen each other's advantages in their respective professional fields, and then join Shih Fong Power Co., Ltd. and Shinfox Energy Co., Ltd. to expand their energy service territories. Under the complementary resource sharing and full cooperation of marketing, procurement and R&D, each company's resources are integrated to give full play to the advantage of integrated marketing. After the vertical integration between upstream and downstream products, the scale of operations will be expanded to increase economic benefits and improve overall operating performance and competitiveness, thereby increasing the future room for growth between each other. At the same time, commanding heights and new opportunities for the future development and sustainable operation of the optoelectronic, communication and digital imaging businesses can be obtained to provide customers with quality, efficient and comprehensive services so as to create the company's best operating performance and seek the maximum profit for shareholders.

The company assists in the integration of resources within the Group so that each business entity can focus on its business while taking into account the flexibility and efficiency of its independent operation and development and improving the efficiency of the corporate division of labor.

(2) Expected Sales Volume and Its Basis

The Group's products are mainly consumer electronics. As the industry growth

trend of mobile phone lens modules and optical connectors remains unchanged, and the system and peripheral product businesses are actively expanding customer bases and developing new products, the sales volume of each product is expected to reach a stable growth. In terms of energy services, as it is mainly energy-saving services, equipment maintenance services and solar engineering design and development, the sales volume cannot be calculated.

(3) Important Production and Marketing Policies

The Group will enhance its internal management capabilities to reduce various production costs, continue to expand production capacity, actively cultivate talents, strengthen employee training, make good use of group resources, as well as provide customers with the best service and technical resources and establish a good cooperative relationship with customers, in order to achieve a win-win goal.

III. Future Company Development Strategy

The subsidiaries of the Group have strengthened each other's advantages in their respective professional fields. Under the complementary resource sharing and full cooperation of marketing, procurement and R&D, the resources of each company are integrated to give full play to the advantage of integrated marketing. After the vertical integration between upstream and downstream products, the scale of operations will be expanded to increase economic benefits and improve overall operating performance and competitiveness, thereby increasing the room for future growth between each other. At the same time, commanding heights and new opportunities for the future development and sustainable operation of the optoelectronic, communication and digital imaging businesses can be obtained to provide customers with quality, efficient and comprehensive services.

IV. Impact of External Competition Environment, Legal Environment and Overall Business Environment

Faced with the rapidly changing industry and operating environment, the Group will further implement business management, improve operating efficiency, and respond to the company's operations with a more positive attitude and service. In addition to continuing to control fixed marketing costs, the Group will also use its relevant resources to develop and produce products to strengthen its cost competitiveness and timeliness. In the meantime, the company will integrate the technical guidance of the Group to develop forward-looking products, strengthen product differentiation and enhance competitiveness. Green energy is supported by current policies and regulations and will bring a greater vision to the FIT Holding Group.

Responsible persons:T.C.Gou Managerial Officer:Wilson Hu Chief Accounting Officer:Kufn Lin

Audit Committee's Review Report

The company's board of directors submitted the proposed business report, financial statements, and earnings distribution plan for 2023. The financial statements were audited by PwC Taiwan and an independent auditor's report was issued accordingly. The proposal of the above-mentioned business report, financial statements and earnings distribution plan has been audited by the Audit Committee and did not find any discrepancy. A report is prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act; please verify.

FIT Holding Co., Ltd.

Convener of Audit Committee: Ralph Chen

March 7, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 23004859

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

Opinion

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

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these

requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Recognition of construction revenue - assessment on the stage of completion

Description

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

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

As the estimated total costs are assessed by the management based on the different

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

How our audit addressed the matter

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

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

Valuation of goodwill impairment

Description

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

goodwill impairment valuation, and Note 6(13) for details of intangible assets.

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

How our audit addressed the matter

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

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

Valuation of property, plant and equipment impairment

Description

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

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

How our audit addressed the matter

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

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

Other matter - Reference to the reports of other auditors

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

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

Other matter-Parent company only financial statements

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

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter

or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chou, Hsiao-Tzu

Liang Yi Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 7, 2024

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

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

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

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

(Continued)

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

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

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

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

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

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

(Expressed in thousands of New Taiwan dollars)

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

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

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

(Continued)

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

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

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 23004813

To the Board of Directors and Shareholders of FIT HOLDING CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of FIT HOLDING CO., LTD. as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of FIT HOLDING CO., LTD. in accordance with the Norm of Professional Ethics for Certified Public

Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The balance of investments accounted for under the equity method recognized amounted to NT\$10,234,449 thousand, constituting 98% of the Company's total assets as at December 31, 2023, and the investment profit (shown as operating revenue) amounted to NT\$582,566 thousand. Please refer to Note 4(9) for accounting policies on investments accounted for under the equity method and Note 6(4) for details of investments accounted for under the equity method. As the amounts are material to the parent company only financial statements of the Company, the investments accounted for under the equity method - recognition of construction revenue - assessment on the stage of completion; investments accounted for under the equity method - valuation of goodwill impairment; and investments accounted for under the equity method - valuation of property, plant and equipment impairment were identified as key audit matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

