

**CHENG UEI PRECISION INDUSTRY CO.,
LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2023 AND 2022**

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

CHENG UEI PRECISION INDUSTRY CO., LTD.
DECEMBER 31, 2023 AND 2022 CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
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CHENG UEI PRECISION INDUSTRY CO., LTD.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

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

Hereby declare,

CHENG UEI PRECISION INDUSTRY CO., LTD.

March 11, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 23000594

To the Board of Directors and Stockholders of Cheng Uei Precision Industry Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Cheng Uei Precision Industry Co., Ltd. and its 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 consolidated 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 consolidated financial statements of the year ended December 31, 2023 are stated as follows:

Valuation of goodwill impairment

Description

Please refer to Note 4(20) for accounting policies on impairment loss on non-financial assets, Note 5(1) for the uncertainty of accounting estimates and assumptions applied to goodwill impairment valuation, and Note 6(13) for details of goodwill impairment valuation.

As of December 31, 2023, the balance of goodwill (including indefinite useful life trademarks) derived from the acquisition of Foxlink Image Technology Co., Ltd. and DG Lifestyle Store Limited by the Company's subsidiary, FIT Holding Co., Ltd. amounted to NT\$715,197 thousand and NT\$418,502 thousand, respectively. The Group valued the impairment of goodwill (including indefinite useful life trademarks) through the discounted cash flow method, using the higher of value in use or fair value less costs to sell to measure the cash generating unit's recoverable amount. As the assumptions of expected future cash flows contained subjective judgement and involved a high degree of uncertainty which would cause a material impact on the valuation result, the valuation of goodwill impairment was identified as a key audit matter.

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, including collection of internal and external data, operating forecast and industry changes.
- B. Obtained the external appraisal report on impairment valuation and performed the following

procedures:

- (a) We examined the external appraiser's qualification and assessed the independence, objectiveness and competence.
- (b) We assessed that the valuation method used in the appraisal report was widely used and appropriate.
- (c) We assessed the reasonableness of significant assumptions (including expected growth rate and discount rate) applied in the appraisal report.

Recognition of construction revenue-assessment on the stage of completion

Description

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

Construction revenue and costs of the Group 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, and revenue is recognised over time.

The aforementioned 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 may affect the construction revenue recognition, thus, we consider the assessment on the stage of completion which was applied on construction revenue recognition as a key audit matter.

How our audit addressed the matter:

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

- 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.

Assessment of allowance for inventory valuation losses

Description

Please refer to Note 4(13) for accounting policies on inventory, Note 5(3) for the uncertainty of accounting estimates and assumptions applied to inventory valuation, and Note 6(7) for details of inventory.

The Group is primarily engaged in the manufacturing and sale of electronic components and parts. As the electronic products' life cycles are relatively short and the market is highly competitive, there is a higher risk of incurring inventory valuation losses or obsolescence due to economic depression or an excess of supply over demand. The Company's inventories are measured at the lower of cost and net realisable value, and individually assessed for those inventories over a certain age in order to identify obsolete or slow-moving inventories.

The industry technology is rapidly changing, and the net realisable value involves subjective judgement resulting in an uncertainty when assessing the obsolete or slow-moving inventories. Given that the inventory and allowance for inventory valuation losses were material to the financial

statements, the assessment of allowance for inventory valuation losses was identified as a key audit matter.

How our audit addressed the matter

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

- A. Assessed the reasonableness of policies and procedures on allowance for inventory valuation losses based on our understanding of the Group's operation and industry.
- B. Obtained an understanding of the Group's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count event in order to assess the effectiveness of the management of inventory.
- C. Verified whether the systematic logic used in the Group's inventory aging report is appropriate and in line with its policies.
- D. Inspected inventory valuation basis adequacy and verified the selected samples' information, for instance, purchase price and sale price. Also recalculated and evaluated the reasonableness of inventory allowance basis in order to verify that the inventory was measured at the lower of cost and net realisable value.

Other matter - Reference to the reports of other auditors

We did not audit the financial statements of certain subsidiaries and 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 subsidiaries and the information disclosed in Note 13, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$429,970 thousand and NT\$426,718 thousand, constituting 0.41% and 0.43% of the consolidated total assets as at December 31, 2023 and 2022, respectively, and operating revenue amounted to NT\$2,687,168 thousand and NT\$2,150,424 thousand, constituting 2.97% and 2.29% of the consolidated total operating revenue for the years then ended, respectively. The total balances of these investments accounted for under the equity method amounted to NT\$33,401 thousand and NT\$203,442 thousand, constituting 0.03% and 0.21% of the consolidated total assets as at December 31, 2023 and 2022, respectively, and the share of profit (loss) of associates and joint ventures accounted for under the equity method amounted to NT\$48 thousand and NT\$(9,441) thousand, constituting 0.00% and (0.39%) of the consolidated total comprehensive

income for the years then ended, respectively.

Other matter-Parent company only financial reports

We have audited and expressed an unqualified opinion with an *Other matters* section on the parent company only financial statements of Cheng Uei Precision Industry 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 supervisors, 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 judgement and professional skepticism throughout the audit. We also:

- A. 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.
- 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 Group'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 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.
- E. 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.
- F. 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 11, 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.

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

ASSETS			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
CURRENT ASSETS						
1100	Cash and cash equivalents	6(1)	\$ 14,844,796	14	\$ 11,431,070	12
1110	Financial assets at fair value through profit or loss - current	6(2) and 12(3)	5,167	-	-	-
1136	Current financial assets at amortised cost	6(4) and 8	2,918,178	3	2,916,275	3
1140	Current contract assets	6(24)	8,675,960	8	2,716,125	3
1150	Notes receivable, net	6(5)	53,933	-	59,703	-
1170	Accounts receivable, net	6(5)	17,708,938	17	18,005,663	18
1180	Accounts receivable, net - related parties	7	433,879	-	414,187	-
1200	Other receivables	6(6)	446,840	-	528,811	1
1210	Other receivables - related parties	7	62,819	-	66,548	-
1220	Current income tax assets	6(32)	53,087	-	44,444	-
130X	Inventories	6(7)	14,297,590	14	17,811,199	18
1410	Prepayments	6(8)	7,164,367	7	6,067,597	6
1470	Other current assets	8	1,051,603	1	1,031,796	1
11XX	TOTAL CURRENT ASSETS		67,717,157	64	61,093,418	62
1517	Financial assets at fair value through other comprehensive income - non-current	6(3) and 12(3)	1,345,307	1	1,521,378	2
1535	Non-current financial assets at amortised cost	6(4) and 8	701,061	1	450,052	1
1550	Investments accounted for under the equity method	6(9)	5,509,683	5	6,160,832	6
1600	Property, plant and equipment, net	6(10) and 8	22,705,808	21	20,923,246	21
1755	Right-of-use assets	6(11), 7 and 8	3,265,176	3	2,302,273	2
1760	Investment property, net	6(12)	541,840	-	560,159	1
1780	Intangible assets	6(13)(35)	1,724,432	2	1,749,316	2
1840	Deferred income tax assets	6(32)	681,861	1	448,780	-
1915	Prepayments for business facilities	6(10)	791,122	1	2,328,066	2
1990	Other non-current assets, others	8	778,111	1	760,491	1
15XX	TOTAL NON-CURRENT ASSETS		38,044,401	36	37,204,593	38
1XXX	TOTAL ASSETS		\$ 105,761,558	100	\$ 98,298,011	100

(Continued)

CHENG UEI PRECISION INDUSTRY 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(14)	\$ 9,890,697	9	\$ 9,550,241	10
2110	Short-term notes and bills payable	6(15)	4,085,520	4	1,789,159	2
2130	Current contract liabilities	6(24)	614,822	1	1,087,867	1
2150	Notes payable		32,677	-	657	-
2170	Accounts payable		15,769,631	15	15,652,500	16
2180	Accounts payable - related parties	7	144,605	-	181,124	-
2200	Other payables	6(16) and 7	5,766,392	6	6,108,349	6
2230	Current income tax liabilities	6(32)	643,888	1	552,301	1
2280	Current lease liabilities	7	405,855	-	287,333	-
2320	Long-term liabilities, current portion	6(17)(18)	3,301,902	3	689,541	1
2365	Current refund liabilities		175,062	-	139,022	-
2399	Other current liabilities, others		425,164	-	319,896	-
21XX	TOTAL CURRENT LIABILITIES		<u>41,256,215</u>	<u>39</u>	<u>36,357,990</u>	<u>37</u>
	NON-CURRENT LIABILITIES					
2527	Non-current contract liabilities	6(24)	167,177	-	223,986	-
2530	Corporate bonds payable	6(17)	6,442,827	6	6,582,374	7
2540	Long-term borrowings	6(18)	17,772,711	17	15,406,923	16
2570	Deferred income tax liabilities	6(32)	1,204,001	1	1,243,084	1
2580	Non-current lease liabilities	7	1,752,440	2	690,236	1
2600	Other non-current liabilities	6(9)(19)	344,195	-	1,535,331	1
25XX	TOTAL NON-CURRENT LIABILITIES		<u>27,683,351</u>	<u>26</u>	<u>25,681,934</u>	<u>26</u>
2XXX	TOTAL LIABILITIES		<u>68,939,566</u>	<u>65</u>	<u>62,039,924</u>	<u>63</u>
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
	Capital stock	6(20)				
3110	Common stock		5,123,269	5	5,123,269	5
	Capital reserve	6(21)				
3200	Capital surplus		10,764,901	11	10,382,683	10
	Retained earnings	6(22)				
3310	Legal reserve		3,445,937	3	3,292,026	3
3320	Special reserve		2,363,760	2	2,601,650	3
3350	Unappropriated earnings		5,788,610	5	5,658,790	6
	Other equity	6(23)				
3400	Other equity interest		(2,673,429)	(2)	(2,363,761)	(2)
	Treasury shares	6(20)				
3500	Treasury shares		(622,774)	(1)	(272,066)	-
31XX	Equity attributable to owners of the parent		<u>24,190,274</u>	<u>23</u>	<u>24,422,591</u>	<u>25</u>
36XX	Non-controlling interests	6(34)	<u>12,631,718</u>	<u>12</u>	<u>11,835,496</u>	<u>12</u>
3XXX	TOTAL EQUITY		<u>36,821,992</u>	<u>35</u>	<u>36,258,087</u>	<u>37</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant disaster loss	10				
	Significant events after the balance	11				
3X2X	TOTAL LIABILITIES AND EQUITY		<u>\$ 105,761,558</u>	<u>100</u>	<u>\$ 98,298,011</u>	<u>100</u>

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

CHENG UEI PRECISION INDUSTRY 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 amount)

Items		Notes	Years ended December 31,			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(24) and 7	\$ 90,550,764	100	\$ 94,102,594	100
5000	Operating costs	6(7)(30)(31) and 7	(78,856,852) (87)		(82,008,395) (87)	
5900	Gross profit		11,693,912	13	12,094,199	13
	Operating expenses	6(30)(31)				
6100	Sales and marketing expenses		(1,997,010) (2)		(2,212,130) (2)	
6200	General and administrative expenses		(4,332,074) (5)		(3,917,188) (4)	
6300	Research and development expenses		(2,521,545) (3)		(2,419,396) (3)	
6450	Expected credit gain (loss)	12(2)	56,739 -		(13,792) -	
6000	Total operating expenses		(8,793,890) (10)		(8,562,506) (9)	
6500	Net other income (expenses)	6(25)	118,111 -		- -	
6900	Operating income		3,018,133	3	3,531,693	4
	Non-operating income and expenses					
7100	Interest income	6(26)	275,628	-	131,821	-
7010	Other income	6(27) and 7	536,871	1	424,322	1
7020	Other gains and losses	6(28)	(313,702) -		(523,402) (1)	
7050	Finance costs	6(29)	(619,232) (1)		(423,257) -	
7060	Share of profit of associates and joint ventures accounted for under the equity method	6(9)	238,603 -		270,616 -	
7000	Total non-operating income and expenses		118,168 -		(119,900) -	
7900	Income before income tax		3,136,301	3	3,411,793	4
7950	Income tax expense	6(32)	(1,034,479) (1)		(1,317,094) (2)	
8200	Net income		\$ 2,101,822	2	\$ 2,094,699	2

(Continued)

CHENG UEI PRECISION INDUSTRY 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 amount)

	Items	Notes	Years ended December 31,			
			2023		2022	
			AMOUNT	%	AMOUNT	%
	Other comprehensive (loss) income, net					
	Components of other comprehensive (loss) income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	6(19)	\$ 18,083	-	\$ 29,416	-
8316	Unrealized gain on equity instrument at fair value through other comprehensive income	6(3)	(148,776)	-	(42,267)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for under the equity method, components of other comprehensive income that will not be reclassified to profit or loss		28,371	-	(66,638)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(32)	(3,617)	-	(5,883)	-
8310	Total components of other comprehensive loss that will not be reclassified to profit or loss		(105,939)	-	(85,372)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences arising on translation of foreign operations		(816,097)	(1)	584,020	1
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		14,313	-	(54,188)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(32)	147,279	-	(108,773)	-
8360	Total components of other comprehensive (loss) income that will be reclassified to profit or loss		(654,505)	(1)	421,059	1
8300	Other comprehensive (loss) income, net		<u>(\$ 760,444)</u>	<u>(1)</u>	<u>\$ 335,687</u>	<u>1</u>
8500	Total comprehensive income for the period		<u>\$ 1,341,378</u>	<u>1</u>	<u>\$ 2,430,386</u>	<u>3</u>
	Net income attributable to:					
8610	Shareholders of the parent		\$ 1,457,132	1	\$ 1,522,518	2
8620	Non-controlling interests		644,690	1	572,181	-
	Total		<u>\$ 2,101,822</u>	<u>2</u>	<u>\$ 2,094,699</u>	<u>2</u>
	Total comprehensive income attributable to:					
8710	Shareholders of the parent		\$ 863,292	-	\$ 1,776,996	2
8720	Non-controlling interests		478,086	1	653,390	1
	Total		<u>\$ 1,341,378</u>	<u>1</u>	<u>\$ 2,430,386</u>	<u>3</u>
	Basic earnings per share (in dollars)					
9750	Basic earnings per share	6(33)	<u>\$ 3.09</u>		<u>\$ 3.14</u>	
	Diluted earnings per share (in dollars)					
9850	Diluted earnings per share	6(33)	<u>\$ 3.06</u>		<u>\$ 3.10</u>	

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

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

Equity attributable to owners of the parent												
		Retained earnings					Other equity interest					
							Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity attributable to shareholders of the parent	Non-controlling interest	Total equity
	Notes	Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings						
<u>Year ended December 31, 2022</u>												
		\$ 5,123,269	\$ 10,252,875	\$ 3,197,654	\$ 2,036,346	\$ 5,547,850	(\$ 2,129,042)	(\$ 472,609)	(\$ 272,066)	\$ 23,284,277	\$ 9,216,611	\$ 32,500,888
		-	-	-	-	1,522,518	-	-	-	1,522,518	572,181	2,094,699
	6(23)	-	-	-	-	16,588	309,872	(71,982)	-	254,478	81,209	335,687
		-	-	-	-	1,539,106	309,872	(71,982)	-	1,776,996	653,390	2,430,386
<u>Appropriation of 2021 earnings</u>												
	6(22)	-	-	94,372	-	(94,372)	-	-	-	-	-	-
		-	-	-	565,304	(565,304)	-	-	-	-	-	-
		-	-	-	-	(768,490)	-	-	-	(768,490)	-	(768,490)
	6(21)(34)	-	-	-	-	-	-	-	-	-	-	-
		-	110,494	-	-	-	-	-	-	110,494	(109,646)	848
		-	3,494	-	-	-	-	-	-	3,494	1,081	4,575
	6(21)	-	65	-	-	-	-	-	-	65	1,924	1,989
	6(21)	-	15,755	-	-	-	-	-	-	15,755	-	15,755
		-	-	-	-	-	-	-	-	-	2,072,136	2,072,136
		\$ 5,123,269	\$ 10,382,683	\$ 3,292,026	\$ 2,601,650	\$ 5,658,790	(\$ 1,819,170)	(\$ 544,591)	(\$ 272,066)	\$ 24,422,591	\$ 11,835,496	\$ 36,258,087
<u>Year ended December 31, 2023</u>												
		\$ 5,123,269	\$ 10,382,683	\$ 3,292,026	\$ 2,601,650	\$ 5,658,790	(\$ 1,819,170)	(\$ 544,591)	(\$ 272,066)	\$ 24,422,591	\$ 11,835,496	\$ 36,258,087
		-	-	-	-	1,457,132	-	-	-	1,457,132	644,690	2,101,822
	6(23)	-	-	-	-	14,223	(574,754)	(33,309)	-	(593,840)	(166,604)	(760,444)
		-	-	-	-	1,471,355	(574,754)	(33,309)	-	863,292	478,086	1,341,378
<u>Appropriation of 2022 earnings</u>												
		-	-	153,911	-	(153,911)	-	-	-	-	-	-
		-	-	-	(237,890)	237,890	-	-	-	-	-	-
		-	-	-	-	(1,127,119)	-	-	-	(1,127,119)	-	(1,127,119)
	6(21)(34)	-	9,757	-	-	-	-	-	-	9,757	51,081	60,838
	6(21)(34)	-	83,492	-	-	-	-	-	-	83,492	316,912	400,404
	6(21)(23)	-	255,753	-	-	(72,634)	-	72,634	-	255,753	-	255,753
	6(3)(23)	-	-	-	-	(225,761)	-	225,761	-	-	-	-
	6(21)	-	33,216	-	-	-	-	-	-	33,216	-	33,216
	6(20)	-	-	-	-	-	-	-	(350,708)	(350,708)	(567,560)	(918,268)
		-	-	-	-	-	-	-	-	-	517,703	517,703
		\$ 5,123,269	\$ 10,764,901	\$ 3,445,937	\$ 2,363,760	\$ 5,788,610	(\$ 2,393,924)	(\$ 279,505)	(\$ 622,774)	\$ 24,190,274	\$ 12,631,718	\$ 36,821,992

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

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

		Years ended December 31,	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 3,136,301	\$ 3,411,793
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets or liabilities at fair value through profit or loss	6(2)(28)	(110)	-
Depreciation (including investment property)	6(10)(11)(12)(28)(30)	3,773,850	3,437,109
Amortisation	6(13)(30)	140,150	78,470
Disaster losses	6(28)	552,414	-
Gain recognised in bargain purchase transaction	6(27)	(707)	-
(Gain on reversal of) expected credit loss	12(2)	(56,739)	13,792
Interest expense	6(29)	619,232	423,257
Interest income	6(26)	(275,628)	(131,821)
Loss on disposal of property, plant and equipment	6(28)	239,068	58,049
Share of profit of associates accounted for using the equity method	6(9)	(238,603)	(270,616)
Gain (loss) on disposal of investments	6(25)(28)	165,119	(23,290)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets	(	5,786,802)	500,328
Notes receivable		5,770	(12,829)
Accounts receivable		404,800	(1,667,994)
Accounts receivable from related parties	(	19,692)	(101,282)
Other receivables		430,026	(216,251)
Other receivables from related parties		3,729	(5,334)
Inventories		3,199,613	(2,365,637)
Prepayments	(	1,038,422)	(2,655,399)
Other current assets	(	17,864)	54,715
Other non-current assets	(	33,580)	114,500
Changes in operating liabilities			
Contract liabilities	(	649,920)	484,100
Notes payable		32,021	506
Accounts payable		117,131	(1,238,514)
Accounts payables to related parties	(	387,120)	9,019
Other payables	(	233,006)	1,425,580
Refund liabilities		36,040	(87,251)
Other current liabilities		105,267	(281,330)
Other non-current liabilities	(	168,593)	24,175
Cash inflow (outflow) generated from operations		4,053,745	977,845
Interest received		275,628	131,821
Dividends received		104,562	78,162
Interest paid	(	581,305)	(408,746)
Income tax paid	(	1,327,283)	(1,044,423)
Net cash flows from (used in) operating activities		2,525,347	(265,341)

(Continued)

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

		Years 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	\$ -
Acquisition of financial assets at fair value through other comprehensive income	12(3)	-	(431,984)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	12(3)	14,755	-
Proceeds from disposal of subsidiaries (net of cash disposed)	6(36)	227,394	122,762
Net cash flow from acquisition of subsidiaries	6(34)	(381,756)	(199,214)
Acquisition of financial assets at amortised cost		(243,242)	(962,906)
Acquisition of investments accounted for using equity method		(12,417)	(120,000)
Acquisitions of property, plant and equipment	6(36)	(3,369,017)	(2,535,625)
Proceeds from disposal of property, plant and equipment		310,481	22,192
Acquisitions of intangible assets	6(13)	(45,941)	(73,760)
Proceeds from disposal of intangible assets	6(12)	578	-
Decrease (increase) in guarantee deposits paid		22,497	(1,311,150)
Increase in prepayments for investments	6(9)	-	(1,188,948)
Increase in prepayments for business facilities		(365,819)	(1,553,242)
Net cash flows used in investing activities		(3,662,487)	(8,231,875)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(37)	41,423,161	54,188,177
Repayments of short-term borrowings	6(37)	(41,100,964)	(48,862,784)
Increase in short-term notes and bills payable	6(37)	2,467,438	192,637
Proceeds from issuing bonds by subsidiaries		3,153,604	-
Proceeds from long-term borrowings	6(37)	20,391,792	19,607,525
Repayment of long-term borrowings	6(37)	(18,440,453)	(14,990,178)
Repayments of lease liabilities	6(37)	(548,096)	(323,786)
Cash dividends paid	6(22)	(1,127,119)	(768,490)
Repurchase of treasury shares	6(20)	(918,268)	-
Changes in non-controlling interest	6(34)	(349,246)	2,043,655
Net cash flows from financing activities		4,951,849	11,086,756
Effect of change in exchange rates		(400,983)	133,927
Net increase in cash and cash equivalents		3,413,726	2,723,467
Cash and cash equivalents at beginning of year		11,431,070	8,707,603
Cash and cash equivalents at end of year		\$ 14,844,796	\$ 11,431,070

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

CHENG UEI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

1. HISTORY AND ORGANIZATION

Cheng Uei Precision Industry Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.) on July 14, 1986 and has begun operations on July 31, 1986. The Company and its subsidiaries (collectively referred herein as the “Group”) are engaged in the manufacture of cable assemblies, connectors, battery packs, and power modules. Effective September 1999, the shares of the Company were listed on the Taiwan Stock Exchange.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorized for issuance the Board of Directors on March 11, 2024

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

Except for the amendment described below whose related information is provided in Note 6(32), the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

Amendments to IAS 12, ‘International tax reform - pillar two model rules’

The amendments give companies temporary relief from accounting for deferred income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). An entity shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

(2) Effect of new issuances of or amendments to IFRSs Accounting Standards as endorsed by the FSC but not yet adopted by the Group

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

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

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

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

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

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

The Group continues to evaluate the impact of the above standards and interpretations on its financial condition and financial performance. The quantitative impact will be disclosed when the assessment is complete.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

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

referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligations.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

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

recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of. Conversely, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be transferred directly to retained earnings, if such gains or losses would be transferred directly to retained earnings when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2023	December 31, 2022	
The Company	CU International Ltd. (CU)	Manufacture of electronic parts and components and reinvestment business	100	100	
The Company	Culink International Ltd. (CULINK)	Reinvestment business	100	100	
The Company	Foxlink International Investment Ltd. (FII)	General investments holding	100	100	
The Company	Fu Uei International Investment Ltd. (FUII)	General investments holding	100	100	
The Company	Darts Technologies Corporation (Darts)	Manufacture and sales of wired and wireless communication devices	97	97	
The Company	DU Precision Industry Co., Ltd. (DU Precision)	Manufacture and sales of electronic parts and components	100	100	
The Company	Foxlink Technology Ltd. (FOXLINK TECH)	Reinvestment business	100	100	
The Company	Suntain Co., Ltd. (Suntain)	Electroplating processing services	100	100	
The Company	SINOBEST BROTHERS LIMITED (SINOBEST)	Reinvestment business	91.19	91.19	
The Company	FOXLINK ARIZONA INC. (FOXLINKARIZONA)	Energy service management	100	100	Note 2
CU	Fugang Electronic (Dongguan) Co., Ltd. (FGEDG)	Manufacture and sales of electronic parts and components	100	100	
CU	New Start Industries Ltd. (NEW START)	Reinvestment business	100	100	
CU	Fugang Electric (Kunshan) Co., Ltd. (FGEKS)	Manufacture and sales of electronic parts and components	100	100	
CU	Dong Guan Fu Shi Chang Co., Ltd. (FSC)	Manufacture and sales of electronic parts and components	100	100	
CU	Culink Tianjin Co., Ltd. (CTJ)	Manufacture and sales of electronic parts and components	25	25	
CU	Dongguan Fuqiang Electronics Co., Ltd. (DGFQ)	Manufacture and sales of electronic parts and components	83.17	83.17	
CU	Foxlink Energy (Tianjin) Ltd. (FETJ)	Manufacture and sales of electronic parts and components	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2023	December 31, 2022	
CU	Foxlink Automotive Technology (Kunshan) Co., Ltd. (KAFE)	Manufacture and sales of electronic parts and components	49.98	49.98	
CU	Solteras Limited (SOLTERAS)	General investments holding	100	100	
CU	Fushineng Electronics (Kunshan) Co., Ltd. (Fushineng Kunshan)	Manufacture and sales of electronic parts and components	100	100	
CU	Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd. (Fu Shi Xiang Kunshan)	Manufacture and sales of electronic parts and components	100	100	
CU	Fu Gang Electronic (Nan Chang) Co., Ltd. (FENC)	Manufacture and sales of electronic parts and components	72	72	
CU	Fugang Electric (YANCHENG) Co., Ltd. (FG YANCHENG)	Manufacture and sales of electronic parts and components	80	80	
CU	Fuqiang Electric (YANCHENG) Co., Ltd. (FQ YANCHENG)	Manufacture and sales of electronic parts and components	100	100	
CU	Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN)	Manufacture and sales of electronic parts and components	32.86	32.86	
CU	Kunshan Fugang Investment Co., Ltd. (Kunshan Fugang Investment)	General investments holding	100	100	
CU	FOXLINK TECHNICAL INDIA PRIVATE LIMITED (FOXLINK INDIA)	Manufacture and sales of electronic parts and components	34.45	34.30	Note 6
CU	Fugang Electric (XuZhou) Co., Ltd. (FG XuZhou)	Manufacture and sales of electronic parts and components	27.94	21.62	Note 7
NEW START	Foxlink Tianjin Co., Ltd. (FTJ)	Manufacture and sales of electronic parts and components	100	100	
NEW START	Culink Tianjin Co., Ltd. (CTJ)	Manufacture and sales of electronic parts and components	75	75	
NEW START	Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd. (Xinwei)	General investments holding	50	50	
NEW START	Fugang Electric (XuZhou) Co., Ltd. (FG XuZhou)	Manufacture and sales of electronic parts and components	24.85	27.03	Note 7
FTJ	Fuzhan Electronics (Shanghai) Co., Ltd. (FESH)	Manufacture and sales of electronic parts and components	-	46.93	Note 3
FTJ	Foxlink Automotive Technology (Kunshan) Co., Ltd. (KAFE)	Manufacture and sales of electronic parts and components	50.02	50.02	
FTJ	Fu Gang Electronic (Nan Chang) Co., Ltd. (FENC)	Manufacture and sales of electronic parts and components	28	28	
FTJ	Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN)	Manufacture and sales of electronic parts and components	50.71	50.71	
KAFE	Suzhou Keyu Rui Automobile Technology Co., Ltd. (Keyu Rui)	Trading and manufacturing	55.56	55.56	
KAFE	Foxlink Automotive Technology Co., Ltd. (FAT)	Manufacture and sales of electronic parts and components	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2023	December 31, 2022	
CULINK	Pacific Wealth Limited (PACIFIC WEALTH)	Holding company and reinvestment business	100	100	
CULINK	FOXLINK TECHNICAL INDIA PRIVATE LIMITED (FOXLINK INDIA)	Manufacture and sales of electronic parts and components	65.55	65.70	Note 6
CULINK	FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED (FOXLINK POWERBANK)	Manufacture and sales of electronic parts and components	0.73	0.73	
CULINK	GLORYTEK SCIENCE INDIA PRIVATE LIMITED (GLORY SCIENCE INDIA)	Manufacture and sales of the components of communication and consumer electronics	0.73	0.73	
CULINK	FUGANG ELECTRIC (XUZHOU) CO., LTD. (FG XUZHOU)	Manufacture and sales of electronic parts and components	47.21	51.35	Note 7
PACIFIC WEALTH	Foxlink International Inc. (FOXLINK)	Trading business	100	100	
Kunshan Fugang Investment	Dongguan Fuqiang Electronics Co., Ltd. (DGFAQ)	Manufacture and sales of electronic parts and components	16.83	16.83	
Kunshan Fugang Investment	Fuqiang Electric (MAANSHAN) Co., Ltd. (FQ MAANSHAN)	Manufacture and sales of electronic parts and components	100	100	
Kunshan Fugang Investment	Fugang Electric (MAANSHAN) Co., Ltd. (FG MAANSHAN)	Manufacture and sales of electronic parts and components	16.43	16.43	
FII	World Circuit Technology Co., Ltd. (WCT)	Manufacture and sales of electronic parts and componerits and flexible printed circuit	69.56	69.56	
FII	FIT Holding Co., Ltd. (FIT Holding)	General investments holding	23.67	23.67	
FII	FOXLINK INDIA ELECTRIC PRIVATE LIMITED (FIE)	Manufacture and sales of electronic parts and components	13.53	13.53	Note 8
FII	FOXLINK VIETNAM CO., LTD. (FV)	Manufacture and sales of electronic parts and components	100	100	
FII	FOXLINK DA NANG ELECTORNICS CO., LTD. (DA NANG)	Manufacture and sales of electronic parts and components	100	-	Note 1
WCT	Value Success Limited (VALUE SUCCESS)	Holding company and reinvestment business	100	100	
VALUE SUCCESS	Capital Guardian Limited (CAPITAL)	Holding company and reinvestment business	100	100	
CAPITAL	World Circuit Technology (Hong Kong) Limited (WCTHK)	Holding company and reinvestment business	100	100	
WCTHK	Fuzhan Electronics (Shanghai) Co., Ltd. (FESH)	Manufacture and sales of electronic parts and components	-	53.07	Note 3
Darts	Benefit Right Ltd. (BENEFIT)	Reinvestment business	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2023	December 31, 2022	
BENEFIT	Power Channel Limited (POWER)	Reinvestment business	64.25	64.25	
DU Precision	CE Link International Ltd. (CELINK)	Manufacture and sales of electronic parts and components	100	100	
FOXLINK TECH	Sinobest Brothers Limited (SINOBEST)	Manufacture and sales of electronic parts and components	8.81	8.81	
SINOBEST	Foxlink Myanmar Company Limited (FOXLINK MYANMAR)	Manufacture and sales of electronic parts and components	100	100	Note 5
FUII	Studio A Inc. (Studio A)	Sales of electronic parts and components	51	51	
FUII	VA Product Inc. (VA)	Sales of electronic parts and components	100	100	
FUII	Zhi De Investment Co., Ltd. (Zhi De Investment)	General investments holding	100	100	
FUII	Shinfox Energy Co., Ltd. (Shinfox)	Mechanical installation and piping engineering	8.64	8.64	Note 9
FUII	FIT Holding Co., Ltd. (FIT Holding)	General investments holding	5.97	5.97	
FUII	FOXLINK INDIA ELECTRIC PRIVATE LIMITED (FIE)	Manufacture and sales of electronic parts and components	86.47	86.47	Note 8
Zhi De Investment	FIT Holding Co., Ltd. (FIT Holding)	General investments holding	8.55	8.55	
Studio A	Straight A Inc. (Straight A)	Sales of electronic parts and components	100	100	
Studio A	Studio A Technology Limited (Studio A Hong Kong)	Sales of electronic parts and components	51	51	
Studio A	Jing Jing Technology Co., Ltd. (Jing Jing)	Sales of electronic parts and components	100	100	
Studio A	Junezhe Co., Ltd. (Junezhe)	Dredging industry	-	-	Note 10
Studio A Hong Kong	Studio A Macau Limited (Studio A Macau)	Sales of electronic parts and components	-	-	Note 4
Studio A Hong Kong	ASHOP CO., LTD. (ASHOP)	Sales of electronic parts and components	100	100	
FGEKS	Kunshan Fugang Electric Trading Co., Ltd. (KFET)	Sales of electronic parts and components	51	51	
KFET	Shanghai Fugang Electric Trading Co., Ltd. (SFET)	Sales of electronic parts and components	100	100	
KFET	Kunshan Fu Shi You Trading Co., Ltd. (KFSY)	Sales of electronic parts and components	100	100	
KFET	Shanghai Standard Information Technology Co., Ltd. (Shanghai Standard)	Sales of electronic parts and components	100	100	
FIT Holding	Power Quotient International Co., Ltd. (PQI)	Manufacture and sales of electronic parts and components	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2023	December 31, 2022	
FIT Holding	Foxlink Image Technology Co., Ltd. (Foxlink Image)	Manufacture and sales of image scanners and multifunction printers	100	100	
FIT Holding	Glory Science Co., Ltd. (Glory Science)	Manufacture and sales of optical lens components and other products	100	100	
FIT Holding	Shih Fong Power Co., Ltd. (Shih Fong)	Energy service management	16.30	16.30	
PQI	Power Quotient International (H.K.) Co., Ltd. (PQI H.K.)	Sales of electronic parts and components	100	100	
PQI	PQI Japan Co., Ltd. (PQI JAPAN)	Sales of electronic parts and components	100	100	
PQI	Syscom Development Co., Ltd. (SYSCOM)	Specialized investments holding	100	100	
PQI	Apix Limited (APIX)	Specialized investments holding	100	100	
PQI	PQI Mobility Inc. (PQI MOBILITY)	Specialized investments holding	-	-	Note 11
PQI	Power Sufficient International Co., Ltd. (PSI)	Sales of medical instruments	100	100	
PQI	Shinfox Energy Co. Ltd. (Shinfox)	Energy service management	47.63	47.63	Note 9
SYSCOM	FOXLINK POWERBANK INTERNATIONAL TECHNOLOGY PRIVATE LIMITED (FOXLINK POWERBANK)	Manufacture and sales of electronic parts and components	99.27	99.27	
PQI MOBILITY	Power Quotient Technology (YANCHENG) Co., Ltd. (PQI YANCHENG)	Manufacture and sales of electronic parts and components	-	-	Note 11
APIX	Sinocity Industries Limited (Sinocity)	Sales of 3C products	100	100	Note 5
APIX	Perennial Ace Limited (Perennial)	Specialized investments holding	100	100	
Sinocity Industries	DG LIFESTYLE STORE LIMITED (DG)	Sales of 3C products	100	100	Note 5
Perennial	Studio A Technology Limited (Studio A Hong Kong)	Sales of 3C products	24.50	24.50	
Shinfox	Foxwell Energy Corporation Ltd. (Foxwell Energy)	Energy service management	100	100	
Shinfox	Shinfox Natural Gas Co., Ltd. (Shinfox Natural Gas)	Energy service management	80	80	
Shinfox	Kunshan Jiuwei Info Tech Co., Ltd. (Kunshan Jiuwei)	Supply chain finance energy service management	100	100	
Shinfox	Foxwell Power Co., Ltd. (Foxwell Power)	Energy service management	77.57	80.23	Note 12
Shinfox	Junezhe Co., Ltd. (Junezhe)	Dredging industry	-	-	Note 10

