

**FIC GLOBAL, INC. AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REPORT**  
**DECEMBER 31, 2023 AND 2022**

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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.

FIC GLOBAL, INC.  
DECEMBER 31, 2023 AND 2022 CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT  
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FIC GLOBAL, INC.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2023, pursuant to the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the company that is required to be included in the consolidated financial statements of affiliates, is the same as the company required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

FIC Global, Inc.

Chien Ming-Chih, Chairman

March 28, 2024

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of FIC Global, Inc.

### ***Opinion***

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

In our opinion, based on our audits and the reports of other auditors (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 the other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a

basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. 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 consolidated financial statements for the year ended December 31, 2023 are stated as follows:

#### ***Existence of sales revenue***

##### Description

Refer to Note 4(34) for accounting policies on revenue recognition, and Note 6(23) for the details of operating revenue.

The Group is primarily engaged in the research and development, production and sales of automotive electronics, surveillance products and industrial computers, electronic contract manufacturing of computers and server products. Since product orders are affected by project cycles, the Group will have to focus on accepting orders of new projects, which has a significant impact on the consolidated operating revenue. Thus, the existence of sales revenue has been identified as one of the key audit matters.

##### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding of, and assessed the Group's internal controls over sales transactions.

2. Selected samples of sales transactions from sales customers and verified against related vouchers to ascertain existence of sales revenue.

### ***Evaluation of inventories***

#### Description

Refer to Note 4(14) for the accounting policies on the evaluation of inventories. Note 5(2) for the uncertainty of accounting estimates and assumptions for evaluation of inventories, and Note 6(6) for the details of inventory.

Due to the rapid technological innovations and competition within the industry, frequent releases of new products result in potential price fluctuations and product marginalization in the market. Additionally, it also affects the estimation of net realizable values of inventories. In response to changing markets and its development strategies, the Group adjusts its inventory levels. As a result, the related inventory levels for the product line as mentioned above are significant. Inventories are stated at the lower of cost and net realizable value. Since the evaluation of inventories is subject to management's judgement and the accounting estimations will have significant influence on the inventory values, the evaluation of inventories has been identified as one of the key audit matters.

#### How our audit addressed the matter

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

1. Assessed the policy on allowance for inventory valuation loss based on our understanding of the operations and industry of the Group.
2. Inspected the management's individually identified out-of-date inventory list and checked the related supporting documents.
3. Tested the basis of market value used in calculating the net realizable values of inventory and validated the accuracy of net realizable value calculation of selected samples.

### ***Other matter - Reference to the audits of other auditors***

We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method, which statements reflect total assets of \$145,604 thousand and \$103,155 thousand, both constituting 1% of consolidated total assets as of December 31, 2023 and 2022, respectively, total operating revenues of \$0, constituting 0% of consolidated total operating revenues for both years then ended, the balance of investments accounted for under the equity method amounted of \$381,956 thousand and \$114,008 thousand, constituting 3% and 1% of consolidated total assets as at December 31, 2023 and 2022, respectively, and the share of profit and other comprehensive income of associates and joint ventures accounted for under the equity method of (\$4,938) thousand and \$14,629 thousand, constituting (1%) and 2% of consolidated total comprehensive income for the years then ended, respectively. The financial statements of these investee companies were audited by other independent auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and information disclosed relative to these consolidated subsidiaries and investments accounted for under the equity method, is based solely on the reports of other independent auditors.

***Other matter – Parent company only financial reports***

We have audited and expressed an unmodified opinion with an Other matter section on the parent company only financial statements of FIC Global, Inc. as of and for the years ended December 31, 2023 and 2022.

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

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

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

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

### ***Auditors' responsibilities for the audit of the consolidated financial statements***

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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LIN, PO-CHUAN

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Chang, Shu-Chiung

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 28, 2024

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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.

**FIC GLOBAL, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023, DECEMBER 31, 2022 AND JANUARY 01, 2022**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

|      | Assets                                                                        | Notes         | December 31, 2023 |           | (adjusted)<br>December 31, 2022 |           | (adjusted)<br>January 1, 2022 |           |
|------|-------------------------------------------------------------------------------|---------------|-------------------|-----------|---------------------------------|-----------|-------------------------------|-----------|
|      |                                                                               |               | AMOUNT            | %         | AMOUNT                          | %         | AMOUNT                        | %         |
|      | <b>Current assets</b>                                                         |               |                   |           |                                 |           |                               |           |
| 1100 | Cash and cash equivalents                                                     | 6(1)          | \$ 2,782,947      | 24        | \$ 1,347,873                    | 13        | \$ 1,153,318                  | 13        |
| 1110 | Financial assets at fair value through profit or loss - current               | 6(2)          | 92,785            | 1         | 4,493                           | -         | 20,931                        | -         |
| 1136 | Current financial assets at amortised cost                                    | 6(3) and 8    | 101,265           | 1         | 106,510                         | 1         | 98,869                        | 1         |
| 1140 | Current contract assets                                                       | 6(23)         | 5,487             | -         | 6,879                           | -         | 7,162                         | -         |
| 1150 | Notes receivable, net                                                         | 6(4) and 8    | 72,676            | 1         | 89,587                          | 1         | 82,342                        | 1         |
| 1170 | Accounts receivable, net                                                      | 6(4)          | 2,781,225         | 23        | 2,804,466                       | 27        | 2,427,041                     | 26        |
| 1180 | Accounts receivable - related parties                                         | 7             | 35,234            | -         | 12,782                          | -         | 25,029                        | -         |
| 1199 | Finance lease receivable due from related parties, net                        | 6(11) and 7   | 14,063            | -         | 15,278                          | -         | 13,936                        | -         |
| 1200 | Other receivables                                                             | 6(5)          | 80,771            | 1         | 65,420                          | 1         | 53,300                        | 1         |
| 1210 | Other receivables due from related parties                                    | 7             | 8,114             | -         | 3,987                           | -         | 21,844                        | -         |
| 1220 | Current tax assets                                                            |               | 20,651            | -         | 1,765                           | -         | 5,614                         | -         |
| 130X | Inventories                                                                   | 6(6)          | 2,994,368         | 25        | 3,250,615                       | 32        | 2,951,637                     | 32        |
| 1410 | Prepayments                                                                   |               | 60,941            | 1         | 94,522                          | 1         | 104,274                       | 1         |
| 1460 | Non-current assets or disposal groups classified as held for sale, net        | 6(13)         | -                 | -         | 20,336                          | -         | -                             | -         |
| 1479 | Other current assets, others                                                  |               | 1,843             | -         | 2,120                           | -         | 2,603                         | -         |
| 11XX | <b>Total current assets</b>                                                   |               | <u>9,052,370</u>  | <u>77</u> | <u>7,826,633</u>                | <u>76</u> | <u>6,967,900</u>              | <u>75</u> |
|      | <b>Non-current assets</b>                                                     |               |                   |           |                                 |           |                               |           |
| 1517 | Non-current financial assets at fair value through other comprehensive income | 6(7)          | 38,090            | -         | 21,251                          | -         | 19,372                        | -         |
| 1550 | Investments accounted for under equity method                                 | 6(8)          | 430,070           | 4         | 200,577                         | 2         | 181,186                       | 2         |
| 1600 | Property, plant and equipment                                                 | 6(9), 7 and 8 | 618,177           | 5         | 530,735                         | 5         | 603,109                       | 6         |
| 1755 | Right-of-use assets                                                           | 6(10) and 8   | 505,516           | 4         | 412,379                         | 4         | 372,799                       | 4         |
| 1760 | Investment property, net                                                      | 6(12) and 8   | 891,810           | 8         | 936,675                         | 9         | 950,874                       | 10        |
| 1780 | Intangible assets                                                             |               | 30,565            | -         | 31,616                          | -         | 35,445                        | -         |
| 1840 | Deferred income tax assets                                                    | 6(29)         | 158,001           | 1         | 156,922                         | 2         | 77,208                        | 1         |
| 1920 | Guarantee deposits paid                                                       | 8             | 68,730            | 1         | 82,754                          | 1         | 48,527                        | 1         |
| 194K | Long-term finance lease receivable due from related parties, net              | 6(11) and 7   | 27,796            | -         | 39,821                          | 1         | 56,316                        | 1         |
| 1990 | Other non-current assets                                                      |               | 7,696             | -         | 6,318                           | -         | 2,556                         | -         |
| 15XX | <b>Total non-current assets</b>                                               |               | <u>2,776,451</u>  | <u>23</u> | <u>2,419,048</u>                | <u>24</u> | <u>2,347,392</u>              | <u>25</u> |
| 1XXX | <b>Total assets</b>                                                           |               | \$ 11,828,821     | 100       | \$ 10,245,681                   | 100       | \$ 9,315,292                  | 100       |

(Continued)

**FIC GLOBAL, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023, DECEMBER 31, 2022 AND JANUARY 01, 2022**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

|      | Liabilities and Equity                                             | Notes       | December 31, 2023    |            | (adjusted)<br>December 31, 2022 |            | (adjusted)<br>January 1, 2022 |            |
|------|--------------------------------------------------------------------|-------------|----------------------|------------|---------------------------------|------------|-------------------------------|------------|
|      |                                                                    |             | AMOUNT               | %          | AMOUNT                          | %          | AMOUNT                        | %          |
|      | <b>Current liabilities</b>                                         |             |                      |            |                                 |            |                               |            |
| 2100 | Short-term borrowings                                              | 6(14)       | \$ 35,233            | -          | \$ 189,891                      | 2          | \$ 99,383                     | 1          |
| 2120 | Current financial liabilities at fair value through profit or loss | 6(2)        | 5,039                | -          | -                               | -          | -                             | -          |
| 2130 | Current contract liabilities                                       | 6(23) and 7 | 284,726              | 2          | 255,945                         | 3          | 187,433                       | 2          |
| 2150 | Notes payable                                                      |             | 307                  | -          | 307                             | -          | 2,002                         | -          |
| 2170 | Accounts payable                                                   |             | 1,969,577            | 17         | 1,816,000                       | 18         | 2,156,884                     | 23         |
| 2180 | Accounts payable - related parties                                 | 7           | 8,518                | -          | 12,219                          | -          | 3,263                         | -          |
| 2200 | Other payables                                                     | 6(4)(15)    | 556,588              | 5          | 557,891                         | 6          | 501,972                       | 6          |
| 2220 | Other payables - related parties                                   | 7           | 345,238              | 3          | 130,709                         | 1          | 4,799                         | -          |
| 2230 | Current income tax liabilities                                     |             | 81,836               | 1          | 82,959                          | 1          | 17,032                        | -          |
| 2250 | Current provisions                                                 |             | 8,013                | -          | 3,589                           | -          | 5,909                         | -          |
| 2280 | Current lease liabilities                                          | 6(10)       | 193,540              | 2          | 229,192                         | 2          | 171,344                       | 2          |
| 2310 | Advance receipts                                                   |             | 1,732                | -          | 4,068                           | -          | 7,526                         | -          |
| 2320 | Long-term liabilities, current portion                             | 6(16)(17)   | 33,884               | -          | 242,418                         | 2          | -                             | -          |
| 2399 | Other current liabilities                                          |             | 9,574                | -          | 5,113                           | -          | 5,426                         | -          |
| 21XX | <b>Total current liabilities</b>                                   |             | <u>3,533,805</u>     | <u>30</u>  | <u>3,530,301</u>                | <u>35</u>  | <u>3,162,973</u>              | <u>34</u>  |
|      | <b>Non-current liabilities</b>                                     |             |                      |            |                                 |            |                               |            |
| 2530 | Bonds payable                                                      | 6(16)       | 570,611              | 5          | -                               | -          | 285,734                       | 3          |
| 2540 | Long-term borrowings                                               | 6(17)       | -                    | -          | 38,511                          | -          | -                             | -          |
| 2550 | Non-current provisions                                             |             | 2,381                | -          | 2,113                           | -          | 2,328                         | -          |
| 2570 | Deferred tax liabilities                                           | 6(29)       | 85,285               | 1          | 92,841                          | 1          | 71,773                        | 1          |
| 2580 | Non-current lease liabilities                                      | 6(10)       | 349,334              | 3          | 231,461                         | 2          | 256,986                       | 3          |
| 2620 | Long-term notes and accounts payable to related parties            | 7           | -                    | -          | 965,741                         | 10         | 961,800                       | 10         |
| 2640 | Net defined benefit liabilities                                    | 6(18)       | 97                   | -          | 448                             | -          | 13,582                        | -          |
| 2670 | Other non-current liabilities                                      |             | 39,233               | -          | 35,725                          | -          | 37,308                        | -          |
| 25XX | <b>Total non-current liabilities</b>                               |             | <u>1,046,941</u>     | <u>9</u>   | <u>1,366,840</u>                | <u>13</u>  | <u>1,629,511</u>              | <u>17</u>  |
| 2XXX | <b>Total liabilities</b>                                           |             | <u>4,580,746</u>     | <u>39</u>  | <u>4,897,141</u>                | <u>48</u>  | <u>4,792,484</u>              | <u>51</u>  |
|      | <b>Equity</b>                                                      |             |                      |            |                                 |            |                               |            |
|      | <b>Equity attributable to owners of parent</b>                     |             |                      |            |                                 |            |                               |            |
|      | Share capital                                                      | 6(20)       |                      |            |                                 |            |                               |            |
| 3110 | Common stock                                                       |             | 2,346,758            | 20         | 2,151,721                       | 21         | 2,109,305                     | 23         |
|      | Capital surplus                                                    | 6(21)       |                      |            |                                 |            |                               |            |
| 3200 | Capital surplus                                                    |             | 1,090,188            | 10         | 439,563                         | 4          | 393,596                       | 4          |
|      | Retained earnings                                                  | 6(22)       |                      |            |                                 |            |                               |            |
| 3310 | Legal reserve                                                      |             | 100,986              | 1          | 52,361                          | -          | 28,827                        | -          |
| 3320 | Special reserve                                                    |             | 379,890              | 3          | 290,770                         | 3          | 269,545                       | 3          |
| 3350 | Unappropriated retained earnings                                   |             | 763,384              | 6          | 676,830                         | 7          | 235,339                       | 3          |
|      | Other equity interest                                              |             |                      |            |                                 |            |                               |            |
| 3400 | Other equity interest                                              |             | ( 427,552 )          | ( 4 )      | ( 379,890 )                     | ( 4 )      | ( 290,770 )                   | ( 3 )      |
| 31XX | <b>Total Equity attributable to owners of the parent</b>           |             | <u>4,253,654</u>     | <u>36</u>  | <u>3,231,355</u>                | <u>31</u>  | <u>2,745,842</u>              | <u>30</u>  |
| 36XX | <b>Non-controlling interests</b>                                   | 4(3)        | <u>2,994,421</u>     | <u>25</u>  | <u>2,117,185</u>                | <u>21</u>  | <u>1,776,966</u>              | <u>19</u>  |
| 3XXX | <b>Total equity</b>                                                |             | <u>7,248,075</u>     | <u>61</u>  | <u>5,348,540</u>                | <u>52</u>  | <u>4,522,808</u>              | <u>49</u>  |
|      | Significant Events after the Balance Sheet Date                    | 11          |                      |            |                                 |            |                               |            |
| 3X2X | <b>Total liabilities and equity</b>                                |             | <u>\$ 11,828,821</u> | <u>100</u> | <u>\$ 10,245,681</u>            | <u>100</u> | <u>\$ 9,315,292</u>           | <u>100</u> |