Recognition of construction revenue - assessment on the stage of completion

Description

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

The construction revenue and costs mainly arise from undertaking construction works. If the outcome of a construction contract can be estimated reliably, revenue should be recognised by reference to the stage of completion of the contract activity, using the percentage-of-completion method of accounting, over the contract term. The stage of completion of a construction contract is measured by the proportion of contract costs incurred for the construction performed as of the financial reporting date to the estimated total costs for the construction contract over time. Nature of constructions and the price fluctuations in the market to estimate the costs for each construction activity such as estimated subcontract charges and material and labour expenses, and the complexity of aforementioned total cost usually involves subjective judgement and contains a high degree of uncertainty, which might affect the construction revenue recognition, we consider the assessment on the stage of completion which was applied on construction revenue recognition as one of the key audit matters.

How our audit addressed the matter

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

- A. Obtained an understanding on the nature of business and industry, and assessed the reasonableness of internal process applied to estimate total construction cost, including the basis for estimating the expected total cost for construction contracts

of the same nature.

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

Investments accounted for under the equity method - Valuation of goodwill impairment

Description

Please refer to Note 4(21) in the consolidated financial statements for accounting policies on impairment loss on non-financial assets, Note 5(2) in the consolidated financial statements for the uncertainty of accounting estimates and assumptions applied to goodwill impairment valuation, and Note 6(13) in the consolidated financial statements for details of intangible assets. The amount of goodwill was generated from the acquisition of subsidiaries, Power Quotient International Co., Ltd. and Foxlink Image Technology Co., Ltd., As of December 31, 2023, the balance of goodwill amounted to NT\$ 320,570 thousand and NT\$ 611,761 thousand, respectively. The Company valued the impairment of goodwill through the discounted cash flow method which measures the cash generating unit's recoverable amount. As the assumptions of expected future cash flows involved subjective judgement and a high degree of uncertainty which would cause a material impact on the valuation result, the valuation of goodwill impairment was identified as one of the key audit matters.

How our audit addressed the matter

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

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

Investments accounted for under equity method - Valuation of property, plant and equipment impairment

Description

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

As the 3C components' life cycles are relatively short and the market is highly competitive, there is a high risk of property, plant and equipment incurring an impairment loss. The Company's subsidiaries valued the impairment of the cash generating unit's property, plant and equipment which had an indication of impairment. We mainly relied on the external appraisal report. As the external appraisal report on impairment valuation involved subjective judgement, various assumptions and a high degree of uncertainty

which would cause a material impact on the valuation result, the valuation of property, plant and equipment impairment was identified as one of the key audit matters.

How our audit addressed the matter

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

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

Other matter - Reference to the reports of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates and the information disclosed in Note 13, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$33,401 thousand and NT\$203,442 thousand, constituting 0.32% and 1.94% of the consolidated total assets as at December 31, 2023 and 2022, respectively, and the share of loss of associates and joint ventures accounted for under the equity method amounted to NT\$48 thousand and NT(\$9,441) thousand, constituting 0.01% and (2.00%) of the total comprehensive income for the years then ended, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

- A. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those

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

Chou, Hsiao-Tzu

Liang Yi Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 7, 2024

The accompanying parent company only 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 parent company only 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.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022				
			AMOUNT	%	AMOUNT	%			
Current assets									
1100	Cash and cash equivalents	6(1)	\$	35,387	-	\$	7,224	-	
1136	Current financial assets at amortised cost	6(3)		-	-		27,330	-	
1210	Other receivables - related parties	7		-	-		694,545	7	
1410	Prepayments			36	-		-	-	
1470	Other current assets			7,741	-		1,705	-	
11XX	Current Assets			43,164	-		730,804	7	
Non-current assets									
1517	Non-current financial assets at fair value through other comprehensive income	6(2)		210,529	2		210,529	2	
1550	Investments accounted for under equity method	6(4)		10,234,449	98		9,552,564	91	
1780	Intangible assets	6(5)		1,405	-		-	-	
15XX	Non-current assets			10,446,383	100		9,763,093	93	
1XXX	Total assets		\$	10,489,547	100	\$	10,493,897	100	
Liabilities and Equity									
Current liabilities									
2100	Short-term borrowings	6(7)	\$	514,000	5	\$	1,128,000	11	
2110	Short-term notes and bills payable	6(8)		299,867	3		-	-	
2200	Other payables			56,225	-		49,567	-	
2230	Current income tax liabilities			-	-		9,581	-	
2320	Long-term liabilities, current portion	6(9)		-	-		200,000	2	
2399	Other current liabilities, others			36	-		63	-	
21XX	Current Liabilities			870,128	8		1,387,211	13	
Non-current liabilities									
2540	Long-term borrowings	6(9)		1,100,000	11		1,230,000	12	
25XX	Non-current liabilities			1,100,000	11		1,230,000	12	
2XXX	Total Liabilities			1,970,128	19		2,617,211	25	
Equity									
Share capital									
3110	Share capital - common stock	6(10)		2,462,421	23		2,462,421	23	
Capital surplus									
3200	Capital surplus	6(11)		5,004,042	48		4,841,997	47	
Retained earnings									
3310	Legal reserve			105,157	1		51,068	-	
3320	Special reserve			299,035	3		229,129	2	
3350	Unappropriated retained earnings	6(12)		239,431	2		582,744	6	
Other equity interest									
3400	Other equity interest			409,333	4	(290,673)	(3)
3XXX	Total equity			8,519,419	81		7,876,686	75	
Significant contingent liabilities and unrecognised contract commitments									
Significant events after the balance sheet date									
3X2X	Total liabilities and equity		\$	10,489,547	100	\$	10,493,897	100	