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2023	December 31, 2022	
Shinfox	Jiuwei Power Co., Ltd. (Jiuwei Power)	Business of natural gas power generation	100	100	
Shinfox	Elegant Energy TECH Co., Ltd. (Elegant Energy)	Energy service management	100	100	Note 2
Shinfox	Yuanshan Forest Natural Resources Co., Ltd. (Yuanshan Forest)	Afforestation	100	100	Note 2
Shinfox	Diwei Power Co., Ltd (Diwei Power)	Electric Power Generation	-	100	Note 2, 13
Shinfox	Guanwei Power Co., Ltd (Guanwei Power)	Electric Power Generation	51	100	Note 2, 14
Shinfox	Jun Wei Technology Co., Ltd (Jun Wei)	Electric Power Generation	100	-	Note 1
Shinfox	SHINFOX FAR EAST COMPANY PTE. LTD. (SFE)	Marine engineering	67	-	Note 15
Shinfox	Eastern Rainbow Green Energy Environmental Technology Co., Ltd. (Eastern Rainbow Green Energy)	Energy service management	56.63	-	Note 1
Foxwell Energy	Liangwei Power Co., Ltd (Liangwei Power)	Electric Power Generation	-	100	Note 2, 13
Foxwell Energy	Xinwei Power Co., Ltd (Xinwei Power)	Electric Power Generation	100	-	Note 1
Foxwell Power	Foxwell Certification Co., Ltd. (Foxwell Certification)	Energy technical services	100	-	Note 1
Eastern Rainbow Green Energy	Eastern Rainbow Environmental Resource Co., Ltd. (Eastern Rainbow Environmental)	Energy technical services	100	-	Note 1
Eastern Rainbow Green Energy	KunShan Eastern Rainbow Environmental Equipment CO., Ltd. (KunShan Eastern Rainbow)	Energy technical services	100	-	Note 1
PQI H.K.	Power Quotient Technology (YANCHENG) Co., Ltd. (PQI YANCHENG)	Manufacture and sales of electronic parts and components	100	100	Note 11
PQI YANCHENG	PQI (Xuzhou) New Energy Co., Ltd.	Manufacture and sales of electronic parts and components	100	100	
Foxlink Image	ACCU-IMAGE TECHNOLOGY LIMITED (AITL)	Manufacture and sales of image scanners and multifunction printers	100	100	
Foxlink Image	Shih Fong Power Co., Ltd. (Shih Fong)	Energy service management	34.70	34.70	
AITL	POWER CHANNEL LIMITED (POWER)	Holding company and reinvestment business	35.75	35.75	
AITL	Dongguan Fu Wei Electronics Co., Ltd. (Dongguan Fu Wei)	Manufacture and sales of image scanners and multifunction printers	100	100	
AITL	Dong Guan Fu Zhang Precision Industry Co., Ltd. (DGFZ)	Mould development and moulding tool manufacture	100	100	
AITL	Wei Hai Fu Kang Electric Co., Ltd. (WHFK)	Manufacture and sales of parts and moulds of photocopiers and scanners	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2023	December 31, 2022	
AITL	Dong Guan HanYang Computer Co., Ltd. (DGHY)	Manufacture of image scanners and multifunction printers and investment of real estate	100	100	
Glory Science	GLORY TEK (BVI) CO., LTD. (GLORY TEK)	General investments holding	100	100	
GLORY TEK	GLORY OPTICS (BVI) CO., LTD. (GLORY OPTICS)	Trading business	100	100	
GLORY TEK	GLORY TEK (SAMOA) CO., LTD. (GLORY TEK (SAMOA))	General investments holding	100	100	
GLORY TEK	GLORYTEK SCIENCE INDIA PRIVATE LIMITED (GLORYTEK SCIENCE INDIA)	Manufacture and sales of the components of communication and consumer electronics	99.27	99.27	
GLORY TEK (SAMOA)	Glorytek (Suzhou) Co., Ltd. (Glorytek Suzhou)	Production and processing and sale of optical lens components and other products	100	100	
GLORY TEK (SAMOA)	Glory Optics (Yancheng) Co., Ltd. (GOYC)	Production and processing and sale of optical lens components and other products	46.82	34.88	Note 16
GLORY OPTICS	Glorytek (Yancheng) Co., Ltd. (Glorytek Yancheng)	Production and processing and sale of optical lens components and other products	100	100	
Glorytek Yancheng	Yancheng Yaowei Technology Co., Ltd. (YYWT)	Production and processing and sale of optical lens components and other products	100	100	
GLORY Suzhou	Glory Optics (Yancheng) Co., Ltd. (GOYC)	Production and processing and sale of optical lens components and other products	53.18	65.12	Note 16

Note 1: Investment or incorporation began in 2023.

Note 2: Investment or incorporation began in 2022.

Note 3: Dissolved or liquidated in 2023.

Note 4: Dissolved or liquidated in 2022.

Note 5: With balance sheet date of March 31. For the preparation of consolidated financial statements, the Company had required FOXLINK MYANMAR, and PQI had required Sinocity and DG as consolidated entities to prepare financial statements with balance sheet date on December 31 to conform to the balance sheet date of the consolidated financial statements.

Note 6: CU and CULINK has participated in Foxlink India's capital increase in March 2023. After the capital increment, Foxlink India became a wholly-owned subsidiary of CU and CULINK with 34.45% and 65.55% ownership, respectively.

Note 7: CU, NEW START and CULINK increased their capital in FG XUZHOU in 2023. After the capital increase, CU, NEW START and CULINK respectively held 27.94%, 24.85% and 47.21% equity interests, totalling 100% equity interests, in FG XUZHOU.

Note 8: FII and FUII subsequently invested in FIE in 2022. After the capital increment, FII and

FUII hold 13.53% and 86.47% ownership in FIE, respectively, at a total shareholding ratio of 100% in FIE.

Note 9: Shinfox increased its capital on May 10, 2022. FUII and PQI did not acquire shares proportionally to its interest. As a result, FUII and PQI decreased their share interest from 9.10% to 8.64% and 50.18% to 47.63%, respectively.

Note 10: The Group had disposed all of the ownership in Junezhe in December 2022. Please refer to Note 6(36) for details.

Note 11: PQI Mobility Inc. completed the registration of cancellation in October 2022. Therefore, 100% ownership in Power Quotient Technology (YANCHENG) Co., Ltd. was changed to be held by Power Quotient International (H.K.) Co., Ltd.

Note 12: For the year ended December 31, 2023, the Group disposed 1,601 thousand shares of Foxwell Power. The shareholding ratio was 77.57% after the sales, refer to Note 6(34) for details.

Note 13: The Group sold its entire equity interest in Diwei Power and Liangwei Power in December 2023, refer to Note 6(36) for details.

Note 14: Guanwei Power increased its capital on July 5, 2023. Shinfox did not acquire shares proportionally to its interest. As a result, Shinfox decreased its share interest from 100% to 51%, refer to Note 6(36) for details.

Note 15: Shinfox prepaid a payment for investments on December 27, 2022, and acquire 40% equity interests in SFE in January 2023. Subsequently, the Company acquired an additional 27% equity interests in SFE on November 6, 2023, and the Company's shareholding ratio was 67% in total.

Note 16: GLORY TEK (SAMOA) and Glorytek Suzhou jointly held 100% equity interest of GOYC.

C. Subsidiaries not included in the consolidated financial statements:

Investor	Subsidiary	Main activity	Ownership(%)		Description
			December 31, 2023	December 31, 2022	
FII	Yixin Precision Industry Co., Ltd. (YX)	Manufacture of electronic telecommunication components and electronic machinery equipment	75	75	Note 1
Studio A	Tayih Digital Technology Co., Ltd. (TAYIH)	Manufacture and sales of electronic parts and components	60	60	Note 2

Note 1: The ratio of total assets to the Company's total assets was insignificant, and it was approved by the Ministry of Economic Affairs on October 5, 2004 to be dissolved and is currently undergoing liquidation procedures. Thus, this subsidiary was not included in the consolidated financial statements.

Note 2: The ratio of total assets to the Company's total assets was insignificant, and it was approved by the Ministry of Economic Affairs on July 7, 2010 to be dissolved and is

currently undergoing liquidation procedures. Thus, this subsidiary was not included in the consolidated financial statements.

D. Adjustments for subsidiaries with different balance sheet dates:

- (a) Sinocity and DG are subsidiaries of PQI in Hong Kong and Macau, respectively, with balance sheet date of March 31. For the preparation of consolidated financial statements, PQI had required Sinocity and DG as consolidated entities to prepare financial statements with balance sheet date of December 31 to conform with the balance sheet date of the Group.
- (b) FOXLINK MYANMAR is a subsidiary of SINOBEST in Myanmar with balance sheet date of March 31. For the preparation of consolidated financial statements, SINOBEST had required FOXLINK MYANMAR as consolidated entities to prepare financial statements with balance sheet date of December 31 to conform to the balance sheet date of the consolidated financial statements.

E. Significant restrictions: None.

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

As of December 31, 2023 and 2022, the non-controlling interest amounted to \$12,631,718 and \$11,835,496, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		December 31, 2023		December 31, 2022	
		Amount	Ownership (%)	Amount	Ownership (%)
FIT Holding	Taiwan	\$ 4,415,678	61.81%	\$ 4,826,603	61.81%

Summarised financial information of the subsidiaries:

Balance sheets

	FIT Holding	
	December 31, 2023	December 31, 2022
Current assets	\$ 29,137,952	\$ 20,092,218
Non-current assets	15,150,442	12,296,784
Current liabilities	(17,784,604)	(12,407,153)
Non-current liabilities	(9,790,651)	(5,276,432)
Total net assets	\$ 16,713,139	\$ 14,705,417

Statements of comprehensive income

	FIT Holding	
	Years ended December 31,	
	2023	2022
Revenue	\$ 17,423,002	\$ 12,069,249
Profit before income tax	1,102,011	846,521
Income tax expense	(208,132)	(186,130)
Profit for the year from continuing operations	893,879	660,391
Profit from non-controlling interest	325,963	130,802
Profit for the year	567,916	529,589
Other comprehensive income (loss) (net of tax)	209,144	(58,491)
Total comprehensive income for the year	<u>\$ 1,103,023</u>	<u>\$ 601,900</u>
Comprehensive income attributable to non-controlling	<u>\$ 252,972</u>	<u>\$ 130,915</u>
Dividends paid to non-controlling interest	<u>\$ 304,385</u>	<u>\$ 228,289</u>

Statements of cash flows

	FIT Holding	
	Years ended December 31,	
	2023	2022
Net cash used in operating activities	(\$ 5,161,915)	(\$ 2,351,013)
Net cash used in investing activities	(1,751,140)	(5,578,178)
Net cash provided by financing activities	8,166,220	8,614,718
Effect of exchange rates on cash and cash equivalents	(32,731)	78,822
Increase in cash and cash equivalents	<u>1,220,434</u>	<u>764,349</u>
Cash and cash equivalents, beginning of year	<u>5,732,695</u>	<u>4,968,346</u>
Cash and cash equivalents, end of year	<u>\$ 6,953,129</u>	<u>\$ 5,732,695</u>

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

- Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

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

B. Translation of foreign operations

- a) The operating results and financial position of all the group entities associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- c) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

- A. The construction contracts contracted by the Group are generally longer than one year. The assets and liabilities of the construction projects are classified as current or non-current according to the business cycle; the other criteria for classifying between current and non-current are as follows:
 - a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - b) Assets held mainly for trading purposes;
 - c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

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

- a) Liabilities that are expected to be paid off within the normal operating cycle;
- b) Liabilities arising mainly from trading activities;
- c) Liabilities that are to be paid off within twelve months from the balance sheet date.

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

(6) Cash and cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

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

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows from the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Inventories

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

price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Investments accounted for under the equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for under the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity are not recognised in profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are

reclassified to profit or loss proportionately in accordance with the aforementioned approach.

- H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.
- I. When the Group disposed the subsidiary which was a developed and constructed renewable energy power generation project, gain or loss on disposal of the subsidiary was categorised as income and expenses arising from operating activities, which was accounted for as other income and expense based on the actual operating condition.

(15) Investments accounted for using equity method – joint ventures

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

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

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it is depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment

are as follows:

Buildings and structures	3~50 year(s)
Machinery and equipment	1~20 year(s)
Office equipment	2~5 year(s)
Miscellaneous equipment	3~15 year(s)

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

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

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

Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable;
- (b) Variable lease payments that depend on an index or a rate.

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

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

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date;
- (c) Any initial direct costs incurred by the lessee; and
- (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

(18) Investment property

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

(19) Intangible assets

A. Goodwill

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

B. Trademark right (indefinite useful life)

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

C. The intangible assets, other than goodwill and trademark rights, are computer software and customer relationships, which are amortized using the straight-line method over a period of 3 to 5 years.

(20) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist, the impairment loss shall be reversed to the extent of the loss previously recognised in profit or loss. Such recovery of impairment loss shall not result to the asset's carrying amount greater than its amortised cost where no impairment loss was recognised.

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

C. Goodwill for impairment testing purpose is allocated to cash generating units. This allocation is identified based on operating segments. Goodwill is allocated to a cash generating unit or a group of cash generating units that expects to benefit from business combination that will produce goodwill.

(21) Borrowings

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

(22) Notes and accounts payable

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

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

(23) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction

costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to ‘finance costs’.

(24) Convertible corporate bonds

Convertible corporate bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Group’s common shares by exchanging a fixed amount of cash for a fixed number of common shares) and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded put options are recognised initially at net fair value as ‘financial assets or financial liabilities at fair value through profit or loss’. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as ‘gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss’.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to ‘finance costs’ over the period of circulation using the effective interest method.
- C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in ‘capital surplus—share options’ at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and ‘financial assets or financial liabilities at fair value through profit or loss’) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and ‘capital surplus—share options’.

(25) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(26) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(27) Employee benefits

- A. Pensions

a) Defined contribution plans

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

b) Defined benefit plans

- i. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds (at the balance sheet date).
- ii. Remeasurement arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

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

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(28) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax charge is calculated on the basis of the tax laws at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is

provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(29) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, are included in equity attributable to the Company's equity holders.

(30) Dividends

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

(31) Revenue recognition

A. Sales of goods

- a) The Group manufactures and sells electronic telecommunication component products. Revenue is measured at the fair value of the consideration received or receivable taking into

account value-added tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods should be recognised when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

- b) The goods are often sold with volume discounts based on aggregate sales over a 12-month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated sales discounts and allowances. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. No element of financing is deemed present as the sales are made with a credit term of 30 to 120 days, which is consistent with market practice.
- c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Sales of services

The Group is engaged in research and development and mold repair of products, energy saving and maintenance of energy-saving equipment as well as design and development of solar engineering, etc. In cases where the results of transactions involving the provision of services can be reliably estimated or when certain milestones in research and development projects are achieved, revenue shall be recognized based on the project's progress. In other cases, revenue shall be recognized upon the completion of the provision of services or over the period in which the services are provided to the customer.

C. Construction revenue from construction contracts

- a) The Group's construction revenue mainly arises from undertaking construction contracts. As the cost of construction input is directly related to the stage of completion of performance obligations, revenue is recognised by the proportion of contract costs input to the estimated total costs.
- b) The Group's revenue is recognised as contract assets over time based on the proportion of the cost of construction input. Accounts receivable from a service contract are recognised in which the Group bills monthly at the amount to which the Group has the right to invoice. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a

contract liability is recognised.

D. Electricity (natural gas) sales revenue

Electricity (natural gas) sales revenue of the Group is mainly recognised when the Group has provided the goods to the customer, the amount can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity.

(32) Government grants

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

(33) Business combinations

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

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

(34) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

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

Critical accounting estimates and assumptions

(1) Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units.

As of December 31, 2023, the Group's goodwill amount is \$1,252,490. Please refer to Note 6(13) for detailed information.

(2) Recognition of construction revenue

Construction revenue is recognised based on the percentage of completion method, which is the same method used to calculate the expense during the construction period. The stage of completion of a contract is measured by the proportion of contract costs incurred for work performed up to the balance date to the estimated total costs for the contract. The estimated total costs and contract items 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, which may affect the calculation of construction profit or loss. Information on the transaction price in relation to the unfulfilled obligation of the Group's construction contract is provided in Note 6(24).

(3) Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2023, the Group's inventory book value is \$14,297,590 Please refer to Note 6(7) for detailed information.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and revolving funds	\$ 29,079	\$ 32,183
Checking accounts and demand deposits	7,473,858	7,136,651
Cash equivalents		
Time deposits-repatriated offshore funds	174,047	184,629
Time deposits	7,119,832	4,015,782
Short-term notes and bills	47,980	61,825
Total	<u>\$ 14,844,796</u>	<u>\$ 11,431,070</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Details of the Group's cash and cash equivalents pledged to others as collateral are provided in Note 8.

C. According to IFRS Q&A amended by the competent authority on January 5, 2024, the Group reclassified the undrawn balance of deposits account for offshore funds which applies "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" as cash and cash equivalents. As of December 31, 2023 and 2022, cash and cash equivalents was increased by \$174,047 and financial assets at amortised cost was decreased by \$184,629.

(2) Financial assets and liabilities at fair value through profit or loss (No such transaction in 2022)

<u>Item</u>	<u>December 31, 2023</u>
Current items	
Financial assets and liabilities mandatorily measured at fair value through profit or loss	
Listed stocks	\$ 927
Convertible corporate bonds	3,900
	<u>4,827</u>
Valuation adjustment	340
	<u>\$ 5,167</u>

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

	<u>Year ended December 31,</u> <u>2023</u>
Financial assets and liabilities mandatorily measured at fair value through profit or loss	
Forward exchange contracts - gains on settlement	\$ 629
Listed stocks	110
	<u>\$ 739</u>

- B. The Group entered into forward foreign exchange contracts to hedge exchange rate risk of assets denominated in foreign currencies whose values would be affected by the exchange rate fluctuations. However, these forward foreign exchange contracts are not accounted for under hedge accounting.
- C. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.
- D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

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

Items	December 31, 2023	December 31, 2022
Non-current items:		
Equity instruments		
Listed stocks	\$ 323,491	\$ -
Unlisted stocks	1,339,323	2,235,952
Valuation adjustment	(317,507)	(714,574)
	<u>\$ 1,345,307</u>	<u>\$ 1,521,378</u>

- A. The Group has elected to classify equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. As of December 31, 2023 and 2022, the fair value of such investments amounted to \$1,345,307 and \$1,521,378, respectively.
- B. For the year ended December 31, 2023, the Group derecognised original investment costs as its investee was dissolved, and the Company wrote off accumulated loss by decreasing retained earnings based on shareholding ratio amounting to \$437.
- C. For the year ended December 31, 2023, the Company's subsidiaries, Power Quotient International Co., Ltd. and Foxlink Image Technology Co., Ltd., derecognised original investment costs at the effective date of merger as their investee, Taiwan Star Telecom Co., Ltd, was dissolved through the exchange of shares with Taiwan Mobile Co., Ltd. Accordingly, the Company wrote off accumulated loss by decreasing retained earnings based on shareholding ratio amounting to \$225,324.
- D. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2023	2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 148,776)	(\$ 42,267)
Cumulative losses reclassified to retained earnings due to derecognition	(\$ 225,761)	\$ -

- E. The Group has no financial assets at fair value through other comprehensive income pledged to

others as collateral.

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

(4) Financial assets at amortised cost

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposits maturing over three months	\$ 837,506	\$ 68,040
Restricted deposits	390,806	1,131,507
Pledged time deposits	1,689,866	1,716,728
	<u>\$ 2,918,178</u>	<u>\$ 2,916,275</u>
Non-current items:		
Restricted deposits	\$ 316,794	\$ 76,698
Pledged time deposits	384,267	373,354
	<u>\$ 701,061</u>	<u>\$ 450,052</u>

A. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$3,619,239 and \$3,366,327, respectively.

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

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

(5) Accounts receivable and note receivable

	December 31, 2023	December 31, 2022
Note receivable	<u>\$ 53,933</u>	<u>\$ 59,703</u>
Accounts receivable	\$ 16,926,316	\$ 18,124,623
Construction receivable	852,465	7,790
Less: Loss allowance	(69,843)	(126,750)
	<u>\$ 17,708,938</u>	<u>\$ 18,005,663</u>

A. The information on the Group's ageing analysis of accounts receivable is provided in Note 12(2).

B. As of December 31, 2023 and 2022, accounts receivable were all from contracts with customers. And as of January 1, 2022, the balance of receivables from contracts with customers amounted to \$16,481,390.

C. The quality information of accounts receivable is based on customers' credit ranking and recoverable period of receivables in order to calculate the accrual of impairment. The Group's internal credit ranking policy is that the Group's business and management segment assesses periodically or occasionally whether the credit ranking of existing customers is appropriate and

adjusts to obtain the latest information when necessary. Customers' credit ranking assessment is based on industrial operating scale, profitability and ranking assessed by financial insurance institutions.

The Group has insured accounts receivable of certain customers and the Group will receive 80%~90% compensation if bad debts occur. As of December 31, 2023 and 2022, the balance of accounts receivable from specific customers amounted to \$2,291,815, and \$2,100,339, respectively.

D. The Group does not hold any collateral as security.

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

(6) Transfer of financial assets (as at December 31, 2023: None)

A. The Group entered into a factoring agreement with the banks to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, as of December 31, 2022, the Group derecognised the transferred accounts receivable, and the related information is as follows:

December 31, 2022								
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount advanced for advance (shown as other receivables)	Interest rate of amount advanced	Collateral Provided	
Bank of Taiwan	\$ 641,782	\$ 641,782	\$ 4,606,500	\$ 577,603	\$ 64,179	4.84%~4.92%	None	
Mega International Commercial Bank	159,223	159,223	1,535,500	143,300	15,923	5.66%	None	

B. As of December 31, 2022, the Group issued promissory notes to some banks for the factoring agreements signed.

(7) Inventories

December 31, 2023			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 5,683,115	(\$ 394,692)	\$ 5,288,423
Work in progress and semi-finished goods	2,426,515	(7,276)	2,419,239
Finished goods (including merchandise)	6,762,112	(172,314)	6,589,798
Inventory in transit	130	-	130
	<u>\$ 14,871,872</u>	<u>(\$ 574,282)</u>	<u>\$ 14,297,590</u>

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 9,167,963	(\$ 330,700)	\$ 8,837,263
Work in progress and semi-finished goods	3,068,101	(76,882)	2,991,219
Finished goods (including merchandise)	6,121,494	(197,750)	5,923,744
Inventory in transit	58,973	-	58,973
	<u>\$ 18,416,531</u>	<u>(\$ 605,332)</u>	<u>\$ 17,811,199</u>

A. FOXLINK INDIA ELECTRIC PRIVATE LIMITED, a subsidiary of the Group, sustained a fire damage at its factory in TIRUPATI, India on February 27, 2023. The carrying amount of the loss of inventory due to the fire amounted to \$302,830, which was listed as ‘other gains and losses - loss by fire’. Refer to Note 10 for details.

B. The cost of inventories recognised as expense for the period:

	Years ended December 31,	
	2023	2022
Cost of inventories sold	\$ 69,104,546	\$ 78,729,055
Construction cost and cost of electricity sold	10,054,709	3,736,667
(Gain on reversal of) loss on decline in market value	(31,050)	(78,611)
Others (revenue from sale of scraps)	(271,353)	(378,716)
	<u>\$ 78,856,852</u>	<u>\$ 82,008,395</u>

The Group reversed a previous inventory write-down because obsolete and slow-moving inventories and inventories with decline in market value were partially sold by the Group for the years ended December 31, 2023 and 2022.