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

**FIC GLOBAL, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

|      | Items                                                                                                                                                          | Notes          | Year ended December 31 |       |                 |       |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------------|-------|-----------------|-------|
|      |                                                                                                                                                                |                | 2023                   |       | 2022 (adjusted) |       |
|      |                                                                                                                                                                |                | AMOUNT                 | %     | AMOUNT          | %     |
| 4000 | Operating revenue                                                                                                                                              | 6(23) and 7    | \$ 13,283,396          | 100   | \$ 12,448,435   | 100   |
| 5000 | Operating costs                                                                                                                                                | 6(6)(28) and 7 | ( 11,227,876)          | ( 84) | ( 10,781,900)   | ( 87) |
| 5900 | Gross profit                                                                                                                                                   |                | 2,055,520              | 16    | 1,666,535       | 13    |
|      | Operating expenses                                                                                                                                             | 6(28) and 7    |                        |       |                 |       |
| 6100 | Sales and marketing expenses                                                                                                                                   |                | ( 516,922)             | ( 4)  | ( 357,033)      | ( 3)  |
| 6200 | General and administrative expenses                                                                                                                            |                | ( 553,753)             | ( 4)  | ( 525,462)      | ( 4)  |
| 6300 | Research and development expenses                                                                                                                              |                | ( 344,949)             | ( 3)  | ( 320,813)      | ( 3)  |
| 6450 | Expected credit gain (loss)                                                                                                                                    |                | 13,980                 | -     | 38,366          | -     |
| 6000 | Total operating expenses                                                                                                                                       |                | ( 1,401,644)           | ( 11) | ( 1,241,674)    | ( 10) |
| 6900 | Operating profit                                                                                                                                               |                | 653,876                | 5     | 424,861         | 3     |
|      | Non-operating income and expenses                                                                                                                              |                |                        |       |                 |       |
| 7100 | Interest income                                                                                                                                                | 6(24)          | 45,957                 | -     | 14,351          | -     |
| 7010 | Other income                                                                                                                                                   | 6(25) and 7    | 50,185                 | -     | 82,531          | 1     |
| 7020 | Other gains and losses                                                                                                                                         | 6(26)          | 75,797                 | 1     | 244,962         | 2     |
| 7050 | Finance costs                                                                                                                                                  | 6(27) and 7    | ( 42,358)              | -     | ( 36,228)       | -     |
| 7055 | Expected credit gain                                                                                                                                           |                | -                      | -     | 14,688          | -     |
| 7060 | Share of (loss) profit of associates and joint ventures accounted for using equity method                                                                      | 6(8)           | ( 2,588)               | -     | 19,327          | -     |
| 7000 | Total non-operating income and expenses                                                                                                                        |                | 126,993                | 1     | 339,631         | 3     |
| 7900 | <b>Profit before income tax</b>                                                                                                                                |                | 780,869                | 6     | 764,492         | 6     |
| 7950 | Income tax expense                                                                                                                                             | 6(29)          | ( 154,142)             | ( 1)  | ( 41,439)       | -     |
| 8200 | <b>Profit for the year</b>                                                                                                                                     |                | \$ 626,727             | 5     | \$ 723,053      | 6     |
|      | <b>Other comprehensive income</b>                                                                                                                              |                |                        |       |                 |       |
|      | <b>Components of other comprehensive income that will not be reclassified to profit or loss</b>                                                                |                |                        |       |                 |       |
| 8311 | Gains on remeasurements of defined benefit plans                                                                                                               | 6(18)          | \$ 235                 | -     | \$ 11,104       | -     |
| 8316 | Unrealized gains from investments in equity instruments at fair value through other comprehensive income                                                       | 6(7)           | 16,839                 | -     | 1,879           | -     |
| 8320 | Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, that will not be reclassified to profit or loss |                | 1,237                  | -     | ( 778)          | -     |
| 8310 | Other comprehensive income that will not be reclassified to profit or loss                                                                                     |                | 18,311                 | -     | 12,205          | -     |
|      | <b>Components of other comprehensive income that will be reclassified to profit or loss</b>                                                                    |                |                        |       |                 |       |
| 8361 | Exchange differences on translation of foreign financial statements                                                                                            |                | ( 122,654)             | ( 1)  | ( 42,672)       | -     |
| 8370 | Share of other comprehensive income of associates and joint ventures accounted for using equity method, that will be reclassified to profit or loss            |                | 6,503                  | -     | 1,228           | -     |
| 8360 | Other comprehensive loss that will be reclassified to profit or loss                                                                                           |                | ( 116,151)             | ( 1)  | ( 41,444)       | -     |
| 8300 | <b>Other comprehensive loss for the year</b>                                                                                                                   |                | ( \$ 97,840)           | ( 1)  | ( \$ 29,239)    | -     |
| 8500 | <b>Total comprehensive income for the year</b>                                                                                                                 |                | \$ 528,887             | 4     | \$ 693,814      | 6     |
|      | Profit attributable to:                                                                                                                                        |                |                        |       |                 |       |
| 8610 | Shareholders of the parent                                                                                                                                     |                | \$ 332,140             | 3     | \$ 476,470      | 4     |
| 8620 | Non-controlling interests                                                                                                                                      |                | 294,587                | 2     | 246,583         | 2     |
|      |                                                                                                                                                                |                | \$ 626,727             | 5     | \$ 723,053      | 6     |
|      | Comprehensive income attributable to:                                                                                                                          |                |                        |       |                 |       |
| 8710 | Shareholders of the parent                                                                                                                                     |                | \$ 284,429             | 2     | \$ 473,985      | 4     |
| 8720 | Non-controlling interests                                                                                                                                      |                | 244,458                | 2     | 219,829         | 2     |
|      |                                                                                                                                                                |                | \$ 528,887             | 4     | \$ 693,814      | 6     |
|      | Earnings per share (in dollars)                                                                                                                                | 6(30)          |                        |       |                 |       |
| 9750 | Basic earnings per share                                                                                                                                       |                | \$ 1.49                |       | \$ 2.23         |       |
| 9850 | Diluted earnings per share                                                                                                                                     |                | \$ 1.42                |       | \$ 2.10         |       |

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

FIC GLOBAL, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

|                                                                                                     |               | Equity attributable to owners of the parent |                 |               |                 |                                  |                                                                    |                                                                                                           |              |                           |              |
|-----------------------------------------------------------------------------------------------------|---------------|---------------------------------------------|-----------------|---------------|-----------------|----------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------|---------------------------|--------------|
|                                                                                                     |               | Retained Earnings                           |                 |               |                 | Other equity interest            |                                                                    |                                                                                                           |              |                           |              |
|                                                                                                     |               |                                             |                 |               |                 |                                  | Financial statements translation differences of foreign operations | Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income |              | Non-controlling interests | Total equity |
|                                                                                                     | Notes         | Share capital - common stock                | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings |                                                                    |                                                                                                           | Total        |                           |              |
| Year ended December 31, 2022                                                                        |               |                                             |                 |               |                 |                                  |                                                                    |                                                                                                           |              |                           |              |
|                                                                                                     |               | \$ 2,109,305                                | \$ 393,596      | \$ 28,827     | \$ 269,545      | \$ 235,339                       | (\$ 286,465 )                                                      | (\$ 4,305 )                                                                                               | \$ 2,745,842 | \$ 1,776,966              | \$ 4,522,808 |
|                                                                                                     |               | -                                           | -               | -             | -               | 476,470                          | -                                                                  | -                                                                                                         | 476,470      | 246,583                   | 723,053      |
|                                                                                                     |               | -                                           | -               | -             | -               | 9,780                            | ( 13,447 )                                                         | 1,182                                                                                                     | ( 2,485 )    | ( 26,754 )                | ( 29,239 )   |
|                                                                                                     |               | -                                           | -               | -             | -               | 486,250                          | ( 13,447 )                                                         | 1,182                                                                                                     | 473,985      | 219,829                   | 693,814      |
| Appropriations of 2021 earnings :                                                                   |               |                                             |                 |               |                 |                                  |                                                                    |                                                                                                           |              |                           |              |
|                                                                                                     | 6(22)         | -                                           | -               | 23,534        | -               | ( 23,534 )                       | -                                                                  | -                                                                                                         | -            | -                         | -            |
|                                                                                                     |               | -                                           | -               | -             | 21,225          | ( 21,225 )                       | -                                                                  | -                                                                                                         | -            | -                         | -            |
|                                                                                                     | 6(21)(31)     | -                                           | 8,311           | -             | -               | -                                | -                                                                  | -                                                                                                         | 8,311        | ( 7,848 )                 | 463          |
|                                                                                                     | 6(20)(21)     | 42,416                                      | 35,950          | -             | -               | -                                | -                                                                  | -                                                                                                         | 78,366       | -                         | 78,366       |
| Changes in equity of associates and joint ventures accounted for using 6(21) equity method          |               |                                             |                 |               |                 |                                  |                                                                    |                                                                                                           |              |                           |              |
|                                                                                                     |               | -                                           | ( 4 )           | -             | -               | -                                | -                                                                  | -                                                                                                         | ( 4 )        | -                         | ( 4 )        |
| Difference between consideration and carrying amount of subsidiaries 6(21)(31) acquired or disposed |               |                                             |                 |               |                 |                                  |                                                                    |                                                                                                           |              |                           |              |
|                                                                                                     |               | -                                           | 1,710           | -             | -               | -                                | -                                                                  | -                                                                                                         | 1,710        | ( 1,710 )                 | -            |
|                                                                                                     |               | -                                           | -               | -             | -               | -                                | ( 76,855 )                                                         | -                                                                                                         | ( 76,855 )   | -                         | ( 76,855 )   |
|                                                                                                     | 6(31)         | -                                           | -               | -             | -               | -                                | -                                                                  | -                                                                                                         | -            | 129,948                   | 129,948      |
|                                                                                                     |               | \$ 2,151,721                                | \$ 439,563      | \$ 52,361     | \$ 290,770      | \$ 676,830                       | (\$ 376,767 )                                                      | (\$ 3,123 )                                                                                               | \$ 3,231,355 | \$ 2,117,185              | \$ 5,348,540 |
| Year ended December 31, 2022                                                                        |               |                                             |                 |               |                 |                                  |                                                                    |                                                                                                           |              |                           |              |
|                                                                                                     |               | \$ 2,151,721                                | \$ 439,563      | \$ 52,361     | \$ 290,770      | \$ 676,830                       | (\$ 376,767 )                                                      | (\$ 3,123 )                                                                                               | \$ 3,231,355 | \$ 2,117,185              | \$ 5,348,540 |
|                                                                                                     |               | -                                           | -               | -             | -               | 332,140                          | -                                                                  | -                                                                                                         | 332,140      | 294,587                   | 626,727      |
|                                                                                                     |               | -                                           | -               | -             | -               | ( 49 )                           | ( 65,662 )                                                         | 18,000                                                                                                    | ( 47,711 )   | ( 50,129 )                | ( 97,840 )   |
|                                                                                                     |               | -                                           | -               | -             | -               | 332,091                          | ( 65,662 )                                                         | 18,000                                                                                                    | 284,429      | 244,458                   | 528,887      |
| Appropriations of 2022 earnings :                                                                   |               |                                             |                 |               |                 |                                  |                                                                    |                                                                                                           |              |                           |              |
|                                                                                                     | 6(22)         | -                                           | -               | 48,625        | -               | ( 48,625 )                       | -                                                                  | -                                                                                                         | -            | -                         | -            |
|                                                                                                     |               | -                                           | -               | -             | 89,120          | ( 89,120 )                       | -                                                                  | -                                                                                                         | -            | -                         | -            |
|                                                                                                     |               | -                                           | -               | -             | -               | ( 107,792 )                      | -                                                                  | -                                                                                                         | ( 107,792 )  | -                         | ( 107,792 )  |
|                                                                                                     | 6(19)(20)(21) | 100,000                                     | 415,407         | -             | -               | -                                | -                                                                  | -                                                                                                         | 515,407      | -                         | 515,407      |
|                                                                                                     | 6(19)(21)(31) | -                                           | 72,630          | -             | -               | -                                | -                                                                  | -                                                                                                         | 72,630       | 623,298                   | 695,928      |
|                                                                                                     | 6(16)(21)     | -                                           | 33,711          | -             | -               | -                                | -                                                                  | -                                                                                                         | 33,711       | -                         | 33,711       |
|                                                                                                     | 6(20)(21)     | 95,037                                      | 84,347          | -             | -               | -                                | -                                                                  | -                                                                                                         | 179,384      | -                         | 179,384      |
| Changes in equity of associates and joint ventures accounted for using 6(21) equity method          |               |                                             |                 |               |                 |                                  |                                                                    |                                                                                                           |              |                           |              |
|                                                                                                     |               | -                                           | 12,420          | -             | -               | -                                | -                                                                  | -                                                                                                         | 12,420       | 201                       | 12,621       |
| Difference between consideration and carrying amount of subsidiaries 6(21)(31) acquired or disposed |               |                                             |                 |               |                 |                                  |                                                                    |                                                                                                           |              |                           |              |
|                                                                                                     |               | -                                           | 32,110          | -             | -               | -                                | -                                                                  | -                                                                                                         | 32,110       | 20,490                    | 52,600       |
|                                                                                                     | 6(31)         | -                                           | -               | -             | -               | -                                | -                                                                  | -                                                                                                         | -            | ( 11,211 )                | ( 11,211 )   |
|                                                                                                     |               | \$ 2,346,758                                | \$ 1,090,188    | \$ 100,986    | \$ 379,890      | \$ 763,384                       | (\$ 442,429 )                                                      | \$ 14,877                                                                                                 | \$ 4,253,654 | \$ 2,994,421              | \$ 7,248,075 |