The accompanying notes are an integral part of these parent company only financial statements.

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

			Year ended December 31			
			2023		2022	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(4)	\$ 582,566	100	\$ 551,836	100
5000	Operating costs		-	-	-	-
5900	Net operating margin		582,566	100	551,836	100
	Operating expenses	6(13)				
6200	General and administrative expenses		(26,958)	(5)	(25,669)	(5)
6000	Total operating expenses		(26,958)	(5)	(25,669)	(5)
6900	Operating profit		555,608	95	526,167	95
	Non-operating income and expenses					
7100	Interest income	6(3) and 7	4,637	1	13,090	3
7010	Other income		170	-	168	-
7020	Other gains and losses		(543)	-	4,728	1
7050	Finance costs		(40,420)	(7)	(31,891)	(6)
7900	Profit before income tax		519,452	89	512,262	93
7950	Income tax benefit	6(14)	48,464	9	17,327	3
8200	Profit for the year		<u>\$ 567,916</u>	<u>98</u>	<u>\$ 529,589</u>	<u>96</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		\$ 330,782	57	(\$ 183,950)	(34)
8310	Components of other comprehensive income that will not be reclassified to profit or loss		330,782	57	(183,950)	(34)
	Components of other comprehensive income that will be reclassified to profit or loss					
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		(48,647)	(9)	125,346	23
8360	Components of other comprehensive income that will be reclassified to profit or loss		(48,647)	(9)	125,346	23
8300	Other comprehensive (loss) income for the year		<u>\$ 282,135</u>	<u>48</u>	<u>(\$ 58,604)</u>	<u>(11)</u>
8500	Total comprehensive income for the year		<u>\$ 850,051</u>	<u>146</u>	<u>\$ 470,985</u>	<u>85</u>
9750	Total basic earnings per share (in dollars)	6(15)	\$ 2.31		\$ 2.15	
9850	Total diluted earnings per share (in dollars)		\$ 2.30		\$ 2.14	

The accompanying notes are an integral part of these parent company only financial statements.

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

			Retained earnings				Other equity interest		
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
Year 2022									
Balance at January 1, 2022		\$ 2,462,421	\$ 4,890,319	\$ 8,985	\$ 8,361	\$ 427,826	(\$ 303,305)	\$ 82,537	\$ 7,577,144
Profit		-	-	-	-	529,589	-	-	529,589
Other comprehensive income (loss)		-	-	-	-	11,301	125,346	(195,251)	(58,604)
Total comprehensive income (loss)		-	-	-	-	540,890	125,346	(195,251)	470,985
Cash dividends paid from additional paid-in capital	6(11)	-	(246,242)	-	-	-	-	-	(246,242)
Appropriation and distribution of retained earnings	6(12)								
Legal reserve appropriated		-	-	42,083	-	(42,083)	-	-	-
Special reserve appropriated		-	-	-	220,768	(220,768)	-	-	-
Cash dividends to shareholders		-	-	-	-	(123,121)	-	-	(123,121)
Adjustments to share of changes in equity of associates and joint ventures accounted for using the equity method		-	2,127	-	-	-	-	-	2,127
Changes in investees' capital increase not recognized by shareholding percentage		-	194,140	-	-	-	-	-	194,140
Compensation costs		-	1,653	-	-	-	-	-	1,653
Balance at December 31, 2022		\$ 2,462,421	\$ 4,841,997	\$ 51,068	\$ 229,129	\$ 582,744	(\$ 177,959)	(\$ 112,714)	\$ 7,876,686
Year 2023									
Balance at January 1, 2023		\$ 2,462,421	\$ 4,841,997	\$ 51,068	\$ 229,129	\$ 582,744	(\$ 177,959)	(\$ 112,714)	\$ 7,876,686
Profit		-	-	-	-	567,916	-	-	567,916
Other comprehensive income (loss)		-	-	-	-	412	(48,647)	330,370	282,135
Total comprehensive income (loss)		-	-	-	-	568,328	(48,647)	330,370	850,051
Cash dividends paid from additional paid-in capital	6(11)	-	(123,121)	-	-	-	-	-	(123,121)
Appropriation and distribution of retained earnings	6(12)								
Legal reserve appropriated		-	-	54,089	-	(54,089)	-	-	-
Special reserve appropriated		-	-	-	69,906	(69,906)	-	-	-
Cash dividends to shareholders		-	-	-	-	(369,363)	-	-	(369,363)
Adjustments to share of changes in equity of associates and joint ventures accounted for using the equity method	6(4)	-	119,631	-	-	-	-	-	119,631
Changes in ownership interests in subsidiaries	6(4)	-	148,215	-	-	-	-	-	148,215
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(4)	-	17,320	-	-	-	-	-	17,320
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	-	(418,283)	-	418,283	-
Balance at December 31, 2023		\$ 2,462,421	\$ 5,004,042	\$ 105,157	\$ 299,035	\$ 239,431	(\$ 226,606)	\$ 635,939	\$ 8,519,419