(8) Prepayments

	December 31, 2023	December 31, 2022
Construction prepayment	\$ 4,658,272	\$ 4,192,448
Overpaid VAT	1,523,196	1,135,339
Others	982,899	739,810
	<u>\$ 7,164,367</u>	<u>\$ 6,067,597</u>

(9) Investments accounted for using equity method/Subsequent events

Investee	December 31, 2023		December 31, 2022	
	Amount	Ownership percentage (%)	Amount	Ownership percentage (%)
Associates:				
Sharetronic Data Technology Co., Ltd.	\$ 1,756,140	16.89%	\$ 1,265,605	19.94%
Central Motion Picture Corporation	1,712,489	17.49%	1,653,741	17.49%
Well Shin Technology Co., Ltd.	1,268,983	18.84%	1,278,262	18.84%
Hangzhou Huantuo Power Technology Development Service Co., Ltd.	120,686	43.71%	-	-
Dongguan Banrin Robot Technology Co., Ltd.	111,958	31.03%	128,687	31.03%
CMPC Cultural & Creative Co., Ltd.	111,565	42.86%	128,032	42.86%
TEGNA ELECTRONICS PRIVATE LIMITED	37,627	30.00%	36,222	30.00%
Synergy Co., Ltd.	33,401	36.76%	33,353	36.76%
CYNC Design Co., Ltd.	10,053	15.38%	9,884	15.38%
Cheng Shin Digital Co., Ltd.	1,682	49.00%	-	-
Chung Chia Power Co., Ltd.	-	-	170,089	20.00%
Microlink Communications Inc.	(22,889)	21.43%	(22,732)	21.43%
	5,141,695		4,681,143	
Joint ventures:				
Changpin Wind Power Ltd.	105,979	50.00%	116,102	50.00%
GRID RESPONSE LLC	12,048	50.00%	-	-
	118,027		116,102	
Prepayments for investments:				
JOURN TA BROTHERS LIMITED	227,072		227,072	
Shinfox Far East Company Pte. Ltd.	-		981,545	
Hangzhou Huantuo Power Technology Development Service Co., Ltd.	-		132,238	
	227,072		1,340,855	
Add: Credit balance of long-term equity investments reclassified to other non-current liabilities				
	22,889		22,732	
	<u>\$ 5,509,683</u>		<u>\$ 6,160,832</u>	

A. Associates

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

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31, 2023	December 31, 2022		
Central Motion Picture Corporation	Taiwan	17.49%	17.49%	Note	Equity method
Well Shin Technology Co., Ltd.	Taiwan	18.84%	18.84%	Note	Equity method

Note : As the Group's management holds several seats in the Board of Directors of Central Motion Picture Corporation and Well Shin Technology Co., Ltd., the Group is assessed to have significant influence.

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

Balance sheet

		Central Motion Picture Corporation	
		December 31, 2023	December 31, 2022
Current assets	\$	320,558	\$ 496,469
Non-current assets		17,007,034	16,700,586
Current liabilities	(	161,634)	(177,177)
Non-current liabilities	(	5,933,686)	(6,152,277)
Total net assets	\$	11,232,272	\$ 10,867,601
Share in associate's net assets	\$	1,712,489	\$ 1,653,741
Goodwill		-	-
Carrying amount of the associates	\$	1,712,489	\$ 1,653,741

		Well Shin Technology Co., Ltd.	
		December 31, 2023	December 31, 2022
Current assets	\$	5,742,830	\$ 6,236,329
Non-current assets		2,509,536	2,446,796
Current liabilities	(	988,655)	(1,426,591)
Non-current liabilities	(	723,112)	(665,162)
Total net assets	\$	6,540,599	\$ 6,591,372
Share in associate's net assets	\$	1,232,394	\$ 1,241,673
Goodwill		36,589	36,589
Carrying amount of the associates	\$	1,268,983	\$ 1,278,262

Statement of comprehensive income

		Central Motion Picture Corporation	
		Years ended December 31,	
		2023	2022
Revenue	\$	521,291	\$ 493,589
Profit for the year from continuing operations	\$	70,821	\$ 68,773
Other comprehensive (loss) income, net of tax		921,850	(312,383)
Total comprehensive (loss) income	\$	992,671	(\$ 243,610)
Dividends received from associates	\$	14,904	\$ 15,436

	Well Shin Technology Co., Ltd.	
	Years ended December 31,	
	2023	2022
Revenue	\$ 5,328,786	\$ 6,159,487
Profit for the year from continuing operations	\$ 507,511	\$ 759,540
Other comprehensive (loss) income, net of tax	(85,254)	120,545
Total comprehensive income	\$ 422,257	\$ 880,085
Dividends received from associates	\$ 89,130	\$ 44,565

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

As of December 31, 2023 and 2022, the carrying amount of the Group's individually immaterial associates amounted to \$2,160,223, and \$1,749,140, respectively.

	Years ended December 31,	
	2023	2022
Profit for the year from continuing operations	\$ 1,191,188	\$ 604,545
Total comprehensive income	\$ 1,191,188	\$ 604,545

Note: Sharetronic Data, CMPC Cultural & Creative, Microlink, CYNC, Chung Chia Power, Banrin, Synergy, TEGNA, Huantuo and Cheng Shin Digital.

(d) The fair value of the Group's material associates with quoted market prices is as follows:

	December 31, 2023	December 31, 2022
Well Shin Technology Co., Ltd.	\$ 1,152,001	\$ 1,102,980

B. Joint ventures

The carrying amount of the Group's interests in all individual immaterial joint ventures (Note) and the Group's share of the operating results are summarised below:

As of December 31, 2023 and 2022, the carrying amount of the Group's individually immaterial joint ventures amounted to \$118,027 and \$116,102, respectively.

	Years ended December 31,	
	2023	2022
Loss for the year from continuing operations	(\$ 1,033)	\$ -
Total comprehensive loss	(\$ 1,033)	(\$ 896)

Note: Changpin Wind and GRID RESPONSE LLC.

C. The Group is the single largest shareholder of Well Shin Technology Co., Ltd. with an 18.84% equity interest. Given that it was a strategic investment, and the Group had no involvement in its substantial operations and no active participation at the last shareholders' meeting by other shareholders, which indicates that the Group has no current ability to direct the relevant activities of Well Shin Technology Co., Ltd., the Group has no control, but only has significant influence, over the investee.

D. The Group has signed a stock purchase agreement with an individual on May 15, 2014 to purchase

all the Company's shares in CMPC amounting to \$150,000 thousand. As of December 31, 2023, uncollected amount was \$141,000 thousand (shown as 'other receivables') and accrued impairment loss was \$141,000 thousand.

- E. Chung Chia Power Co., Ltd. increased its capital by issuing new shares on January 29, 2023. The Group did not acquire shares proportionally to its interest. As a result, the Group lost its significant influence and decreased its share interest from 20% to 8%. Accordingly, the Group's investment in Chung Chia Power Co., Ltd. was reclassified as financial assets at fair value through other comprehensive income.
- F. On October 17, 2023, the Group acquired 49% equity interests in Cheng Shin Digital Co., Ltd. in the amount of \$490. Gain recognised in bargain purchase transaction from the acquisition amounted to \$707 (shown as 'other income').
- G. On December 27, 2022, the Group invested in Shinfox Far East Company Pte. Ltd. in the amount of \$981,545 (shown as prepayments for investments), and acquired 40% equity interests in Shinfox Far East Company Pte. Ltd. in January 2023. On September 25, 2023, the Group's Board of Directors resolved to increase the shareholding of Shinfox Far East Company Pte. Ltd., an overseas investee company. On November 6, 2023, the Group acquired an additional 27% equity interest in Shinfox Far East Company Pte. Ltd., and the shareholding ratio increased to 67% in total. As a result, Shinfox Far East Company Pte. Ltd. became a subsidiary of the Group. The Group recognised gain on disposal of investments for this transaction amounting to \$45,025 (shown as 'other gains and losses-gain on disposal of investments'). For the year ended December 31, 2023, share of profit or loss of investments accounted for under the equity method before the Group increasing its shareholding in the company amounted to (\$33,302).
- H. On September 25, 2023, the Group's Board of Directors resolved to invest in renewable energy power plants in Vietnam, including GIO THANH ENERGY JOINT STOCK COMPANY, SECO JOINT STOCK COMPANY, VIETNAM RENEWABLE ENERGY JOINT COMPANY STOCK and SECO JOINT STOCK COMPANY, of which the Company's shareholding ratio are all 35%, and both parties completed the signing of the contract on September 29, 2023, with an investment amount of VND 853,248,000 thousand. As of the financial reporting date, the investment has not yet been completed.
- I. For the year ended December 31, 2023, the Group did not participate in the capital increase of Sharetronic Data Technology Co., Ltd. proportionately to ownership, and the shareholding ratio decreased to 16.89%. The Company recognised capital surplus according to shareholding ratio amounting to \$255,743.
- J. The prepayments for investments of the Group in the amount of \$227,072 on December 31, 2023 were used to invest in JOURN TA BROTHERS LIMITED. However, the registration had not yet been completed.

(10) Property, plant and equipment

2023								
	Land	Buildings and structures	Machinery and equipment	Office equipment	Ship equipment	Others	Construction-in-progress	Total
At January 1								
Cost	\$ 412,428	\$ 16,014,299	\$ 15,483,038	\$ 549,366	\$ -	\$ 5,166,840	\$ 1,097,319	\$ 38,723,290
Accumulated depreciation and impairment	-	(4,321,071)	(9,457,802)	(395,524)	-	(3,625,647)	-	(17,800,044)
	<u>\$ 412,428</u>	<u>\$ 11,693,228</u>	<u>\$ 6,025,236</u>	<u>\$ 153,842</u>	<u>\$ -</u>	<u>\$ 1,541,193</u>	<u>\$ 1,097,319</u>	<u>\$ 20,923,246</u>
Opening net book amount as at January 1	\$ 412,428	\$ 11,693,228	\$ 6,025,236	\$ 153,842	\$ -	\$ 1,541,193	\$ 1,097,319	\$ 20,923,246
Additions	54,772	45,983	1,976,937	94,984	-	612,810	865,924	3,651,410
Acquired from business	27,786	7,369	1,061	4,833	314,947	7,972	1,712,627	2,076,595
Disposals	-	(75,923)	(407,926)	(12,611)	-	(53,189)	-	(549,649)
Decrease (Note)	-	(1,327,364)	-	-	-	-	-	(1,327,364)
Loss on fire	-	-	(212,017)	(16,562)	-	(21,005)	-	(249,584)
Reclassifications	-	148,320	222,925	8,222	-	174,720	1,348,750	1,902,937
Depreciation charge	-	(397,191)	(2,064,093)	(79,331)	(5,129)	(588,475)	-	(3,134,219)
Disposal of subsidiaries	-	-	(226,964)	-	-	-	(36,189)	(263,153)
Net exchange differences	-	(145,356)	(76,646)	(1,487)	(14,082)	(28,373)	(58,567)	(324,511)
Closing net book amount as at December 31	<u>\$ 494,986</u>	<u>\$ 9,949,066</u>	<u>\$ 5,238,513</u>	<u>\$ 151,890</u>	<u>\$ 295,736</u>	<u>\$ 1,645,653</u>	<u>\$ 4,929,864</u>	<u>\$ 22,705,708</u>
At December 31								
Cost	\$ 494,986	\$ 14,361,983	\$ 15,562,981	\$ 559,986	\$ 303,319	\$ 5,310,175	\$ 4,929,864	\$ 41,523,294
Accumulated depreciation and impairment	-	(4,412,917)	(10,324,368)	(408,096)	(7,583)	(3,664,522)	-	(18,817,486)
	<u>\$ 494,986</u>	<u>\$ 9,949,066</u>	<u>\$ 5,238,613</u>	<u>\$ 151,890</u>	<u>\$ 295,736</u>	<u>\$ 1,645,653</u>	<u>\$ 4,929,864</u>	<u>\$ 22,705,808</u>

Note: Refer to Note 9(1) B. for details.

2022							
	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Unfinished construction	Total
At January 1							
Cost	\$ 412,428	\$ 15,758,297	\$ 14,361,180	\$ 496,163	\$ 5,018,465	\$ 967,680	\$ 37,014,213
Accumulated depreciation and impairment	-	(3,939,028)	(8,298,577)	(348,110)	(3,403,530)	-	(15,989,245)
	<u>\$ 412,428</u>	<u>\$ 11,819,269</u>	<u>\$ 6,062,603</u>	<u>\$ 148,053</u>	<u>\$ 1,614,935</u>	<u>\$ 967,680</u>	<u>\$ 21,024,968</u>
Opening net book amount as at January 1	\$ 412,428	\$ 11,819,269	\$ 6,062,603	\$ 148,053	\$ 1,614,935	\$ 967,680	\$ 21,024,968
Additions	-	76,552	1,899,859	70,857	416,942	139,003	2,603,213
Disposals	-	(11,527)	(46,140)	(10,339)	(12,235)	-	(80,241)
Disposal of subsidiaries	-	-	(173,333)	-	-	-	(173,333)
Reclassifications	-	84,632	254,541	32,695	52,533	(6,697)	417,704
Depreciation charge	-	(407,013)	(2,029,241)	(89,300)	(553,378)	-	(3,078,932)
Net exchange differences	-	131,315	56,947	1,876	22,396	(2,667)	209,867
Closing net book amount as at December 31	<u>\$ 412,428</u>	<u>\$ 11,693,228</u>	<u>\$ 6,025,236</u>	<u>\$ 153,842</u>	<u>\$ 1,541,193</u>	<u>\$ 1,097,319</u>	<u>\$ 20,923,246</u>
At December 31							
Cost	\$ 412,428	\$ 16,014,299	\$ 15,483,038	\$ 549,366	\$ 5,166,840	\$ 1,097,319	\$ 38,723,290
Accumulated depreciation and impairment	-	(4,321,071)	(9,457,802)	(395,524)	(3,625,647)	-	(17,800,044)
	<u>\$ 412,428</u>	<u>\$ 11,693,228</u>	<u>\$ 6,025,236</u>	<u>\$ 153,842</u>	<u>\$ 1,541,193</u>	<u>\$ 1,097,319</u>	<u>\$ 20,923,246</u>

- A. FOXLINK INDIA ELECTRIC PRIVATE LIMITED, a subsidiary of the Group, sustained a fire damage at its factory in TIRUPATI, India on February 27, 2023. The carrying amount of the loss of equipment due to fire amounted to \$249,584, which was listed as 'other gains and losses - loss by fire'. Refer to Note 10 for details.
- B. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

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

- C. The Group's property, plant and equipment were pledged to others as collateral, please refer to Note 8 for detailed information.
- D. As of December 31, 2023 and 2022, the Group's prepayments for the purchase of equipment amounted to \$791,122 and \$2,328,066, respectively.

(11) Leasing arrangements-lessee

- A. The Group leases various assets including land, buildings, and transportation equipment. Rental contracts are typically made for periods of 2 to 70 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Land	\$ 1,319,658	\$ 1,416,817
Buildings	1,941,328	881,504
Transportation equipment (Business vehicles)	3,993	3,941
Office equipment (Photocopiers)	197	11
	<u>\$ 3,265,176</u>	<u>\$ 2,302,273</u>

	Years ended December 31,	
	2023	2022
	Depreciation charge	Depreciation charge
Land	\$ 114,879	\$ 49,862
Buildings	513,759	291,899
Transportation equipment (Business vehicles)	5,370	3,253
Office equipment (Photocopiers)	12	70
Less: Capitalisation of depreciation	(7,400)	-
	<u>\$ 626,620</u>	<u>\$ 345,084</u>

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets amounted to \$1,759,145 and \$1,013,954, respectively.

D. The information on income and expense accounts relating to lease contracts is as follows:

	Years ended December 31,	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 35,274	\$ 11,189
Expense on short-term lease contracts	80,900	45,625
Expense on leases of low-value assets	3,841	6,921
Expense on variable lease payments	56,826	56,665
Lease modification gain	157	1,246

E. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases amounted to \$689,663 and \$432,997, respectively.

F. Variable lease payments

(a) Some of the Group's lease contracts contain variable lease payment terms that are linked to sales generated from a store or a counter in a department store and sales generated from electricity sold. For aforementioned contracts, up to 3.73%~44.12% of lease payments are on the basis of variable payment terms and are accrued based on the sales amount. Variable payment terms are used for a variety of reasons and various lease payments that depend on sales are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

(b) A 1% increase in the aggregate sales amount of all stores with such variable lease contracts would increase total lease payments by approximately \$568.

G. Please refer to Note 8 for information of right-of-use assets provided by the Group as collaterals.

(12) Investment property

	2023		
	Land	Buildings and structures	Total
At January 1			
Cost	\$ 183,076	\$ 526,996	\$ 710,072
Accumulated depreciation and impairment	-	(149,913)	(149,913)
	<u>\$ 183,076</u>	<u>\$ 377,083</u>	<u>\$ 560,159</u>
Opening net book amount as at January 1	\$ 183,076	\$ 377,083	\$ 560,159
Depreciation charge	-	(13,011)	(13,011)
Net exchange differences	-	(5,308)	(5,308)
Closing net book amount as at December 31	<u>\$ 183,076</u>	<u>\$ 358,764</u>	<u>\$ 541,840</u>
At December 31			
Cost	\$ 183,076	\$ 520,938	\$ 704,014
Accumulated depreciation and impairment	-	(162,174)	(162,174)
	<u>\$ 183,076</u>	<u>\$ 358,764</u>	<u>\$ 541,840</u>
	2022		
	Land	Buildings and structures	Total
At January 1			
Cost	\$ 183,076	\$ 516,422	\$ 699,498
Accumulated depreciation and impairment	-	(130,715)	(130,715)
	<u>\$ 183,076</u>	<u>\$ 385,707</u>	<u>\$ 568,783</u>
Opening net book amount as at January 1	\$ 183,076	\$ 385,707	\$ 568,783
Depreciation charge	-	(13,093)	(13,093)
Net exchange differences	-	4,469	4,469
Closing net book amount as at December 31	<u>\$ 183,076</u>	<u>\$ 377,083</u>	<u>\$ 560,159</u>
At December 31			
Cost	\$ 183,076	\$ 526,996	\$ 710,072
Accumulated depreciation and impairment	-	(149,913)	(149,913)
	<u>\$ 183,076</u>	<u>\$ 377,083</u>	<u>\$ 560,159</u>

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

	Years ended December 31,	
	2023	2022
Rental income from the lease of the investment property	<u>\$ 17,512</u>	<u>\$ 17,185</u>
Direct operating expenses arising from the investment property that generated rental income in the year	<u>\$ 13,011</u>	<u>\$ 13,093</u>

B. Investment property is stated initially at its cost and is depreciated on a straight-line basis over its estimated useful life. The fair value of the investment property held by the Group as at December 31, 2023 and 2022 was \$988,241 and \$1,146,850, respectively, which was evaluated based on the market prices of similar real estate in the areas nearby, as Level 2 fair value market prices did not change significantly.

C. There was no impairment loss on investment property.

D. The investment property was not pledged to others as collateral.

(13) Intangible assets

	2023					
	Trademark rights	Patent	Goodwill	Customer relationship	Others	Total
At January 1						
Cost	\$ 51,275	\$ 451,126	\$ 3,955,678	\$ 197,637	\$ 431,770	\$ 5,087,486
Accumulated amortisation and impairment	(335)	(244,834)	(2,762,518)	(4,616)	(325,867)	(3,338,170)
	<u>\$ 50,940</u>	<u>\$ 206,292</u>	<u>\$ 1,193,160</u>	<u>\$ 193,021</u>	<u>\$ 105,903</u>	<u>\$ 1,749,316</u>
Opening net book amount as at January 1	\$ 50,940	\$ 206,292	\$ 1,193,160	\$ 193,021	\$ 105,903	\$ 1,749,316
Additions-acquired separately	-	-	-	-	45,941	45,941
Additions-acquired through business combinations	-	-	59,397	-	716	60,113
Disposals	-	-	-	-	(578)	(578)
Amortisation charge	(44)	(24,460)	-	(64,340)	(51,306)	(140,150)
Reclassification	-	-	-	-	10,992	10,992
Net exchange differences	(8)	-	(67)	-	(1,127)	(1,202)
Closing net book amount as at December 31	<u>\$ 50,888</u>	<u>\$ 181,832</u>	<u>\$ 1,252,490</u>	<u>\$ 128,681</u>	<u>\$ 110,541</u>	<u>\$ 1,724,432</u>
At December 31						
Cost	\$ 51,267	\$ 451,126	\$ 4,015,008	\$ 197,637	\$ 453,379	\$ 5,168,417
Accumulated amortisation and impairment	(379)	(269,294)	(2,762,518)	(68,956)	(342,838)	(3,443,985)
	<u>\$ 50,888</u>	<u>\$ 181,832</u>	<u>\$ 1,252,490</u>	<u>\$ 128,681</u>	<u>\$ 110,541</u>	<u>\$ 1,724,432</u>

	2022					
	Trademark rights	Patent	Goodwill	Customer relationship	Others	Total
At January 1						
Cost	\$ 46,266	\$ 451,126	\$ 3,874,852	\$ -	\$ 386,221	\$ 4,758,465
Accumulated amortisation and impairment	(291)	(220,374)	(2,762,518)	-	(307,725)	(3,290,908)
	<u>\$ 45,975</u>	<u>\$ 230,752</u>	<u>\$ 1,112,334</u>	<u>\$ -</u>	<u>\$ 78,496</u>	<u>\$ 1,467,557</u>
Opening net book amount as at January 1	\$ 45,975	\$ 230,752	\$ 1,112,334	\$ -	\$ 78,496	\$ 1,467,557
Additions-acquired separately	-	-	-	-	73,760	73,760
Additions-acquired through business combinations	-	-	39,528	197,637	-	237,165
Amortisation charge	(44)	(24,460)	-	(4,616)	(49,350)	(78,470)
Reclassification	-	-	-	-	2,024	2,024
Net exchange differences	5,009	-	41,298	-	973	47,280
Closing net book amount as at December 31	<u>\$ 50,940</u>	<u>\$ 206,292</u>	<u>\$ 1,193,160</u>	<u>\$ 193,021</u>	<u>\$ 105,903</u>	<u>\$ 1,749,316</u>
At December 31						
Cost	\$ 51,275	\$ 451,126	\$ 3,955,678	\$ 197,637	\$ 431,770	\$ 5,087,486
Accumulated amortisation and impairment	(335)	(244,834)	(2,762,518)	(4,616)	(325,867)	(3,338,170)
	<u>\$ 50,940</u>	<u>\$ 206,292</u>	<u>\$ 1,193,160</u>	<u>\$ 193,021</u>	<u>\$ 105,903</u>	<u>\$ 1,749,316</u>

A. Goodwill is allocated to the Group's cash-generating units identified according to operating segments as follows:

	December 31, 2023				
	System and peripheral products	3C product retail	Energy service management	Others	Total
Taiwan	\$ 715,197	\$ -	\$ 98,927	\$ 8,258	\$ 822,382
Hong Kong	-	418,502	-	-	418,502
All other segments	-	-	-	11,606	11,606
	<u>\$ 715,197</u>	<u>\$ 418,502</u>	<u>\$ 98,927</u>	<u>\$ 19,864</u>	<u>\$ 1,252,490</u>

	December 31, 2022				
	System and peripheral products	3C product retail	Energy service management	Others	Total
Taiwan	\$ 715,197	\$ -	\$ 39,528	\$ 8,258	\$ 762,983
Hong Kong	-	418,571	-	-	418,571
All other segments	-	-	-	11,606	11,606
	<u>\$ 715,197</u>	<u>\$ 418,571</u>	<u>\$ 39,528</u>	<u>\$ 19,864</u>	<u>\$ 1,193,160</u>

B. The value of customer relationship arose from the Group acquiring shares in Elegant Energy in February 2022. Refer to Note 6(35) for details.

C. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections and decisions assisted by independent valuation institutions based on financial budgets approved by the management covering a five-year period. The Group performs impairment testing annually. For the years

ended December 31, 2023 and 2022, there was no impairment on assets.

D. The intangible assets were not pledged to others as collateral.

(14) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	\$ 9,084,573	1.70%~5.78%	-
Secured borrowings	806,124	2.93%	Note 8
	<u>\$ 9,890,697</u>		
Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	\$ 8,694,117	1.29%~5.12%	-
Secured borrowings	856,124	2.00%~2.50%	Note 8
	<u>\$ 9,550,241</u>		

(15) Short-term notes and bills payable

	December 31, 2023	December 31, 2022
Commercial paper	\$ 4,093,200	\$ 1,792,400
Discount amortisation	(7,680)	(3,241)
	<u>\$ 4,085,520</u>	<u>\$ 1,789,159</u>
Annual interest rate range	<u>1.79%~2.68%</u>	<u>2.09%~2.19%</u>

Information about short-term notes and bills payable that were pledged to others as collaterals is provided in Note 8.

(16) Other payables

	December 31, 2023	December 31, 2022
Payables on salary and bonus	\$ 1,846,989	\$ 2,044,046
Payables on equipment	749,489	514,893
Payables on employees' compensation and directors' and supervisors' remuneration	470,335	547,809
Indemnity payable (Note)	322,148	793,728
Others	<u>2,377,431</u>	<u>2,207,873</u>
	<u>\$ 5,766,392</u>	<u>\$ 6,108,349</u>

Note: Refer to Note 9(1) B. for details.

(17) Bonds payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Secured corporate bonds	\$ 6,600,000	\$ 6,600,000
Secured convertible bonds payable	3,000,000	-
Less: Discount on bonds payable	(162,267)	(17,626)
	9,437,733	6,582,374
Less: Current portion of corporate bonds payable (shown as “long-term liabilities, current portion”)	(2,994,906)	-
	<u>\$ 6,442,827</u>	<u>\$ 6,582,374</u>

A. The main terms of the \$3,600,000 2nd secured corporate bonds issued by the Company on July 29, 2020 are as follows:

- (a) Total initial issue amount: \$3,600,000.
- (b) Issue price: Issue at par value, \$1,000 each.
- (c) Issue period: 5 years, from July 29, 2020 to July 27, 2025.
- (d) Coupon rate: 0.65% fixed per annum.
- (e) Interest payment method: Interest is calculated from the date of issuance at the coupon rate, is a simple interest and is paid yearly.
- (f) Principal repayment method: Pay entire amount at the maturity date.
- (g) Guarantee method:

The joint guarantor banks including CTBC Bank Co., Ltd., Taiwan Cooperative Bank Co., Ltd., Hua Nan Commercial Bank Ltd., Agricultural Bank of Taiwan Corporation and Mega International Commercial Bank Co., Ltd. provide guarantees based on a joint engagement guarantee contract and bond-fulfilling guarantee obligation contract.

- (h) Commitment:

The company should maintain the following financial ratios during the contract duration for semi-annual consolidated and annual consolidated financial statements:

- i. Current assets to current liabilities ratio of at least 1:1;
- ii. Liabilities not exceeding 200% of tangible net equity;
- iii. Interest coverage of at least 400%; and
- iv. Tangible net equity of at least NT\$15,000,000 thousand.

B. The main terms of the \$3,000,000 1st secured corporate bonds issued by the Company on June 26, 2019 are as follows:

- (a) Total initial issue amount: \$3,000,000.
- (b) Issue price: Issue at par value, \$1,000 each.
- (c) Issue period: 5 years, from June 26, 2019 to June 26, 2024.
- (d) Coupon rate: 0.80% fixed per annum.
- (e) Interest payment method: Interest is calculated from the date of issuance at the coupon rate, is a simple interest and is paid yearly.

- (f) Principal repayment method: Pay entire amount at the maturity date.
 - (g) Guarantee method:
The joint guarantor banks including CTBC Bank Co., Ltd., Taiwan Cooperative Bank Co., Ltd., Mega International Commercial Bank Co., Ltd. and Chang Hwa Commercial Bank, Ltd. provide guarantees based on a joint engagement guarantee contract and bond-fulfilling guarantee obligation contract.
 - (h) Commitment:
The company should maintain the following financial ratios during the contract duration for semi-annual consolidated and annual consolidated financial statements:
 - i. Current assets to current liabilities ratio of at least 1:1;
 - ii. Liabilities not exceeding 200% of tangible net equity;
 - iii. Interest coverage of at least 400%; and
 - iv. Tangible net equity of at least NT\$15,000,000 thousand.
- C. The terms of the first domestic secured convertible bonds issued by the Group's second-tier subsidiary, Shinfox Energy Co., Ltd., are as follows:
- (a) The competent authority has approved Shinfox Energy Co., Ltd.'s first time raising and issuance of domestic secured convertible bonds. The bonds have a total issuance amount of \$3,000,000 and a coupon rate of 0%, covering a 3-year period of issuance and a circulation period from November 22, 2023 to November 22, 2026. The convertible bonds will be fully redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on November 22, 2023.
 - (b) The bondholders have the right to ask for conversion of the bonds into common shares of Shinfox Energy Co., Ltd. during the period from the date after three months of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
 - (c) The conversion price of the convertible bonds was made in accordance with the pricing model as specified in the terms of conversion. The conversion price was NT\$114 per share at the issuance date of the bonds.
 - (f) Shinfox Energy Co., Ltd. may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of Shinfox Energy Co., Ltd.'s common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.
 - (e) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- D. Regarding the issuance of convertible bonds of the Group's second-tier subsidiary, Shinfox Energy Co., Ltd., the equity conversion options were separated from the liability component in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets at fair value through profit or loss' in net amount of \$3,900 in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 1.7688%.