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

FIC GLOBAL, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

|                                                                                           | Notes     | Year ended December 31 |             |
|-------------------------------------------------------------------------------------------|-----------|------------------------|-------------|
|                                                                                           |           | 2023                   | 2022        |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u>                                               |           |                        |             |
| Profit before tax                                                                         |           | \$ 780,869             | \$ 764,492  |
| Adjustments                                                                               |           |                        |             |
| Adjustments to reconcile profit (loss)                                                    |           |                        |             |
| Depreciation                                                                              | 6(28)     | 491,104                | 520,499     |
| Amortization                                                                              | 6(28)     | 12,531                 | 9,770       |
| Expected credit (loss) gain                                                               |           | ( 13,980 )             | 23,678      |
| Net loss on financial assets or liabilities at fair value through profit or loss          | 6(26)     | 28                     | 847         |
| Interest expense                                                                          | 6(27)     | 42,358                 | 36,228      |
| Interest income                                                                           | 6(24)     | ( 45,957 )             | ( 14,351 )  |
| Dividend income                                                                           | 6(25)     | ( 1,194 )              | ( 1,050 )   |
| Share-based payments                                                                      | 6(19)     | 21,101                 | 463         |
| Gains on write-off of past due payable                                                    | 6(25)     | ( 4,464 )              | ( 16,577 )  |
| Share of loss (profit) of associates and joint ventures accounted for using equity method | 6(8)      | 2,588                  | ( 19,327 )  |
| Loss on disposal of property, plant and equipment                                         | 6(26)     | 2,723                  | 3,612       |
| Gains on disposals of investments                                                         | 6(26)     | -                      | ( 76,812 )  |
| Gain from lease modification                                                              | 6(10)(26) | ( 1,880 )              | -           |
| Amortization of government grant income related to assets                                 |           | ( 4,873 )              | ( 8,991 )   |
| Changes in operating assets and liabilities                                               |           |                        |             |
| Changes in operating assets                                                               |           |                        |             |
| Financial assets at fair value through profit or loss                                     |           | ( 87,492 )             | 14,928      |
| Contract assets                                                                           |           | 1,392                  | 283         |
| Notes receivable                                                                          |           | 16,911                 | ( 7,245 )   |
| Accounts receivable                                                                       |           | 4,914                  | ( 418,197 ) |
| Accounts receivable due from related parties                                              |           | ( 22,452 )             | 12,247      |
| Other receivables                                                                         |           | 7,655                  | ( 1,482 )   |
| Other receivables due from related parties                                                |           | ( 4,127 )              | 17,857      |
| Inventories                                                                               |           | 256,247                | ( 298,978 ) |
| Prepayments                                                                               |           | 35,511                 | 15,645      |
| Other current assets                                                                      |           | 278                    | 482         |
| Changes in operating liabilities                                                          |           |                        |             |
| Contract liabilities                                                                      |           | 28,781                 | 68,512      |
| Notes payable                                                                             |           | -                      | ( 1,695 )   |
| Accounts payable                                                                          |           | 153,577                | ( 340,884 ) |
| Accounts payable - related parties                                                        |           | ( 3,701 )              | 8,956       |
| Other payables                                                                            |           | ( 22,930 )             | 81,023      |
| Other payables - related parties                                                          |           | ( 2,997 )              | 125,754     |
| Provisions                                                                                |           | 4,692                  | ( 2,535 )   |
| Advance receipts                                                                          |           | ( 2,336 )              | ( 3,458 )   |
| Other current liabilities                                                                 |           | 4,461                  | ( 313 )     |
| Net defined benefit liabilities                                                           |           | ( 116 )                | ( 2,030 )   |
| Cash inflow generated from operations                                                     |           | 1,649,222              | 491,351     |
| Interest received                                                                         |           | 45,124                 | 13,641      |
| Dividends received                                                                        |           | 14,166                 | 10,666      |
| Interest paid                                                                             |           | ( 33,946 )             | ( 28,117 )  |
| Income taxes paid                                                                         |           | ( 165,385 )            | ( 28,662 )  |
| Net cash flows from operating activities                                                  |           | 1,509,181              | 458,879     |

(Continued)

FIC GLOBAL, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

|                                                                           |           | Year ended December 31 |              |
|---------------------------------------------------------------------------|-----------|------------------------|--------------|
|                                                                           | Notes     | 2023                   | 2022         |
| <b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>                        |           |                        |              |
| Acquisition of financial assets at amortised cost                         |           | ( \$ 5,062 )           | ( \$ 7,641 ) |
| Proceeds from disposal of financial assets at amortised cost              |           | 10,307                 | -            |
| Acquisition of investments accounted for using equity method              | 6(8)      | ( 273,240 )            | ( 10,000 )   |
| Proceeds from disposal of investments accounted for using equity method   | 6(8)      | 46,515                 | 736          |
| Acquisition of property, plant and equipment                              | 6(32)     | ( 314,598 )            | ( 220,139 )  |
| Proceeds from disposal of property, plant and equipment                   |           | 2,325                  | 3,739        |
| Decrease in finance lease receivable                                      |           | 13,240                 | 11,111       |
| Acquisition of intangible assets                                          |           | ( 11,034 )             | ( 5,955 )    |
| Decrease (Increase) in refundable deposits                                |           | 14,024                 | ( 39,667 )   |
| Increase in other non-current assets                                      |           | ( 7,696 )              | ( 3,762 )    |
| Receipt of government grants related to assets                            |           | 8,545                  | 4,248        |
| Net cash flows used in investing activities                               |           | ( 516,674 )            | ( 267,330 )  |
| <b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>                        |           |                        |              |
| (Decrease) increase in short-term borrowings                              | 6(33)     | ( 153,863 )            | 90,644       |
| Proceeds from issuance of bonds                                           | 6(33)     | 601,583                | -            |
| Decrease in long-term borrowings                                          | 6(33)     | ( 162,903 )            | ( 28,014 )   |
| Increase in long-term borrowings                                          | 6(33)     | 92,000                 | 96,337       |
| Repayments of lease liabilities                                           | 6(33)     | ( 235,862 )            | ( 232,381 )  |
| Decrease in financing payables - related parties                          | 6(33)     | ( 123,200 )            | -            |
| Decrease in long-term notes and accounts payable due from related parties | 6(33)     | ( 642,231 )            | ( 5,184 )    |
| (Decrease)increase in guarantee deposits received                         | 6(33)     | ( 2 )                  | 2,988        |
| Cash dividends paid                                                       | 6(22)     | ( 107,729 )            | -            |
| Proceeds from issuing shares                                              | 6(20)     | 500,000                | -            |
| Change in non-controlling interests                                       | 6(19)(31) | 733,579                | 129,948      |
| Net cash flows from financing activities                                  |           | 501,372                | 54,338       |
| Effect of exchange rate changes                                           |           | ( 58,805 )             | ( 51,332 )   |
| Net increase in cash and cash equivalents                                 |           | 1,435,074              | 194,555      |
| Cash and cash equivalents at beginning of year                            |           | 1,347,873              | 1,153,318    |
| Cash and cash equivalents at end of year                                  |           | \$ 2,782,947           | \$ 1,347,873 |

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

FIC GLOBAL, INC. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

1. History and Organization

FIC Global, Inc. (referred herein as ‘FICG’) is a holding company for investment established by First International Computer, Inc. through a share conversion on August 30, 2004. FICG is primarily engaged in investment holdings. The consolidated subsidiaries are primarily engaged in research and development, manufacturing and sales of automobile products, monitoring products and industrial computers; electronics manufacturing services for computers and servers; and leases of property. FICG and the consolidated subsidiaries are collectively referred herein as the “Group”. The stocks of FICG were listed on the Taiwan Stock Exchange on August 30, 2004.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on March 28, 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<sup>®</sup>”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

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

| <u>New Standards, Interpretations and Amendments</u>                                                     | <u>Effective date by<br/>International Accounting<br/>Standards Board</u> |
|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Amendments to IAS 1, ‘Disclosure of accounting policies’                                                 | January 1, 2023                                                           |
| Amendments to IAS 8, ‘Definition of accounting estimates’                                                | January 1, 2023                                                           |
| Amendments to IAS 12, ‘Deferred 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 following, 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, ‘Deferred tax related to assets and liabilities arising from a single transaction’  
The amendments require an entity to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Upon adoption, the Group recognize a deferred tax asset and liability for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities respectively as of January 1, 2022. These amendments resulted to an increase in deferred tax assets and deferred tax liabilities by \$71,712, \$57,513 and \$72,591 as of December 31, 2023, January 1, 2022 and December 31, 2022, respectively.

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

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

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

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

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

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

| New Standards, Interpretations and Amendments                                                                             | Effective date by<br>International Accounting<br>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<br>International Accounting<br>Standards Board |
| IFRS 17, 'Insurance contracts'                                                                                            | January 1, 2023                                                    |
| Amendments to IFRS 17, 'Insurance contracts'                                                                              | January 1, 2023                                                    |
| Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'                               | January 1, 2023                                                    |
| Amendments to IAS 21, 'Lack of exchangeability'                                                                           | January 1, 2025                                                    |

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

4. Summary of 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”, 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 recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs Accounting Standards 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 unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
  - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
  - (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as

equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

| Name of investor | Name of subsidiary                                 | Main business activities                                                                                                | Ownership (%)     |                   | Description   |
|------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|---------------|
|                  |                                                    |                                                                                                                         | December 31, 2023 | December 31, 2022 |               |
| FIC Global, Inc. | First International Computer, Inc. (FIC, Inc.)     | Computer system analysis, planning and maintenance, EMS and import and export trade business                            | 100%              | 100%              |               |
|                  | FICTA Technology Inc. (FICTA)                      | Communication product business                                                                                          | 69%               | 69%               |               |
|                  | 3CEMS Corp. (3CEMS)                                | Investment                                                                                                              | 36%               | 36%               |               |
|                  | Ubiqconn Technology, Inc. (Ubiqconn)               | Manufacturing and sales of industrial computers, automotive electronics, electronic components and peripheral equipment | 50%               | 52%               | Notes 1 and 2 |
| FIC, Inc.        | FIC First International Holding B.V. (FIC Holding) | Investment                                                                                                              | 100%              | 100%              |               |
|                  | High Standard Global Corp. (High Standard)         | Investment                                                                                                              | 100%              | 100%              |               |
|                  | Access Trend Limited (Access)                      | International trade business                                                                                            | 100%              | 100%              |               |
|                  | Brilliant World Limited (Brilliant)                | Investment                                                                                                              | 100%              | 100%              |               |

| Name of investor | Name of subsidiary                             | Main business activities                                                                                                | Ownership (%)     |                   | Description |
|------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------|
|                  |                                                |                                                                                                                         | December 31, 2023 | December 31, 2022 |             |
| FIC, Inc.        | 3CEMS                                          | Investment                                                                                                              | 22%               | 22%               |             |
| FICTA            | Ubiqconn                                       | Manufacturing and sales of industrial computers, automotive electronics, electronic components and peripheral equipment | 20%               | 20%               |             |
| Ubiqconn         | Ruggon Corporation (Ruggon)                    | Manufacturing and sales of industrial computers, automotive electronics, electronic components and peripheral equipment | 100%              | 100%              |             |
|                  | Ubiqconn Technology (USA) Inc. (Ubiqconn USA)  | Manufacturing and sales of industrial computers, automotive electronics, electronic components and peripheral equipment | 100%              | 100%              |             |
| 3CEMS            | Prime Foundation Inc. (Prime)                  | Investment                                                                                                              | 100%              | 100%              |             |
|                  | Danriver System Inc. (Danriver System)         | Investment                                                                                                              | 100%              | 100%              |             |
|                  | Broad Technology Inc. (Broad)                  | Investment                                                                                                              | 100%              | 100%              |             |
|                  | Danriver Inc. (Danriver)                       | Investment                                                                                                              | 100%              | 100%              |             |
|                  | 3CEMS Investment Management Limited (3CEMS HK) | Investment                                                                                                              | 100%              | 100%              |             |

| Name of investor | Name of subsidiary                                        | Main business activities                                                                | Ownership (%)     |                   | Description |
|------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------|-------------------|-------------|
|                  |                                                           |                                                                                         | December 31, 2023 | December 31, 2022 |             |
| High Standard    | Fic (Suzhou) Inc. (FIC SZ)                                | Real estate leasing business                                                            | 100%              | 100%              |             |
| FIC Holding      | 3CEMS Europe B.V. (3CEMS Europe)                          | Import and export of electronic products and after-sale service                         | 100%              | 100%              |             |
| Danriver System  | Danriver System (Guangzhou) Inc. (Danriver System GZ)     | Manufacturing of smart equipment for sports consumption, software development and sales | 100%              | 100%              |             |
| Broad            | Broad Technology (Guangzhou) Inc. (Broad GZ)              | Real estate leasing business                                                            | 100%              | 100%              |             |
| Danriver         | Danriver Technology (Guangzhou) Inc. (Danriver GZ)        | Real estate leasing business                                                            | 100%              | 100%              |             |
| Prime            | Perfect Union Global Inc. (PUG)                           | Investment                                                                              | 100%              | 100%              |             |
| Danriver GZ      | Guangshang Advanced Technology (Guangzhou) Ltd.(Prime GZ) | Production and sales of main board                                                      | 0.01%             | 0.01%             |             |
| PUG              | Prime GZ                                                  | Production and sales of main board                                                      | 87.45%            | 99.99%            | Note 3      |

| Name of investor | Name of subsidiary                                | Main business activities                                                                              | Ownership (%)     |                   | Description |
|------------------|---------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------|
|                  |                                                   |                                                                                                       | December 31, 2023 | December 31, 2022 |             |
| Prime GZ         | Prime Base Inc. (Prime Base)                      | Investment, assembly service and trading of printed circuit board and electronic parts and components | 100%              | 100%              |             |
| Prime GZ         | Amertek Computer (Shenzhen) Co., Ltd. (Amertek)   | Production and sales of desk personal computers and main board                                        | 100%              | 100%              |             |
| Amertek          | Amerwis Technology (Shenzhen) Co., Ltd. (Amerwis) | Research and development and the trading                                                              | 100%              | 100%              |             |

Note 1: In January 2022 and March 2023, the Company sold part of the shares held in Ubiquconn to non-controlling interests. Since the transaction did not change the control over the subsidiary, it was regarded as an equity transaction. Refer to Note 6(31) for details.

Note 2: Ubiquconn increased cash capital in August 2022. FICG and FICTA did not acquire shares proportionally to their interest. As a result, the shareholding ratio of FICG and FICTA in Ubiquconn changed from 51% and 25% to 52% and 20%, respectively. As the transaction did not change the Group's control over these subsidiaries, it was regarded as an equity transaction. Refer to Note 6(31) for details.