The accompanying notes are an integral part of these parent company only financial statements.

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

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 519,452	\$ 512,262
Adjustments			
Adjustments to reconcile profit (loss)			
Share of profit of associates accounted for using the equity method	6(4)	(582,566)	(551,836)
Amortisation	6(5)	401	-
Interest expense		40,420	31,891
Interest income		(4,637)	(13,090)
Changes in operating assets and liabilities			
Changes in operating assets			
Other receivables due from related parties		64,363	37,838
Other current assets		(6,035)	24
Changes in operating liabilities			
Prepaid expenses		(36)	78
Other payables		(20,287)	(23,331)
Other current liabilities-others		(27)	25
Cash inflow (outflow) generated from operations		11,048	(6,139)
Interest received		4,636	14,452
Dividend received		494,982	412,485
Interest paid		(40,952)	(30,715)
Income taxes paid		(458)	(63,324)
Net cash flows from operating activities		<u>469,256</u>	<u>326,759</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in financial assets at amortised cost		27,330	200,296
Other receivables due from related parties		670,000	(670,000)
Acquisition of investments accounted for under the equity method		-	(600,000)
Acquisition of intangible assets	6(5)	(1,806)	-
Net cash flows from (used in) investing activities		<u>695,524</u>	<u>(1,069,704)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings		(614,000)	218,000
Increase in short-term notes and bills payable		299,867	-
Proceeds from long-term debt		2,000,000	2,910,000
Repayments of long-term debt		(2,330,000)	(2,010,000)
Cash dividends paid	6(12)	(369,363)	(123,121)
Cash dividends paid from additional paid-in capital	6(11)	(123,121)	(246,242)
Net cash flows (used in) from financing activities		<u>(1,136,617)</u>	<u>748,637</u>
Net increase in cash and cash equivalents		28,163	5,692
Cash and cash equivalents at beginning of year		<u>7,224</u>	<u>1,532</u>
Cash and cash equivalents at end of year		\$ 35,387	\$ 7,224

The accompanying notes are an integral part of these parent company only financial statements.

FIT Holding Co., Ltd.

Earnings Distribution Table

2023

Unit: NT\$

Item	Amount		Remarks
	Subtotal	Total	
Undistributed earnings at the beginning of the period		89,385,389	
Less: Disposal of equity instruments at fair value through other comprehensive income in 2023	(418,283,132)		
Add: Remeasurement of 2023 defined benefit plan	412,240	(417,870,892)	
Add: net profit after tax of the year	567,916,226		
Less: legal reserve allocation	(15,004,533)		
Add: Reversal of special reserves	290,673,798	843,585,491	
Distributable earnings		515,099,988	
Distribution item:			
Cash dividend		(369,363,219)	NT\$1.5 per share
Undistributed earnings at the end of the period		145,736,769	

Note 1: For the Company's earnings distribution, the distributable earnings in 2023 will be allocated first.

Note 2: The dividend distribution is calculated based on 246,242,146 shares outstanding at the time of the resolution of the board meeting on March 7, 2024.

Note 3: According to the Articles of Association of the Company, the earnings will be distributed in cash, and the board meeting is authorized to decide by resolution.