(18) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2023
Long-term bank borrowings				
Bank's unsecured borrowings				
Cheng Uei				
- with covenants	Borrowing period is from May 2023 to December 2026; pay entire amount when due	1.85%~1.89%	\$ 700,000	\$ 3,600,000
- without covenants	Borrowing period is from March 2023 to November 2026; pay entire amount when due	1.70%~1.94%	2,151,625	4,781,250
FIT Holding				
- with covenants	Borrowing period is from September 2023 to October 2025; pay entire amount of principal when due, interest is repayable monthly	1.90%~2.06%	979,000	500,000
- without covenants	Borrowing period is from September 2023 to May 2027 ; pay entire amount of principal when due, interest is repayable monthly	2.00%	-	600,000
Foxlink Image				
- with covenants	Borrowing period is from September 2023 to December 2025; pay entire amount of principal when due, interest is repayable monthly	1.90%~1.95%	1,844,000	356,000
- without covenants	Borrowing period is from March 2023 to December 2025; pay entire amount of principal when due, interest is repayable monthly	1.80%~1.90%	600,000	2,050,000
PQI				
- with covenants	Borrowing period is from August 2023 to October 2025; pay principal based on each bank's regulations, interest is repayable monthly	2.11%~2.21%	75,000	425,000
- without covenants	Borrowing period is from June 2022 to June 2026 ; pay principal based on each bank's regulations, interest is repayable monthly	2.00%~2.10%	-	600,000
Glory Science				
- without covenants	Borrowing period is from July 15, 2019 to December 23, 2024; pay principal and interest based on each bank's regulations	1.86%~2.32%	-	85,000
Foxwell Energy				
- without covenants	Principal and interest are repayable in installments from January 2019 to December 2035	2.23%~2.28%	277,448	32,576
Foxwell Power				
- with covenants	Principal and interest are repayable in installments from October 2022 to September 2028	2.55%	-	6,250
Bank's secured borrowings				
Glory Science	Borrowing period is from December 31, 2019 to December 31, 2024; pay principal based on each bank's regulations interest is calculated monthly	1.86%	-	25,000
Foxwell Energy	Principal is repayable in installments from May 2018 to February 2036	2.23%~2.65%	220,646	246,323
Foxwell Power	Principal and interest are repayable in installments from October 2022 to September 2028	2.55%	-	93,750

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2023
Medium-term and long-term syndicated loans				
Cheng Uei				
- with covenants	Borrowing period is from November 2020 to November 2025. The Company may issue a drawing application before the maturity date of borrowing to repay the loan principal with the new payment	2.20%	4,800,000	3,200,000
Foxwell Power				
- with covenants	Principal and interest are repayable in installments from October 2022 to October 2025	2.58%~2.69%	255,600	1,494,400
				18,095,549
Less: Current portion			(	306,996)
Less: Discount			(	15,842)
			\$	<u>17,772,711</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2022
Long-term bank borrowings				
Bank's unsecured borrowings				
Cheng Uei				
- with covenants	Borrowing period is from September 2022 to September 2025; pay entire amount when due	1.98%~2.06%	\$ 2,500,000	\$ 1,500,000
- without covenants	Borrowing period is from September 2022 to March 2025; pay entire amount when due	1.45%~2.30%	2,034,500	5,198,750
FIT Holding				
- with covenants	Borrowing period is from February 2022 to September 2024; pay entire amount of principal when due, interest is repayable monthly	1.51%~2.05%	722,000	630,000
- without covenants	Borrowing period is from July 2021 to August 2024; pay entire amount of principal when due, interest is repayable monthly	1.63%~1.88%	-	800,000
Foxlink Image				
- with covenants	Borrowing period is from January 2022 to January 2024; pay entire amount of principal when due, interest is repayable monthly	2.00%	2,085,000	115,000
- without covenants	Borrowing period is from July 2021 to December 2024; pay entire amount of principal when due, interest is repayable monthly	1.41%~1.97%	1,640,000	1,410,000
PQI				
- with covenants	Borrowing period is from September 2022 to February 2024; pay principal based on each bank's regulations, interest is repayable monthly	1.88%	-	300,000
- without covenants	Borrowing period is from July 2021 to June 2025; pay principal based on each bank's regulations, interest is repayable monthly	1.78%~1.88%	-	600,000
Glory Science				
- without covenants	Borrowing period is from July 15, 2019 to December 23, 2024; pay principal and interest based on each bank's regulations	1.44%~2.07%	-	110,000

Type of borrowings	Borrowing period and repayment term	Interest rate range	Unused credit line	December 31, 2022
Shinfox				
- without covenants	Principal and interest are repayable in installments from February 2019 to February 2023	2.21%	-	1,295
Foxwell Energy				
- without covenants	Principal and interest are repayable in installments from January 2019 to December 2035	1.88%~1.97%	282,098	35,882
Foxwell Power				
- with covenants	Principal and interest are repayable in installments from October 2022 to September 2028	2.15%	-	7,500
Bank's secured borrowings				
Foxwell Energy	Principal and interest are repayable in installments from May 2018 to February 2036	1.88%~2.35%	223,996	275,013
Foxwell Power	Principal and interest are repayable in installments from October 2022 to September 2028	2.15%	-	112,500
Glory Science	Borrowing period is from December 31, 2019 to December 31, 2024; pay principal based on each bank's regulations, interest is calculated monthly	1.61%	-	45,000
Medium-term and long-term syndicated loans				
Cheng Uei				
- with covenants	Borrowing period is from November 2020 to November 2025. The Company may issue a drawing application before the maturity date of borrowing to repay the loan principal with the new payment	1.93%~2.06%	4,000,000	4,000,000
Foxwell Power				
- with covenants	Borrowing period is from October 2022 to October 2025; pay entire amount when due	2.32%~2.41%	770,100	979,900
				16,120,840
Less: current portion				(689,541)
Less: Discount				(24,376)
				<u>\$ 15,406,923</u>

A. In November 2020, the Group signed a medium-term syndicated revolving NTD credit facility agreement with the Bank of Taiwan as the lead bank. The terms of agreement are summarised below:

- (a) Duration of loan: The loan period of the agreement was 5 years from the agreement signing date.
- (b) Credit line and draw-down: The credit line was NT\$8,000,000, which can be drawn down in installments of at least NT\$100,000 thousand per draw-down.
- (c) Principal repayment: The duration of each loan drawn down is either 90 days or 180 days at the Company's option. The Company, if without any default, may submit an application to the banks to draw down a new loan with principal equal to the original loan before its maturity, and the new loan is directly used to repay the original loan. The banks and the Company are not required to make remittances for such draw-down and repayment, which is viewed that the Company has received the new loan on the maturity of original loan.

- (d) Commitment: The Company should maintain the following financial ratios during the contract duration for semi-annual consolidated and annual consolidated financial statements:
- i. Current assets to current liabilities ratio of at least 1:1;
 - ii. Liabilities not exceeding 200% of tangible net equity;
 - iii. Interest coverage of at least 400%; and
 - iv. Total equity of at least NT\$15,000,000 thousand.
- (e) The loan period is decided by the borrower. The borrower may choose to early repay the loans during the contract period according to the syndicated loan contract.
- B. The Company entered into the borrowing contracts with Bank SinoPac, Taipei Fubon and Far Eastern International Bank, and the total credit line is \$4,300,000. As of December 31, 2023, the borrowings that have been used amounted to \$3,600,000. In the duration period of these contracts, the financial ratios in the semi-annual consolidated and annual consolidated financial statements shall be as follows:
- (a) Current assets to current liabilities ratio of at least 1:1;
 - (b) Liabilities not exceeding 200% of tangible net equity;
 - (c) Interest coverage of at least 400%; and
 - (d) Tangible net equity of at least NT\$15,000,000 thousand.
- C. The Group's subsidiary, FIT Holding, Foxlink Image and PQI, entered into the borrowing contracts with Bank SinoPac, Entie Commercial Bank, Yuanta Commercial Bank, Taishin International Bank and Far Eastern International Bank, and the total credit line is NT\$2,900,000. As of December 31, 2023, the borrowings that have been used amounted to NT\$1,281,000. In the duration period of these contracts, the financial ratios in the semi-annual consolidated and annual consolidated financial statements shall be as follows:
- (a) Current assets to current liabilities ratio of at 80% or above;
 - (b) Liabilities not exceeding 200% of tangible net equity;
 - (c) Financial gearing ratio should be below 75%;
 - (d) Interest coverage of at 3 to 4 times or above;
 - (e) Tangible net equity of at least NT\$1,500,000 thousand to NT\$8,000,000 thousand; and
 - (f) Net asset value of at least NT\$1,800,000 thousand.
- D. The long-term borrowing contract entered into by the Group's second-tier subsidiary, Foxwell Power, with Taishin International Bank on March 7, 2022 stipulates that the Group shall annually review the financial ratios to maintain a current assets to current liabilities ratio not less than 150%, liabilities not less than 200% of tangible net equity and a net asset value not less than \$800,000 before every July 31 during the loan period. Additionally, the Group is required to review the shareholding ratio of the ultimate parent company and the parent company on a semi-annual basis. As of December 31, 2022, the Group did not violate the terms of the above contract signed with the bank; As of December 31, 2023, the Group reclassified unpaid borrowings as current portion of long-term borrowings in accordance with the contract terms.

- E. The Group's subsidiary Foxwell Power entered into a syndicated contract for a credit line of \$1,750,000 with three syndicated banks including O-Bank, etc., on October 3, 2022, and the credit line was divided into Tranche A's and Tranche B's credit line. As of December 31, 2023 and 2022, the undrawn credit line was from Tranche A for both years. As the use of Tranche B is for the Company repaying the unsettled claim, Tranche A borrowings will be reclassified as Tranche B borrowings if the preconditions of the first drawing of Tranche A's credit line are satisfied. In addition, financial commitments relating to Tranche B are summarised as follows:
- (a) Foxwell Power committed to review the latest nine months' or twelve months' revenue from ancillary services on a semi-annual or annual basis after the site of the project has been qualified to trade on the energy trading platform and the first settlement amount of ancillary services revenue has been remitted to the reserve account. The interest rate will be adjusted by 0.1% if the cumulative number of times did not meet the above requirement of which the revenue reached 80% of the average monthly income listed in the "Estimated statement of annual gain and loss and cash flow".
 - (b) The Group committed to review the DSCR (Debt Service Coverage Ratio) semi-annually based on the revenue from ancillary services and the principal and interest amount for the last twelve months from the date the first monthly settlement amount of ancillary services revenue for the site of project has been remitted to the reserve account for a full twelve months. The Group should repay the principal in advance within three months or by other appropriate means as agreed by the management bank, so that the DSCR will not be lower than 1.1 times.
- F. The Group's subsidiary, Foxwell Energy, entered into the borrowing contracts with eleven banks including CTBC Bank, etc., on March 10, 2023, and the total credit line is \$6,720,000. In the duration period of these contracts, the Group shall semi-annually review the tangible net equity to not be less than \$6,000,000, and maintain the shareholding ratio of the parent company.

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

Company	Bank	Loan approval amounts (in thousands)	Amount of borrowings used as of December 31, 2023
Cheng Uei	Yuanta Commercial Bank Co., Ltd.	\$ 450,000	\$ 400,000
Cheng Uei	Taiwan Cooperative Bank	500,000	-
Cheng Uei	Cathay Bank	500,000	500,000
Cheng Uei	KGI Bank	1,000,000	885,000
Cheng Uei	First Bank	600,000	600,000
Cheng Uei	Entie Commercial Bank	500,000	-
Cheng Uei	Export-Import Bank of Republic of China	480,000	96,250
Cheng Uei	Panhsin Bank	300,000	200,000
Cheng Uei	E.Sun Bank	300,000	300,000
Cheng Uei	Mizuho Bank	USD 30,000	900,000
Cheng Uei	DBS Bank	USD 35,000	900,000
Cheng Uei	United Overseas Bank	USD 10,000	-
Foxlink Image and PQI	Mega International Commercial Bank (Note)	300,000	300,000
FIT Holding	Mega International Commercial Bank	300,000	300,000
FIT Holding	The Shanghai Commercial & Savings Bank	300,000	300,000
Foxlink Image	KGI Bank	400,000	400,000
Foxlink Image	E.Sun Bank (Note)	400,000	300,000
Foxlink Image	Bank of Taiwan	300,000	300,000
Foxlink Image	Hua Nan Commercial Bank	200,000	200,000
Foxlink Image	Taiwan Cooperative Bank	500,000	500,000
Foxlink Image	First Bank	250,000	250,000
Foxlink Image	Cathay Bank (Note)	300,000	100,000
PQI	The Shanghai Commercial & Savings Bank	300,000	300,000
Glory Science	Hua Nan Commercial Bank	70,000	70,000
Glory Science	Chang Hwa Bank	40,000	40,000
Foxwell Energy Corporation Ltd.	Bank SinoPac	310,024	32,576

Note: The credit line was shared by short-term and long-term borrowings and were disclosed in the consolidation.

G. Information about the collateral that was pledged for the long-term borrowings is provided in Note 8.

(19) Pensions

A.(a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labour Standards Act, covering all regular employees' service years prior to the enforcement of the Labour Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labour standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its

domestic subsidiaries would assess the balance in the aforementioned labour pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company and its domestic subsidiaries will make contributions to cover the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligations	(\$ 272,313)	(\$ 311,689)
Fair value of plan assets	<u>226,889</u>	<u>241,068</u>
Net defined benefit liability (shown as other non-current liabilities)	<u>(\$ 45,424)</u>	<u>(\$ 70,621)</u>

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

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>Year ended December 31, 2023</u>			
Balance at January 1	(\$ 311,689)	\$ 241,068	(\$ 70,621)
Current service cost	(1,488)	-	(1,488)
Interest (expense) income	(4,104)	3,545	(559)
	<u>(317,281)</u>	<u>244,613</u>	<u>(72,668)</u>
Remeasurements:			
Return on plan asset (excluding amounts included in interest income or expense)	-	335	335
Change in financial assumptions	(2,336)	-	(2,336)
Experience adjustments	<u>19,538</u>	<u>546</u>	<u>20,084</u>
	<u>17,202</u>	<u>881</u>	<u>18,083</u>
Pension fund contribution	-	2,302	2,302
Benefits paid	20,137	(20,137)	-
Paid pension	<u>7,629</u>	<u>(770)</u>	<u>6,859</u>
Balance at December 31	<u>(\$ 272,313)</u>	<u>\$ 226,889</u>	<u>(\$ 45,424)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2022</u>			
Balance at January 1	(\$ 348,876)	\$ 226,278	(\$ 122,598)
Current service cost	(1,541)	-	(1,541)
Interest (expense) income	(2,449)	1,611	(838)
	(352,866)	227,889	(124,977)
Remeasurements:			
Return on plan asset (excluding amounts included in interest income or expense)	-	8,870	8,870
Change in demographic assumptions	-	-	-
Change in financial assumptions	16,867	-	16,867
Experience adjustments	(3,970)	7,649	3,679
	12,897	16,519	29,416
Pension fund contribution		15,179	15,179
Benefit paid	18,304	(18,304)	
Paid pension	9,976	(215)	9,761
Balance at December 31	(\$ 311,689)	\$ 241,068	(\$ 70,621)

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

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

	Years ended December 31,	
	2023	2022
Discount rate	1.20%~1.875%	1.25%~2.00%
Future salary increases	2.00%~5.00%	2.00%~5.00%

Future mortality rate was estimated based on the 5th Taiwan Standard Ordinary Experience Mortality Table. Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	\$ 3,880	(\$ 3,991)	(\$ 3,360)	\$ 3,314
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	\$ 4,944	(\$ 5,093)	(\$ 3,701)	\$ 3,745

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

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to \$2,119.
- (g) As of December 31, 2023, the weighted average duration of that retirement plan is 8 to 17.9 years.

B.(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a funded defined contribution pension plan (the “New Plan”) under the Labour Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labour Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The Company’s Mainland China subsidiaries have a funded defined contribution plan. Monthly contributions are based on the employees’ monthly salaries (the contribution ratio for the years ended December 31, 2023 and 2022 is between 10.2%~21%) and wages to an independent fund administered by the government in accordance with the pension regulations. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under the abovementioned defined contribution pension plan for the years ended December 31, 2023 and 2022 were \$906,506 and \$904,077, respectively.

(20) Share capital

A. As of December 31, 2023, the Company’s authorised common stock was \$7,000,000 (including 50,000,000 shares reserved for the issuance of employees’ warrants), and the issued and outstanding shares were 462,823,940 shares.

B. Treasury shares

Before becoming a subsidiary, Foxlink Image Technology Co., Ltd. held the parent's capital stock amounting to 27,503 thousand shares with a book value of \$272,066 for general investment purpose. For the year ended December 31, 2023, Foxlink Image Technology Co., Ltd. acquired 22,000 thousand shares with a book value of \$350,708 after the Company acquired control over Foxlink Image on October 1, 2018. As of December 31, 2023 and 2022, the detailed information of Foxlink Image's parent equity shares is as follows:

	December 31, 2023	December 31, 2022
Thousand shares	49,503	27,503
Book value	\$ 622,774	\$ 272,066

(21) Capital surplus

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

	2023					
	Share premium	Treasury share transactions	Difference between proceeds from acquisition or disposal of subsidiary and book value	Changes in ownership interests in subsidiaries	Change in net equity of associates accounted for using equity method	Total
At January 1	\$ 9,337,850	\$ 87,091	\$ 700,203	\$ 3,894	\$ 253,645	\$ 10,382,683
Cash dividends distributed to subsidiaries	-	33,216	-	-	-	33,216
Non-subscription in the capital increase of subsidiaries proportionately by the Group	-	-	- (	12)	- (	12)
Convertible bonds issued by subsidiaries	-	-	-	83,504	-	83,504
Transactions with non-controlling interest	-	-	9,757	-	-	9,757
Recognition of change in equity of associates in portion to the Group's ownership	-	-	-	-	255,753	255,753
At December 31	\$ 9,337,850	\$ 120,307	\$ 709,960	\$ 87,386	\$ 509,398	\$ 10,764,901

	Share premium	Treasury share transactions	Difference between proceeds from acquisition or disposal of subsidiary and book value	Changes in ownership interests in subsidiaries	Change in net equity of associates accounted for using equity method	Total
At January 1	\$ 9,337,850	\$ 71,336	\$ 589,709	\$ 3,829	\$ 250,151	\$ 10,252,875
Cash dividends distributed to subsidiaries	-	15,755	-	-	-	15,755
Adjustments due to not participating in the capital increase of investees proportionately	-	-	110,494	65	3,494	114,053
At December 31	<u>\$ 9,337,850</u>	<u>\$ 87,091</u>	<u>\$ 700,203</u>	<u>\$ 3,894</u>	<u>\$ 253,645</u>	<u>\$ 10,382,683</u>

(22) Retained earnings

A. Based on the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The appropriation of remainder shall be proposed by the Board of Directors and be resolved by the shareholders.

The Board of Directors may, upon resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, distribute dividends and bonus, capital surplus or legal reserve, in whole or in part, in the form of cash. The above distribution is not subject to approval by the shareholders.

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

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

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

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

- (c) The amounts previously set aside by the Company as special reserve for the initial application of IFRSs amounted to \$665,206. Furthermore, the Company did not reverse special reserve to retained earnings for the years ended December 31, 2023 and 2022 as a result of the use, disposal or reclassification of related assets. As of December 31, 2023 and 2022, the amount of special reserve set aside for the initial application of IFRSs all amounted to \$665,206.
- E. (a) For the years ended December 31, 2023 and 2022, the Company recognised dividends distributed to owners amounting to \$1,127,119 and \$768,490, respectively. Details of the appropriation of 2022's and 2021's net income which was resolved at the stockholders' meeting on May 31, 2023 and June 21, 2022, respectively, are as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	\$ 153,911	\$ -	\$ 94,372	\$ -
Special reserve	(237,890)	-	565,304	-
Cash dividends	1,127,119	2.2	768,490	1.5
Total	<u>\$ 1,043,140</u>	<u>\$ 2.2</u>	<u>\$ 1,428,166</u>	<u>\$ 1.5</u>

- (b) The appropriation of 2023 earnings had been proposed by the Board of Directors on March 11, 2024. Details are summarized below:

	Year ended December 31, 2023	
	Amount	Dividend per share (NTD)
Legal reserve	\$ 117,296	\$ -
Special reserve	309,668	-
Cash dividends	1,024,654	2.0
Total	<u>\$ 1,451,618</u>	<u>\$ 2.0</u>

Information about earnings distribution of the Company as approved and proposed by the Board of Directors and resolved by the shareholders' will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Other equity items

	2023		
	Financial assets at fair value through other comprehensive income	Currency Translation	Total
At January 1	(\$ 544,591)	(\$ 1,819,170)	(\$ 2,363,761)
Changes in disposals:			
- Group	225,761	-	225,761
- Associates	72,634	-	72,634
Valuation adjustment:			
- Group	(62,224)	-	(62,224)
- Associates	28,915	-	28,915
Currency translation differences:			
- Group	-	(586,204)	(586,204)
- Associates	-	11,450	11,450
At December 31	<u>(\$ 279,505)</u>	<u>(\$ 2,393,924)</u>	<u>(\$ 2,673,429)</u>

	2022		
	Financial assets at fair value through other comprehensive income	Currency Translation	Total
At January 1	(\$ 472,609)	(\$ 2,129,042)	(\$ 2,601,651)
Valuation adjustment:			
- Group	(5,302)	-	(5,302)
- Associates	(66,680)	-	(66,680)
Currency translation differences:			
- Group	-	353,222	353,222
- Associates	-	(43,350)	(43,350)
At December 31	<u>(\$ 544,591)</u>	<u>(\$ 1,819,170)</u>	<u>(\$ 2,363,761)</u>

(24) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods over time and at a point in time in the following major product lines and generates related revenue in each reportable segment:

	Years ended December 31,	
	2023	2022
Systems and peripheral products	\$ 37,683,291	\$ 40,762,357
3C component	29,198,974	31,850,107
3C product retail	12,422,435	17,188,938
Energy service management	11,246,064	4,301,192
Total	<u>\$ 90,550,764</u>	<u>\$ 94,102,594</u>

B. Unfulfilled construction contracts

Aggregate amount of the transaction price allocated to and the year expected to recognise revenue for the unsatisfied performance obligations in relation to the contracted significant construction contracts as of December 31, 2023 and 2022 are as follows:

Year	Year expected to recognise revenue	Contracted amount (before tax)
December 31, 2023	2024~2025	\$ 41,439,682
December 31, 2022	2023~2025	50,750,368

C. Contract assets and contract liabilities

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

	December 31, 2023	December 31, 2022
Contract assets:		
Contract assets-construction contracts	<u>\$ 8,675,960</u>	<u>\$ 2,716,125</u>
	December 31, 2023	December 31, 2022
Contract liabilities:		
Contract liabilities-advance sales receipts	\$ 512,263	\$ 1,057,380
Contract liabilities-construction contracts	42,777	3,171
Contract liabilities-warranty with an extra fee	41,171	8,912
Contract liabilities-education training courses	18,611	18,404
	<u>\$ 614,822</u>	<u>\$ 1,087,867</u>
Contract liabilities-non-current:		
Contract liabilities-warranty with an extra fee	\$ 134,202	\$ 173,085
Contract liabilities-education training courses	32,975	50,901
Total	<u>\$ 167,177</u>	<u>\$ 223,986</u>

(b) Contract assets and liabilities recognised for the aforementioned construction contracts as at December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Aggregate costs incurred plus recognised profits	\$ 20,545,655	\$ 8,411,401
Less: Progress billings	(11,912,472)	(5,698,447)
Net balance sheet position for construction in progress	<u>\$ 8,633,183</u>	<u>\$ 2,712,954</u>
Presented as:		
Current contract assets	\$ 8,675,960	\$ 2,716,125
Current contract liabilities	(42,777)	(3,171)
Total	<u>\$ 8,633,183</u>	<u>\$ 2,712,954</u>

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

	Years ended December 31,	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the year	<u>\$ 774,889</u>	<u>\$ 224,879</u>

D. Please refer to Note 9 for the information of significant construction contracts of the Group.

(25) Net other income (expenses)

	Years ended December 31,	
	2023	2022
Gains on disposals of investments	<u>\$ 118,111</u>	<u>\$ -</u>

(26) Interest income

	Years ended December 31,	
	2023	2022
Interest income from bank deposits	<u>\$ 275,628</u>	<u>\$ 131,821</u>

(27) Other income

	Years ended December 31,	
	2023	2022
Government grants revenue	\$ 340,462	\$ 214,635
Rental revenue	65,121	53,724
Income from counter-party default	15,351	35,167
Gain recognised in bargain purchase transaction	707	-
Other revenue-other	<u>115,230</u>	<u>120,796</u>
	<u>\$ 536,871</u>	<u>\$ 424,322</u>

Please refer to Note 6(9) F. for the information of gain recognised in bargain purchase transaction

(28) Other gains and losses

	Years ended December 31,	
	2023	2022
Gains on financial assets at fair value through profit or loss	\$ 739	\$ -
Loss on disposal of property, plant and equipment	(239,068)	(58,049)
Gains on disposal of investments	47,008	23,290
Loss on the fire damage	(552,414)	-
Claims income	520,642	-
Net currency exchange (loss) gain	(34,063)	374,682
Depreciation charge on investment property	(13,011)	(13,093)
Loss on indemnity	-	(793,728)
Other gains and losses	(43,535)	(56,504)
	<u>(\$ 313,702)</u>	<u>(\$ 523,402)</u>

(29) Finance costs

	Years ended December 31,	
	2023	2022
Bank borrowings	\$ 483,944	\$ 323,291
Corporate bonds	100,014	88,777
Lease liabilities	35,274	11,189
	<u>\$ 619,232</u>	<u>\$ 423,257</u>

(30) Expenses by nature

	Years ended December 31,	
	2023	2022
Employee benefit expense	\$ 12,896,773	\$ 13,487,044
Depreciation expense	3,760,839	3,424,016
Amortisation charges on intangible assets	140,150	78,470
Transportation expense	557,349	674,103
Advertising costs	95,732	65,855
Operating lease payments	141,567	109,211
	<u>\$ 17,592,410</u>	<u>\$ 17,838,699</u>

(31) Employee benefit expense

	Years ended December 31,	
	2023	2022
Wages and salaries	\$ 11,005,450	\$ 11,694,317
Pension costs	908,553	906,456
Labour and health insurance fees	617,171	544,165
Director's remuneration	8,000	10,000
Other personnel expenses	357,599	332,106
	<u>\$ 12,896,773</u>	<u>\$ 13,487,044</u>

- A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 6% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.
- B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at \$231,145 and \$312,000, respectively; directors' and supervisors' remuneration was both accrued at \$8,000 and \$10,000, respectively. The aforementioned amounts were recognised in salary expenses.
- C. The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on the distributable profit of current period for the year ended December 31, 2023 and percentage as prescribed by the Company's Articles of Incorporation. The Board of Directors resolved the actual appropriation amounts of \$231,145 and \$8,000 and appropriated in cash in March 11, 2024.
- D. Employees' compensation and directors' and supervisors' remuneration of 2022 as resolved at the Board of Directors were in agreement with those amounts recognised in the profit or loss of 2022.
- E. Information about employees' compensation and directors' and supervisors' remuneration of the Company as approved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(32) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2023	2022
Current tax:		
Tax payable incurred in current year	\$ 1,127,199	\$ 989,167
Tax on undistributed surplus earnings	29,268	4,904
Prior year income tax (over) under estimation	(24,920)	47,279
Total current tax	<u>1,131,547</u>	<u>1,041,350</u>
Deferred tax:		
Origination and reversal of temporary differences	(97,068)	275,744
Total deferred tax	<u>(97,068)</u>	<u>275,744</u>
Income tax expense	<u>\$ 1,034,479</u>	<u>\$ 1,317,094</u>

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

	Years ended December 31,	
	2023	2022
Currency translation differences	(\$ 147,279)	\$ 108,773
Remeasurement of defined benefit obligations	3,617	5,883
	<u>(\$ 143,662)</u>	<u>\$ 114,656</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	\$ 1,626,518	\$ 1,461,113
Tax on undistributed surplus earnings	29,268	4,904
Effect from Alternative Minimum Tax	3,851	-
Realisability of deferred tax assets	2,335	-
Effect from items disallowed by tax regulation	(474,453)	(196,202)
Effects from loss carryforward	(128,144)	-
Prior year income tax (over) under estimation underestimation	(24,920)	47,279
Other	24	-
Income tax expense	<u>\$ 1,034,479</u>	<u>\$ 1,317,094</u>

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

	2023				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Business combination	December 31
Temporary differences:					
-Deferred tax assets:					
Bad debts expense	\$ 18,993	\$ -	\$ -	\$ -	\$ 18,993
Impairment losses on slow-moving inventory	19,381	11,532	-	-	30,913
Unrealised profit from sales	31,252	19,965	-	-	51,217
Remeasurement of defined benefit	-	-	(9,597)	-	(9,597)
Currency translation differences	180,097	-	147,279	-	327,376
Tax losses	104,127	6,464	-	34,144	144,735
Others	94,930	23,342	-	(48)	118,224
Subtotal	<u>\$ 448,780</u>	<u>\$ 61,303</u>	<u>\$ 137,682</u>	<u>\$ 34,096</u>	<u>\$ 681,861</u>
-Deferred tax liabilities:					
Gain on investments	(\$ 985,646)	(\$ 79,574)	\$ -	(\$ 2,662)	(\$ 1,067,882)
Unrealised exchange (loss) gain	(96,536)	96,195	-	-	(341)
Unrealised appropriation of pension	(12,136)	120	-	-	(12,016)
Remeasurement of defined benefit	(5,980)	-	5,980	-	-
Others	(142,786)	19,024	-	-	(123,762)
Subtotal	<u>(\$ 1,243,084)</u>	<u>\$ 35,765</u>	<u>\$ 5,980</u>	<u>(\$ 2,662)</u>	<u>(\$ 1,204,001)</u>
Total	<u>(\$ 794,304)</u>	<u>\$ 97,068</u>	<u>\$ 143,662</u>	<u>\$ 31,434</u>	<u>(\$ 522,140)</u>

	2022				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Business combination	December 31
Temporary differences:					
-Deferred tax assets:					
Bad debts expense	\$ 18,619	\$ 374	\$ -	\$ -	\$ 18,993
Impairment losses on slow-moving inventory	21,522	(2,141)	-	-	19,381
Unrealised exchange (loss) gain	23,894	(23,894)	-	-	-
Unrealised profit from sales	24,511	6,741	-	-	31,252
Remeasurement of defined benefit	243	-	(243)	-	-
Currency translation differences	288,870	-	(108,773)	-	180,097
Tax losses	103,342	785	-	-	104,127
Others	88,171	6,759	-	-	94,930
Subtotal	\$ 569,172	(\$ 11,376)	(\$ 109,016)	\$ -	\$ 448,780
-Deferred tax liabilities:					
Gain on investments	(\$ 815,723)	(\$ 169,923)	\$ -	\$ -	(\$ 985,646)
Unrealised exchange (loss) gain	-	(96,536)	-	-	(96,536)
Unrealised appropriation of pension	(10,738)	(1,398)	-	-	(12,136)
Remeasurement of defined benefit	-	(340)	(5,640)	-	(5,980)
Others	(107,087)	3,829	-	(39,528)	(142,786)
Subtotal	(\$ 933,548)	(\$ 264,368)	(\$ 5,640)	(\$ 39,528)	(\$ 1,243,084)
Total	(\$ 364,376)	(\$ 275,744)	(\$ 114,656)	(\$ 39,528)	(\$ 794,304)

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2023				
Year incurred	Amount filed /assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2014-2023	\$ 3,785,045	\$ 3,547,357	\$ 2,646,822	2024-2033

December 31, 2022				
Year incurred	Amount filed /assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2011-2022	\$ 3,406,188	\$ 3,150,618	\$ 2,466,819	2022-2032

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences	\$ 8,325	\$ 275,630

- F. The latest year of the Company's and its domestic subsidiaries' income tax returns that have been assessed and approved by the Tax Authority is as follows:

	<u>Status of Assessment</u>
The Company, Suntain, Zhi De Investment, Darts, FII, FUII, FAT, WCT, DU Precision, Shinfox, Foxwell Energy, Foxwell Power, Studio A, Jing Jing, Straight A, VA, PSI, Shinfox Natural Gas, Elegant Energy, Eastern Rainbow Green Energy and Eastern Rainbow Environmental	Assessed and approved up to 2021
Foxlink Image, PQI, Glory Science and FIT Holding	Assessed and approved up to 2018
G. The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.	
H. The Group's exposure to Pillar Two income taxes arising from the Pillar Two legislation is as follows:	
(a) The Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD).	
(b) Since Pillar Two legislation was enacted in Vietnam, the jurisdiction in which the Group's subsidiaries are incorporated, and will come into effect from January 1, 2024, the Group has no related current tax exposure as of December 31, 2023.	
(c) Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate.	
(d) The Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. However, due to the complexities in applying the legislation and calculating GloBE income as well as the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with IAS 12, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. The Group is currently engaged with tax specialists to assist it with applying the legislation.	