Note 3: Prime GZ increased cash capital in December 2023. PUG did not acquire shares proportionally to their interest. As a result, the shareholding ratio of PUG in Prime GZ was changed from 99.99% to 87.45%, respectively. As the transaction did not change the Group's control over these subsidiaries, it was regarded as an equity transaction.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

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

As of December 31, 2023 and 2022, the non-controlling interest amounted to \$2,994,421 and \$2,117,185, respectively. The information on 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 (%) |
| 3CEMS              | Mainland China              | <u>\$ 2,383,110</u>      | 42%           | <u>\$ 1,616,356</u> | 42%           |

Summarized financial information of the subsidiaries:

Balance sheets

|                         | 3CEMS               |                     |
|-------------------------|---------------------|---------------------|
|                         | December 31, 2023   | December 31, 2022   |
| Current assets          | \$ 6,669,506        | \$ 5,505,296        |
| Non-current assets      | 1,254,083           | 1,123,988           |
| Current liabilities     | ( 2,651,408)        | ( 2,218,213)        |
| Non-current liabilities | ( 338,072)          | ( 538,078)          |
| Total net assets        | <u>\$ 4,934,109</u> | <u>\$ 3,872,993</u> |

#### Statements of comprehensive income

|                                                               | 3CEMS                  |              |
|---------------------------------------------------------------|------------------------|--------------|
|                                                               | Year ended December 31 |              |
|                                                               | 2023                   | 2022         |
| Revenue                                                       | \$ 9,387,595           | \$ 8,932,538 |
| Profit before income tax                                      | 561,271                | 434,448      |
| Income tax expense                                            | ( 79,291)              | ( 18,952)    |
| Profit for the year                                           | 481,980                | 415,496      |
| Other comprehensive loss, net of tax                          | ( 112,216)             | ( 64,199)    |
| Total comprehensive income for the year                       | \$ 369,764             | \$ 351,297   |
| Comprehensive income attributable to non-controlling interest | \$ 154,317             | \$ 146,610   |

#### Statements of cash flows

|                                                     | 3CEMS                  |              |
|-----------------------------------------------------|------------------------|--------------|
|                                                     | Year ended December 31 |              |
|                                                     | 2023                   | 2022         |
| Net cash provided by (used in) operating activities | \$ 759,735             | (\$ 272,476) |
| Net cash used in investing activities               | ( 204,129)             | ( 201,833)   |
| Net cash provided by financing activities           | 865,020                | 290,299      |
| Effect of exchange rate changes                     | ( 112,428)             | ( 68,010)    |
| Increase (Decrease) in cash and cash equivalents    | 1,308,198              | ( 252,020)   |
| Cash and cash equivalents, beginning of year        | 358,897                | 610,917      |
| Cash and cash equivalents, end of year              | \$ 1,667,095           | \$ 358,897   |

#### (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 NTD, 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 recognized 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 recognized 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 recognized 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 recognized 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 and joint arrangements 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 recognized in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) 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 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.
- (d) 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. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realized, 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 realized within twelve months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled within the normal operating cycle;
  - (b) Liabilities arising mainly from trading activities;
  - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
  - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized 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 recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Group recognizes 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 recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

- (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
  - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized 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 recognized 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 recognized 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 amortized cost

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 financial assets at amortized cost including accounts receivable that have a significant financing component, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes 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 that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

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

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

(13) Leasing arrangements (lessor) - operating leases

- A. Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.
- (a) At commencement of the lease term, the lessor should record a finance lease in the balance sheet as 'lease receivables' at an amount equal to the gross investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognized as 'unearned finance income of finance lease'.
- (b) The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.
- (c) Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.
- B. Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(14) Inventories

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

(15) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(16) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized 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 recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in 'capital surplus'

in proportion to its ownership.

- D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized 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 recognized 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. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized 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 recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized 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 recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(17) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognized 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 derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if

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

|                               |               |
|-------------------------------|---------------|
| Buildings and structures      |               |
| - Main buildings of the plant | 48 ~ 50 years |
| - Air conditioning system     | 5 ~ 10 years  |
| - Sewage treatment system     | 5 ~ 10 years  |
| Machinery and equipment       | 3 ~ 10 years  |
| Transportation equipment      | 2 ~ 10 years  |
| Office equipment              | 2 ~ 10 years  |
| Leasehold improvements        | 2 ~ 3 years   |
| Other equipment               | 3 ~ 6 years   |

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

- A. Leases are recognized 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 recognized 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 fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized 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.

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 recognized as an adjustment to the right-of-use asset.

(19) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 48 ~ 50 years.

(20) Intangible assets

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 3 to 10 years.

(21) Impairment of non-financial assets

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 recognized 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. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(22) Borrowings

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

(23) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(24) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(25) Convertible bonds payable

Convertible bonds issued by the Group 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), call options and put options. The Group classifies the

bonds payable upon issuance as a financial asset, a financial liability or an equity instrument ('capital surplus - share options') in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognized initially at net fair value as 'financial assets 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 recognized 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 recognized at fair value. Any difference between the initial recognition and the redemption value is accounted for as the discount on bonds payable and subsequently is amortized 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 recognized in 'capital surplus - share options' at the residual amount of total issue price less the amount of financial assets at fair value through profit or loss and net 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'.

(26) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(27) 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 recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(28) Provisions

Provisions (including warranties) are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(29) Employee benefits

A. Salaries and other short-term employee benefits

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

B. Pensions

(a) Defined contribution plan

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

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognized immediately in profit or loss.

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

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

(30) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized

as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

- (a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period.
- (b) For restricted stocks where those stocks do not restrict distribution of dividends to employees but employees must return the dividends received if they resign during the vesting period, when the Group receives dividends from employees resigning during the vesting period, the Group credits related amounts that were previously debited from retained earnings, legal reserve or capital surplus at the date of dividends declared.
- (c) For restricted stocks where employees have to pay to acquire those stocks, if employees resign during the vesting period, they must return the stocks to the Group and the Group must refund their payments on the stocks, the Group recognizes the payments from the employees who are expected to resign during the vesting period as liabilities at the grant date, and recognizes the payments from the employees who are expected to be eventually vested with the stocks in 'capital surplus – others'.

(31) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognized, 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. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

- D. Deferred tax assets are recognized 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, unrecognized and recognized deferred 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 recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred 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 realize the asset and settle the liability simultaneously.

(32) Share Capital

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.

(33) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved 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.

(34) Revenue recognition

A. Sales revenue and electronics manufacturing services revenue

- (a) The Group manufactures and sells automobile products, monitoring products and industrial computer; and engages in electronics manufacturing services for computers and servers. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the

payment is due.

#### B. Service revenue

- (a) The Group provides technology development services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual costs incurred relative to the total expected costs. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.
- (b) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.
- (c) Revenue from a consulting service contract in which the Group bills a fixed amount for service provided is recognized at the amount to which the Group has the right to invoice.

#### C. Rental revenue

Refer to Note 4(13) for accounting policies of rental revenue.

#### (35) Government grants

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

#### (36) 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:

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable 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 realizable 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 carrying amount of inventories was \$2,994,368.

6. Details of Significant Accounts

(1) Cash and cash equivalents

|                                       | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|---------------------------------------|--------------------------|--------------------------|
| Cash on hand and petty cash           | \$ 989                   | \$ 1,644                 |
| Checking accounts and demand deposits | 2,224,990                | 978,323                  |
| Time deposits                         | 556,968                  | 367,906                  |
|                                       | <u>\$ 2,782,947</u>      | <u>\$ 1,347,873</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. The Group classified cash and cash equivalents that was pledged to others as current financial assets at amortized cost. Refer to Note 8.

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

| Items                                                                      | December 31, 2023 | December 31, 2022 |
|----------------------------------------------------------------------------|-------------------|-------------------|
| Current items:                                                             |                   |                   |
| Financial assets mandatorily measured at fair value through profit or loss |                   |                   |
| Listed stocks                                                              | \$ 2,388          | \$ 3,364          |
| Beneficiary certificates                                                   | 90,397            | -                 |
| Derivative instruments                                                     |                   |                   |
| - Call/put options of convertible bonds                                    | -                 | 1,129             |
|                                                                            | <u>\$ 92,785</u>  | <u>\$ 4,493</u>   |
| Financial liability held for trading                                       |                   |                   |
| Derivative instruments                                                     |                   |                   |
| - Call/put options of convertible bonds                                    | <u>\$ 5,039</u>   | <u>\$ -</u>       |

Amounts recognized in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

|                                                                                            | Year ended December 31 |                 |
|--------------------------------------------------------------------------------------------|------------------------|-----------------|
|                                                                                            | 2023                   | 2022            |
| Financial assets and liabilities mandatorily measured at fair value through profit or loss |                        |                 |
| Equity instruments                                                                         | \$ 1,814               | (\$ 752)        |
| Beneficiary certificates                                                                   | 397                    | -               |
| Derivative instruments                                                                     | (1,957)                | (95)            |
|                                                                                            | <u>\$ 254</u>          | <u>(\$ 847)</u> |

(3) Financial assets at amortized cost

| Items                                                  | December 31, 2023 | December 31, 2022 |
|--------------------------------------------------------|-------------------|-------------------|
| Current items:                                         |                   |                   |
| Time deposits with original maturity over three months | \$ 6,755          | \$ 16,124         |
| Restricted bank deposits                               | 94,510            | 90,386            |
|                                                        | <u>\$ 101,265</u> | <u>\$ 106,510</u> |

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

|                 | Year ended December 31 |                 |
|-----------------|------------------------|-----------------|
|                 | 2023                   | 2022            |
| Interest income | <u>\$ 2,167</u>        | <u>\$ 2,043</u> |

B. 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 amortized cost held by the Group was \$101,265 and \$106,510, respectively.

- C. Details of the Group's financial assets at amortized cost pledged to others as collateral are provided in Note 8.
- D. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable

|                                            | December 31, 2023   | December 31, 2022   |
|--------------------------------------------|---------------------|---------------------|
| Notes receivable                           | \$ 72,676           | \$ 91,864           |
| Less: Allowance for uncollectible accounts | -                   | ( 2,277)            |
|                                            | <u>\$ 72,676</u>    | <u>\$ 89,587</u>    |
| Accounts receivable                        | \$ 2,845,913        | \$ 2,883,615        |
| Less: Allowance for uncollectible accounts | ( 64,688)           | ( 79,149)           |
|                                            | <u>\$ 2,781,225</u> | <u>\$ 2,804,466</u> |

- A. The ageing analysis of notes and accounts receivable (including related parties) that were past due but not impaired is as follows:

|                | December 31, 2023   |                  | December 31, 2022   |                  |
|----------------|---------------------|------------------|---------------------|------------------|
|                | Accounts receivable | Notes receivable | Accounts receivable | Notes receivable |
| Not past due   | \$ 2,297,538        | \$ 72,676        | \$ 2,299,804        | \$ 91,864        |
| Up to 30 days  | 509,296             | -                | 517,719             | -                |
| 31 to 90 days  | 27,403              | -                | 36,399              | -                |
| 91 to 180 days | 30,316              | -                | 25,111              | -                |
| Over 180 days  | 16,594              | -                | 17,364              | -                |
|                | <u>\$ 2,881,147</u> | <u>\$ 72,676</u> | <u>\$ 2,896,397</u> | <u>\$ 91,864</u> |

The above ageing analysis was based on past due date.

- B. As of December 31, 2023 and 2022, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2022, the balance of receivables from contracts with customers and allowance for uncollectible accounts amounted to \$2,575,066 and \$40,654, respectively.
- C. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable (including related parties) was \$2,889,135 and \$2,906,835, respectively.
- D. Details of the Group's notes and accounts receivable pledged to others as collateral are provided in Note 8.

E. As of December 31, 2023 and 2022, the Group had outstanding discounted notes receivable amounting to \$32,788 and \$54,129, respectively. The Group has payment obligation when the drawers of the notes refuse to pay for the notes at maturity. However, in general, the Group does not expect that the drawers of the notes would refuse to pay for the notes at maturity. The liabilities arising on discounted notes receivable were presented as other payables.

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

(5) Other receivables

| Other receivables                            | December 31, 2023 | December 31, 2022 |
|----------------------------------------------|-------------------|-------------------|
| Interest receivable                          | \$ 1,652          | \$ 819            |
| Tax refund receivable                        | 15,222            | 27,842            |
| Receivables for payments on behalf of others | 17,454            | 17,653            |
| Receivables on property, plant and equipment | 18,967            | -                 |
| Investment receivables for disposal          | 9,195             | -                 |
| Others                                       | 18,281            | 19,106            |
|                                              | <u>\$ 80,771</u>  | <u>\$ 65,420</u>  |

(6) Inventories

| December 31, 2023    |                     |                              |                     |
|----------------------|---------------------|------------------------------|---------------------|
|                      | Cost                | Allowance for valuation loss | Book value          |
| Raw materials        | \$ 1,995,972        | (\$ 399,235)                 | \$ 1,596,737        |
| Work in progress     | 281,353             | ( 17,327)                    | 264,026             |
| Finished goods       | 1,091,438           | ( 11,610)                    | 1,079,828           |
| Inventory in transit | 53,777              | -                            | 53,777              |
|                      | <u>\$ 3,422,540</u> | <u>(\$ 428,172)</u>          | <u>\$ 2,994,368</u> |
| December 31, 2022    |                     |                              |                     |
|                      | Cost                | Allowance for valuation loss | Book value          |
| Raw materials        | \$ 2,617,768        | (\$ 332,872)                 | \$ 2,284,896        |
| Work in progress     | 364,812             | ( 27,400)                    | 337,412             |
| Finished goods       | 626,678             | ( 9,188)                     | 617,490             |
| Inventory in transit | 10,817              | -                            | 10,817              |
|                      | <u>\$ 3,620,075</u> | <u>(\$ 369,460)</u>          | <u>\$ 3,250,615</u> |

Operating costs that the Group recognized for the year:

|                                                            | Year ended December 31 |                      |
|------------------------------------------------------------|------------------------|----------------------|
|                                                            | 2023                   | 2022                 |
| The cost of inventories recognized as expense for the year |                        |                      |
| Cost of goods sold                                         | \$ 11,103,626          | \$ 10,607,921        |
| Loss on decline in market value                            | 63,722                 | 104,349              |
| Cost of goods                                              | 11,167,348             | 10,712,270           |
| Cost of rental sales                                       | 60,528                 | 69,630               |
| Total operating costs                                      | <u>\$ 11,227,876</u>   | <u>\$ 10,781,900</u> |

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

|                    | December 31, 2023 | December 31, 2022 |
|--------------------|-------------------|-------------------|
| Non-current items: |                   |                   |
| Equity instruments |                   |                   |
| Unlisted stocks    | <u>\$ 38,090</u>  | <u>\$ 21,251</u>  |

A. The Group has elected to classify equity instruments investments that are considered to be strategic investment as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$38,090 and \$21,251 as at December 31, 2023 and 2022, respectively.

B. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

|                                                                            | Year ended December 31 |                 |
|----------------------------------------------------------------------------|------------------------|-----------------|
|                                                                            | 2023                   | 2022            |
| <u>Equity instruments at fair value through other comprehensive income</u> |                        |                 |
| Fair value change recognized in other comprehensive income                 | <u>\$ 16,839</u>       | <u>\$ 1,879</u> |
| Dividend income recognized in profit or loss                               |                        |                 |
| Held at the end of the year                                                | <u>\$ 912</u>          | <u>\$ 988</u>   |

(8) Investments accounted for using equity method / associates

A. Details are as follows:

|                                          | December 31, 2023 | December 31, 2022 |
|------------------------------------------|-------------------|-------------------|
| LEO Systems, Inc.                        | \$ 83,342         | \$ 84,163         |
| Formosa21 Inc.                           | 22,033            | 21,055            |
| Amerwave Technology (Shenzhen) Co., Ltd. | 47,602            | 85,924            |
| City Smarter Technologies Co.            | 512               | 645               |
| Geointelligence Systems, Inc.            | 704               | 626               |
| Web Information Technology Inc.          | -                 | -                 |
| Venture Gain Developments Ltd.           | -                 | -                 |
| FIC do Brasil Ltda.                      | -                 | -                 |
| Lambert Newmedia, Inc.                   | -                 | -                 |
| Witology Technology Co., Ltd.            | 7,223             | 8,164             |
| Mobility Technology Group Inc.           | 268,654           | -                 |
|                                          | <u>\$ 430,070</u> | <u>\$ 200,577</u> |

B. The basic information of the Group's associates is as follows:

|                                          | Shareholding ratio |                   |
|------------------------------------------|--------------------|-------------------|
|                                          | December 31, 2023  | December 31, 2022 |
| LEO Systems, Inc.                        | 6%                 | 6%                |
| Formosa21 Inc.                           | 29%                | 29%               |
| Amerwave Technology (Shenzhen) Co., Ltd. | 19%                | 39%               |
| City Smarter Technologies Co.            | 19%                | 19%               |
| Geointelligence Systems, Inc.            | 1%                 | 1%                |
| Web Information Technology Inc.          | 42%                | 42%               |
| Venture Gain Developments Ltd.           | 20%                | 20%               |
| FIC do Brasil Ltda.                      | 45%                | 45%               |
| Lambert Newmedia, Inc.                   | 24%                | 24%               |
| Witology Technology Co., Ltd.            | 20%                | 25%               |
| Mobility Technology Group Inc.           | 35%                | -                 |

Investment profit or loss that the Group recognized are listed below:

|                                          | Year ended December 31 |                  |
|------------------------------------------|------------------------|------------------|
|                                          | 2023                   | 2022             |
| LEO Systems, Inc.                        | \$ 10,946              | \$ 16,750        |
| Formosa21 Inc.                           | 978                    | 356              |
| Amerwave Technology (Shenzhen) Co., Ltd. | 11,376                 | 4,908            |
| Prihot Electronic (M) SDN. BHD.          | - (                    | 1,024)           |
| City Smarter Technologies Co.            | ( 133)                 | 64               |
| Geointelligence Systems, Inc.            | 166                    | 109              |
| Web Information Technology Inc.          | -                      | -                |
| Venture Gain Developments Ltd.           | -                      | -                |
| FIC do Brasil Ltda.                      | -                      | -                |
| Lambert Newmedia, Inc.                   | -                      | -                |
| Witology Technology Co., Ltd.            | ( 1,636) (             | 1,836)           |
| Mobility Technology Group Inc.           | ( 24,285)              | -                |
|                                          | <u>(\$ 2,588)</u>      | <u>\$ 19,327</u> |

- (a) As the Group has significant influence over LEO Systems, Inc., Amerwave Technology (Shenzhen) Co., Ltd., City Smarter Technologies Corporation and Geointelligence Systems, Inc., these associates are accounted for under equity method although its shareholding ratios in these associates are less than 20%.
- (b) Prihot Electronic (M) SDN. BHD. was liquidated as resolved by the Board of Directors in September 2022, and then the Group discontinued using the equity method.
- (c) The Group acquired a 25% equity interest in Witology Technology Co., Ltd. for a consideration of \$10,000 in August 2022. In addition, the associate increased its capital to issue new shares in December 2023. The Group did not acquire shares proportionally to its interest. As a result, the shareholding ratio decreased to 20%.
- (d) The Group acquired a 32% equity interest in Mobility Technology Group Inc. for a consideration of \$273,240 in March 2023. In addition, the associate increased its capital in August 2023. The Group did not acquire shares proportionally to its interest. As a result, the shareholding ratio decreased from 32% to 31%. In November 2023, Mobility Technology Group exercises the repurchase right to repurchase the number of outstanding shares not held by the Group. As a result, the shareholding ratio increased from 31% to 35%.
- (e) The Group sold part of the shares that it held in Amerwave Technology (Shenzhen) Co., Ltd. for a consideration of \$46,515 in November 2023. As a result, the shareholding ratio decreased to 19%.
- C. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

As of December 31, 2023 and 2022, the carrying amount of the Group's individually immaterial associates amounted to \$430,070 and \$200,577, respectively.

|                                         | Year ended December 31 |                  |
|-----------------------------------------|------------------------|------------------|
|                                         | 2023                   | 2022             |
| (Loss) Profit for the year              | (\$ 2,588)             | \$ 19,327        |
| Other comprehensive income, net of tax  | 7,740                  | 450              |
| Total comprehensive income for the year | <u>\$ 5,152</u>        | <u>\$ 19,777</u> |

The above-mentioned share of profit or loss and other comprehensive income of associates accounted for under equity method was recognized based on each associate's financial statements of the same period that were audited by auditors, except for Web Information Technology Inc., Venture Gain Developments Ltd., FIC do Brasil Ltda., Lambert Newmedia, Inc., Prihot Electronic(M) SDN. BHD. and City Smarter Technologies Corporation for the years ended December 31, 2023 and 2022. The management believed there will be no significant influence although the above-mentioned financial statements of the invested companies were not audited by auditors.

D. The fair value of the Group's associates with quoted market prices is as follows:

|                   | December 31, 2023 | December 31, 2022 |
|-------------------|-------------------|-------------------|
| LEO Systems, Inc. | <u>\$ 177,776</u> | <u>\$ 168,990</u> |

(9) Property, plant and equipment

2023

|                                               | Buildings and<br>structures | Machinery and<br>equipment | Transportation<br>equipment | Office equipment | Leasehold<br>improvements | Other equipment  | Construction in<br>progress and<br>equipment under<br>installation | Total             |
|-----------------------------------------------|-----------------------------|----------------------------|-----------------------------|------------------|---------------------------|------------------|--------------------------------------------------------------------|-------------------|
| January 1, 2023                               |                             |                            |                             |                  |                           |                  |                                                                    |                   |
| Cost                                          | \$ 208,481                  | \$ 1,528,455               | \$ 7,135                    | \$ 134,076       | \$ 75,514                 | \$ 280,316       | \$ 28,439                                                          | \$ 2,262,416      |
| Accumulated<br>depreciation<br>and impairment | ( 187,632)                  | ( 1,120,431)               | ( 5,220)                    | ( 98,975)        | ( 55,837)                 | ( 263,586)       | -                                                                  | ( 1,731,681)      |
|                                               | <u>\$ 20,849</u>            | <u>\$ 408,024</u>          | <u>\$ 1,915</u>             | <u>\$ 35,101</u> | <u>\$ 19,677</u>          | <u>\$ 16,730</u> | <u>\$ 28,439</u>                                                   | <u>\$ 530,735</u> |
| January 1, 2023                               | \$ 20,849                   | \$ 408,024                 | \$ 1,915                    | \$ 35,101        | \$ 19,677                 | \$ 16,730        | \$ 28,439                                                          | \$ 530,735        |
| Additions                                     | -                           | 58,797                     | -                           | 19,176           | 42,789                    | 1,899            | 219,595                                                            | 342,256           |
| Disposals                                     | -                           | ( 6,468)                   | -                           | ( 169)           | ( 351)                    | ( 13)            | -                                                                  | ( 7,001)          |
| Reclassifications                             | -                           | 155,877                    | -                           | 11,135           | 3,453                     | 507              | ( 173,656)                                                         | ( 2,684)          |
| Depreciation                                  | ( 6,858)                    | ( 176,479)                 | ( 598)                      | ( 19,729)        | ( 25,726)                 | ( 6,059)         | -                                                                  | ( 235,449)        |
| Net exchange differences                      | ( 297)                      | ( 7,196)                   | ( 27)                       | ( 563)           | ( 482)                    | ( 98)            | ( 1,017)                                                           | ( 9,680)          |
| December 31, 2023                             | <u>\$ 13,694</u>            | <u>\$ 432,555</u>          | <u>\$ 1,290</u>             | <u>\$ 44,951</u> | <u>\$ 39,360</u>          | <u>\$ 12,966</u> | <u>\$ 73,361</u>                                                   | <u>\$ 618,177</u> |
| December 31, 2023                             |                             |                            |                             |                  |                           |                  |                                                                    |                   |
| Cost                                          | \$ 204,652                  | \$ 1,496,411               | \$ 6,757                    | \$ 154,438       | \$ 66,551                 | \$ 128,607       | \$ 73,361                                                          | \$ 2,130,777      |
| Accumulated<br>depreciation and<br>impairment | ( 190,958)                  | ( 1,063,856)               | ( 5,467)                    | ( 109,487)       | ( 27,191)                 | ( 115,641)       | -                                                                  | ( 1,512,600)      |
|                                               | <u>\$ 13,694</u>            | <u>\$ 432,555</u>          | <u>\$ 1,290</u>             | <u>\$ 44,951</u> | <u>\$ 39,360</u>          | <u>\$ 12,966</u> | <u>\$ 73,361</u>                                                   | <u>\$ 618,177</u> |

2022

|                                               | Buildings and<br>structures | Machinery and<br>equipment | Transportation<br>equipment | Office equipment | Leasehold<br>improvements | Other equipment  | Construction in<br>progress and<br>equipment under<br>installation | Total             |
|-----------------------------------------------|-----------------------------|----------------------------|-----------------------------|------------------|---------------------------|------------------|--------------------------------------------------------------------|-------------------|
| January 1, 2022                               |                             |                            |                             |                  |                           |                  |                                                                    |                   |
| Cost                                          | \$ 264,540                  | \$ 1,443,147               | \$ 7,088                    | \$ 121,211       | \$ 1,472                  | \$ 261,802       | \$ 20,770                                                          | \$ 2,120,030      |
| Accumulated<br>depreciation<br>and impairment | ( 226,341)                  | ( 952,803)                 | ( 4,667)                    | ( 85,364)        | ( 463)                    | ( 247,283)       | -                                                                  | ( 1,516,921)      |
|                                               | <u>\$ 38,199</u>            | <u>\$ 490,344</u>          | <u>\$ 2,421</u>             | <u>\$ 35,847</u> | <u>\$ 1,009</u>           | <u>\$ 14,519</u> | <u>\$ 20,770</u>                                                   | <u>\$ 603,109</u> |
| January 1, 2022                               | \$ 38,199                   | \$ 490,344                 | \$ 2,421                    | \$ 35,847        | \$ 1,009                  | \$ 14,519        | \$ 20,770                                                          | \$ 603,109        |
| Additions                                     | -                           | 72,208                     | -                           | 10,567           | 15,795                    | 12,575           | 108,002                                                            | 219,147           |
| Disposals                                     | -                           | ( 5,270)                   | -                           | ( 200)           | ( 1,681)                  | ( 200)           | -                                                                  | ( 7,351)          |
| Effect due to disposal of<br>subsidiaries     | -                           | -                          | -                           | ( 14)            | -                         | -                | -                                                                  | ( 14)             |
| Reclassifications                             | ( 17,758)                   | 69,099                     | -                           | 2,386            | 17,758                    | 4,512            | ( 100,622)                                                         | ( 24,625)         |
| Depreciation                                  | ( 197)                      | ( 225,110)                 | ( 540)                      | ( 13,882)        | ( 13,162)                 | ( 14,869)        | -                                                                  | ( 267,760)        |
| Net exchange differences                      | 605                         | 6,753                      | 34                          | 397              | ( 42)                     | 193              | 289                                                                | 8,229             |
| December 31, 2022                             | <u>\$ 20,849</u>            | <u>\$ 408,024</u>          | <u>\$ 1,915</u>             | <u>\$ 35,101</u> | <u>\$ 19,677</u>          | <u>\$ 16,730</u> | <u>\$ 28,439</u>                                                   | <u>\$ 530,735</u> |
| December 31, 2022                             |                             |                            |                             |                  |                           |                  |                                                                    |                   |
| Cost                                          | \$ 208,481                  | \$ 1,528,455               | \$ 7,135                    | \$ 134,076       | \$ 75,514                 | \$ 280,316       | \$ 28,439                                                          | \$ 2,262,416      |
| Accumulated<br>depreciation and<br>impairment | ( 187,632)                  | ( 1,120,431)               | ( 5,220)                    | ( 98,975)        | ( 55,837)                 | ( 263,586)       | -                                                                  | ( 1,731,681)      |
|                                               | <u>\$ 20,849</u>            | <u>\$ 408,024</u>          | <u>\$ 1,915</u>             | <u>\$ 35,101</u> | <u>\$ 19,677</u>          | <u>\$ 16,730</u> | <u>\$ 28,439</u>                                                   | <u>\$ 530,735</u> |

A. The Group has no interest capitalized as part of property, plant and equipment.

B. Property, plant and equipment of the Group are all assets for its own use.

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

(10) Leasing arrangements - lessee

Right-of-use assets

- A. The Group leases various assets including land, buildings and structures and transportation equipment. Rental contract of land use right is made for a period of 50 years and the remaining assets are 2 to 5 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.
- B. Short-term leases with a lease term of 12 months or less comprise warehouse and equipment.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

|                          | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|--------------------------|--------------------------|--------------------------|
|                          | <u>Carrying amount</u>   | <u>Carrying amount</u>   |
| Land                     | \$ 11,512                | \$ 12,192                |
| Buildings and structures | 492,609                  | 399,447                  |
| Others                   | 1,395                    | 740                      |
|                          | <u>\$ 505,516</u>        | <u>\$ 412,379</u>        |

  

|                          | <u>Year ended December 31</u> | <u>Year ended December 31</u> |
|--------------------------|-------------------------------|-------------------------------|
|                          | <u>2023</u>                   | <u>2022</u>                   |
|                          | <u>Depreciation charge</u>    | <u>Depreciation charge</u>    |
| Land                     | \$ 462                        | \$ 466                        |
| Buildings and structures | 225,236                       | 224,130                       |
| Others                   | 1,063                         | 610                           |
|                          | <u>\$ 226,761</u>             | <u>\$ 225,206</u>             |

- D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were \$426,700 and \$261,343, respectively.
- E. Except for depreciation, the remaining information on profit or loss in relation to lease contracts is as follows:

|                                          | <u>Year ended December 31</u> | <u>Year ended December 31</u> |
|------------------------------------------|-------------------------------|-------------------------------|
|                                          | <u>2023</u>                   | <u>2022</u>                   |
| <u>Items affecting profit or loss</u>    |                               |                               |
| Interest expense on lease liabilities    | \$ 16,523                     | \$ 14,273                     |
| Expense on short-term lease contracts    | 130,138                       | 93,751                        |
| Gain on lease modification               | 1,880                         | -                             |
| Gain from subleasing right-of-use assets | 2,389                         | 2,971                         |

- F. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were \$382,523 and \$340,405, respectively.