Responsible persons: T.C.Gou Managerial Officer: Wilson Hu Chief Accounting Officer: Kufn Lin

FIT Holding Co., Ltd

List of independent director candidates

Name	Educational Background	Work Experience	Title	Number of shares held (unit: shares)
Lu Hong Te	PhD	<ol style="list-style-type: none"> 1. Consultant, Straits Exchange Foundation 2. Consultant, Taiwan Electrical and Electronic Manufacturers' Association, Mainland China Committee 	<ol style="list-style-type: none"> 1. Adjunct Professor, Chung Yuan Christian University, Department of Business Administration 2. Independent Director, Lanner Electronics Inc. 	0

FIT Holding Co., Ltd.
The Independent Director Candidates Concurrently Hold Positions
in Other Companies

Name	Companies and positions concurrently hold	Items of competitive conduct in which the director is permitted to engage	Period of permission to engage in the competitive conduct
Lu Hong Te	Independent director,Lanner Electronics Inc.	Companies that are within the same or similar business scope of the Company	Term of office as a director of the Company

FIT Holding Co., Ltd.

Articles of Association

Appendix I

Chapter 1. General Provisions

- Article 1. The Company is organized in accordance with the Company Act and is named FIT Holding Co., Ltd.
- Article 2. The businesses of the Company:
H 201010 General investment business.
- Article 3. The Company may provide endorsement guarantees due to business requirements with the approval of the board meeting, and the operations shall be handled in accordance with the Company's Procedures of Endorsements and Guarantees.
- Article 4. The Company has its head office established in New Taipei City, and may establish branches, offices or business offices at home and abroad upon the resolution of the board meeting when necessary. The Company may reinvest at home and abroad through a resolution of the board meeting; if the reinvestee is a limited liability shareholder of the Company, the total investment amount is not subject to the restriction of 40% of its paid-in share capital as in Article 13 of the Company Act.
- Article 5. The Company's announcement method shall be handled in accordance with Article 28 of the Company Law.

Chapter 2. Shares

- Article 6. The total authorized capital of the Company is NT\$3 billion, divided into 300 million shares, with the amount of NT\$10 per share. The board meeting is authorized to issue the shares in installments as required.
- Within the authorized capital amount in the preceding paragraph, NT\$300 million is reserved for the issuance of employee stock option certificates for a total of 30 million shares at NT\$10 per share, which may be issued in installments in accordance with the resolution of the board meeting.
- Article 6-1. Employees, including those of parents or subsidiaries of the Company meeting certain specific requirements, may be entitled to receive shares bought back and transferred by the Company, as well as new shares, share subscription warrants, and restricted stock for employees issued by the Company.
- Article 7. The shares of the Company are all registered, which are signed or sealed by the director representing the Company and issued after being certified by the certifying bank for share issuance in accordance with the law.
- The printing of share certificates may be exempt for shares issued by the Company, but

registration with a central securities depository institution is required.

Article 8. Unless otherwise provided by laws and regulations, the stock affairs of the Company shall be handled in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by the competent authority.

Article 9. The transfer of ownership of shares shall be suspended within 60 days before the general shareholders’ meeting, 30 days before the extraordinary shareholders’ meeting, or five days before the benchmark date on which the Company decides to distribute dividends or other benefits.

Chapter 3. Shareholders’ meeting

Article 10. The shareholders’ meeting includes the general meeting and the extraordinary meeting. The general meeting shall be convened at least once a year by the board of directors according to law within six months after the end of each accounting year. The extraordinary meeting shall be convened according to law when necessary.

The Company may convene a shareholders’ meeting by means of visual communication network or other methods promulgated by the central competent authority. The Company shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters when holding a virtual shareholders’ meeting.

Article 11. The chairman of the board shall preside over the shareholders’ meeting. When the chairman is unable to attend, the chairman shall designate a director to act as his proxy; if the chairman does not appoint a director as his proxy, the directors shall elect one among themselves as the proxy. If the shareholders’ meeting is convened by someone other than a member of the board of directors who has the right to convene, the person shall act as the chairman. If there are two or more persons with the right to convene, one person shall be selected among them.

Article 12. If a shareholder is unable to attend the shareholders’ meeting, he may appoint a proxy to attend on his behalf by signing the power of attorney printed by the Company and stating the scope of powers authorized to the proxy. Except as specified in Article 177 of the Company Act, the attendance of a shareholder’s proxy shall be handled in accordance with the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” promulgated by the competent authority.

Article 13. Unless otherwise stipulated by laws and regulations, each shareholder of the Company has one voting right per share.

Article 14. Resolutions at a shareholders’ meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

The shareholders of the Company may also exercise their voting rights electronically. Shareholders who exercise their voting rights electronically are deemed to be present in person, and related matters shall be handled in accordance with laws and regulations.

Article 15. The resolutions of the shareholders' meeting shall be recorded in the meeting minutes, signed or sealed by the chairman, and distributed to the shareholders within 20 days after the meeting.

The production, distribution, recorded contents and retention period of the minutes shall comply with Article 183 of the Company Act.

The minutes shall contain the date and place of the meeting, the name of the chairman, the method of resolution, and the essentials and results of the proceedings. The minutes shall be kept permanently during the existence of the Company.