(33) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,457,132	471,542	\$ 3.09
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,457,132	471,542	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	4,786	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,457,132	476,328	\$ 3.06

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,522,518	484,824	\$ 3.14
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,522,518	484,824	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	6,353	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,522,518	491,177	\$ 3.10

(34) Transactions with non-controlling interest

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

(a) The second-tier subsidiary, Shinfox Energy Co., Ltd., and Foxwell Power Co., Ltd. increased its capital by issuing new shares in 2022. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 3.01% and 18.77%, respectively. The transaction increased non-controlling interest by \$2,381,970 and increased

the equity attributable to owners of parent by \$109,969.

(b) The Group's second-tier subsidiary, Guanwei Power Co., Ltd., increased its capital by issuing new shares on July 5, 2023. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 49%, and the transaction amounted was \$34,300. The transaction increased non-controlling interest by \$34,312 and decreased the equity attributable to owners of parent by \$12.

B. Disposal of equity interest in second-tier subsidiaries (that did not result in a loss of control)

The Group sold 2.67% equity interests of the second-tier subsidiary, Foxwell Power Co., Ltd., in December 2023, and the transaction amount was \$60,838. The transaction decreased non-controlling interest by \$51,081 and increased the equity attributable to owners of parent by \$9,757.

C. For the year ended December 31, 2023, the Group's second-tier subsidiary, Shinfox Energy Co., Ltd., had changes in equity due to the issuance of convertible bonds. The transaction decreased non-controlling interest by \$227,723 and increased the equity attributable to owners of parent by \$83,504.

(35) Business combinations

A. Elegant Energy TECH Co., Ltd. ("Elegant Energy")

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

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

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

(c) The allocation of purchase price due to acquisition of Elegant Energy was completed in the first quarter of 2022. The fair value of the acquired identifiable intangible assets and goodwill amounted to \$197,637 and \$39,528, respectively.

(d) The operating revenue included in the consolidated statement of comprehensive income since February 14, 2022 contributed by Elegant Energy was \$1,998. Elegant Energy also contributed profit before income tax of \$1,990 over the same period. Had Elegant Energy

been consolidated from January 1, 2022, the consolidated statement of comprehensive income would show operating revenue of \$94,103,343 and profit before income tax of \$3,407,578.

B. Eastern Rainbow Green Energy Environmental Technology Co., Ltd. (“Eastern Rainbow Green Energy”)

- (a) On October 6, 2023, the Group subscribed to the newly issued common shares of Eastern Rainbow Green Energy in cash amounting to \$218,020. The Group held 56.63% equity interests in Eastern Rainbow Green Energy and had control over Eastern Rainbow Green Energy after the subscription.
- (b) The allocation of the acquisition price of Eastern Rainbow Green Energy was completed in the fourth quarter of 2023. The fair value of the identifiable intangible assets acquired and goodwill amounted to \$716 and \$9,519, respectively.
- (c) The operating revenue included in the consolidated statement of comprehensive income since October 6, 2023 contributed by Eastern Rainbow Green Energy was \$67,503. Eastern Rainbow Green Energy also contributed loss before income tax of (\$23,557) over the same period. Had Eastern Rainbow Green Energy been consolidated from January 1, 2023, the consolidated statement of comprehensive income would show operating revenue of \$241,902 and loss before income tax of (\$59,035) for the year ended December 31, 2023.

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

- (a) The Group originally held 40% equity interest in SFE before the business combination, and the Group acquired an additional 27% equity interests in SFE in cash amounting to \$1,649,347 on November 6, 2023. After the acquisition, the Group totally held 67% equity interests in SFE and had control over SFE. The Group recognised gain on remeasurement of fair value amounting to \$45,025 (shown as ‘other gains and losses-gain on disposal of investment’).
- (b) The allocation of the acquisition price of SFE was completed in the fourth quarter of 2023. The fair value of the acquired goodwill amounted to \$49,878.
- (c) The operating revenue included in the consolidated statement of comprehensive income since November 6, 2023 contributed by SFE was \$522,429. SFE also contributed loss before income tax of (\$92,246) over the same period. Had SFE been consolidated from January 1, 2023, the consolidated statement of comprehensive income would show operating revenue of \$1,875,937 and loss before income tax of (\$491) for the year ended December 31, 2023.

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

	Eastern Rainbow Green Energy	SFE
Purchase consideration		
Cash paid	\$ 218,020	\$ 663,097
The fair value of the equity previously held as of the acquisition date	-	986,250
The non-controlling interest's proportionate share of the recognised amounts of acquire's identifiable net assets	159,688	787,798
	<u>377,708</u>	<u>2,437,145</u>
Fair value of the identifiable assets acquired and liabilities assumed		
Cash	273,914	225,447
Other current assets	284,856	396,034
Property, plant and equipment	38,072	2,038,523
Intangible assets	716	-
Deferred tax assets	34,144	-
Other non-current assets	9,209	14,451
Other current liabilities	(237,750)	(278,405)
Deferred tax liabilities	(2,710)	-
Other non-current Liabilities	(32,262)	(8,783)
Total identifiable net assets	<u>368,189</u>	<u>2,387,267</u>
Goodwill	<u>\$ 9,519</u>	<u>\$ 49,878</u>

(36) Supplemental cash flow information

A. Investment activities with partial cash payments:

	Years ended December 31,	
	2023	2022
Purchase of property, plant and equipment	\$ 3,651,410	\$ 2,603,213
Add: Opening balance of payable on equipment	514,893	447,305
Less: Ending balance of payable on equipment	(749,489)	(514,893)
Less: Capitalisation of interest expense	(47,797)	(4,343)
Cash paid during the period	<u>\$ 3,369,017</u>	<u>\$ 2,531,282</u>

- B. The Group sold 58.50% of its shares in the subsidiary, Junezhe, on December 27, 2022 and therefore lost control over the subsidiary (please refer to Note 4(3)B.). The details of the consideration received from the transaction (including cash and cash equivalents) and assets and liabilities relating to the subsidiary are as follows:

	<u>December 27, 2022</u>
Consideration received	
Cash	\$ 134,550
Carrying amount of assets and liabilities of Junezhe	
Cash	11,788
Accounts receivable	16,790
Other current assets	1,091
Property, plant and equipment	173,333
Accounts payable (including related parties)	(4,013)
Other payables	(3,587)
Current tax liabilities	(7,081)
Other current liabilities	(17)
Total net assets	<u>\$ 188,304</u>

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

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

(37) Changes in liabilities from financing activities

2023						
	Short-term borrowings	Short-term notes and bills payable	Corporate bonds payable	Long-term borrowings	Lease liabilities	Liabilities from financing activities - gross
At January 1	\$ 9,550,241	\$ 1,789,159	\$ 6,582,374	\$ 16,096,464	\$ 977,569	\$ 34,995,807
Changes in cash flow from financing activities	322,197	2,467,438	2,846,277	1,951,339	(548,096)	7,039,155
Impact of changes in foreign exchange rate	(9,911)	-	-	-	(73,957)	(83,868)
Interest expense	-	-	-	-	35,274	35,274
Changes in other non-cash items	28,170	(171,077)	9,082	31,904	1,767,505	1,665,584
At December 31	<u>\$ 9,890,697</u>	<u>\$ 4,085,520</u>	<u>\$ 9,437,733</u>	<u>\$ 18,079,707</u>	<u>\$ 2,158,295</u>	<u>\$ 43,651,952</u>
2022						
	Short-term borrowings	Short-term notes and bills payable	Corporate bonds payable	Long-term borrowings	Lease liabilities	Liabilities from financing activities - gross
At January 1	\$ 4,224,848	\$ 1,596,522	\$ 6,578,570	\$ 11,479,117	\$ 406,162	\$ 24,285,219
Changes in cash flow from financing activities	5,325,393	192,637	-	4,617,347	(323,786)	9,811,591
Impact of changes in foreign exchange rate	-	-	-	-	(129,950)	(129,950)
Interest expense	-	-	-	-	11,189	11,189
Changes in other non-cash items	-	-	3,804	-	1,013,954	1,017,758
At December 31	<u>\$ 9,550,241</u>	<u>\$ 1,789,159</u>	<u>\$ 6,582,374</u>	<u>\$ 16,096,464</u>	<u>\$ 977,569</u>	<u>\$ 34,995,807</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Well Shin Technology Co., Ltd. (Well Shin)	Associate
Sharetronic Data Technology Co., Ltd. (Sharetronic)	Associate
Microlink Communications Inc. (Microlink)	Associate
Central Motion Picture Corporation (Central Motion Picture)	Associate
Deepwaters Digital Support Inc. (Deepwaters)	Associate
Dongguan Banrin Robot Technology Co., Ltd. (Banrin)	Associate
Synergy Co., Ltd. (Synergy)	Associate
Cheng Shin Digital Co., Ltd. (Cheng Shin Digital)	Associate
Changpin Wind Power Ltd.(Changpin)	Joint venture (Note 1)
Shin Hon International Investment Co., Ltd. (SHIN HON)	Other related party
Hon Hai Precision Industry Co., Ltd. (Hon Hai)	Other related party
Chern Feng Engineering Tech Co., Ltd. (Chern Feng)	Formerly other related party (Note 2)

Note 1: The Group acquired the investment accounted for using equity method in the second quarter of 2022, so it is listed as a related party.

Note 2: Chern Feng was the Group's related party because Chern Feng was the major shareholder of the Group's subsidiary - Junezhe. However, the Group disposed all the equity interest in Junezhe on December 27, 2022. As a result, Chern Feng was no longer a related party of the Group starting from December 27, 2022.

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2023	2022
-Associates	\$ 151	\$ 9,270
-Joint ventures	133,354	60,000
-Other related parties	729,715	809,822
	<u>\$ 863,220</u>	<u>\$ 879,092</u>

(a) The sales price in relation to the transaction made with related parties is based on mutual agreement. All the credit terms on sales to related parties were receivable within 4 to 6 months after sales. The credit terms on sales to third parties were 30 to 120 days after monthly billing or by telegraphic transfer upon shipment of goods, except for receivables arising from the sales of tooling that are collectible upon acceptance by customers.

(b) The Group's sales of services to the abovementioned related parties refer to construction revenue and service revenue from contracts such as electricity sales revenue charged from the contracted construction agreements, contracted agreements for development, design, manufacture and supervision of construction and the operation and maintenance contract for wind turbine generator system (WTGS) entered with other related parties, and the transaction price and credit terms are the same with the market situation or the general customers.

B. Operating costs

(a) Purchase

	Years ended December 31,	
	2023	2022
Purchases of goods:		
- Associates	\$ 249,244	\$ 393,253
- Other related parties	642,049	1,064,707
	<u>\$ 891,293</u>	<u>\$ 1,457,960</u>

The purchase price in relation to the transaction made with related parties is based on mutual agreement. All purchases from related parties are at arm's-length. Payment period was 60 to 120 days after receipt of goods from suppliers.

(b) Construction cost

	Years ended December 31,	
	2023	2022
Construction cost		
- Other related parties	\$ 1,225	\$ -
- Formerly other related parties	-	60,007
	<u>\$ 1,225</u>	<u>\$ 60,007</u>

Except for construction cost which is calculated based on the construction contract entered into using market quotes, other payments of the transactions between the Group and the abovementioned related parties are calculated based on mutual agreement and paid monthly.

C. Rental revenue

	Years ended December 31,	
	2023	2022
Associates	<u>\$ 48,273</u>	<u>\$ -</u>

D. Receivables from related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable:		
- Other related parties	\$ 350,624	\$ 339,390
- Joint ventures	5,250	-
- Associates	78,005	74,797
	<u>\$ 433,879</u>	<u>\$ 414,187</u>
Other receivables (Financing):		
- Associates		
Microlink	\$ 55,000	\$ 55,000
Other receivables (Others):		
- Associates	6,338	11,184
- Other related parties	1,481	364
	<u>\$ 62,819</u>	<u>\$ 66,548</u>

Other receivables (Other) mainly refer to the rental income received from related parties, and the collection terms are based on mutual agreement.

E. Payables to related parties:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable:		
- Associates	\$ 69,920	\$ 123,552
- Other related parties	74,685	57,572
	<u>\$ 144,605</u>	<u>\$ 181,124</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other payables-Receipts under custody:		
- Associates	\$ 20,341	\$ 20,476
- Other related parties	-	-
	<u>\$ 20,341</u>	<u>\$ 20,476</u>

F. Property transactions

Acquisition of property, plant and equipment

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
- Associates	<u>\$ 21,267</u>	<u>\$ -</u>

The Company purchased equipment from the associates and the payment terms were determined based on mutual agreements.

G. Lease transactions - lessee

(a) The Group leases buildings from related parties. Rental contracts are typically made for periods of 3 years. Rents are paid at the end of the month.

(b) Acquisitions of right-of-use assets

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Associates	<u>\$ 28,314</u>	<u>\$ 4,654</u>

(c) Lease liability

i. Outstanding balance:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Associates	\$ 28,312	\$ 9,011
Other related parties	4,550	13,542
	<u>\$ 32,862</u>	<u>\$ 22,553</u>

ii. Interest expense

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Associates	\$ 70	\$ 358
Other related parties	151	294
	<u>\$ 221</u>	<u>\$ 652</u>

(3) Key management compensation

	Years ended December 31,	
	2023	2022
Short-term employee benefits	\$ 178,537	\$ 218,468
Post-employment benefits	2,857	2,732
Total	<u>\$ 181,394</u>	<u>\$ 221,200</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2023	December 31, 2022	
Property, plant and equipment	\$ 1,278,790	\$ 2,637,959	Short-term notes and bills, long-term borrowings, debt mortgage guarantee
Right-of-use assets	23,491	198,125	Debt mortgage guarantee
Restricted deposits and time deposits-current (shown as financial assets at amortised cost-current)	2,080,672	2,848,235	Customs deposit, guarantee for L/C issued for purchases of materials, government grants coupon trust, construction performance security deposit, short-term borrowings and guaranteed bill
Refundable deposits (shown as other current assets)	1,001,654	999,711	Construction performance security deposit, performance security deposit
Restricted deposits and time deposits-non-current (shown as financial assets at amortised cost-non-current)	701,061	450,052	Reserve account, development deposit and guarantee for bonds
Refundable deposits (shown as other non-current assets)			Customs deposit, plant deposit and rental performance security deposit, security deposit and Electrical energy performance security deposit
	609,687	642,607	
	<u>\$ 5,695,355</u>	<u>\$ 7,776,689</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

A. The Group's subsidiary, Shih Fong Power Co., Ltd. ("Shih Fong"), carried out the "Shih Fong Power's FongPing River and Its Tributary Hydroelectric Project" (the "Project") in Hualien County and planned to build a weir in FongPing River for hydropower plants to generate electricity. Since 2000, the Company has successively obtained the permit to build the infrastructure as an electricity enterprise and the work permit to operate power generation equipment as an electricity enterprise (the "Work Permit"). As the construction was unable to be completed on time, an extension was applied for according to the law year by year and the Work Permit was obtained as approved and issued by the Ministry of Economic Affairs. Certain litigations that ensued during the period of application for the renewal of the Work Permit were as follows:

(a) Administrative appeal

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

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

(b) Administrative litigation

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

However, in order to conduct the construction smoothly in the future and respect the will of local peoples, Shih Fong sent a letter to the Zhuoxi Township Office on April 7, 2022, requesting it to consult and obtain consent from the tribes. Shih Fong completed relevant tribal consultation and obtained a majority of consent in December 2022 and sent a letter to the Bureau of Energy to report the results of the tribal consultation. The Company had obtained the renewal Work Permit in 2021 and 2022 in December 2022 and the Work Permit in 2023 was renewed by the Ministry of Economic Affairs in February 2023 which will be valid until December 31, 2023. The Petitioners disagreed with the issuance of the Work Permit in 2023 by the Ministry of Economic Affairs and requested for a suspension until the administrative litigation is finalised. On September 28, 2023, the Supreme Court issued a ruling that “the execution shall be stayed until the administrative litigation is concluded and the certain litigation expenses shall all be abandoned.” Shih Fong had obtained the renewal Work Permit between 2024 and 2026 in February 2024 which will be valid until December 31, 2026.

B. The Group’s subsidiary, Fugang Electric (Maanshan) Co., Ltd.(“FG MAANSHAN”), a subsidiary of the Group, has a lawsuit with Maanshan Economic and Technological Development Zone

Construction Investment Co., Ltd. On November 19, 2021, Ma'anshan Intermediate People's Court in Anhui Province rendered a first-instance decision pursuant to the Articles 201 and 206 of "Contract Law of The People's Republic of China", Articles 26 and 53 of "Guarantee Law of The People's Republic of China", Article 26 of "Provisions of the Supreme People's Court on Certain Issues concerning Application of Law in Trial of Cases involving Private Lending" and Article 142 of "Administrative Procedure Law of the People's Republic of China", and affirmed that FG MAANSHAN shall pay principal amounting to RMB 274,450 thousand and interest amounting to RMB 139,488.9 thousand, based on the principal agreed in the court's judgement and interest calculated until the date when the principal is fully repaid, to Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. within 30 days from the effective date of this judgement. If the payments are not repaid on time, Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. has the priority right to obtain compensation by converting the properties pledged by FG MAANSHAN into money or seek preferential payments from the proceeds from the auction or sale of the properties concerned. On December 7, 2021, FG MAANSHAN filed a second instance appeal with the Higher People's Court of Anhui Province to request to modify or remand the decision according to the first instance. Trials of the case had been initiated by the Higher People's Court of Anhui Province on May 11, 2022. On October 14, 2022, FG MAANSHAN and Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. signed the settlement agreement, and on October 18, 2022, both parties reached a settlement in Anhui Ma'anshan Intermediate People's Court. Based on the agreement, FG MAANSHAN should repay the borrowing principal from Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. in the amount of RMB 31.44 million before October 31, 2022. The residual of RMB 333.96 million should be repaid by using right-of-use assets, property and all buildings and affiliated facilities in relation to property on the accounts of FG MAANSHAN, and the actual written transfer procedures should be completed before January 20, 2023. Because of the settlement agreement, FG MAANSHAN was responsible for the loss on disposal of assets transferred and indemnity in the amount of RMB 179.25 million (accounted as other gains and losses in 2022). As of December 31, 2023, the Company had transferred the properties and land use rights based on the contract. However, due to a procedural problem, certain properties and use rights (approximately RMB 69.92 million) would be transferred after the completion of the procedure based on mutual agreement. As of January 22, 2024, the procedure was completed.

On March 17, 2022, Fugang Electric (Maanshan) Co., Ltd. filed an administrative litigation with the Ma'anshan Intermediate People's Court in Anhui Province against the People's Government of Ma'anshan Municipality, the Administrative Committee of Ma'anshan Economic and Technological Development Zone and Maanshan Economic and Technological Development Zone Construction Investment Co., Ltd. pursuant to Article 12 of the "Administrative Procedure Law of the People's Republic of China". Fugang Electric (Maanshan) Co., Ltd., received the

dismissal of the administrative litigation by the Ma'anshan Intermediate People's Court in Anhui Province on May 6, 2022 and filed an appeal to the Ma'anshan Higher People's Court in Anhui Province on May 13, 2022. The administrative litigation has been filed as a case by the Ma'anshan Higher People's Court in Anhui Province on July 6, 2022. Additionally, on August 8, 2022, the Ma'anshan Higher People's Court in Anhui Province denied the appeal and upheld the original administrative litigation. According to the judgement, on August 24, 2022, FG MAANSHAN filed a motion for a retrial with Supreme People's Court, and on October 10, 2022, the case had been filed. Because the litigants had reached a settlement, on October 31, 2022, FG MAANSHAN withdrew the motion.

- C. The Group's subsidiary, Foxwell Energy Corporation Ltd. ("Foxwell Energy"), entered into a 'Transportation and Installment Contract of Wind Turbines in Wind Farm Site No. 26' with a Singapore contractor, Teras Offshore Pte. Ltd. As the contractor failed to submit the essential documents within the time frame prescribed in the contract, Foxwell Energy has the right to revoke the contract and has notified the contractor in writing of the termination of the contract. After receiving the written notice from Foxwell Energy, the contractor entrusted a lawyer on December 11, 2021 to request for compensation from Foxwell Energy, and state that it will refer the matter to arbitration if the compensation is not paid. On December 24, 2021, Foxwell Energy also appointed a lawyer to send a letter stating that it was a lawful termination of the contract and it reserves the right to claim compensation from the contractor. As of March 11, 2024, Foxwell Energy has not yet received the notice of arbitration submitted by the contractor to the arbitration institution, and the termination of the contract has no impact on the original construction contract and subsequent performance obligations.
- D. The Group's subsidiary, Foxlink International, Inc. ("Foxlink"), originally has a lawsuit with Azooca, Inc ("Azooca"). Azooca filed a lawsuit against Foxlink on February 9, 2021 and claimed a compensation of US\$6 million for the development of interactive game product in 2015. Foxlink filed a counterclaim on March 15, 2021 and requested a compensation of US\$821,800. However, on August 25, 2023, the parties entered into a settlement agreement and the related litigation was revoked by both parties, thus the litigation was concluded.
- E. The Group's subsidiary, Elegant Energy TECH Co., Ltd., was commissioned by VAI Renewables Co., Ltd. to develop a wind farm. As there are objections over the development process of the wind farm, VAI Renewables Co., Ltd. has filed a claim for reimbursement to the Company's subsidiary, Elegant Energy TECH Co., Ltd., for approximately \$33,593, which has not yet started trial proceedings, and it is not possible to anticipate the outcome of the court trial.

(2) Commitments

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Equipment purchase contract		
Contract price	<u>\$ 2,809,411</u>	<u>\$ 2,504,383</u>
Outstanding amount	<u>\$ 719,229</u>	<u>\$ 668,407</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Construction contract		
Contract price	<u>\$ 44,455,932</u>	<u>\$ 38,700,551</u>
Outstanding amount	<u>\$ 28,075,259</u>	<u>\$ 28,572,525</u>

- B. As of December 31, 2023 and 2022, the letters of guarantee to be issued by the bank, which are required for contracting the Phase II of Taipower's Offshore Wind Power Project, the "Wind Farm Property Procurement and Installation Project", all amounted to \$5,400,000, of which the amounts of collateral pledged by the Group to the banks (shown "as financial assets at amortised cost") were all \$1,620,000, the amounts of endorsements and guarantees provided by the Group's subsidiary, Shinfox Energy Co., Ltd., were all \$3,780,000, and the amounts of collateral pledged by using the letters of guarantee issued by the subcontractor were all \$1,608,370.
- C. Except as described in Note 9(2) B., the Group's subsidiary, Shinfox Energy Co., Ltd., provided performance guarantee on the subcontracted construction and the credit line on the guaranteed amount to the Group's subsidiary, Foxwell Energy Corporation Ltd., amounting to \$19,786,950 and \$12,762,997 as of December 31, 2023 and 2022, respectively.
- D. As of December 31, 2023 and 2022, the letters of guarantee to be issued by the bank, which are required for contracting the Solar System Integration Project, amounted to \$150,519 and \$75,144, respectively.
- E. On August 13, 2020, the Group entered into an equipment procurement contract and an operation and maintenance contract with Taiwan Power Company for the Phase II of Taipower's Offshore Wind Power Project, and the "Wind Farm Property Procurement and Installation Project" amounting to \$56,588,000 and \$6,300,000, respectively. The terms of the equipment procurement contract specifies that the Company shall complete the foundation construction for wind turbine generator system and offshore substation as of September 30, 2024, shall complete all wind turbine generator system which shall be under the security constrained dispatch process as of September 30, 2025, shall complete the whole construction as of December 31, 2025 and shall provide 2 years warranties from the date of completion and acceptance of the whole construction. In addition, the equipment shall provide guaranteed generating capacity. The performance term of this project is divided into stages progress and the final completion deadline. The default penalty shall be computed until the termination date of the contract according to each stage of the project. The operation and maintenance contract specifies the terms such as the guaranteed annual availability

and default penalty of all wind turbine generator system as well as the relevant rights and obligations of both parties. The contract period is 5 years from the time when all wind turbine generator system are under the security constrained dispatch process. As of December 31, 2023, the construction was constructed as scheduled, and no compensation loss was made due to overdue construction.

- F. The Group entered into an operation and maintenance contract with customers for wind turbine generator system and solar energy equipment. The contract specifies the terms such as the bonus and penalty of operation and maintenance which are calculated based on ceiling and floor guaranteed generating capacity as well as the relevant rights and obligations of both parties. The contract period is for 20 years from the parallel connection date.

10. SIGNIFICANT DISASTER LOSS

The plant of the Group's subsidiary, FOXLINK INDIA ELECTRIC PRIVATE LIMITED, in Tirupati, India sustained a fire damage on February 27, 2023, resulting in losses on certain equipment and inventories. The disaster losses on the equipment and inventories amounted to \$249,584 and \$302,830, respectively, totalling \$520,642. For the aforementioned loss on the fire, the amount of claim that can be obtained from the insurance company is \$520,642 and the relevant loss and estimated insurance claim income will be shown as 'other gains and losses'.