Lease liabilities

| <u>Carrying amount of the lease liabilities</u> | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|-------------------------------------------------|--------------------------|--------------------------|
| Current                                         | \$ 193,540               | \$ 229,192               |
| Non-current                                     | \$ 349,334               | \$ 231,461               |

- G. Information about the land use right that were pledged to others as collateral is provided in Note 8.

(11) Leasing arrangements – lessor

- A. The Group leases various assets including land, buildings and land use right. Rental contracts are typically made for periods of 1 and 12 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. The Group leases land and buildings under a finance lease. Based on the terms of the lease contract, the lease period covers the main part of the leased assets' economic life. Information on profit or loss in relation to lease contracts is as follows:

|                                                             | <u>Year ended December 31</u> |             |
|-------------------------------------------------------------|-------------------------------|-------------|
|                                                             | <u>2023</u>                   | <u>2022</u> |
| Finance income from the net investment in the finance lease | \$ 2,389                      | \$ 2,971    |

- C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

|                       | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|-----------------------|--------------------------|--------------------------|
| Less than 1 year      | \$ 14,358                | \$ 15,630                |
| Between 1 and 5 years | 30,575                   | 44,933                   |
|                       | <u>\$ 44,933</u>         | <u>\$ 60,563</u>         |

- D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

|                             | <u>December 31, 2023</u> |                    |
|-----------------------------|--------------------------|--------------------|
|                             | <u>Current</u>           | <u>Non-current</u> |
| Undiscounted lease payments | \$ 14,358                | \$ 30,575          |
| Unearned finance income     | ( 295)                   | ( 2,779)           |
| Net investment in the lease | <u>\$ 14,063</u>         | <u>\$ 27,796</u>   |

  

|                             | <u>December 31, 2022</u> |                    |
|-----------------------------|--------------------------|--------------------|
|                             | <u>Current</u>           | <u>Non-current</u> |
| Undiscounted lease payments | \$ 15,630                | \$ 44,933          |
| Unearned finance income     | ( 352)                   | ( 5,112)           |
| Net investment in the lease | <u>\$ 15,278</u>         | <u>\$ 39,821</u>   |

E. Gain arising from operating lease agreements for the years ended December 31, 2023 and 2022 are as follows:

|                                     | Year ended December 31 |                   |
|-------------------------------------|------------------------|-------------------|
|                                     | 2023                   | 2022              |
| Operating revenue - rent revenue    | \$ 123,744             | \$ 142,421        |
| Non-operating income - other income | 18,872                 | 17,171            |
|                                     | <u>\$ 142,616</u>      | <u>\$ 159,592</u> |

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

|                       | December 31, 2023 | December 31, 2022 |
|-----------------------|-------------------|-------------------|
| Less than 1 year      | \$ 48,236         | \$ 100,783        |
| Between 1 and 5 years | 61,102            | 29,463            |
| Over 5 years          | 870               | 1,297             |
|                       | <u>\$ 110,208</u> | <u>\$ 131,543</u> |

(12) Investment property

|                          | 2023             |                   |                             |                   |
|--------------------------|------------------|-------------------|-----------------------------|-------------------|
|                          | Land             | Land use right    | Buildings<br>and structures | Total             |
| January 1, 2023          |                  |                   |                             |                   |
| Cost                     | \$ 19,772        | \$ 160,174        | \$ 1,611,434                | \$ 1,791,380      |
| Accumulated depreciation | -                | ( 59,064)         | ( 795,641)                  | ( 854,705)        |
|                          | <u>\$ 19,772</u> | <u>\$ 101,110</u> | <u>\$ 815,793</u>           | <u>\$ 936,675</u> |
| January 1, 2023          | \$ 19,772        | \$ 101,110        | \$ 815,793                  | \$ 936,675        |
| Depreciation charge      | -                | ( 3,276)          | ( 25,618)                   | ( 28,894)         |
| Net exchange differences | -                | ( 1,816)          | ( 14,155)                   | ( 15,971)         |
| December 31, 2023        | <u>\$ 19,772</u> | <u>\$ 96,018</u>  | <u>\$ 776,020</u>           | <u>\$ 891,810</u> |
| December 31, 2023        |                  |                   |                             |                   |
| Cost                     | \$ 19,772        | \$ 157,232        | \$ 1,583,174                | \$ 1,760,178      |
| Accumulated depreciation | -                | ( 61,214)         | ( 807,154)                  | ( 868,368)        |
|                          | <u>\$ 19,772</u> | <u>\$ 96,018</u>  | <u>\$ 776,020</u>           | <u>\$ 891,810</u> |

| 2022                     |                  |                   |                             |                   |
|--------------------------|------------------|-------------------|-----------------------------|-------------------|
|                          | Land             | Land use right    | Buildings<br>and structures | Total             |
| January 1, 2022          |                  |                   |                             |                   |
| Cost                     | \$ 19,772        | \$ 151,126        | \$ 1,589,100                | \$ 1,759,998      |
| Accumulated depreciation | -                | ( 48,237)         | ( 760,887)                  | ( 809,124)        |
|                          | <u>\$ 19,772</u> | <u>\$ 102,889</u> | <u>\$ 828,213</u>           | <u>\$ 950,874</u> |
| January 1, 2022          | \$ 19,772        | \$ 102,889        | \$ 828,213                  | \$ 950,874        |
| Depreciation charge      | -                | ( 3,302)          | ( 24,231)                   | ( 27,533)         |
| Net exchange differences | -                | 1,523             | 11,811                      | 13,334            |
| December 31, 2022        | <u>\$ 19,772</u> | <u>\$ 101,110</u> | <u>\$ 815,793</u>           | <u>\$ 936,675</u> |
| December 31, 2022        |                  |                   |                             |                   |
| Cost                     | \$ 19,772        | \$ 160,174        | \$ 1,611,434                | \$ 1,791,380      |
| Accumulated depreciation | -                | ( 59,064)         | ( 795,641)                  | ( 854,705)        |
|                          | <u>\$ 19,772</u> | <u>\$ 101,110</u> | <u>\$ 815,793</u>           | <u>\$ 936,675</u> |

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

|                                                                                                                    | Year ended December 31 |                   |
|--------------------------------------------------------------------------------------------------------------------|------------------------|-------------------|
|                                                                                                                    | 2023                   | 2022              |
| Rental income from investment property                                                                             | <u>\$ 126,945</u>      | <u>\$ 145,883</u> |
| Direct operating expenses arising from the investment property that generated rental income during the year        | <u>\$ 61,944</u>       | <u>\$ 71,046</u>  |
| Direct operating expenses arising from the investment property that did not generate rental income during the year | <u>\$ 23,618</u>       | <u>\$ 22,600</u>  |

B. The fair value of the investment property and the land use right attributable to it held by the Group as at December 31, 2023 and 2022 was \$3,273,577 and \$3,331,291, respectively, which was valued by independent valuers and referred to market evidence on transaction price of similar property.

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

(13) Non-current assets held for sale

In December 2022, the Group was approved to sell machinery and equipment, which were reclassified as non-current assets held for sale. They were stated at the lower of its carrying amount and fair value less costs to sell. The transaction has been completed in November 2023.

Assets held for sale:

|                               | <u>December 31, 2022</u> |
|-------------------------------|--------------------------|
| Property, plant and equipment | \$ 20,336                |

(14) Short-term borrowings

|                           | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|---------------------------|--------------------------|--------------------------|
| Secured bank borrowings   | \$ 35,233                | \$ 129,878               |
| Unsecured bank borrowings | -                        | 60,013                   |
|                           | <u>\$ 35,233</u>         | <u>\$ 189,891</u>        |
| Interest rate range       | 3.00%~4.09%              | 1.49%~5.85%              |

Refer to Note 8 for details of collateral that the Group provided for short-term borrowings.

(15) Other payables

|                                             | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|---------------------------------------------|--------------------------|--------------------------|
| Wages, salaries and bonuses payable         | \$ 283,718               | \$ 286,422               |
| Compensation due to directors and employees | 19,783                   | 17,424                   |
| VAT payable                                 | 17,552                   | 30,357                   |
| Freight payable                             | 17,471                   | 17,149                   |
| Payable on machinery and equipment          | 47,400                   | 19,642                   |
| Payable on shares                           | 14,649                   | 14,660                   |
| Insurance expense payable                   | 9,638                    | 9,000                    |
| Material processing fees payable            | 18,170                   | 13,929                   |
| Others                                      | 128,207                  | 149,308                  |
|                                             | <u>\$ 556,588</u>        | <u>\$ 557,891</u>        |

(16) Bonds payable

|                                                  | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|--------------------------------------------------|--------------------------|--------------------------|
| Bonds payable                                    | \$ 634,200               | \$ 217,100               |
| Less: Discount on bonds payable                  | ( 29,705)                | ( 6,374)                 |
|                                                  | 604,495                  | 210,726                  |
| Less: Current portion or exercise of put options | ( 33,884)                | ( 210,726)               |
|                                                  | <u>\$ 570,611</u>        | <u>\$ -</u>              |

1. A. FICG issued the first domestic unsecured convertible bonds (referred herein as the ‘first convertible bonds’) for a total issue amount of \$700,000 based on 101% of the face value on September 10, 2021. The issuance terms are as follows:

(a) Issuance period: 3 years (September 10, 2021 to September 10, 2024)

(b) Coupon rate: 0% fixed per annum

(c) Repayment term:

The first convertible bonds will be redeemed in cash at face value at the maturity date by the Group, except for those which had been repurchased in advance and repurchased and retired through a securities firm by FICG or the bondholders had exercised conversion of options and put options.

(d) Conversion period:

The bondholders have the right to ask FICG for conversion of the convertible bonds into common shares of FICG during the period from the date after three months of the first convertible bonds issue, except for those which had been repurchased in advance and repurchased and retired through a securities firm by FICG or the stop transfer period as specified in the laws and regulations or the consignment contract.

(e) Conversion price:

The conversion price of the first convertible bonds is \$19.45 (in dollars) which is 105.36% of the reference price. The reference price was based on one of the simple arithmetic average of the closing prices of FICG’s common shares on the Taiwan Stock Exchange for one business day, three business days and five business days before the effective date set by FICG. The conversion price of the bonds is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. The conversion price is \$19.13 (in dollars) on December 31, 2023.

(f) Put options:

The bondholders have the right to require FICG to redeem the first convertible bonds at the price of the bonds’ face value plus 1.0025% of the face value as interests upon two years from the issue date.

(g) Call options:

FICG may repurchase the first convertible bonds in advance after the following events occur:

- i. The closing price of FICG 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.
- ii. FICG may repurchase all the bonds outstanding in cash at the bonds’ face value at any time after 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.

- B. For the year ended December 31, 2023, the first convertible bonds totaling \$182,800 had been converted into 9,502 thousand shares of common stock. As of December 31, 2023, the first convertible bonds totaling \$665,700 had been converted into 34,329 thousand shares of common stock.
- C. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$38,198 were separated from the liability component and were recognized in ‘capital surplus - share options’ in accordance with IAS 32. The call options and put options embedded in bonds payable were separated from their host contracts and were recognized in ‘financial assets at fair value through profit or loss’ in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 1.77%.
2. A. FICG issued the second domestic unsecured convertible bonds (referred herein as the ‘second convertible bonds’) for a total issue amount of \$600,000 based on 101% of the face value on May 31, 2023. The issuance terms are as follows:
- (a) Issuance period: 3 years (May 31, 2023 to May 31, 2026)
  - (b) Coupon rate: 0% fixed per annum
  - (c) Repayment term:  
The second convertible bonds will be redeemed in cash at face value at the maturity date by the Group, except for those which had been repurchased in advance and repurchased and retired through a securities firm by FICG or the bondholders had exercised conversion of options and put options.
  - (d) Conversion period:  
The bondholders have the right to ask FICG for conversion of the convertible bonds into common shares of FICG during the period from the date after three months of the second convertible bonds issue, except for those which had been repurchased in advance and repurchased and retired through a securities firm by FICG or the stop transfer period as specified in the laws and regulations or the consignment contract.
  - (e) Conversion price:  
The conversion price of the second convertible bonds is \$66.25 (in dollars) which is 105.13% of the reference price. The reference price was based on one of the simple arithmetic average of the closing prices of FICG’s common shares on the Taiwan Stock Exchange for one business day, three business days and five business days before the effective date set by FICG. The conversion price of the bonds is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. The conversion price is \$65.15 (in dollars) on December 31, 2023.
  - (f) Put options:

The bondholders have the right to require FICG to redeem the second convertible bonds at the price of the bonds' face value plus 2.01% of the face value as interests upon two years from the issue date.

(g) Call options:

FICG may repurchase the second convertible bonds in advance after the following events occur:

- i. The closing price of FICG 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.
- ii. FICG may repurchase all the bonds outstanding in cash at the bonds' face value at any time after 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.

B. For the year ended December 31, 2023, the second convertible bonds totaling \$100 had been converted into 2,000 thousand shares of common stock.

C. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$33,711 were separated from the liability component and were recognized in 'capital surplus - share options' in accordance with IAS 32. The call options and put options embedded in bonds payable were separated from their host contracts and were recognized in 'financial assets at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 2.09%.