Chapter 4. Directors and Audit Committee

Article 16. (Deleted)

Article 17. The board of directors of the Company has five to nine seats of directors for a term of three years. The candidate nomination system is adopted, and the number of independent directors shall not be less than three. The shareholders shall elect from the list of candidates, and the directors may be re-elected.

The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and appointment, exercise of powers and duties, and other matters for compliance with respect to independent directors shall be in accordance with the regulations of competent securities authorities.

The election of directors shall be handled in accordance with Article 198 of the Company Act and related provisions.

Article 18. The board of directors is organized by directors; the chairman shall be elected in a board meeting attended by more than two-thirds of the directors and approved by more than half of the directors present. If the chairman is on leave or unable to perform his duties for some reason, the chairman shall designate a director to act as deputy. When the chairman does not appoint a deputy, the directors shall elect one among themselves as the deputy.

Article 19. Unless otherwise provided by the Company Law, the board meeting shall be convened by the chairman of the board and serve as the chairman at the same time; The venue of the board meeting shall be at the location of the Company or at a place suitable for the attendance of the directors and suitable for the board meeting, or the meeting may be held by video conferencing.

For the convening of the board meeting, the reasons shall be specified and the directors be notified seven days in advance. However, a meeting may be called at any time in case of an

emergency.

The notice of the convening of the board meeting mentioned in the preceding paragraph may be made in writing, by fax or by electronic means .

When a director is unable to attend the board meeting for some reason, he may issue a power of attorney to entrust another director to attend the meeting in accordance with Article 205 of the Company Act, but only one agent may be appointed. If the board meeting is held by videoconferencing, the directors who participate in the meeting by video shall be deemed to have attended the meeting in person.

Article 20. The functions and powers of the board of directors are as follows:

1. Review of business policies and medium and long-term development plans, and review and supervision of the implementation of the annual business plan.
2. Proposal of the budget and final accounts.
3. Formulation of the capital increase and reduction plan.
4. Proposal of earnings distribution or loss compensation.
5. Proposal of important external contracts.
6. Proposal of amendment to the Articles of Association.
7. Formulation of the Company's organization rules and important business rules.
8. Establishment and abolition of branches; drafting of reorganization or dissolution.
9. Appointment and dismissal of the president and vice president of the Company.
10. Convening of shareholders' meetings.
11. Proposal of purchase and disposal of the Company's important assets.
12. Formulation of the Company's external endorsements and guarantees and external investment plans.
13. Proposal of capital increase with dividends or reserves.
14. Functions and powers in accordance with Article 202 of the Company Act.

Article 21. The resolutions of the board meeting shall be recorded in the meeting minutes, signed or sealed by the chairman, and distributed to the directors within 20 days after the meeting. The minutes shall be taken in the order of the date, place, name of the chairman and resolution method, as well as the essentials of the proceedings and voting results. The minutes shall be kept permanently during the existence of the Company.

Article 22. In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.

This company has established an audit committee in accordance with Article 14-4 of the Securities and Exchange Act which is responsible for performing the functions and powers of supervisors as stipulated in the Company Act, the Securities and Exchange Act and other

laws and regulations. The audit committee shall be composed of all independent directors with at least three members, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise. The term of office, exercise of powers and other matters to be observed of the audit committee shall be handled in accordance with the relevant laws and regulations. The board of directors shall also formulate the organizational rules of the audit committee in accordance with the relevant laws and regulations.

- Article 23. The board meeting is authorized to determine the remuneration of all directors in accordance with the usual standards of the same industry. In addition, the Company may purchase liability insurance for directors, so as to reduce their risk of being sued by shareholders or other related parties due to performing their duties in accordance with the law.

Chapter 5. Managerial Officers

- Article 24. The Company may have a president, a vice president, a chief executive, and several general managers and deputy general managers of business groups. Their appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter 6. Accounting

- Article 25. At the end of each accounting year, the board of directors of the Company shall prepare (1) the business report, (2) financial statements, (3) proposals for earnings distribution or loss compensation, and have them submitted to the regular general shareholders' meeting for recognition in accordance with the law.

- Article 26. If the company makes a profit during the year (the so-called profit refers to the profit before tax minus the distribution of remuneration of employees and directors), no less than 6% of it shall be allocated as employees' remuneration and no more than 3% as the directors' remuneration. However, when the Company still has a cumulative loss, it shall reserve the compensation amount in advance.

The employee remuneration mentioned in the preceding paragraph can be paid in stocks or cash. The payment objects include employees of controlling or affiliated companies who meet certain conditions. The board of directors is authorized to make a resolution on the conditions and distribution methods. Directors' remuneration can only be paid in cash. The two items above shall be decided by the board meeting and reported to the shareholders' meeting.