11. SIGNIFICANT SUBSEQUENT EVENTS

- (1) Details of the appropriation of 2023 earnings as resolved by the Board of Directors on March 11, 2024 are provided in Note 6(22).
- (2) On March 11, 2024, the Board of Directors of the Company resolved to grant short-term financings to the second-tier subsidiary, Shinfox, to meet working capital needs. The loan facility is NT\$1.5 billion. The loan is repayable according to the agreement, and interest is repayable at an annual interest of 8%.
- (3) On February 27, 2024, the Board of Directors of the Group resolved to provide endorsements and guarantees for the investee company, Changpin Wind Power Ltd. by pledging the shares of Changpin Wind Power Ltd. to Bank SinoPac with the 50% shareholding ratio of which the value amounted to \$120,000 to apply for a project financing facility.
- (4) On February 27, 2024, the Board of Directors of the Group resolved to provide an endorsement and guarantee for the subsidiary, SFE, with the credit line within the limit of US\$100 million (equivalent to approximately NT\$3.15 billion) to financial institutions.
- (5) On February 27, 2024, to meet the needs of the Group's subsidiary, SFE, for purchasing heavy lifting vessels, the Board of Directors of the Group resolved to provide short-term financing facilities with a borrowing amount of \$1,500,000 and the interest is repayable monthly at an annual interest rate of 8%.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a

going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the actual financial condition.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fairvalue through profit or loss	\$ <u>5,167</u>	\$ <u>-</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ <u>1,345,307</u>	\$ <u>1,521,378</u>
Financial assets at amortised cost/loans and receivables		
Cash and cash equivalents	14,844,796	11,431,070
Financial assets at amortised cost	3,619,239	3,366,327
Notes receivable	53,933	59,703
Accounts receivable	18,142,817	18,419,850
Other receivables	509,659	595,359
Guarantee deposits paid	1,611,341	1,642,318
	\$ <u>38,781,785</u>	\$ <u>35,514,627</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 9,890,697	\$ 9,550,241
Short-term notes and bills payable	4,085,520	1,789,159
Notes payable	32,677	657
Accounts payable	15,914,236	15,833,624
Other accounts payable (including current portion)	5,766,392	6,108,349
Corporate bonds payables	6,585,954	6,582,374
Long-term borrowings (including current portion)	18,079,707	16,096,464
Guarantee deposits received	56,801	41,082
	\$ <u>60,411,984</u>	\$ <u>56,001,950</u>
Lease liability	\$ <u>2,158,295</u>	\$ <u>977,569</u>

B. Risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.
- (b) Risk management is carried out by a central treasury department (Group treasury) under

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.
- iii. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB and HKD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2023				
	Foreign currency			Book value
	amount	Exchange rate		
	(In thousands)			(NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$ 478,365	30.71	\$	14,690,589
RMB:NTD	80,980	4.33		350,643
HKD:NTD	46,424	3.93		182,446
EUR:NTD	832	33.98		28,271
JPY:NTD	11,793	0.22		2,594
USD:RMB	20,178	7.10		619,666
HKD:RMB	3,065	0.91		12,045
USD:HKD	102	7.82		3,132
<u>Non-monetary items</u>				
USD:NTD	\$ 392	30.71	\$	12,048
RMB:USD	53,728	0.14		232,644
RMB:HKD	405,575	1.08		1,756,140
INR:USD	99,018	0.01		37,627
HKD:NTD	57,779	3.93		227,072
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$ 291,432	30.71	\$	8,949,877
RMB:NTD	575	4.33		2,490
HKD:NTD	638	3.93		2,507
EUR:NTD	688	33.98		23,378
JPY:NTD	53,583	0.22		11,788
USD:RMB	31,120	7.10		955,695
USD:HKD	378	7.82		11,609

December 31, 2022				
	Foreign currency			
	amount		Book value	
	(In thousands)	Exchange rate	(NTD)	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$ 452,220	30.71	\$ 13,887,676	
RMB : NTD	86,330	4.41	380,715	
HKD : NTD	48,346	3.94	190,483	
EUR : NTD	1,117	32.72	36,548	
JPY : NTD	545,591	0.23	125,486	
USD : RMB	27,387	6.96	841,055	
HKD : RMB	22,044	1.12	86,853	
<u>Non-monetary items</u>				
USD : NTD	\$ 31,962	30.71	\$ 981,545	
RMB : USD	59,167	0.14	260,925	
RMB : HKD	286,985	1.12	1,265,605	
HKD : NTD	57,632	3.94	227,072	
INR : USD	97,897	0.01	36,222	
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	\$ 656,384	30.71	\$ 20,157,553	
RMB : NTD	85,626	4.41	377,611	
HKD : NTD	4,360	3.94	17,178	
EUR : NTD	1,189	32.72	38,904	
JPY : NTD	41,033	0.23	9,438	
USD : RMB	85,206	6.96	2,616,676	
USD : HKD	4,152	7.80	127,508	

- v. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022 amounted to (\$34,063) and \$374,682, respectively.

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

Year ended December 31, 2023				
Sensitivity Analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	146,906	\$ -
RMB : NTD	1%		3,506	-
HKD : NTD	1%		1,824	-
EUR : NTD	1%		283	-
JPY : NTD	1%		26	-
USD : RMB	1%		6,197	-
HKD : RMB	1%		120	-
USD : HKD	1%		31	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	89,499	\$ -
RMB : NTD	1%		25	-
HKD : NTD	1%		25	-
EUR : NTD	1%		234	-
JPY : NTD	1%		118	-
USD : RMB	1%		9,557	-
USD : HKD	1%		116	-

Year ended December 31, 2022				
Sensitivity Analysis				
	Degree of variation		Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	138,877	\$ -
RMB : NTD	1%		3,807	-
HKD : NTD	1%		1,905	-
EUR : NTD	1%		365	-
JPY : NTD	1%		1,255	-
USD : RMB	1%		8,411	-
HKD : RMB	1%		869	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$	201,576	\$ -
RMB : NTD	1%		3,776	-
HKD : NTD	1%		172	-
EUR : NTD	1%		389	-
JPY : NTD	1%		94	-
USD : RMB	1%		26,167	-
USD : HKD	1%		1,275	-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise domestic or foreign listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant. Other components of equity for the years ended December 31, 2023 and 2022 would have increased by \$10,762 and \$12,171, respectively, as a result of gains/losses on equity securities other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's interest rates of borrowings are fixed and floating rate. For the years ended December 31, 2023 and 2022, the Group's borrowings issued by floating rate are priced in New Taiwan dollars, Renminbi and US dollar.

- ii. As of December 31, 2023, and 2022, if interest rates on borrowings at that date had been 1% lower/higher with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have been \$256,447 and \$219,487 lower/higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. Group treasury manages credit risk of cash in banks and other financial instruments based on the Group's credit policy. Because the Group's counterparties are determined based on the Group's internal control, only rated banks with an optimal rating and financial institutions with investment grade are accepted.
- iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
The Group adopts the assumptions under IFRS 9 and considers the industry characteristics, the default occurs when the contract payments are past due over 120 days.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) A breach of contract.
- vi. The Group classifies customers' accounts receivable in accordance with customer types. The Group applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.

vii. The Group used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2023 and 2022, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~120 days past due	Over 120 days	Total
<u>At December 31, 2023</u>					
Expected loss rate	0.00%~4.41%	0.00%~13.56%	0.30%~46.01%	100%	
Total book value	\$ 16,959,836	\$ 634,671	\$ 162,334	\$ 21,940	\$ 17,778,781
Loss allowance	\$ 3,176	\$ 41,706	\$ 3,021	\$ 21,940	\$ 69,843
	Not past due	Up to 30 days past due	31~120 days past due	Over 120 days	Total
<u>At December 31, 2022</u>					
Expected loss rate	0.03%~0.12%	0.03%~9.69%	5.37%~70.70%	100%	
Total book value	\$ 17,161,008	\$ 751,389	\$ 184,216	\$ 35,800	\$ 18,132,413
Loss allowance	\$ 16,231	\$ 64,829	\$ 9,890	\$ 35,800	\$ 126,750

viii. Movements in relation to the group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2023	2022
	Accounts receivable	Accounts receivable
At January 1	\$ 126,750	\$ 111,508
Provision for impairment loss	-	13,792
Reversal of impairment loss	(56,739)	-
Effect of foreign exchange	(168)	1,450
At December 31	<u>\$ 69,843</u>	<u>\$ 126,750</u>

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. Except that the carrying amounts of notes payable, accounts payable and other payables are approximate to the amounts of contractual undiscounted cash flows and those accounts will expire within a year, the amounts of financial liabilities disclosed in the table are the contractual undiscounted cash flows:

Non-derivative financial liabilities:

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
Short-term borrowings	\$ 9,955,096	\$ -	\$ -	\$ -	\$ -
Short-term notes and bills payable	4,265,200	-	-	-	-
Lease liabilities	420,078	368,855	300,463	488,230	776,444
Long-term borrowings (including current portion)	585,400	15,631,240	2,193,169	176,206	58,909
Corporate bonds payable (including current portion)	3,064,196	3,617,656	3,000,000	-	-

Non-derivative financial liabilities:

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
Short-term borrowings	\$ 9,838,606	\$ -	\$ -	\$ -	\$ -
Short-term notes and bills payable	1,791,564	-	-	-	-
Lease liabilities	290,251	154,081	89,995	163,709	430,047
Long-term borrowings (including current portion)	998,692	8,359,883	6,162,777	1,090,393	176,064
Corporate bonds payable (including current portion)	91,010	3,064,196	3,617,656	-	-

- iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's convertible bonds is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in non-hedging derivatives is included in Level 3.

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

C. Financial instruments not measured at fair value

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

December 31, 2023			
Book value	Fair value		
	Level 1	Level 2	Level 3
Financial liabilities:			
Bonds payable	\$ 9,600,000	\$ -	\$ 9,437,733
			\$ -
December 31, 2022			
Book value	Fair value		
	Level 1	Level 2	Level 3
Financial liabilities:			
Bonds payable	\$ 6,600,000	\$ -	\$ 6,582,374
			\$ -

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

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 1,267	\$ -	\$ -	\$ 1,267
Financial assets at fair value through other comprehensive income				
Equity securities	321,535	-	1,023,772	1,345,307
Embedded derivatives				
Put options of convertible bonds	-	3,900	-	3,900
	<u>\$ 322,802</u>	<u>\$ 3,900</u>	<u>\$ 1,023,772</u>	<u>\$ 1,350,474</u>
December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ 1,521,378	\$ 1,521,378

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

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

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

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

F. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

G. The following chart is the movement of Level 3 for years ended December 31, 2023 and 2022:

	2023	2022
	Equity securities	Equity securities
At January 1	\$ 1,521,378	\$ 1,116,311
Recorded as unrealised losses on valuation of investments in equity instruments measured at fair value through other comprehensive income	(146,819)	(42,267)
Acquired in the period	-	431,984
Transfers into in the period	170,591	-
Sold in the period	(169,942)	-
Decreased in the period	(14,755)	-
Transfers out in the period	(323,491)	-
Effect of exchange rate changes	(13,190)	15,350
At December 31	<u>\$ 1,023,772</u>	<u>\$ 1,521,378</u>

H. The information on the transfers into Level 3 for the years ended December 31, 2023 and 2022 is provided in Note 6(9).

I. Group treasury is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

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

	December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 1,023,772	Market comparable companies	Discount for lack of marketability	20%~50%	The higher the discount for lack of marketability, the lower the fair value
	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 1,521,378	Market comparable companies	Discount for lack of marketability	20%~30%	The higher the discount for lack of marketability, the lower the fair value

- K. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. For financial assets and liabilities categorised within Level 3, there is no significant impact to other comprehensive income on December 31, 2023 and 2022 if the net asset value increase or decrease by 1%.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

For the investees' information, refer to investees' independent accountant attestation report.

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

For the information on investees, except for current profit (loss) for the year ended December 31, 2023 that is translated using the monthly average exchange rate in 2023, others are translated using the spot rate at December 31, 2023.

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

(3) Information on investments in Mainland China

- A. Processing on order plant invested in Mainland China:

In 1997, the Company rented plants located in Shenzhen and Dongguan, Guangdong Province, Mainland China, respectively, through the investee, CU International Ltd. and operated the plants through processing on order. The plants were primarily engaged in the manufacture of electronic telecommunication components and electric wire, under Cu International Ltd. without their own corporate entity for the operating period ended December 2017. As of March 11, 2024, the plants are still under the cancellation process.

- B. Investee in Mainland China, main business activities, paid-in capital, investment method, amount remitted from Taiwan to Mainland China / amount remitted back to Taiwan, ownership, investment income (loss), investments in Mainland China as of December 31, 2023, book value, investment income remitted back and ceiling on investments in Mainland China: Please refer to table 9.
- C. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland China, and price, payment terms, unreleased income/loss and other related information relating to investments in Mainland China:
- (a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period:

Company name	General ledger account	Year ended December 31, 2023	
		Amount	Percentage of total amount
Dongguan Fuqiang Electronics Co., Ltd.	Purchases of goods	\$ 24,944,932	43%
Fugang Electronic (Dongguan) Co., Ltd.	Purchases of goods	\$ 15,438,851	26%
Fugang Electric (Xuzhou) Co., Ltd.	Purchases of goods	\$ 9,735,601	17%
Fushineng Electronics (Kunshan) Co., Ltd.	Purchases of goods	\$ 2,800,885	5%
Fugang Electric (Kunshan) Co., Ltd.	Purchases of goods	\$ 2,219,089	4%
Fugang Electric (Maanshan) Co., Ltd.	Purchases of goods	\$ 429,760	1%
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Purchases of goods	\$ 212,600	-

Company name	General ledger account	December 31, 2023	
		Amount	Percentage of total amount
Fugang Electronic (Dongguan) Co., Ltd.	Accounts payable	\$ 4,158,415	34%
Fugang Electric (Xuzhou) Co., Ltd.	Accounts payable	\$ 1,940,678	18%
Fugang Electric (Nan Chang) Co., Ltd.	Accounts payable	\$ 1,264,537	12%
Dongguan Fuqiang Electronics Co., Ltd.	Accounts payable	\$ 1,106,714	9%
Fushineng Electronics (Kunshan) Co., Ltd.	Accounts payable	\$ 607,523	6%
Fugang Electric (Maanshan) Co., Ltd.	Accounts payable	\$ 298,231	3%
Fuqiang Electric (Yancheng) Co., Ltd.	Accounts payable	\$ 123	-

- (b) Balance and purpose of provision of endorsements/guarantees or collateral at the end of the year: Please refer to table 2.
- (c) Maximum balance, ending balance, interest rate range and interest for financing during the years ended December 31, 2023: Please refer to table 1.
- (d) Other transactions that have a significant impact on the profit/loss of current period or on the financial condition, such as the rendering or receiving of service:

		Year ended December 31, 2023	
Company name	General ledger account	Amount	Percentage of total amount
Dongguan Fuqiang Electronics Co., Ltd.	Raw materials purchased on behalf of others	\$ 11,365,775	39%
Fugang Electronic (Dongguan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 6,400,961	22%
Fugang Electric (Xuzhou) Co., Ltd.	Raw materials purchased on behalf of others	\$ 6,341,729	22%
Fushineng Electronics (Kunshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 1,256,436	4%
Fugang Electric (Kunshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 1,192,802	4%
Fugang Electric (Maanshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 274,878	1%
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Raw materials purchased on behalf of others	\$ 114,674	-
		Year ended December 31, 2023	
Company name	General ledger account	Amount	Percentage of total amount
Dongguan Fuqiang Electronics Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 117,705	50%
Fushineng Electronics (Kunshan) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 23,505	10%
Fugang Electric (Kunshan) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 19,291	8%
Fugang Electric (Xuzhou) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 6,828	3%
Fugang Electronic (Dongguan) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 1,246	1%
Fugang Electric (Maanshan) Co., Ltd.	Fixture and equipment purchased on behalf of others	\$ 110	-

Company name	General ledger account	December 31, 2023	
		Amount	Percentage of total amount
Fugang Electric (Xuzhou) Co., Ltd.	Other receivables	\$ 626,189	12%
Fugang Electric (Maanshan) Co., Ltd.	Other receivables	\$ 593,312	11%
Fushineng Electronics (Kunshan) Co., Ltd.	Other receivables	\$ 439,700	8%
Fugang Electric (Kunshan) Co., Ltd.	Other receivables	\$ 159,286	3%
Fu Gang Electronic (Nan Chang) Co., Ltd.	Other receivables	\$ 63,979	1%
Dongguan Fuqiang Electronics Co., Ltd.	Other receivables	\$ 17,846	-
Fuqiang Electric (Yancheng) Co., Ltd.	Other receivables	\$ 13,054	-
Fugang Electric (Yancheng) Co., Ltd.	Other receivables	\$ 477	-
Foxlink Tianjin Co., Ltd.	Other receivables	\$ 35	-

(4) Major shareholders information

Major shareholders information: Please refer to table 10.

14. SEGMENT INFORMATION

(1) General information

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

(2) Measurement of segment information

The Board of Directors of the Group uses operating profit to measure the operating segments and as evaluation basis of the segments' performance.

(3) Segment information

The financial information of reportable segments provided to Chief Operating Decision-Maker is as follows:

Year ended December 31, 2023

	3C component department	Systems and peripheral products department	3C product retail department	Energy service management	Adjustments	Total
External Revenue	\$ 29,198,974	\$ 37,683,291	\$ 12,422,435	\$ 11,246,064	\$ -	\$ 90,550,764
Revenue from Internal Customers	2,289,116	985,355	-	2,094	(3,276,565)	-
Segment Revenue	\$ 31,488,090	\$ 38,668,646	\$ 12,422,435	\$ 11,248,158	(\$ 3,276,565)	\$ 90,550,764
Segment (Loss) Profit	(\$ 65,585)	\$ 2,200,301	\$ 77,320	\$ 806,097	\$ -	\$ 3,018,133

Year ended December 31, 2022

	3C component department	Systems and peripheral products department	3C product retail department	Energy service management	Adjustments	Total
External Revenue	\$ 31,850,107	\$ 40,762,357	\$ 17,188,938	\$ 4,301,192	\$ -	\$ 94,102,594
Revenue from Internal Customers	1,879,810	161,824	-	-	(2,041,634)	-
Segment Revenue	<u>\$ 33,729,917</u>	<u>\$ 40,924,181</u>	<u>\$ 17,188,938</u>	<u>\$ 4,301,192</u>	<u>(\$ 2,041,634)</u>	<u>\$ 94,102,594</u>
Segment Profit	<u>\$ 758,883</u>	<u>\$ 2,102,750</u>	<u>\$ 417,673</u>	<u>\$ 252,387</u>	<u>\$ -</u>	<u>\$ 3,531,693</u>

(4) Reconciliation for segment profit (loss)

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

(5) Geographical information

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

	Years ended December 31,			
	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 22,357,958	\$ 12,078,147	\$ 14,689,833	\$ 9,412,021
China	22,445,300	14,751,144	27,334,678	15,801,037
America	27,771,270	572,488	29,552,766	587,302
Vietnam	4,599,975	284,163	5,037,465	162,555
India	2,500,317	763,788	1,673,660	1,094,485
Hong Kong	2,285,456	1,210	5,819,606	1,213
Korea	227,345	57,401	2,157,239	63,930
Others	8,363,143	1,298,148	7,837,347	1,498,867
	<u>\$ 90,550,764</u>	<u>\$ 29,806,489</u>	<u>\$ 94,102,594</u>	<u>\$ 28,621,410</u>

(6) Major customer information

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

Years ended December 31,				
	2023		2022	
	Revenue	Segment	Revenue	Segment
D	\$ 18,911,892	Systems and peripheral products department	\$ 12,968,277	Systems and peripheral products department
E	9,908,573	Energy service management department	2,099,298	Energy service management department
A	8,018,006	Systems and peripheral products department	14,422,164	Systems and peripheral products department
	<u>\$ 36,838,471</u>		<u>\$ 29,489,739</u>	

Cheng Uei Precision Industry Co., Ltd. and subsidiaries
Loans to others
Year ended December 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 3)	Footnote
													Item	Value			
1	Fugang Electric (Kunshan) Co., Ltd.	Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	Other receivables-related parties	Yes	\$ 26,694	\$ 25,962	\$ 25,962	-	2	\$ -	Operations	\$ -	-	\$ -	\$ 2,608,510	\$ 2,608,510	
1	Fugang Electric (Kunshan) Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	Other receivables-related parties	Yes	146,630	144,955	144,955	3.00%	2	-	Operations	-	-	-	1,043,404	1,043,404	
1	Fugang Electric (Kunshan) Co., Ltd.	Shanghai Standard Information Technology Co., Ltd.	Other receivables-related parties	Yes	15,477	15,145	15,145	4.00%	2	-	Operations	-	-	-	1,043,404	1,043,404	
2	World Circuit Technology Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	Other receivables	Yes	100,000	100,000	100,000	-	2	-	Operations	-	-	-	107,578	107,578	
2	World Circuit Technology Co., Ltd.	Microlink Communications Inc.	Other receivables	Yes	55,000	-	-	-	2	-	Operations	-	-	-	107,578	107,578	
2	World Circuit Technology Co., Ltd.	Suntain Co., Ltd.	Other receivables	Yes	20,000	-	-	-	2	-	Operations	-	-	-	107,578	107,578	
3	Culink Tianjin Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Other receivables-related parties	Yes	220,400	-	-	-	2	-	Operations	-	-	-	235,276	235,276	
4	Foxlink Energy (Tianjin) Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Other receivables-related parties	Yes	173,511	-	-	-	2	-	Operations	-	-	-	175,347	175,347	
5	Foxlink International Investment Ltd.	Foxlink Vietnam Co., Ltd.	Other receivables	Yes	119,880	61,410	61,410	5.00%	2	-	Operations	-	-	-	2,005,403	2,005,403	
5	Foxlink International Investment Ltd.	Cu International Ltd.	Other receivables	Yes	324,000	-	-	-	2	-	Operations	-	-	-	2,005,403	2,005,403	
6	Fu Uei International Investment Ltd.	Cheng Uei Precision Industry Co., Ltd.	Other receivables	Yes	240,000	140,000	140,000	-	2	-	Operations	-	-	-	1,095,928	1,095,928	
6	Fu Uei International Investment Ltd.	Foxlink Arizona Inc.	Other receivables	Yes	129,600	122,820	61,410	4.50%	2	-	Operations	-	-	-	1,095,928	1,095,928	
6	Fu Uei International Investment Ltd.	Microlink Communications Inc.	Other receivables	Yes	55,000	55,000	55,000	-	2	-	Operations	-	-	-	1,095,928	1,095,928	
6	Fu Uei International Investment Ltd.	Suntain Co., Ltd.	Other receivables	Yes	40,000	-	-	-	2	-	Operations	-	-	-	1,095,928	1,095,928	
7	Foxlink Technology Limited	Cu International Ltd.	Other receivables	Yes	816,279	773,576	773,576	-	2	-	Operations	-	-	-	877,998	877,998	
7	Foxlink Technology Limited	Cheng Uei Precision Industry Co., Ltd.	Other receivables	Yes	122,840	-	-	-	2	-	Operations	-	-	-	877,998	877,998	
8	Foxlink Tianjin Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	Other receivables	Yes	355,920	346,160	346,160	-	2	-	Operations	-	-	-	1,336,385	1,336,385	
9	Zhi De Investment Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	Other receivables	Yes	200,000	200,000	200,000	-	2	-	Operations	-	-	-	264,654	264,654	
9	Zhi De Investment Co., Ltd.	Cu International Ltd.	Other receivables	Yes	100,000	-	-	-	2	-	Operations	-	-	-	264,654	264,654	

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 3)	Footnote
													Item	Value			
10	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Maanshan) Co., Ltd.	Other receivables	Yes	\$ 166,838	\$ 162,263	\$ 162,263	1.00%	2	-	Operations	\$ -	-	\$ -	\$ 10,708,758	\$ 10,708,758	
11	Fugang Electronic (Dongguan) Co., Ltd.	Fugang Electric (Maanshan) Co., Ltd.	Other receivables	Yes	351,471	341,833	341,833	1.00%	2	-	Operations	-	-	-	7,620,872	7,620,872	
12	Fushineng Electronics (Kunshan) Co., Ltd.	Fugang Electric (Yancheng) Co., Ltd.	Other receivables	Yes	35,592	34,616	34,616	-	2	-	Operations	-	-	-	1,562,830	1,562,830	
13	Studio A Inc.	Straight A Inc.	Other receivables	Yes	250,000	-	-	-	2	-	Operations	-	-	-	257,201	257,201	
13	Studio A Inc.	Ashop Co., Ltd.	Other receivables	Yes	162,000	153,525	116,679	2.00%	2	-	Operations	-	-	-	257,201	257,201	
14	Straight A Inc.	Ashop Co., Ltd.	Other receivables	Yes	48,600	46,058	-	2.00%	2	-	Operations	-	-	-	83,006	83,006	
15	Studio A Technology Limited	Kunshan Fugang Electric Trading Co., Ltd.	Other receivables	Yes	124,350	-	-	2.00%	2	-	Operations	-	-	-	174,485	174,485	
15	Studio A Technology Limited	Ashop Co., Ltd.	Other receivables	Yes	254,800	-	-	2.00%	2	-	Operations	-	-	-	174,485	174,485	
16	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	Other receivables	Yes	900,000	-	-	1.93%	2	-	Operations	-	-	-	2,555,825	3,407,767	
17	Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables	Yes	266,700	173,080	118,992	2.50%	2	-	Operations	-	-	-	1,378,304	1,378,304	
17	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	Other receivables	Yes	500,000	500,000	-	2.00%	2	-	Operations	-	-	-	1,378,304	1,378,304	
18	Glorytek (Suzhou) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Other receivables-related parties	Yes	28,448	-	-	3.00%	2	-	Operations	-	-	-	284,865	284,865	
18	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables-related parties	Yes	222,250	216,350	154,041	3.00%	2	-	Operations	-	-	-	284,865	284,865	
19	Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	Other receivables-related parties	Yes	600,000	-	-	Average borrowing interest rate plus 0.1%	2	-	Group's capital management	-	-	-	4,463,022	4,463,022	
20	Power Quotient Technology (Yancheng) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Other receivables	Yes	533,400	333,179	333,179	2.50%	2	-	Group's capital management	-	-	-	703,240	703,240	
20	Power Quotient Technology (Yancheng) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables	Yes	221,100	216,350	216,350	2.50%	2	-	Group's capital management	-	-	-	703,240	703,240	
21	Dong Guan HanYang Computer Co., Ltd	Glory Optics (Yancheng) Co., Ltd.	Other receivables	Yes	88,660	86,540	-	3.65%	2	-	Operations	-	-	-	326,156	326,156	

Note 1: The numbers as follows represent the nature of loan:

- (1) Business transaction is labelled as “1”.
- (2) Short-term financing is labelled as “2”.

Note 2: (1) Limit on loans granted to a single party is 40% of the Company's net asset value.

- (2) Limit on loans granted to the domestic unlisted subsidiaries of the Company and FIT Holding Co., Ltd. is 40% of their net asset value.
- (3) Limit on loans granted to direct or indirect holding foreign subsidiaries is 40% of their net asset value.
- (4) Limit on loans granted between foreign companies whose voting shares are 100% held by the Company directly or indirectly, or on loans granted to the Company by such foreign companies is 100% of their net asset value.
- (5) Limit on loans granted by FIT Holding Co., Ltd. to its direct or indirect holding foreign subsidiaries is 30% of FIT Holding Co., Ltd.'s net asset value on recent financial report.

Note 3: (1) Ceiling on total loans granted to the company is 40% of the Company's net asset value.

- (2) Ceiling on total loans granted to the domestic unlisted subsidiaries of the Company and FIT Holding is 40% of their net asset value.
- (3) Ceiling on total loans granted to the direct or indirect holding subsidiaries is 40% of their net asset value.
- (4) Ceiling on total loans granted between foreign companies whose voting shares are 100% held by the Company directly or indirectly, or on loans granted to the Company by such foreign companies is 100% of their net asset value.
- (5) Ceiling on total loans granted by FIT Holding Co., Ltd. to its direct or indirect holding foreign subsidiaries is 40% of their net asset value on recent financial report.

Cheng Uei Precision Industry Co., Ltd. and subsidiaries
Provision of endorsements and guarantees to others
Year ended December 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 1)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	Actual amount drawn down	Amount of endorsements /guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements /guarantees provided (Note 2)	Provision of endorsements /guarantees by parent company to subsidiary	Provision of endorsements /guarantees by subsidiary to parent company	Provision of endorsements /guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/guarantor											
0	Cheng Uei Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	The Company's second-tier subsidiary	\$ 36,285,411	\$ 1,334,700	\$ 1,298,100	\$ 1,298,100	\$ -	5.37	\$ 72,570,822	Y	N	Y	
0	Cheng Uei Precision Industry Co., Ltd.	Foxlink International Incorporation	The Company's third-tier subsidiary	36,285,411	1,049,760	994,842	-	-	4.11	72,570,822	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Studio A Inc.	The Company's second-tier subsidiary	36,285,411	1,296,000	1,228,200	300,745	-	5.08	72,570,822	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Studio A Technology Limited	The Company's third-tier subsidiary	36,285,411	1,296,000	1,228,200	26,099	-	5.08	72,570,822	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	The Company's third-tier subsidiary	36,285,411	874,800	829,035	42,680	-	3.43	72,570,822	Y	N	Y	
0	Cheng Uei Precision Industry Co., Ltd.	Ashop Co., Ltd.	The Company's forth-tier subsidiary	36,285,411	907,200	859,740	151,683	-	3.55	72,570,822	Y	N	N	
0	Cheng Uei Precision Industry Co., Ltd.	Straight A Inc.	The Company's third-tier subsidiary	36,285,411	486,000	460,575	60,357	-	1.90	72,570,822	Y	N	N	
1	Fugang Electric (Kunshan) Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.'s subsidiary	36,285,411	106,776	103,848	-	-	0.43	72,570,822	N	N	Y	
2	Studio A Inc.	Studio A Technology Limited	Studio A Inc.'s subsidiary	36,285,411	296,780	230,288	-	-	0.95	72,570,822	N	N	N	
3	Foxlink International Incorporation	Foxlink Arizona Inc.	Foxlink International Incorporation's sibling company	36,285,411	558,058	528,863	528,863	-	2.19	72,570,822	N	N	N	
4	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	FIT Holding Co., Ltd.'s subsidiary	51,116,514	1,636,002	1,320,000	1,025,000	-	5.46	51,116,514	N	N	N	
4	FIT Holding Co., Ltd.	Glory Science Co., Ltd.	FIT Holding Co., Ltd.'s subsidiary	51,116,514	1,223,350	990,000	680,000	-	4.09	51,116,514	N	N	N	
5	FIT Holding Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	FIT Holding Co., Ltd.'s third-tier subsidiary	51,116,514	131,340	129,810	129,810	-	0.54	51,116,514	N	N	Y	
5	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	Foxlink Image Technology Co., Ltd.'s sibling company	20,674,572	1,925,000	1,365,000	1,225,000	-	5.64	20,674,572	N	N	N	
6	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	Foxlink Image Technology Co., Ltd.'s subsidiary	20,674,572	440,000	440,000	350,000	-	1.82	20,674,572	N	N	N	
7	Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	Shinfox Energy Co., Ltd.'s subsidiary	66,945,324	31,200,000	31,200,000	23,453,750	-	128.98	66,945,324	N	N	N	
7	Shinfox Energy Co., Ltd.	Shinfox Far East Company Pte Ltd.	Shinfox Energy Co., Ltd.'s subsidiary	62,482,302	630,000	630,000	-	-	2.60	66,945,324	N	N	N	
7	Foxwell Energy Corporation Ltd.	Xinwei Power Co., Ltd.	Foxwell Energy Corporation Ltd.'s subsidiary	14,227,534	113,200	113,200	113,200	-	0.47	14,227,534	N	N	N	

Note 1: Calculation for limit on endorsements/guarantees provided for a single party is as follows:

- (1) For subsidiaries whose shares are 90% or above held by the Company, ceiling on total amount of endorsements and guarantees provided by the Company is 150% of the Company’s net asset value; limit on endorsements and guarantees provided by the Company for a single party is 150% of the Company’s net asset value.
- (2) For FIT Holding Co.,Ltd., limit on endorsements and guarantees for a single party is 600% of FIT Holding Co.,Ltd.’s current net asset value and for subsidiary whose equity is no less than 90% held by FIT Holding Co.,Ltd., is 600% of FIT Holding Co.,Ltd.’s net asset value.
- (3) Endorsements and guarantees are available between companies whose voting shares are more than 90% held by FIT Holding Co., Ltd. directly or indirectly. And the limit on endorsements and guarantees is 10% of FIT Holding Co., Ltd.’s net asset value except that endorsements and guarantees are between companies whose voting shares are 100% held by FIT Holding Co., Ltd. directly or indirectly.
- (4) For subsidiaries whose shares are 90% or above held by Shinfox, ceiling on total amount of endorsements and guarantees provided by the Company is 600% of the Company's net asset value; limit on endorsements and guarantees provided by the Company for a single party is 560% of the Company's net asset value.
- (5) For subsidiaries whose shares are 90% or above held by Foxwell Energy, ceiling on total amount of endorsements and guarantees provided by the Company is 150% of the Company's net asset value; limit on endorsements and guarantees provided by the Company for a single party is 140% of the Company’s net asset value.