(17) Long-term borrowings

| Type of borrowings                            | Borrowing period<br>and repayment term                                                                                                                                        | Interest rate | Collateral                    | December<br>31, 2023 |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------------------|----------------------|
| Borrowings from<br>non-financial institutions |                                                                                                                                                                               |               |                               |                      |
| Secured borrowings                            | Borrowing period is from<br>March 8, 2022 to March 8,<br>2025, interest is payable<br>quarterly, the principal is<br>payable in 12 installments<br>starting from June 8, 2022 | 6.835%        | Guarantee<br>deposits<br>paid | \$ 70,203            |
| Less: Current portion                         |                                                                                                                                                                               |               |                               | ( 31,692)            |
|                                               |                                                                                                                                                                               |               |                               | <u>\$ 38,511</u>     |

A. As of December 31, 2023, the Group had no long-term borrowings.

- B. The Group's borrowings from non-financial institutions pertain to the borrowing from Chailease International Financial Service (Singapore) Pte. Ltd., which is one of the subsidiaries of Chailease Finance Co., Ltd. Information about the guaranteed amount is provided in Note 8.

(18) Pensions

- A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2%~10% 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 labor 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 qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March.

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

|                                              | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|----------------------------------------------|--------------------------|--------------------------|
| Present value of defined benefit obligations | (\$ 87,324)              | (\$ 88,132)              |
| Fair value of plan assets                    | <u>87,227</u>            | <u>87,684</u>            |
| Net defined benefit liability                | <u>(\$ 97)</u>           | <u>(\$ 448)</u>          |

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

|                                                                                           | 2023                                               |                              |                                  |
|-------------------------------------------------------------------------------------------|----------------------------------------------------|------------------------------|----------------------------------|
|                                                                                           | Present value of<br>defined benefit<br>obligations | Fair value of<br>plan assets | Net defined<br>benefit liability |
| At January 1                                                                              | (\$ 88,132)                                        | \$ 87,684                    | (\$ 448)                         |
| Current service cost                                                                      | ( 416)                                             | -                            | ( 416)                           |
| Interest (expense) income                                                                 | ( 1,229)                                           | 1,168                        | ( 61)                            |
|                                                                                           | ( 89,777)                                          | 88,852                       | ( 925)                           |
| Remeasurements:                                                                           |                                                    |                              |                                  |
| Return on plan assets<br>(excluding amounts<br>included in interest<br>income or expense) | -                                                  | 644                          | 644                              |
| Change in financial<br>assumptions                                                        | ( 1,036)                                           | -                            | ( 1,036)                         |
| Experience adjustments                                                                    | 627                                                | -                            | 627                              |
|                                                                                           | ( 409)                                             | 644                          | 235                              |
| Pension fund contribution                                                                 | -                                                  | 593                          | 593                              |
| Paid pension                                                                              | 2,862                                              | ( 2,862)                     | -                                |
| At December 31                                                                            | (\$ 87,324)                                        | \$ 87,227                    | (\$ 97)                          |
|                                                                                           | 2022                                               |                              |                                  |
|                                                                                           | Present value of<br>defined benefit<br>obligations | Fair value of<br>plan assets | Net defined<br>benefit liability |
| At January 1                                                                              | (\$ 96,476)                                        | \$ 82,895                    | (\$ 13,581)                      |
| Current service cost                                                                      | ( 343)                                             | -                            | ( 343)                           |
| Interest (expense) income                                                                 | ( 581)                                             | 496                          | ( 85)                            |
|                                                                                           | ( 97,400)                                          | 83,391                       | ( 14,009)                        |
| Remeasurements:                                                                           |                                                    |                              |                                  |
| Return on plan assets<br>(excluding amounts<br>included in interest<br>income or expense) | -                                                  | 6,370                        | 6,370                            |
| Change in financial<br>assumptions                                                        | 7,116                                              | -                            | 7,116                            |
| Experience adjustments                                                                    | ( 2,382)                                           | -                            | ( 2,382)                         |
|                                                                                           | 4,734                                              | 6,370                        | 11,104                           |
| Pension fund contribution                                                                 | -                                                  | 2,457                        | 2,457                            |
| Paid pension                                                                              | 4,534                                              | ( 4,534)                     | -                                |
| At December 31                                                                            | (\$ 88,132)                                        | \$ 87,684                    | (\$ 448)                         |

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

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

|                         | Year ended December 31 |             |
|-------------------------|------------------------|-------------|
|                         | 2023                   | 2022        |
| Discount rate           | 1.25%                  | 1.125%~1.5% |
| Future salary increases | 2.0%~2.5%              | 2.0%~2.5%   |

Assumptions regarding future mortality experience are set based on the 6<sup>th</sup> 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      | Decrease   | Increase                | Decrease |
|                                                       | 0.25%         | 0.25%      | 0.25%                   | 0.25%    |
| December 31, 2023                                     |               |            |                         |          |
| Effect on present value of defined benefit obligation | \$ 2,037      | (\$ 2,112) | (\$ 2,058)              | \$ 1,995 |
| December 31, 2022                                     |               |            |                         |          |
| Effect on present value of defined benefit obligation | \$ 2,136      | (\$ 2,212) | (\$ 2,517)              | \$ 2,094 |

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once.

The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

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 \$598.
- (g) As of December 31, 2023, the weighted average duration of the retirement plan is 7.2~14.1 years.

- B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company’s mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
- (c) The pension costs under the defined contribution pension plan of the Group for the years ended December 31, 2023 and 2022 were \$147,756 and \$106,536, respectively.

(19) Share-based payment

- A. For the years ended December 31, 2023 and 2022, FICG’s share-based payment arrangements were as follows:

| Type of arrangement                                    | Grant date | Quantity granted<br>(in thousands) | Vesting<br>conditions |
|--------------------------------------------------------|------------|------------------------------------|-----------------------|
| Cash capital increase reserved for employee preemption | 2022.07.18 | 750                                | Vested immediately    |
| Cash capital increase reserved for employee preemption | 2023.07.13 | 997                                | Vested immediately    |
| Restricted stocks to employees                         | 2023.07.06 | 3,993                              | Note                  |

Note: Employees who have served for three years can obtained 60% of the quantity granted; employees who have served for five years, the cumulative vested share ratio will be 100%. The shares cannot be transferred during the vesting period, and the remaining rights are the same as those of ordinary shares. In addition, the vested shares cannot be transferred within one year after the initial public offering of the company.

B. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

| Type of arrangement                               | Grant date     | Share price<br>(in dollars) | Exercise<br>price<br>(in<br>dollars) | Expected<br>price<br>volatility | Expected<br>option<br>life | Risk-free<br>interest<br>rate | Fair value<br>per unit<br>(in<br>dollars) |
|---------------------------------------------------|----------------|-----------------------------|--------------------------------------|---------------------------------|----------------------------|-------------------------------|-------------------------------------------|
| Cash capital<br>increase reserved<br>for employee | 2022.07.1<br>8 | NTD<br>20.57                | NTD<br>20                            | 27.94%<br>(Note 1)              | 0.01 year                  | 1.10%                         | NTD<br>0.619                              |
| Cash capital<br>increase reserved<br>for employee | 2023.07.1<br>3 | NTD<br>65.40                | NTD<br>50                            | 52.74%<br>(Note 2)              | 0.05 year                  | 1.09%                         | NTD<br>15.4533                            |
| Restricted stocks to<br>employees                 | 2023.07.0<br>6 | RMB<br>7.33                 | RMB<br>4.7                           | -                               | -                          | -                             | RMB<br>2.37                               |

Note 1: Expected price volatility rate was estimated by using the annualized implied volatility for comparable properties in thirty trade days before the grant date.

Note 2: Expected price volatility rate was estimated by using the Company's daily historical stock price volatility in the last three months before the grant date.

C. Expenses incurred on share-based payment transactions are shown below:

|                | Year ended December 31 |        |
|----------------|------------------------|--------|
|                | 2023                   | 2022   |
| Equity-settled | \$ 21,101              | \$ 463 |

## (20) Share capital

A. As of December 31, 2023, the Company's authorized capital was \$25,000,000 and the paid-in capital was \$2,346,758 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares (in thousands) outstanding are as follows:

|                                 | 2023    | 2022    |
|---------------------------------|---------|---------|
| At January 1                    | 215,172 | 210,931 |
| Cash capital increase           | 10,000  | -       |
| Conversion of convertible bonds | 9,504   | 4,241   |
| At December 31                  | 234,676 | 215,172 |

- B. As of March 29, 2023, the Company issued 10,000 thousand shares through cash capital increase as approved by the board of directors, with a par value of \$10 (in dollars) per share. The total issuance price is \$500,000. As of May 10, 2023, the application became effective. The registration was completed on September 1, 2023.
- C. The Company converted the convertible bonds for the year ended December 31, 2022 totaling \$82,500 into 4,241 thousand shares of common stock. The registration was completed on April 7, 2023.
- D. The Company converted the convertible bonds for the year ended December 31, 2023 totaling \$182,900 into 9,504 thousand shares of common stock. \$100,600 of \$182,900 converting into 5,255 thousand shares of common stock, the registration procedure is still in process.
- E. 21,000 thousand shares of the share capital issued as of December 31, 2023 and 2022 were private placement marketable securities that the Company conducted in 2007. The transfer of such marketable securities shall be restricted by Article 43-8 of the Securities and Exchange Act. After three full years have elapsed since the delivery date, a letter of approval issued by the Taiwan Stock Exchange that meets the listing standards must be obtained before applying to the Securities and Futures Bureau of the Financial Supervisory Commission for supplemental public issuance.

(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 Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

|                                                                                                          | Share<br>premium  | Difference<br>between<br>consideration<br>and carrying<br>amount of<br>subsidiaries<br>acquired or<br>disposed | Changes in<br>ownership<br>interests in<br>subsidiaries | Net change<br>in equity of<br>associates | Options          | Other         | Total               |
|----------------------------------------------------------------------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------|------------------|---------------|---------------------|
| At January 1                                                                                             | \$ 256,391        | \$ 162,398                                                                                                     | \$ 8,311                                                | \$ 616                                   | \$ 11,847        | \$ -          | \$ 439,563          |
| Cash capital<br>increase                                                                                 | 414,974           | -                                                                                                              |                                                         |                                          |                  | 433           | 415,407             |
| Difference between<br>consideration and<br>carrying amount<br>of subsidiaries<br>acquired or<br>disposed | -                 | 32,110                                                                                                         | -                                                       | -                                        | -                | -             | 32,110              |
| Changes in<br>ownership interests<br>in subsidiaries                                                     | -                 | -                                                                                                              | 72,630                                                  | -                                        | -                | -             | 72,630              |
| Recognition of<br>equity<br>items due to<br>issuance of<br>convertible                                   | -                 | -                                                                                                              | -                                                       | -                                        | 33,711           | -             | 33,711              |
| Conversion of<br>convertible bonds                                                                       | 94,328            | -                                                                                                              | -                                                       | -                                        | ( 9,981)         | -             | 84,347              |
| Changes in equity of<br>associates and joint<br>ventures accounted<br>for using equity<br>method         | -                 | -                                                                                                              | -                                                       | 12,420                                   | -                | -             | 12,420              |
| At December 31                                                                                           | <u>\$ 765,693</u> | <u>\$ 194,508</u>                                                                                              | <u>\$ 80,941</u>                                        | <u>\$ 13,036</u>                         | <u>\$ 35,577</u> | <u>\$ 433</u> | <u>\$ 1,090,188</u> |

|                                                                                                          | Share<br>premium  | Difference<br>between<br>consideration<br>and carrying<br>amount of<br>subsidiaries<br>acquired or<br>disposed | Changes in<br>ownership<br>interests in<br>subsidiaries | Net change<br>in equity of<br>associates | Options          | Total             |
|----------------------------------------------------------------------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------|------------------|-------------------|
| At January 1                                                                                             | \$ 215,939        | \$ 160,688                                                                                                     | \$ -                                                    | \$ 620                                   | \$ 16,349        | \$ 393,596        |
| Difference between<br>consideration and<br>carrying amount<br>of subsidiaries<br>acquired or<br>disposed | -                 | 1,710                                                                                                          | -                                                       | -                                        | -                | 1,710             |
| Changes in<br>ownership interests<br>in subsidiaries                                                     | -                 | -                                                                                                              | 8,311                                                   | -                                        | -                | 8,311             |
| Conversion of<br>convertible bonds                                                                       | 40,452            | -                                                                                                              | -                                                       | -                                        | ( 4,502)         | 35,950            |
| Changes in equity of<br>associates and joint<br>ventures accounted<br>for using equity<br>method         | -                 | -                                                                                                              | -                                                       | ( 4)                                     | -                | ( 4)              |
| At December 31                                                                                           | <u>\$ 256,391</u> | <u>\$ 162,398</u>                                                                                              | <u>\$ 8,311</u>                                         | <u>\$ 616</u>                            | <u>\$ 11,847</u> | <u>\$ 439,563</u> |

(22) Retained earnings

- A. Under FICG's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. After that, special reserve shall be set aside or reverse in accordance with Article 41 of Securities and Exchange Act. The remainder, if any, along with accumulated undistributed earnings shall be proposed by the Board of Directors and resolved by the shareholders.
- B. In order to take the capital needs into account, strengthen the financial structure and appropriately meet the shareholders' demand for cash inflow, FICG shall consider the principle of maintaining the stability of dividends for the distribution of dividends and distribute cash and stocks in an appropriate proportion.
- 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 distribution of the reserve is limited to the portion in excess of 25% of FICG's paid-in capital.

- D. In accordance with the regulations, FICG 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.
- E. The appropriations of 2022 earnings as resolved by the shareholders on June 15, 2023, and the interest rate will be revised on June 28, 2023; and the appropriations of 2021 earnings as resolved by the shareholders on June 23, 2022, are as follows:

|                 | Year ended December 31 |              |                    |              |
|-----------------|------------------------|--------------|--------------------|--------------|
|                 | 2022                   |              | 2021               |              |
|                 | Dividend per share     |              | Dividend per share |              |
|                 | Amount                 | (in dollars) | Amount             | (in dollars) |
| Legal reserve   | \$ 48,625              |              | \$ 23,534          |              |
| Special reserve | 89,120                 |              | 21,225             |              |
| Cash dividends  | 107,792                | \$ 0.49      | -                  | \$ -         |

- F. The appropriations of FICG's 2023 earnings as resolved by the Board of Directors on March 28, 2024 are as follows:

|                 | Year ended December 31, 2023 |              |
|-----------------|------------------------------|--------------|
|                 | Dividend per share           |              |
|                 | Amount                       | (in dollars) |
| Legal reserve   | \$ 33,209                    |              |
| Special reserve | 47,662                       |              |
| Cash dividends  | 164,300                      | \$ 0.70      |

The appropriations of 2023 earnings have not yet been resolved by the shareholders.