- Article 27. If there are any earnings in the annual final accounts of the Company, it shall first pay the tax and make up for the previous losses, and the allocate 10% of the balance as the legal reserve; however, the requirement does not apply when the accumulated legal reserve has reached the total capital of the Company. In addition, a special reserve shall be appropriated

in accordance with the law or the regulations of the competent authority. If there is still a balance of earnings in the current year, then the board meeting shall draw up a proposal on the distribution of earnings based on the balance together with the accumulated undistributed earnings in the previous year, and submit it to the shareholders' meeting for resolution.

If all or part of the dividend and bonus or legal reserve and capital reserve is to be paid in cash, the board meeting shall be authorized to make a resolution where the meeting is attended by more than two-thirds of the directors and the consent is obtained from more than half of the directors present, and the resolution shall be reported to the shareholders' meeting. The Company's dividend policy is to distribute the company's distributable earnings up to 90% to shareholders in the form of dividends. According to the future capital expenditure budget and capital demand situation, the cash dividend of the company's dividends will not be less than 20%.

Chapter 7. Supplementary Provisions

Article 28. Matters not stipulated in the Articles of Association shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 29. The Articles of Association were established on June 19, 2018.

The first revision was made on June 21, 2029.

The second revision was made on June 17, 2022.

Rules of Procedure of Shareholders' Meetings

- I. The shareholders' meeting of the Company shall be conducted in accordance with these rules unless otherwise provided by laws and regulations.
- II. The shareholder (or proxy) attending the meeting shall hand in the attendance card to replace sign-in. The number of share rights present shall be calculated according to the number of share rights on the above-mentioned attendance cards plus the number of share rights exercised by electronic means.
- III. The attendance and voting at the shareholders' meeting shall be based on the number of shares.
- IV. The place of the shareholders' meeting shall be the place where the Company is located or where it is convenient for the shareholders to attend. The meeting time shall not be before 9 a.m. or after 3 p.m.
- V. If the shareholders' meeting is convened by the board of directors, the chairman of the board shall preside over the meeting. When the chairman is on leave or unable to perform his duties for some reason, the vice chairman shall act as his proxy. If there is no vice chairman or when the vice chairman is also on leave or unable to perform his duties for some reason, the chairman shall appoint a managing director as the proxy; if there are no managing directors, the chairman shall appoint a director as the proxy. If the chairman does not appoint any proxy, the managing directors or the directors shall elect one among them to act as the proxy.

If the shareholders' meeting is convened by a convener other than a member of the board of directors, the convener shall be the chairman of the meeting.
- VI. The Company may appoint its designated lawyers, accountants or related personnel to attend the shareholders meeting as non-voting delegates.

Personnel handling the affairs of the shareholders' meeting shall wear identification cards or armbands.
- VII. The entire process of the shareholders' meeting shall be audio or video recorded. The recording shall be kept for at least one year.
- VIII. The chairman shall call the meeting to order at the specified meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a meeting postponement, provided that the number of such postponement is no more than two, and the total time no more than 1 hour. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a

tentative resolution may be adopted pursuant to paragraph 1, Article 175 of the Company Act.

Before the end of the meeting, if the number of shares represented by the shareholders present reaches more than half of the total number of issued shares, the chairman may, in accordance with Article 174 of the Company Act, re-submit the tentative resolution to the meeting for voting.

- IX. If a shareholders' meeting is convened by the board of directors, the agenda of the meeting shall be set by the board of directors. The meeting shall be conducted according to the scheduled agenda which shall not be changed without the resolution of the shareholders' meeting.

If a shareholders' meeting is convened by a person other than the board of directors who has the right to convene, the provisions of the preceding paragraph shall apply *mutatis mutandis*.

Before the conclusion of the agenda (including extemporary motions) set out in the two paragraphs above, the chairman shall not declare the meeting adjourned without a resolution.

If the chairman violates the rules of procedure and announces the meeting adjourned, with the consent of more than half of the voting rights of the shareholders present, another person may be elected to be the chairman to continue the meeting.

After the closing of the meeting, the shareholders shall not elect another chairman to continue the meeting at the original place or at another place.

- X. Before speaking, an attending shareholder shall fill out a speech slip, specifying his/her shareholder account number (or attendance card number) and account name. The order in which shareholders speak will be set by the chairman.

A shareholder in attendance who has submitted a speech slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speech slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman and the shareholder that has the floor; the chairman shall stop any violation.

- XI. For the same proposal, each shareholder shall not speak more than twice without the consent of the chairman, and each speech shall not exceed five minutes. If the shareholder's speech violates the rules above or exceeds the scope of the agenda item, the chairman may terminate the speech.

- XII. When a legal person is entrusted to attend the shareholders' meeting, it may only appoint one representative to attend.

When a legal person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same motion.

- XIII. After an attending shareholder has spoken, the chairman may respond in person or direct relevant

personnel to respond.