Note 2: Calculation for limit on endorsements/guarantees provided is as follows:

- (1) The Company’s and subsidiaries’ endorsements and guarantees to others should not exceed 300% of the Company’s net asset value.
- (2) FIT Holding Co.,Ltd.’s endorsements and guarantees to others and subsidiaries should not exceed 600% of FIT Holding Co., Ltd.’s net asset value in the latest financial statements.
- (3) Endorsements and guarantees are available between companies whose voting shares are more than 90% held by FIT Holding Co., Ltd. directly or indirectly. And the limit on endorsements and guarantees is 10% of FIT Holding Co., Ltd.’s net asset value except that endorsements and guarantees are between companies whose voting shares are 100% held by FIT Holding Co., Ltd. directly or indirectly.
- (4) Ceiling on total amount of endorsements/guarantees provided by Foxwell Energy and subsidiaries is 150% of Foxwell Energy's net asset value in the latest financial statements.

Cheng Uei Precision Industry Co., Ltd. and subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2023

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
				Number of shares (in thousand shares)	Book value	Ownership (%)	Fair value	
Fu Uei International Investment Ltd.	Trinity Investment Corporation	An investee of the Company	Financial assets at fair value through other comprehensive income - non-current	3,000	\$ 30,000	10.00	\$ 30,000	
Fu Uei International Investment Ltd.	Ade Technology Inc.	An investee of the Company	Financial assets at fair value through other comprehensive income - non-current	500	11,500	1.45	11,500	
Culink International Ltd.	Gamma 2 Robotics, Inc.	An investee of the Company	Financial assets at fair value through other comprehensive income - non-current	862	-	9.00	-	
Culink International Ltd.	Occipital, Inc.	An investee of the Company	Financial assets at fair value through other comprehensive income - non-current	389	-	2.50	-	
Culink International Ltd.	V5 Systems, Inc.	An investee of the Company	Financial assets at fair value through other comprehensive income - non-current	1,460	-	4.63	-	
Culink International Ltd.	Motiv Inc	An investee of the Company	Financial assets at fair value through other comprehensive income - non-current	273	-	1.70	-	
Culink International Ltd.	LeadSun Winion Limited	An investee of the Company	Financial assets at fair value through other comprehensive income - non-current	3,000	92,115	40.07	92,115	
Culink International Ltd.	MedWand Solutions Inc.	An investee of the Company	Financial assets at fair value through other comprehensive income - non-current	63	-	2.89	-	
Foxlink Technology Limited	Leadsun New Star Corp.	An investee of the Company	Financial assets at fair value through other comprehensive income - non-current	550	4,591	12.50	4,591	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	Dongguan Power Wise Technology Co., Ltd.	An investee of the Company	Financial assets at fair value through other comprehensive income - non-current	1,250	-	4.00	-	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	Zhongneng Lithium Battery Technology Taizhou Co., Ltd	An investee of the Company	Financial assets at fair value through other comprehensive income - non-current	922	86,540	3.35	86,540	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	Hebei Gellec New Energy Science&technology Co.,Ltd.	An investee of the Company	Financial assets at fair value through other comprehensive income - non-current	3,333	86,540	0.61	86,540	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	Changzhou Qitai No.1 Venture Capital Partnership	An investee of the Company	Financial assets at fair value through other comprehensive income - non-current	20,000	86,540	6.33	86,540	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	TBB Power (Xiamen) Co., Ltd.	An investee of the Company	Financial assets at fair value through other comprehensive income - non-current	2,149	216,350	4.35	216,350	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	Shaha Technology (Shanghai) Co., Ltd.	An investee of the Company	Financial assets at fair value through other comprehensive income - non-current	163	121,156	14.00	121,156	
Foxlink Tianjin Co., Ltd.	Changde Fubo Intelligent Technology Co., Ltd.	An investee of the Company	Financial assets at fair value through other comprehensive income - non-current	-	4,112	9.50	4,112	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
				Number of shares (in thousand shares)	Book value	Ownership (%)	Fair value	
FIT Holding Co., Ltd.	Leadsun Wind & Solar Co., Ltd.	N/A	Financial assets at fair value through other comprehensive income - non-current	22,500	\$ 210,529	12.00	\$ 210,529	
Foxlink Image Technology Co., Ltd.	Taiwan Mobile Co., Ltd.	N/A	Financial assets at fair value through other comprehensive income - non-current	1,631	160,767	0.04	160,767	
Foxlink Image Technology Co., Ltd.	Wellgen Medical Co., Ltd.	N/A	Financial assets at fair value through other comprehensive income - non-current	1,500	-	14.09	-	
Power Quotient International Co., Ltd.	Saint Song Corp.	N/A	Financial assets at fair value through other comprehensive income - non-current	127	-	1.05	-	
Power Quotient International Co., Ltd.	Ours Technology Inc.	N/A	Financial assets at fair value through other comprehensive income - non-current	13	-	0.21	-	
Power Quotient International Co., Ltd.	Innoplus Co., Ltd.	N/A	Financial assets at fair value through other comprehensive income - non-current	160	-	12.00	-	
Power Quotient International Co., Ltd.	Taiwan Mobile Co., Ltd.	N/A	Financial assets at fair value through other comprehensive income - non-current	1,631	160,767	0.04	160,767	
Power Quotient International Co., Ltd.	Stack Devices Corporation	N/A	Financial assets at fair value through other comprehensive income - non-current	70	-	0.11	-	
Power Quotient Technology (Yancheng) Co., Ltd.	Jiangsu Foxlink New Energy Technology Co.,Ltd.	N/A	Financial assets at fair value through other comprehensive income - non-current	-	73,151	12.90	73,151	
Shinfox Energy Co., Ltd.	Corvus Energy Ltd.	N/A	Financial assets at fair value through other comprehensive income - non-current	22	-	0.04	-	
Foxwell Energy Corporation Ltd.	Full Entertainment Marketing Co., Ltd.	N/A	Financial assets at fair value through other comprehensive income - non-current	300	-	3.00	-	
KunShan Eastern Rainbow Environmental Equipment Co., Ltd.	Wuxi Eastern Rainbow Environmental Protection Engineering Co., Ltd.	N/A	Financial assets at fair value through other comprehensive income - non-current	-	649	10.00	649	
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Shin Kong Financial Holding Co., Ltd	N/A	Financial assets at fair value through profit or loss - current	43	383	-	383	
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Shin Kong Financial Holding Co., Ltd. Preferred Shares B	N/A	Financial assets at fair value through profit or loss - current	1	15	-	15	
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Mildef Crete Inc.	N/A	Financial assets at fair value through profit or loss - current	10	869	0.02	869	

Cheng Uei Precision Industry Co., Ltd. and subsidiaries
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Year ended December 31, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2023		Addition		Disposal				Balance as at December 31, 2023		Footnote
					Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
The Company	Cu International Ltd.	Investment accounted for using equity method	Cu International Ltd.	Note 1	478,350	\$ 14,687,737	15,200	\$ 464,325	-	\$ -	\$ -	\$ -	493,550	\$ 15,154,453	Note 3
The Company	Foxlink International Investment Ltd.	Investment accounted for using equity method	Foxlink International Investment Ltd.	Note 1	408,750	3,350,000	60,000	600,000	-	-	-	-	468,750	3,950,000	Note 3
Foxlink International Investment Ltd.	Foxlink Da Nang Electronics Co., Ltd.	Investment accounted for using equity method	Foxlink Da Nang Electronics Co., Ltd.	Note 1	-	-	28,000	905,730	-	-	-	-	28,000	905,730	Note 3
Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd	Investment accounted for using equity method	Foxwell Energy Corporation Ltd	Note 1	610,000	610,000	257,000	2,570,000	-	-	-	-	867,000	8,670,000	Note 3
Shinfox Energy Co., Ltd.	Shinfox Far East Company Pte Ltd.	Investment accounted for using equity method	Shinfox Far East Renewable Energy Company Pte Ltd.	Note 2	-	981,545	53,600	675,778	-	-	-	-	53,600	1,657,323	Note 3 、 4

Note 1 : The entity is the Company's subsidiary.
Note 2 : The general ledger account is ‘Investments accounted for using equity method’.
Note 3 : The abovementioned amount is investment cost, information relating to its carrying amount is provided Table 8.
Note 4 : The Group prepaid investments to Shinfox Far East Company Pte Ltd. on December 27, 2022, and acquired a 40% equity interests in the entity in January 2023, and acquired another 27% equity interests in the entity on November 6, 2023.

Cheng Uei Precision Industry Co., Ltd. and subsidiaries
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts	
The Company	Foxlink International Incorporation	The Company's third-tier subsidiary	Sales	(\$ 17,783,841)	(30)	Note 1	Note 1	Note 1	\$ 3,807,340	26	
The Company	Hon Hai Precision Industry Co., Ltd.	Other related party	Sales	(707,681)	(1)	Note 1	Note 1	Note 1	349,454	2	
The Company	Dongguan Fuqiang Electronics Co., Ltd.	The Company's second-tier subsidiary	Purchases	24,944,932	43	Note 2	Note 2	Note 2	(1,106,714)	(9)	
The Company	Fugang Electronic (Dongguan) Co., Ltd.	The Company's second-tier subsidiary	Purchases	15,438,851	26	Note 2	Note 2	Note 2	(4,158,415)	(34)	
The Company	Fugang Electric (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	Purchases	2,219,089	4	Note 2	Note 2	Note 2	-	-	
The Company	Fushineng Electronics (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	Purchases	2,800,885	5	Note 2	Note 2	Note 2	(607,523)	(6)	
The Company	Fugang Electric (Maanshan) Co., Ltd.	The Company's second-tier subsidiary	Purchases	429,760	1	Note 2	Note 2	Note 2	(298,231)	(3)	
The Company	Well Shin Technology Co., Ltd.	The Company's investee accounted for using equity method	Purchases	245,525	-	Note 2	Note 2	Note 2	(67,474)	(1)	
The Company	Fugang Electric (Xuzhou) Co., Ltd.	The Company's second-tier subsidiary	Purchases	9,735,601	17	Note 2	Note 2	Note 2	(1,940,678)	(18)	
The Company	Hon Hai Precision Industry Co., Ltd.	Other related party	Purchases	490,158	1	Note 2	Note 2	Note 2	(62,894)	(1)	
The Company	Foxlink Automotive Technology (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	Purchases	212,600	-	Note 2	Note 2	Note 2	-	-	
The Company	Sinobest Brothers Limited	The Company's subsidiary	Purchases	137,967	-	Note 2	Note 2	Note 2	(79,722)	(1)	
The Company	Foxlink India Electric Private Limited	The Company's second-tier subsidiary	Purchases	458,430	1	Note 2	Note 2	Note 2	(207,089)	(2)	
The Company	Foxlink (Vietnam) Co., Ltd.	The Company's second-tier subsidiary	Purchases	1,195,775	2	Note 2	Note 2	Note 2	(999,718)	(9)	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts	
Foxlink International Incorporation	The Company	The entity is the ultimate parent company of the Company	Purchases	\$ 17,783,841	100	Note 2	Note 2	Note 2	(\$ 3,807,340)	100	
Dongguan Fuqiang Electronics Co., Ltd.	The Company	The entity is the ultimate parent company of the Company	Sales	(24,944,932)	(90)	Note 1	Note 1	Note 1	1,106,714	11	
Fugang Electronic (Dongguan) Co., Ltd.	The Company	The entity is the ultimate parent company of the Company	Sales	(15,438,851)	(81)	Note 1	Note 1	Note 1	4,158,415	65	
Fugang Electric (Kunshan) Co., Ltd.	The Company	The entity is the ultimate parent company of the Company	Sales	(2,219,089)	(72)	Note 1	Note 1	Note 1	-	-	
Fushineng Electronics (Kunshan) Co., Ltd.	The Company	The entity is the ultimate parent company of the Company	Sales	(2,800,885)	(73)	Note 1	Note 1	Note 1	607,523	61	
Fugang Electric (Maanshan) Co., Ltd.	The Company	The entity is the ultimate parent company of the Company	Sales	(429,760)	100	Note 1	Note 1	Note 1	298,231	93	
Fugang Electric (Xuzhou) Co., Ltd.	The Company	The entity is the ultimate parent company of the Company	Sales	(9,735,601)	(90)	Note 1	Note 1	Note 1	1,940,678	93	
Foxlink Automotive Technology (Kunshan) Co., Ltd.	The Company	The entity is the ultimate parent company of the Company	Sales	(212,600)	(72)	Note 1	Note 1	Note 1	-	-	
Sinobest Brothers Limited	The Company	The entity is the ultimate parent company of the Company	Sales	(137,967)	(67)	Note 1	Note 1	Note 1	79,722	100	
Foxlink India Electric Private Limited	The Company	The entity is the ultimate parent company of the Company	Sales	(458,430)	(17)	Note 1	Note 1	Note 1	207,089	29	
Foxlink (Vietnam) Co., Ltd.	The Company	The entity is the ultimate parent company of the Company	Sales	(1,195,775)	(97)	Note 1	Note 1	Note 1	999,718	99	
Fugang Electronic (Dongguan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	Sales	(1,961,899)	(10)	Note 1	Note 1	Note 1	324,815	5	
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	Affiliated company	Purchases	1,961,899	8	Note 2	Note 2	Note 2	(324,815)	(5)	
Dongguan Fuqiang Electronics Co., Ltd.	Du Precision Industry Co., Ltd.	Affiliated company	Sales	(100,469)	-	Note 1	Note 1	Note 1	100,469	1	
Du Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	Purchases	100,469	-	Note 2	Note 2	Note 2	(100,469)	(1)	
Fugang Electric (Kunshan) Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	Affiliated company	Sales	(271,425)	(9)	Note 2	Note 2	Note 2	-	-	
Fugang Electronic (Dongguan) Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	Affiliated company	Purchases	271,425	2	Note 2	Note 2	Note 2	-	-	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts	
Suntain Co., Ltd.	Hon Hai Precision Industry Co., Ltd.	Other related party	Purchases	\$ 151,891	55	Note 2	Note 2	Note 2	(\$ 11,791)	(100)	
Kunshan Fugang Electric Trading Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	Affiliated company	Sales	(972,650)	(72)	Note 1	Note 1	Note 1	94,247	100	
Shanghai Fugang Electric Trading Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	Affiliated company	Purchases	972,650	100	Note 2	Note 2	Note 2	(94,247)	(100)	
Wei Hai Fu Kang Electric Co., Ltd.	Accu-Image Technology Limited	Affiliated company	Sales	(667,701)	(90)	Note 1	Note 1	Note 1	132,607	100	
Accu-Image Technology Limited	Wei Hai Fu Kang Electric Co., Ltd.	Affiliated company	Purchases	667,701	19	Note 2	Note 2	Note 2	(132,607)	(17)	

Note 1: Please refer to Note 7(2) A. for the details.

Note 2: Please refer to Note 7(2) B. for the details.

Cheng Uei Precision Industry Co., Ltd. and subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
The Company	Foxlink International Incorporation	Great-grandchild company	\$ 3,807,340	4.67	None	N/A	\$ 2,558,753	None
The Company	Fushineng Electronics (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	439,700	Note 1	"	"	-	"
The Company	Hon Hai Precision Industry Co., Ltd.	This company's chairman is the second-degree relative of the Company's chairman	349,454	2.03	"	"	155,369	"
The Company	Fugang Electric (Kunshan) Co., Ltd.	The Company's second-tier subsidiary	159,286	Note 1	"	"	21,742	"
The Company	Fugang Electric (Xuzhou) Co., Ltd.	The Company's second-tier subsidiary	626,189	Note 1	"	"	-	"
The Company	Fugang Electric (Maanshan) Co., Ltd.	The Company's second-tier subsidiary	593,312	Note 1	"	"	-	"
The Company	Sinobest Brothers Limited	The Company's subsidiary	104,747	Note 1	"	"	-	"
The Company	Foxlink India Electric Private Limited	The Company's second-tier subsidiary	2,328,643	Note 1	"	"	-	"
The Company	Foxlink (Vietnam) Co., Ltd.	The Company's second-tier subsidiary	769,695	Note 1	"	"	-	"
Fushineng Electronics (Kunshan) Co., Ltd.	The Company	This company is the ultimate parent company of the company	607,523	4.18	"	"	-	"
Fu Gang Electronic (Nan Chang) Co., Ltd.	The Company	This company is the ultimate parent company of the company	1,264,537	Note 1	"	"	-	"
Fugang Electronic (Dongguan) Co., Ltd.	The Company	This company is the ultimate parent company of the company	4,158,415	3.35	"	"	-	"
Dongguan Fuqiang Electronics Co., Ltd.	The Company	This company is the ultimate parent company of the company	1,106,714	17.07	"	"	-	"
Fugang Electric (Maanshan) Co., Ltd.	The Company	This company is the ultimate parent company of the company	298,231	1.44	"	"	-	"
Fugang Electric (Xuzhou) Co., Ltd.	The Company	This company is the ultimate parent company of the company	1,940,678	4.12	"	"	-	"
Foxlink (Vietnam) Co., Ltd.	The Company	This company is the ultimate parent company of the company	999,718	0.44	"	"	-	"
Foxlink India Electric Private Limited	The Company	This company is the ultimate parent company of the company	207,089	2.21	"	"	-	"
Fu Uei International Investment Ltd.	The Company	This company is the ultimate parent company of the company	140,000	Note 1	"	"	-	"
World Circuit Technology Co., Ltd.	The Company	This company is the ultimate parent company of the company	100,000	Note 1	"	"	-	"
Zhi De Investment Co., Ltd.	The Company	This company is the ultimate parent company of the company	200,000	Note 1	"	"	-	"

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Cu International Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	\$ 143,604	Note 1	None	N/A	\$ -	None
Fugang Electronic (Dongguan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	324,815	6.04	"	"	-	"
Fugang Electronic (Dongguan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	290,295	Note 1	"	"	-	"
Fugang Electronic (Dongguan) Co., Ltd.	Fugang Electric (Maanshan) Co., Ltd.	Affiliated company	341,833	Note 1	"	"	-	"
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Maanshan) Co., Ltd.	Affiliated company	279,822	Note 1	"	"	-	"
Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	Affiliated company	1,801,959	0.00	"	"	-	"
Dongguan Fuqiang Electronics Co., Ltd.	Du Precision Industry Co., Ltd.	Affiliated company	100,469	1.00	"	"	-	"
Fugang Electric (Kunshan) Co., Ltd.	Fugang Electric (Maanshan) Co., Ltd.	Affiliated company	270,701	Note 1	"	"	-	"
Fugang Electric (Kunshan) Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	Affiliated company	144,955	Note 1	"	"	-	"
Foxlink Tianjin Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	Affiliated company	346,160	Note 1	"	"	-	"
Foxlink Tianjin Co., Ltd.	Cu International Ltd.	Affiliated company	387,051	Note 1	"	"	-	"
Foxlink Technology Limited	Cu International Ltd.	Affiliated company	773,576	Note 1	"	"	-	"
Fugang Electric (Maanshan) Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	Affiliated company	132,570	0.09	"	"	-	"
Studio A Technology Limited	Ashop Co., Ltd.	The Company's subsidiary	116,679	Note 1	"	"	-	"
Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliated company	118,992	Note 1	"	"	-	"
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliated company	346,939	0.72	"	"	-	"
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliated company	138,511	Note 1	"	"	-	"
Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Affiliated company	255,026	Note 1	"	"	-	"
Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliated company	165,545	Note 1	"	"	-	"
Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliated company	342,797	1.95	"	"	55,231	"
Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliated company	132,607	4.42	"	"	56,523	"
Power Quotient Technology (Yancheng) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliated company	333,179	Note 1	"	"	-	"
Power Quotient Technology (Yancheng) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Affiliated company	216,350	Note 1	"	"	-	"

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

Cheng Uei Precision Industry Co., Ltd. and subsidiaries
Significant inter-company transactions during the reporting periods
Year ended December 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Cheng Uei Precision Industry Co., Ltd.	Foxlink International Incorporation	1	Sales	\$ 17,783,841	Sales prices are based on the mutual agreement	20
0	Cheng Uei Precision Industry Co., Ltd.	Foxlink International Incorporation	1	Accounts receivable	3,807,340	The collections depend on the financial situation after offsetting the receivables against the payables	4
0	Cheng Uei Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	1	Purchases	24,944,932	Purchase prices are based on the mutual agreement	28
0	Cheng Uei Precision Industry Co., Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	1	Accounts payable	1,106,714	The collections depend on the financial situation after offsetting the receivables against the payables	1
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	1	Purchases	2,219,089	Purchase prices are based on the mutual agreement	2
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	1	Other receivables	159,286	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	Fushineng Electronics (Kunshan) Co., Ltd.	1	Purchases	2,800,885	Purchase prices are based on the mutual agreement	3
0	Cheng Uei Precision Industry Co., Ltd.	Fushineng Electronics (Kunshan) Co., Ltd.	1	Other receivables	439,700	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	Fushineng Electronics (Kunshan) Co., Ltd.	1	Accounts payable	607,523	The collections depend on the financial situation after offsetting the receivables against the payables	1
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	1	Purchases	15,438,851	Purchase prices are based on the mutual agreement	17
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	1	Accounts payable	4,158,415	The collections depend on the financial situation after offsetting the receivables against the payables	4
0	Cheng Uei Precision Industry Co., Ltd.	Fu Uei International Investment Ltd.	1	Other receivables	140,000	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Maanshan) Co., Ltd.	1	Purchases	429,760	Purchase prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Maanshan) Co., Ltd.	1	Other payables	593,312	The collections depend on the financial situation after offsetting the receivables against the payables	1
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Maanshan) Co., Ltd.	1	Accounts payable	298,231	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Xuzhou) Co., Ltd.	1	Other receivables	626,189	The collections depend on the financial situation after offsetting the receivables against the payables	1

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Xuzhou) Co., Ltd.	1	Purchases	\$ 9,735,601	Purchase prices are based on the mutual agreement	11
0	Cheng Uei Precision Industry Co., Ltd.	Fugang Electric (Xuzhou) Co., Ltd.	1	Accounts payable	1,940,678	The collections depend on the financial situation after offsetting the receivables against the payables	2
0	Cheng Uei Precision Industry Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	1	Purchases	212,600	Purchase prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	Fu Gang Electronic (Nan Chang) Co., Ltd.	1	Accounts payable	1,264,537	The collections depend on the financial situation after offsetting the receivables against the payables	1
0	Cheng Uei Precision Industry Co., Ltd.	Zhi De Investment Co., Ltd.	1	Other payables	200,000	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	World Circuit Technology Co., Ltd	1	Other payables	100,000	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	Sinobest Brothers Limited	1	Other receivables	104,747	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	Sinobest Brothers Limited	1	Purchases	137,967	Purchase prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	Foxlink India Electric Private Limited	1	Other receivables	2,328,643	The collections depend on the financial situation after offsetting the receivables against the payables	2
0	Cheng Uei Precision Industry Co., Ltd.	Foxlink India Electric Private Limited	1	Accounts payable	207,089	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	Foxlink India Electric Private Limited	1	Purchases	458,430	Purchase prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	Foxlink (Vietnam) Co., Ltd.	1	Accounts payable	999,718	The collections depend on the financial situation after offsetting the receivables against the payables	-
0	Cheng Uei Precision Industry Co., Ltd.	Foxlink (Vietnam) Co., Ltd.	1	Purchases	1,195,775	Purchase prices are based on the mutual agreement	-
0	Cheng Uei Precision Industry Co., Ltd.	Foxlink (Vietnam) Co., Ltd.	1	Other receivables	769,695	The collections depend on the financial situation after offsetting the receivables against the payables	1
1	Cu International Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	3	Other receivables	143,604	The collections depend on the financial situation after offsetting the receivables against the payables	-
1	Cu International Ltd.	Dongguan Fuqiang Electronics Co., Ltd.	3	Prepaid expenses	173,429	The collections depend on the financial situation after offsetting the receivables against the payables	-
1	Cu International Ltd.	Foxlink Tianjin Co., Ltd.	3	Other payables	387,051	The collections depend on the financial situation after offsetting the receivables against the payables	-
1	Cu International Ltd.	Foxlink Technology Limited	3	Other payables	773,576	The collections depend on the financial situation after offsetting the receivables against the payables	1
2	Fugang Electric (Kunshan) Co., Ltd.	Foxlink Automotive Technology (Kunshan) Co., Ltd.	3	Prepaid expenses	204,070	The collections depend on the financial situation after offsetting the receivables against the payables	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
2	Fugang Electric (Kunshan) Co., Ltd.	Kunshan Fugang Electric Trading Co., Ltd.	3	Other receivables	\$ 144,955	The collections depend on the financial situation after offsetting the receivables against the payables	-
2	Fugang Electric (Kunshan) Co., Ltd.	Fugang Electric (Maanshan) Co., Ltd.	3	Other receivables	270,701	The collections depend on the financial situation after offsetting the receivables against the payables	-
2	Fugang Electric (Kunshan) Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Sales	271,425	Sales prices are based on the mutual agreement	-
2	Fugang Electric (Kunshan) Co., Ltd.	Culink Tianjin Co., Ltd.	3	Other payables	346,160	The collections depend on the financial situation after offsetting the receivables against the payables	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Purchases	1,961,899	Purchase prices are based on the mutual agreement	2
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Other payables	290,295	The collections depend on the financial situation after offsetting the receivables against the payables	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electronic (Dongguan) Co., Ltd.	3	Accounts payable	324,815	The collections depend on the financial situation after offsetting the receivables against the payables	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Maanshan) Co., Ltd.	3	Other receivables	279,822	The collections depend on the financial situation after offsetting the receivables against the payables	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Fuqiang Electric (Maanshan) Co., Ltd.	3	Accounts payable	132,570	The collections depend on the financial situation after offsetting the receivables against the payables	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Fugang Electric (Kunshan) Co., Ltd.	3	Accounts receivable	1,801,959	The collections depend on the financial situation after offsetting the receivables against the payables	2
3	Dongguan Fuqiang Electronics Co., Ltd.	Du Precision Industry Co., Ltd.	3	Sales	100,469	Purchase prices are based on the mutual agreement	-
3	Dongguan Fuqiang Electronics Co., Ltd.	Du Precision Industry Co., Ltd.	3	Other receivables	100,469	The collections depend on the financial situation after offsetting the receivables against the payables	-
4	Fugang Electronic (Dongguan) Co., Ltd.	Fugang Electric (Maanshan) Co., Ltd.	3	Other receivables	341,833	The collections depend on the financial situation after offsetting the receivables against the payables	-
5	Studio A Inc.	Ashop Co., Ltd.	3	Other receivables	116,679	The collections depend on the financial situation after offsetting the receivables against the payables	-
6	Kunshan Fugang Electric Trading Co., Ltd.	Shanghai Fugang Electric Trading Co., Ltd.	3	Sales	972,650	Sales prices are based on the mutual agreement	1
7	Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	118,992	Based on the company's policy	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
8	Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	\$ 255,026	Based on the company's policy	-
8	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Accounts receivable	346,939	Based on the company's policy	-
8	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	138,511	Based on the company's policy	-
9	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	165,545	Based on the company's policy	-
10	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Processing income	600,085	The flexible collection based on the financial situation	1
10	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	342,797	The flexible collection based on the financial situation	-
11	Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Processing income	104,010	The flexible collection based on the financial situation	-
12	Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Sales	667,701	The flexible collection based on the financial situation	1
12	Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	132,607	The flexible collection based on the financial situation	-
13	Power Quotient Technology (Yancheng) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	333,179	Based on the company's policy	-
13	Power Quotient Technology (Yancheng) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	216,350	Based on the company's policy	-
14	Foxwell Energy Corporation Ltd	Shinfox Far East Company Pte Ltd.	3	Construction Cost	610,562	Sales prices are based on the mutual agreement	1

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

(1)Parent company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Disclosure of the transactions of related party over \$100 million only and the related party transactions for counterparty are not disclosed.

Cheng Uei Precision Industry Co., Ltd. and subsidiaries
Information on investees
Year ended December 31, 2023

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net Income (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares (in thousand shares)	Ownership (%)	Book value			
The Company	Cu International Ltd.	British Virgin IS.	Manufacture of electronic telecommunication components and reinvestment business	\$ 15,154,453	\$ 14,687,737	493,550	100	\$ 26,164,967	\$ 699,614	\$ 754,543	
The Company	Culink International Ltd.	British Virgin IS.	Reinvestment business	1,029,477	989,561	33,528	100	1,772,836	372,435	372,435	
The Company	Foxlink International Investment Ltd.	Taiwan	General investments holdings	3,950,000	3,350,000	468,750	100	4,390,733	456,990	456,990	
The Company	Fu Uei International Investment Ltd.	Taiwan	General investments holdings	4,250,000	4,250,000	425,000	100	2,725,367	(560,963)	(560,963)	
The Company	Well Shin Technology Co., Ltd.	Taiwan	Manufacture and sales of electronic telecommunication	270,065	270,065	22,282	18.84	1,268,983	507,511	95,914	
The Company	Darts Technologies Corporation	Taiwan	Manufacture of electronic telecommunication and wireless components	762,566	762,566	47,576	97	1,186,665	120,266	116,658	
The Company	Du Precision Industry Co., Ltd.	Taiwan	Sales of raw materials and products of various connectors	600,000	600,000	60,000	100	86,774	17,481	17,481	
The Company	Foxlink Technology Limited.	Hong Kong	Reinvestment business	340,644	340,644	86,700	100	889,607	1,329	1,329	
The Company	Suntain Co., Ltd.	Taiwan	Electroplating processing services	190,810	190,810	22,374	100	249,536	12,837	12,837	
The Company	Foxlink Arizona Inc.	USA	Energy service management	475,006	224,147	15,470	100	28,289	(271,827)	(271,827)	
The Company	Sinobest Brothers Limited	Hong Kong	Reinvestment business	635,716	635,716	20,704	91.19	300,231	(18,565)	(16,929)	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net Income (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares (in thousand shares)	Ownership (%)	Book value			
Foxlink Technology Limited.	Sinobest Brothers Limited	Hong Kong	Reinvestment business	\$ 60,903	\$ 60,903	2,000	8.81	\$ 29,002	(\$ 18,565)	(\$ 1,634)	
Sinobest Brothers Limited	Foxlink Myanmar Company Limited	Myanmar	Manufacture and sales of electronic telecommunication	697,126	697,126	22,704	100	363,954	(39,834)	(39,834)	
Du Precision Industry Co., Ltd.	Celink International Ltd.	British Virgin IS.	Sales of raw materials and products of various connectors	507,738	507,738	16,536	100	-	-	-	
Darts Technologies Corporation	Benefit Right Ltd.	British Virgin IS.	General investments holdings	302,321	302,321	9,846	100	1,254,458	127,966	127,966	
Benefit Right Ltd.	Power Channel Limited	Hong Kong	General investments holdings	236,736	236,736	6	64.25	1,172,675	194,483	124,926	
Foxlink Arizona Inc.	Grid Response LLC.	USA	Energy service management	12,036	-	392	50	12,048	-	-	
Cu International Ltd.	New Start Industries Ltd.	British Virgin IS.	Reinvestment business	264,063	264,063	8,600	100	2,769,294	118,229	118,229	
Cu International Ltd.	Foxlink Technical India Private Ltd.	India	Manufacture and sales of electronic telecommunication	120,623	99,116	26,594	34.45	62,398	1,493	511	
Cu International Ltd.	Solteras Limited	British Virgin IS.	Reinvestment business	61,410	61,410	1,960	100	-	-	-	
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Foxlink Automotive Technology Co., Ltd.	Taiwan	Manufacture and sales of electronic telecommunication	39,609	39,609	5,000	100	47,616	250	250	
Culink International Ltd.	Pacific Wealth Limited	Cayman Islands	General investments holdings	30,705	30,705	1,000	100	(116,845)	4,050	4,050	
Culink International Ltd.	Foxlink Technical India Private Ltd.	India	Manufacture and sales of electronic telecommunication	206,759	166,843	21,546	65.55	112,497	1,493	982	
Culink International Ltd.	Foxlink Powerbank International Technology Private Ltd.	India	Manufacture and sales of electronic telecommunication	591	591	160	0.73	589	163	1	
Culink International Ltd.	Glorytek Science India Private Limited	India	Trading and manufacture	591	591	160	0.73	588	174	1	
Pacific Wealth Limited	Foxlink International Incorporation	USA	Sales of electronic telecommunication components	15,353	15,353	500	100	(116,845)	4,050	4,050	
Foxlink Technical India Private Ltd.	Tegna Electronics Private Limited	India	Trading and manufacture	11,088	11,088	3,001	10	12,541	5,832	432	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net Income (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares (in thousand shares)	Ownership (%)	Book value			
Foxlink International Investment Ltd.	FIT Holding Co., Ltd.	Taiwan	General investments holdings	\$ 1,357,624	\$ 1,357,624	58,303	23.67	\$ 1,817,371	\$ 567,916	\$ 129,820	
Foxlink International Investment Ltd.	Yixin Precision Industry Co., Ltd.	Taiwan	Manufacture and sales of electronic telecommunication	60,000	60,000	6,000	75	-	-	-	
Foxlink International Investment Ltd.	Microlink Communications Inc.	Taiwan	Manufacture and sales of telecommunication equipment and apparatus	80,000	80,000	6,857	21.43	(22,889)	(736)	(158)	
Foxlink International Investment Ltd.	World Circuit Technology Co., Ltd.	Taiwan	Manufacture and sales of electronic telecommunication	469,500	469,500	15,650	69.56	187,066	(5,472)	(3,806)	
Foxlink International Investment Ltd.	Central Motion Picture Corporation	Taiwan	Motion picture production	900,000	900,000	15,000	13.60	1,528,446	70,821	9,632	
Foxlink International Investment Ltd.	Foxlink India Electric Private Limited	India	Manufacture and sales of electronic telecommunication	160,662	160,662	41,646	13.53	(50,259)	(813,385)	(110,068)	
Foxlink International Investment Ltd.	CYNC Design Co., Ltd.	Taiwan	Sales of electronic telecommunication components	10,000	10,000	1,000	15.38	10,053	1,104	170	
Foxlink International Investment Ltd.	Foxlink (Vietnam) Co., Ltd.	Vietnam	Sales of electronic telecommunication components	185,058	119,318	6,452	100	487,297	442,049	442,049	
Foxlink International Investment Ltd.	Foxlink Da Nang Electronics Co., Ltd.	Vietnam	Sales of electronic telecommunication components	905,730	-	28,000	100	822,494	(2,170)	(2,170)	
Foxlink Image Technology Co., Ltd.	Central Motion Picture Corporation	Taiwan	Motion picture production	257,656	257,656	4,294	3.89	184,043	70,821	2,755	
World Circuit Technology Co., Ltd.	Value Success Ltd.	British Virgin IS.	Holding company and reinvestment business	196,512	196,512	5,000	100	25,700	(8,087)	(8,087)	
Value Success Ltd.	Capital Guardian Limited	Hong Kong	Sales of electronic telecommunication components	196,512	196,512	3,005	100	25,631	(8,087)	(8,087)	
Capital Guardian Limited	World Circuit Technology (Hong Kong) Limited	Hong Kong	Sales of electronic telecommunication components	34,237	34,237	-	100	29,970	(8,087)	(8,087)	
Fu Uei International Investment Ltd.	FIT Holding Co., Ltd.	Taiwan	General investments holdings	456,240	456,240	14,690	5.97	405,812	567,916	32,673	
Fu Uei International Investment Ltd.	Studio A Inc.	Taiwan	Sales of electronic telecommunication components	96,200	96,200	13,196	51	338,579	42,027	16,095	
Fu Uei International Investment Ltd.	VA Product Inc.	Taiwan	Sales of electronic telecommunication components	16,642	16,642	2,400	100	33,161	4,641	4,641	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net Income (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares (in thousand shares)	Ownership (%)	Book value			
Fu Uei International Investment Ltd.	Zhi De Investment Co., Ltd.	Taiwan	General investments holdings	\$ 2,184,388	\$ 2,184,388	170,918	100	\$ 661,635	\$ 44,916	\$ 44,916	
Fu Uei International Investment Ltd.	CMPC Cultural & Creative Co., Ltd.	Taiwan	Venture capital industry	150,000	150,000	15,000	42.86	111,565	(1,678)	(719)	
Fu Uei International Investment Ltd.	Shinfox Energy Co., Ltd.	Taiwan	Mechanical installation and piping engineering	694,170	694,170	18,673	8.64	963,891	636,385	54,977	
Fu Uei International Investment Ltd.	Foxlink India Electric Private Limited	India	Manufacture and sales of electronic telecommunication	1,010,999	1,010,999	266,109	86.47	(183,031)	(813,385)	(703,317)	
Zhi De Investment Co., Ltd.	FIT Holding Co., Ltd.	Taiwan	General investments holdings	1,258,208	1,258,208	21,056	8.55	457,735	567,916	46,883	
Studio A Inc.	Tayih Digital Technology Co., Ltd.	Taiwan	Manufacture and sales of electronic telecommunication	3,000	3,000	300	60	-	-	-	
Studio A Inc.	Straight A Inc.	Taiwan	Sales of electronic telecommunication components	101,232	101,232	6,660	100	207,515	26,044	26,044	
Studio A Inc.	Studio A Technology Limited	Hong Kong	Sales of electronic telecommunication components	10,019	10,019	2,550	51	222,469	(181)	(92)	
Studio A Inc.	Jing Jing Technology Co., Ltd.	Taiwan	Sales of electronic telecommunication components	3,700	3,700	370	100	7,996	41	41	
Studio A Technology Limited	Ashop Co., Ltd.	South Korea	Sales of electronic telecommunication components	4,606	4,606	10	100	56,501	(19,229)	(19,229)	
FIT Holding Co., Ltd.	Glory Science Co., Ltd.	Taiwan	Manufacture and sales of optical instruments	2,814,868	2,214,868	60,000	100	426,601	(279,500)	(279,500)	
FIT Holding Co., Ltd.	Foxlink Image Technology Co., Ltd.	Taiwan	Manufacture and sales of image scanners and multifunction printers	3,011,140	3,011,140	164,994	100	4,173,056	602,151	595,939	
FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	Taiwan	Energy service management	3,372,180	3,372,180	444,691	100	5,213,291	264,600	264,161	
FIT Holding Co., Ltd.	Shin Fong Power Co., Ltd.	Taiwan	Energy service management	299,952	299,952	37,500	16.30	388,100	11,763	1,918	
FIT Holding Co., Ltd.	Synergy Co., Ltd.	Taiwan	Optoelectronics industry, Renewable energy and Energy technical	36,760	36,760	3,676	36.76	33,401	130	48	
Foxlink Image Technology Co., Ltd.	Accu-Image Technology Limited	British Virgin IS	Manufacture of image scanners and multifunction printers	1,325,746	1,325,746	20,241	100	2,274,747	130,291	130,291	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net Income (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares (in thousand shares)	Ownership (%)	Book value			
Foxlink Image Technology Co., Ltd.	Shin Fong Power Co., Ltd.	Taiwan	Energy service management	\$ 957,600	\$ 957,600	79,800	34.70	\$ 957,357	\$ 11,763	\$ 4,082	
Accu-Image Technology Limited	Power Channel Limited	Hong Kong	General investments holdings	131,724	131,724	4	35.75	753,723	165,112	59,028	
Glory Science Co., Ltd.	Glorytek (BVI) Co., Ltd.	British Virgin IS.	General investments holdings	1,458,482	1,249,688	47,500	100	120,592	(227,607)	(227,607)	
Glorytek (BVI) Co., Ltd.	Glorytek (Samoa) Co., Ltd.	Samoa	General investments holdings	977,974	769,180	31,851	100	471,929	(124,162)	(124,162)	
Glorytek (BVI) Co., Ltd.	Glorytek Optics (BVI) Co., Ltd.	British Virgin IS.	Sales agent	491,280	491,280	16,000	100	(393,565)	(103,618)	(103,618)	
Glorytek (BVI) Co., Ltd.	Glorytek Science India Private Limited	India	Trading and manufacture	103,349	103,349	21,773	99.27	80,173	174	173	
Glorytek Science India Private Limited	Tegna Electronics Private Limited	India	Trading and manufacture	11,086	11,086	3,001	10	12,543	5,832	583	
Power Quotient International Co., Ltd.	Power Quotient International (H.K.) Co., Ltd.	Hong Kong	Sales of electronic telecommunication components	416,867	416,867	106,100	100	703,509	4,361	4,361	
Power Quotient International Co., Ltd.	PQI Japan Co., Ltd.	Japan	Sales of electronic telecommunication components	23,129	23,129	24	100	2,330	132,257	132,257	
Power Quotient International Co., Ltd.	Syscom Development Co., Ltd.	British Virgin IS.	Specialized investments holding	333,548	333,548	10,863	100	82,893	198	198	
Power Quotient International Co., Ltd.	Apix Limited	British Virgin IS.	Specialized investments holding	3,177,022	3,177,022	13	100	1,157,709	20,723	20,723	
Power Quotient International Co., Ltd.	Power Sufficient International Co., Ltd.	Taiwan	Sales of medical instruments	10,000	10,000	1,000	100	13,044	(116)	(116)	
Power Quotient International Co., Ltd.	Shinfox Energy Co., Ltd.	Taiwan	Energy service management	3,646,600	3,646,600	102,951	47.63	5,314,342	636,385	303,110	
Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	Taiwan	Energy service management	8,670,000	6,100,000	867,000	100	9,454,493	763,402	765,399	
Shinfox Energy Co., Ltd.	Shinfox Natural Gas Co., Ltd.	Taiwan	Energy service management	360,000	360,000	36,000	80	273,993	(33,373)	(26,698)	
Shinfox Energy Co., Ltd.	Foxwell Power Co., Ltd.	Taiwan	Energy service management	656,590	672,000	46,539	77.57	753,148	53,170	44,568	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net Income (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares (in thousand shares)	Ownership (%)	Book value			
Shinfox Energy Co., Ltd.	Jiuwei Power Co., Ltd.	Taiwan	Natural gas power generation business	\$ 1,100,000	\$ 1,100,000	110,000	100	\$ 1,086,175	\$ (6,154)	(\$ 6,154)	
Shinfox Energy Co., Ltd.	Chung Chia Power Co., Ltd.	Taiwan	Cogeneration business	-	180,000	-	-	-	(731)	(146)	Note 2
Shinfox Energy Co., Ltd.	Elegant Energy Tech Co., Ltd.	Taiwan	Energy technical services	200,000	200,000	500	100	146,872	(1,068)	(54,635)	
Shinfox Energy Co., Ltd.	Yuanshan Forest Natural Resources Co., Ltd.	Taiwan	Afforestation	100,000	10,000	10,000	100	99,682	(264)	(264)	
Shinfox Energy Co., Ltd.	Changpin wind power Ltd.	Taiwan	Electric Power Generation	120,000	120,000	12,000	50	105,979	(1,033)	(10,123)	
Shinfox Energy Co., Ltd.	Diwei Power Co., Ltd	Taiwan	Electric Power Generation	-	30,000	-	-	-	5,990	5,990	
Shinfox Energy Co., Ltd.	Guanwei Power Co., Ltd	Taiwan	Electric Power Generation	35,700	35,700	3,570	51	35,622	(122)	(1)	
Shinfox Energy Co., Ltd.	Shinfox Far East Company Pte Ltd	Singapore	Marine engineering business	1,657,323	981,545	53,600	67	1,571,897	(261,606)	(59,360)	
Shinfox Energy Co., Ltd.	Jun Wei Technology Co.,Ltd	Taiwan	Electric Power Generation	12,000	-	1,200	100	11,955	(45)	(45)	
Shinfox Energy Co., Ltd.	Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Taiwan	Energy service management	218,020	-	19,820	56.63	211,405	(11,095)	(6,283)	
Foxwell Energy Corporation Ltd.	Liangwei Power Co., Ltd	Taiwan	Electric Power Generation	-	40,000	-	-	-	6,459	6,459	
Foxwell Energy Corporation Ltd.	Xinwei Power Co., Ltd.	Taiwan	Electric Power Generation	37,300	-	3,730	100	31,998	(201)	(201)	
Foxwell Power Co., Ltd.	Foxwell Certification Co., Ltd.	Taiwan	Energy service management	10,000	-	1,000	100	5,794	(4,206)	(4,206)	
Foxwell Power Co., Ltd.	Cheng Shin Digital Co., Ltd.	Taiwan	Energy service management	490	-	49	49	1,682	990	485	
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Eastern Rainbow Environmental Technology Co., Ltd.	Taiwan	Energy service management	2,500	-	250	100	708	(1,035)	(1,035)	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net Income (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares (in thousand shares)	Ownership (%)	Book value			
Syscom Development Co., Ltd.	Foxlink Powerbank International Technology Private Limited	India	Sales of electronic telecommunication components	\$ 103,260	\$ 103,260	21,790	99.27	\$ 80,232	\$ 163	\$ 162	
Apix Limited	Sinocity Industries Limited	Hong Kong	Sales of electronic products	2,652,075	2,652,075	6,000	100	915,010	22,410	22,410	
Apix Limited	Perennial Ace Limited	British Virgin IS.	Specialized investments holding	654,017	654,017	-	100	242,553	(1,688)	(1,688)	
Sinocity Industries Limited	DG Lifestyle Store Limited	Macao	Sales of electronic telecommunication components	381	381	100	100	(11,985)	(2,122)	(2,122)	
Perennial Ace Limited	Studio A Technology Limited	Hong Kong	Sales of electronic telecommunication components	4,998	4,998	1,225	24.50	105,982	(181)	(44)	
Foxlink Powerbank International Technology Private Limited	Tegna Electronics Private Limited	India	Trading and manufacture	11,086	11,086	3,001	10	12,543	5,832	583	

Note 1: PSI had registered for cancellation in June 2023.

Note 2: Chung Chia Power Co., Ltd. increased its capital by issuing new shares on January 29, 2023. The Group did not acquire shares proportionally to its interest and lost its significant influence over the company starting from January 30, 2023, which was reclassified to financial assets at fair value through other comprehensive income - non-current.

Cheng Uei Precision Industry Co., Ltd. and subsidiaries
Information on investments in Mainland China
Year ended December 31, 2023

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income (loss) of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Fugang Electronic (Dongguan) Co., Ltd.	Manufacture and sales of electronic telecommunication components	\$ 1,788,567	Investment through an existing company in the third area	\$ 1,788,567	\$ -	\$ -	\$ 1,788,567	\$ 601,752	100	\$ 601,752	\$ 7,620,885	\$ -	
Culink Tianjin Co., Ltd.	Manufacture and sales of electronic telecommunication components	122,820	Investment through an existing company in the third area	30,705	-	-	30,705	2,804	100	2,804	235,250	-	
Fugang Electric (Kunshan) Co., Ltd.	Manufacture and sales of electronic telecommunication components	3,730,658	Investment through an existing company in the third area	3,730,658	-	-	3,730,658	(224,041)	100	(224,041)	2,608,514	-	
Dong Guan Fu Shi Chang Co., Ltd.	Manufacture and sales of electronic telecommunication components	3,678	Investment through an existing company in the third area	3,678	-	-	3,678	-	100	-	2,426	-	
Dongguan Fuqiang Electronics Co., Ltd.	Manufacture and sales of electronic telecommunication components	4,569,211	Investment through an existing company in the third area and the investee company in Mainland China	3,544,677	-	-	3,544,677	321,298	100	321,298	10,708,773	-	
Foxlink Automotive Technology (Kunshan) Co., Ltd.	Manufacture and sales of electronic telecommunication components	196,727	Investment through an existing company in the third area and the investee company in Mainland China	92,115	-	-	92,115	5,184	100	5,184	284,429	-	
Foxlink Energy (Tianjin) Ltd.	Manufacture and sales of electronic telecommunication components	122,820	Investment through an existing company in the third area	122,820	-	-	122,820	927	100	927	175,348	-	
Fushineng Electronics (Kunshan) Co., Ltd.	Manufacture and sales of electronic telecommunication components	368,460	Investment through an existing company in the third area	368,460	-	-	368,460	111,526	100	111,526	1,562,834	-	
Fu Shi Xiang Research & Development Center (Kunshan) Co., Ltd.	Manufacture and sales of electronic telecommunication components	138,173	Investment through an existing company in the third area	138,173	-	-	138,173	(1,924)	100	(1,924)	65,609	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income (loss) of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Fu Gang Electronic (Nan Chang) Co., Ltd.	Manufacture and sales of electronic telecommunication components	\$ 1,535,250	Investment through an existing company in the third area and the investee company in Mainland China	\$ 1,535,250	\$ -	\$ -	\$ 1,535,250	\$ 24,090	100	\$ 24,090	\$ 1,225,094	\$ -	
Fugang Electric (Yancheng) Co., Ltd.	Manufacture and sales of electronic telecommunication components	92,115	Investment through an existing company in the third area	73,692	-	-	73,692	442	80	354	51,579	-	
Fuqiang Electric (Yancheng) Co., Ltd.	Manufacture and sales of electronic telecommunication components	307,050	Investment through an existing company in the third area	307,050	-	-	307,050	(21,067)	100	(21,067)	(56,365)	-	
Foxlink Tianjin Co., Ltd.	Manufacture and sales of electronic telecommunication components	552,690	Investment through an existing company in the third area	159,666	-	-	159,666	(69,677)	100	(69,677)	1,337,103	-	
Kunshan Fugang Investment Co., Ltd.	Reinvestment business	921,150	Investment through the investee company in Mainland China	921,150	-	-	921,150	37,257	100	37,257	1,753,950	-	
Fugang Electric (Maanshan) Co., Ltd.	Manufacture and sales of electronic telecommunication components	934,388	Investment through an existing company in the third area	307,050	-	-	307,050	(103,659)	100	(103,659)	(1,182,267)	-	
Fuzhan Electronics (Shanghai) Co., Ltd.	Manufacture and sales of electronic telecommunication components	-	Investment through the investee company in Mainland China	244,412	-	244,412	-	-	Note 3	-	-	-	
Kunshan Fugang Electric Trading Co., Ltd.	Sales of electronic telecommunication components	168,949	Investment through the investee company in Mainland China	168,949	-	-	168,949	103	51	(3,212)	11,708	-	
Kunshan Fu Shi You Trading Co., Ltd.	Sales of electronic telecommunication components	62,146	Investment through the investee company in Mainland China	-	-	-	-	(106)	51	(54)	13,362	-	
Shanghai Fugang Electric Trading Co., Ltd.	Sales of electronic telecommunication components	8,878	Investment through the investee company in Mainland China	-	-	-	-	20,109	51	10,256	(61,285)	-	
Shanghai Standard Information Technology Co., Ltd.	Sales of electronic telecommunication components	4,439	Investment through the investee company in Mainland China	-	-	-	-	(6,153)	51	(3,138)	(6,398)	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income (loss) of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31,2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Sharetronic Data Technology Co., Ltd.	Manufacture and sales of electronic telecommunication components	\$ 1,054,927	Investment through an existing company in the third area	\$ 236,736	\$ -	\$ -	\$ 236,736	\$ 1,236,247	16.89	\$ 196,336	\$ 1,756,140	\$ -	
Fuqiang Electric (Maanshan) Co., Ltd.	Manufacture and sales of electronic telecommunication components	153,525	Investment through the investee company in Mainland China	-	-	-	-	(23)	100	(23)	138,373	-	
Fugang Electric (Xuzhou) Co., Ltd.	Manufacture and sales of electronic telecommunication components	1,903,709	Investment through an existing company in the third area	1,750,185	153,525	-	1,903,710	732,987	100	732,987	3,535,346	-	
Dongguan Banrin Robot Technology Co., Ltd.	Manufacture and sales of automated equipment	129,810	Investment through the investee company in Mainland China	-	-	-	-	(29,402)	31.03	(14,592)	111,958	-	
Suzhou Keyu Rui Automobile Technology Co., Ltd.	Trading and manufacture	10,818	Investment through the investee company in Mainland China	-	-	-	-	(21)	55.56	(11)	23,445	-	
Changzhou Xinwei Vehicle Energy Venture Capital Co., Ltd.	General investments holding	432,700	Investment through an existing company in the third area	-	-	-	-	(288,866)	50	(14,445)	409,703	-	
Hangzhou Huanta Power Technology Development Services Co., Ltd.	Manufacture and sales of electronic telecommunication components	129,810	Investment through the investee company in Mainland China	-	-	-	-	(21,266)	44	(9,295)	120,686	-	
Dong Guan HanYang Computer Co., Ltd.	Manufacture of image scanners and multifunction printers and investment of real estate	187,013	Investment through an existing company in the third area	187,013	-	-	187,013	29,611	100	29,611	326,156	-	
Dong Guan Fu Zhang Precision Industry Co., Ltd.	Mould development and moulding tool manufacture	249,087	Investment through an existing company in the third area	183,170	-	-	183,170	(58,629)	100	(58,629)	123,124	-	
Wei Hai Fu Kang Electric Co., Ltd.	Manufacture and sales of image scanners, multifunction and parts printers	460,575	Investment through an existing company in the third area	368,460	-	-	368,460	68,708	100	68,708	649,756	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income (loss) of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31,2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Dongguan Fu Wei Electronics Co., Ltd.	Manufacture and sales of parts and moulds of photocopiers and scanners	\$ 184,230	Investment through an existing company in the third area	\$ 162,992	\$ -	\$ -	\$ 162,992	\$ 21,789	100	\$ 21,789	\$ 499,257	\$ -	
Glorytek (Suzhou) Co., Ltd.	Trading and manufacture	429,870	Investment through an existing company in the third area	399,490	-	-	399,490	(72,215)	100	(72,215)	284,865	-	
Glorytek (Yancheng) Co., Ltd.	Trading and manufacture	276,345	Investment through an existing company in the third area	256,815	-	-	256,815	(108,452)	100	(108,452)	(658,937)	-	
Yancheng Yaowei Technology Co., Ltd.	Trading and manufacture	43,270	Investment through the investee company in Mainland China	-	-	-	-	(419)	100	(419)	83,612	-	
Glory Optics (Yancheng) Co., Ltd.	Trading and manufacture	1,143,258	Investment through an existing company in the third area and the investee company in Mainland China	326,960	208,046	-	535,006	(124,375)	100	(124,375)	399,535	-	
Power Quotient Technology (Yancheng) Co., Ltd.	Manufacture and sales of electronic telecommunication components	9	Investment through an existing company in the third area	Note 1	-	-	-	4,570	100	4,570	703,240	-	
PQI (Xuzhou) New Energy Co., Ltd.	Manufacture and sales of electronic telecommunication components	43,270	Investment through the investee company in Mainland China	Note 2	-	-	-	86	100	86	43,590	-	
Kunshan Jiuwei Info Tech Co., Ltd.	Supply chain finance energy service management	1,536	Direct investment	1,536	-	-	1,536	4,817	100	4,817	31,272	-	
KunShan Eastern Rainbow Environmental Equipment Co., Ltd.	Energy service management	21,635	Direct investment	21,635	-	-	21,635	(1,081)	100	(1,081)	31,318	-	

Note 1: The financing amount remitted to PQI's indirect investment of Power Quotient Technology (Yancheng) Co., Ltd. was through an existing company in the third area.

Note 2: The financing amount remitted to PQI's indirect investment of PQI (Xuzhou) New Energy Co., Ltd. were through Power Quotient Technology (Yancheng) Co., Ltd.

Note 3: Fuzhan Electronics (Shanghai) Co., Ltd. completed the registration of cancellation on November 8, 2023.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Cheng Uei Precision Industry Co., Ltd.	\$ 15,433,106	\$ 16,684,051	The Company's investment in Mainland China is not subject to an upper limit as the Company obtained the certificate of scope of operations issued by Industrial Development Bureau, MOEA in accordance with the Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China amended on August 29, 2008.
Foxlink Image Technology Co., Ltd.	1,045,726	1,208,785	2,067,457
Glory Science Co., Ltd.	1,191,311	1,288,075	234,565
Power Quotient International Co., Ltd.	23,171	669,215	7,384,801

Note 1: It was the reinvestment in Mainland China through an existing company in the third area by cash and the investment was approved by the Investment Commission of MOEA.

Note 2: Investment income (loss) recognised by the Company for the year ended December 31, 2023 was audited by independent auditors.

Note 3: The Company's investment in Mainland China is not subject to an upper limit as the Company obtained the scope of operations certificate of being qualified for operating headquarters issued by Industrial Development Bureau, MOEA in accordance with the Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China amended on August 29, 2008.

Note 4: The investments through the investee company in Mainland China of the Company including: Dongguan Fuqiang Electronics Co., Ltd., Fugang Electric (Maanshan) Co., Ltd., Fu Gang Electronic (Nan Chang) Co., Ltd., Foxlink Automotive Technology (Kunshan) Co., Ltd., Kunshan Fugang Electric Trading Co., Ltd., Kunshan Fu Shi You Trading Co., Ltd., Shanghai Fugang Electric Trading Co., Ltd., Fuqiang Electric (Maanshan) Co., Ltd., Dongguan Banrin Robot Technology Co., Ltd., and Suzhou Keyu Rui Automobile Technology Co., Ltd. Except for the investment via the holding companies in Mainland China, other investments shall not be approved by Investment Commission of MOEA.

Cheng Uei Precision Industry Co., Ltd. and subsidiaries
Major shareholders information
Year ended December 31, 2023

Table 10

Number of major shareholders	Shares	
	Name of shares held	Ownership (%)
Hsin Hung International Investment Co., Ltd.	100,535,228	19.62%
Foxlink Image Technology Co., Ltd.	49,503,000	9.66%
Central Motion Picture Corporation	32,584,000	6.36%