- XIV. When the chairman is of the opinion that the motion and the amendment or extraordinary motion put forward by the shareholder has been discussed sufficiently for a vote, the chairman may announce the discussion closed and call for a vote.
- XV. Vote scrutinizing and counting personnel for the voting on a motion, if required, shall be appointed by the chairman, provided that all the scrutinizing personnel shall be shareholders of the Company. The results of voting shall be reported on the spot and recorded.
- XVI. The chairman may announce a break during the meeting at his discretion.
- XVII. Unless otherwise stipulated in the Company Act and the Articles of Association of the Company, a proposal shall be approved with the consent of more than half of the voting rights of the shareholders present. If the chairman makes an inquiry to the shareholders present and there is no objection to the resolution, the resolution shall be deemed to be approved, and its effect shall be the same as the voting result.
- XVIII. When there is an amendment or replacement to a proposal, the chairman shall determine the order of voting together with that of the original proposal. If one of the proposals is approved, the other proposals shall be deemed to be rejected and no more voting shall be needed.
- XIX. The chairman may command the picket (or security personnel) to assist in maintaining the order of the meeting venue. When assisting in maintaining order, the picket (or security personnel) shall wear an armband or identification card with the word "picket".
- XX. Matters not specified in these Rules shall be handled in accordance with the Company Act, relevant laws and regulations and the Articles of Association of the Company.
- XXI. These Rules shall come into force after being approved by the shareholders' meeting, and the same procedure shall apply when they are amended

FIT Holding Co., Ltd.

Procedures for Election of Directors

Article 1: Unless otherwise provided in the laws and regulations or the Articles of Incorporation of the Company, the directors of the Company shall be elected in accordance with the procedures specified herein.

Article 2: The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. Ability to make judgments about operations.
2. Ability to perform accounting and financial analysis.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director. The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

Article 3: The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

Article 4: The election of directors of the Company shall be conducted in accordance with the by the Board of Directors in advance.

If the number of directors is less than five due to dismissal for any reason, the Company shall make up for the vacancies in the by-election at the latest shareholders' meeting. However, if the number of director vacancies reaches one-third of the number of seats as prescribed in the Articles of Association, the Company shall hold an extraordinary shareholders' meeting for a by-election within 60 days from the date of occurrence.

If the number of independent directors is less than that specified in the proviso of paragraph 1, Article 14-2 of the Securities and Exchange Act, a by-election shall be held in the latest shareholders' meeting; when all the independent directors are dismissed, an extraordinary shareholders' meeting shall be convened for a by-election within 60 days from the date of occurrence.

The Company shall adopt the cumulative voting system for the election of directors. Each share has the same voting rights as the number of directors to be elected, and all the votes may be given to only one candidate or the votes may be distributed among several candidates.

The person with the convening right of the shareholders' meeting shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

The voting rights won by independent directors and non-independent directors shall be respectively calculated according to the number of directors specified in the Articles of Incorporation of the Company. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 6: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the person with the convening right of the shareholders' meeting and publicly checked by the vote monitoring personnel before voting commences.

Article 7: (deleted)

Article 8: The vote shall not be valid in any of the following circumstances:

1. The vote is not prepared by the person with the convening right.
2. The vote cast in the ballot box is blank.
3. The handwriting is illegible or altered.
4. The candidate filled in does not correspond to the person on the list of director candidates.
5. There are additional words filled in on the vote other than the allocated number of voting rights.

Article 9: The ballots shall be calculated on site immediately after the end of the poll, and the chair or the MC shall announce on the site the results of the calculation including the list of persons elected as directors and the numbers of votes with which they were elected, as well as the candidates not elected and their numbers of votes.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 10: (deleted)

Article 11: The Procedures, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.

Article 12: Period of implementation.

Established on June 19, 2018.

The first revision was made on June 21, 2019.

The second revision was made on July 20, 2021.

FIT Holding Co., Ltd. Shareholdings of Directors

1. Minimum number of shares to be held by all directors and details of shares registered in the register of shareholders

Unit:Shares

Job title	Minimum number of shares to be held	Number of shares registered in the register of shareholders
Director	12,000,000	66,494,069

2. Details of shares held by Directors

Unit:Shares

Job title	Account name	Number of shares registered in the register of shareholders
Chairman	Foxlink International Investment Ltd. representative: T.C. Gou	58,303,464
Director	Foxlink International Investment Ltd. representative: Kufn Lin	58,303,464
Director	Hsin Hung International Investment Co., Ltd.Representative: Jeffery Cheng	5,419,329
Director	Hsin Hung International Investment Co., Ltd.Representative: Hwee Kian Lim	5,419,329
Director	Foxlink Taiwan Investment Co., Ltd. Representative: Wilson Hu	2,771,276
Director	Foxlink Taiwan Investment Co., Ltd. Representative: Semi Wang	2,771,276
Independent Director	Ralph Chen	0
Independent Director	Chen-Rong Chiang	0

Note: Book closure date : March 29,2024.