(23) Operating revenue

|                                       | Year ended December 31 |                      |
|---------------------------------------|------------------------|----------------------|
|                                       | 2023                   | 2022                 |
| Revenue from contracts with customers | \$ 13,159,652          | \$ 12,306,014        |
| Revenue from leasing real estate      | 123,744                | 142,421              |
|                                       | <u>\$ 13,283,396</u>   | <u>\$ 12,448,435</u> |

- A. Disaggregation of revenue from contracts with customers

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

| <u>Year ended December 31, 2023</u>      | <u>Sales revenue</u> | <u>Service revenue</u> | <u>Total</u>         |
|------------------------------------------|----------------------|------------------------|----------------------|
| Revenue from external customer contracts | <u>\$ 12,983,791</u> | <u>\$ 175,861</u>      | <u>\$ 13,159,652</u> |
| Timing of revenue recognition            |                      |                        |                      |
| At a point in time                       | \$ 12,983,791        | \$ -                   | \$ 12,983,791        |
| Over time                                | -                    | 175,861                | 175,861              |
|                                          | <u>\$ 12,983,791</u> | <u>\$ 175,861</u>      | <u>\$ 13,159,652</u> |
| <u>Year ended December 31, 2022</u>      | <u>Sales revenue</u> | <u>Service revenue</u> | <u>Total</u>         |
| Revenue from external customer contracts | <u>\$ 12,189,785</u> | <u>\$ 116,229</u>      | <u>\$ 12,306,014</u> |
| Timing of revenue recognition            |                      |                        |                      |
| At a point in time                       | \$ 12,189,785        | \$ -                   | \$ 12,189,785        |
| Over time                                | -                    | 116,229                | 116,229              |
|                                          | <u>\$ 12,189,785</u> | <u>\$ 116,229</u>      | <u>\$ 12,306,014</u> |

#### B. Contract assets and liabilities

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

|                        | <u>December 31, 2023</u> | <u>December 31, 2022</u> | <u>January 1, 2022</u> |
|------------------------|--------------------------|--------------------------|------------------------|
| Contract assets:       |                          |                          |                        |
| Contract assets –      |                          |                          |                        |
| Service contract       | <u>\$ 5,487</u>          | <u>\$ 6,879</u>          | <u>\$ 7,162</u>        |
| Contract liabilities:  |                          |                          |                        |
| Contract liabilities – |                          |                          |                        |
| Sales contract         | \$ 266,978               | \$ 239,564               | \$ 170,969             |
| Contract liabilities – |                          |                          |                        |
| Service contract       | <u>17,748</u>            | <u>16,381</u>            | <u>16,464</u>          |
|                        | <u>\$ 284,726</u>        | <u>\$ 255,945</u>        | <u>\$ 187,433</u>      |

(b) Revenue recognized that was included in the contract liability balance at the beginning of the year

|                                                                                                     | Year ended December 31 |                   |
|-----------------------------------------------------------------------------------------------------|------------------------|-------------------|
|                                                                                                     | 2023                   | 2022              |
| Revenue recognized that was included in the contract liability balance at the beginning of the year |                        |                   |
| Sales contracts                                                                                     | \$ 144,056             | \$ 141,590        |
| Service contracts                                                                                   | 15,097                 | 12,314            |
|                                                                                                     | <u>\$ 159,153</u>      | <u>\$ 153,904</u> |

C. Revenue from leasing real estate for the years ended December 31, 2023 and 2022 are provided in Note 6(11).

(24) Interest income

|                                    | Year ended December 31 |                  |
|------------------------------------|------------------------|------------------|
|                                    | 2023                   | 2022             |
| Interest income from bank deposits | \$ 43,368              | \$ 11,013        |
| Other interest income              | 2,589                  | 3,338            |
|                                    | <u>\$ 45,957</u>       | <u>\$ 14,351</u> |

(25) Other income

|                                        | Year ended December 31 |                  |
|----------------------------------------|------------------------|------------------|
|                                        | 2023                   | 2022             |
| Rental revenue                         | \$ 18,872              | \$ 17,171        |
| Dividend income                        | 1,194                  | 1,050            |
| Gains on write-off of past due payable | 4,464                  | 16,577           |
| Other income                           | 25,655                 | 47,733           |
|                                        | <u>\$ 50,185</u>       | <u>\$ 82,531</u> |

Rental income for the years ended December 31, 2023 and 2022 are provided in Note 6(11).

(26) Other gains and losses

|                                                                                     | Year ended December 31 |                   |
|-------------------------------------------------------------------------------------|------------------------|-------------------|
|                                                                                     | 2023                   | 2022              |
| Losses on disposals of property, plant and equipment                                | (\$ 2,723)             | (\$ 3,612)        |
| Gains on disposal of investments (Note 1)                                           | -                      | 76,812            |
| Gains on lease modification                                                         | 1,880                  | -                 |
| Net currency exchange gains                                                         | 40,514                 | 107,204           |
| Net losses on financial assets and liabilities at fair value through profit or loss | ( 28)                  | ( 847)            |
| Grant revenue (Note 2)                                                              | 40,628                 | 72,571            |
| Other losses                                                                        | ( 4,474)               | ( 7,166)          |
|                                                                                     | <u>\$ 75,797</u>       | <u>\$ 244,962</u> |

Note 1: In March 2022, FIC, Inc. disposed all the shares held in Zircon. The gain on disposal of investment related to the aforementioned disposal was \$76,841, which was transferred from other equity - exchange differences on translation of foreign financial statements previously recognized.

Note 2: The grant revenue arose from government subsidies for vocational training and value growth. The grant revenue which is related to property, plant and equipment is recognized on a straight-line basis over their estimated useful life.

(27) Finance costs

|                   | Year ended December 31 |                  |
|-------------------|------------------------|------------------|
|                   | 2023                   | 2022             |
| Interest expense  | \$ 16,305              | \$ 17,914        |
| Lease liabilities | 16,523                 | 14,273           |
| Bonds payable     | 9,492                  | 4,021            |
| Others            | 38                     | 20               |
|                   | <u>\$ 42,358</u>       | <u>\$ 36,228</u> |

(28) Employee benefit expense and expenses by nature

|                              | Year ended December 31 |              |
|------------------------------|------------------------|--------------|
|                              | 2023                   | 2022         |
| Short-term employee benefits | \$ 2,507,684           | \$ 2,431,452 |
| Post-employment benefits     | 148,233                | 106,964      |
| Depreciation                 | 491,104                | 520,499      |
| Amortization                 | 12,531                 | 9,770        |

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit

of the current year, if any, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 2%~10% for employees' compensation and shall not be higher than 1.5% for directors' remuneration. However, if the Company has accumulated deficit, earnings shall be first reserved to cover accumulated losses.

B. Employees' compensation and directors' remuneration of the Company were accrued as follows:

|                         | Year ended December 31 |                  |
|-------------------------|------------------------|------------------|
|                         | 2023                   | 2022             |
| Employees' compensation | \$ 10,667              | \$ 9,939         |
| Directors' remuneration | 711                    | 994              |
|                         | <u>\$ 11,378</u>       | <u>\$ 10,933</u> |

The employees' compensation and directors' remuneration were estimated and accrued based on 3%, 0.2%, 2% and 0.2% of distributable profit of current year as of the end of reporting period, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' remuneration for 2023 as resolved by the Board of Directors on March 28, 2024 were \$14,222 and \$1,422, respectively, and the employees' compensation will be distributed in the form of cash.

For 2023, the employees' compensation and directors' remuneration as resolved by the Board of Directors amounted to \$14,222 and \$1,422, respectively. The difference of \$4,266 between the amounts resolved by the Board of Directors and the amounts recognized in the 2023 financial statements, due to changes in accounting estimates, will be adjusted in the profit or loss for 2024.

For 2022, the employees' compensation and directors' remuneration resolved by the Board of Directors amounted to \$14,908 and \$994, respectively. The difference of \$4,969 between the amounts resolved by the Board of Directors and the amounts recognized in the 2022 financial statements, due to changes in accounting estimates, had been adjusted in the profit or loss for 2023.

For 2021, the employees' compensation and directors' remuneration resolved by the Board of Directors amounted to \$7,710 and \$514, respectively. The difference of \$3,083 between the amounts resolved by the Board of Directors and the amounts recognized in the 2022 financial statements, due to changes in accounting estimates, had been adjusted in the profit or loss for 2022.

The above employees' compensation in 2022 and 2021 includes employees of subsidiaries who meet certain conditions.

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

(29) Income taxes

A. Income tax expense

|                                                   | Year ended December 31 |                  |
|---------------------------------------------------|------------------------|------------------|
|                                                   | 2023                   | 2022             |
| Current tax:                                      |                        |                  |
| Current tax on profits for the year               | \$ 150,387             | \$ 88,654        |
| Tax on undistributed surplus earnings             | 14,084                 | 9,529            |
| Prior year income tax (over) under estimation     | ( 1,052)               | 1,880            |
| Total current tax                                 | <u>163,419</u>         | <u>100,063</u>   |
| Deferred tax:                                     |                        |                  |
| Origination and reversal of temporary differences | ( 9,277)               | ( 58,624)        |
| Total deferred tax                                | <u>( 9,277)</u>        | <u>( 58,624)</u> |
| Income tax expense                                | <u>\$ 154,142</u>      | <u>\$ 41,439</u> |

B. Reconciliation between income tax expense and accounting profit

|                                                                           | Year ended December 31 |                  |
|---------------------------------------------------------------------------|------------------------|------------------|
|                                                                           | 2023                   | 2022             |
| Income tax calculated by applying statutory rate to the profit before tax | \$ 271,745             | \$ 290,078       |
| Expenses disallowed by tax regulation                                     | 43,244                 | 16,551           |
| Tax exempt income by tax regulation                                       | ( 78,382)              | ( 103,450)       |
| Temporary differences not recognized as deferred tax assets               | 856                    | 2,111            |
| Temporary differences not recognized as deferred tax liabilities          | ( 53,652)              | ( 122,177)       |
| Tax losses not recognized as deferred tax assets                          | 20,371                 | 64,216           |
| Effect from investment tax credits                                        | ( 22,180)              | ( 43,267)        |
| Change in assessment of realization of deferred tax assets                | ( 40,892)              | ( 49,093)        |
| Prior year taxable loss not recognized as deferred tax assets             | -                      | ( 24,939)        |
| Prior year income tax (over) under estimation                             | ( 1,052)               | 1,880            |
| Tax on undistributed surplus earnings                                     | 14,084                 | 9,529            |
| Income tax expense                                                        | <u>\$ 154,142</u>      | <u>\$ 41,439</u> |

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

|                                                  | 2023               |                                                  |                                 |                                                   |                    |
|--------------------------------------------------|--------------------|--------------------------------------------------|---------------------------------|---------------------------------------------------|--------------------|
|                                                  | January 1          | Adjustments<br>applicable to<br>new<br>standards | Recognized in<br>profit or loss | Recognized in<br>other<br>comprehensive<br>income | December 31        |
| Deferred tax assets:                             |                    |                                                  |                                 |                                                   |                    |
| Temporary differences:                           |                    |                                                  |                                 |                                                   |                    |
| Loss on inventories                              | \$ 56,339          | \$ -                                             | \$ 8,505                        | (\$ 699)                                          | \$ 64,145          |
| Unrealised exchange loss                         | -                  | -                                                | 3,965                           | ( 36)                                             | 3,929              |
| Book-tax differences<br>of assets                | 9,704              | -                                                | (9,648)                         | ( 56)                                             | -                  |
| Book-tax differences<br>of lease liabilities     | 2,003              | 72,591                                           | 560                             | ( 1,377)                                          | 73,777             |
| Others                                           | 12,508             | -                                                | (2,589)                         | ( 83)                                             | 9,836              |
| Taxable loss                                     | <u>3,777</u>       | <u>-</u>                                         | <u>2,537</u>                    | <u>-</u>                                          | <u>6,314</u>       |
|                                                  | <u>\$ 84,331</u>   | <u>\$ 72,591</u>                                 | <u>\$ 3,330</u>                 | <u>(\$ 2,251)</u>                                 | <u>\$ 158,001</u>  |
| Deferred tax liabilities:                        |                    |                                                  |                                 |                                                   |                    |
| Temporary differences:                           |                    |                                                  |                                 |                                                   |                    |
| Unrealised exchange gain ( 19,000)               |                    | -                                                | 5,802                           | 262                                               | ( 12,936)          |
| Book-tax differences<br>of rights-of- use assets | -                  | ( 72,591)                                        | ( 460)                          | 1,339                                             | ( 71,712)          |
| Others                                           | ( 1,250)           | -                                                | 605                             | 8                                                 | ( 637)             |
|                                                  | <u>(\$ 20,250)</u> | <u>(\$ 72,591)</u>                               | <u>\$ 5,947</u>                 | <u>\$ 1,609</u>                                   | <u>(\$ 85,285)</u> |
|                                                  | <u>\$ 64,081</u>   | <u>\$ -</u>                                      | <u>\$ 9,277</u>                 | <u>(\$ 642)</u>                                   | <u>\$ 72,716</u>   |

| 2022                                             |                    |                                               |                                    |                                                   |                    |
|--------------------------------------------------|--------------------|-----------------------------------------------|------------------------------------|---------------------------------------------------|--------------------|
|                                                  | January 1          | Adjustments<br>applicable to<br>new standards | Recognized<br>in profit or<br>loss | Recognized in<br>other<br>comprehensive<br>income | December 31        |
| Deferred tax assets:                             |                    |                                               |                                    |                                                   |                    |
| Temporary differences:                           |                    |                                               |                                    |                                                   |                    |
| Loss on inventories                              | \$ 16,682          | \$ -                                          | \$ 39,446                          | \$ 211                                            | \$ 56,339          |
| Unrealised exchange loss                         | 689                | -                                             | ( 694)                             | 5                                                 | -                  |
| Book-tax differences<br>of assets                | -                  | -                                             | 9,727                              | ( 23)                                             | 9,704              |
| Book-tax differences<br>of lease liabilities     | -                  | 57,513                                        | 16,271                             | 810                                               | 74,594             |
| Others                                           | 2,324              | -                                             | 10,158                             | 26                                                | 12,508             |
| Taxable loss                                     | -                  | -                                             | 3,777                              | -                                                 | 3,777              |
|                                                  | <u>\$ 19,695</u>   | <u>\$ 57,513</u>                              | <u>\$ 78,685</u>                   | <u>\$ 1,029</u>                                   | <u>\$ 156,922</u>  |
| Deferred tax liabilities:                        |                    |                                               |                                    |                                                   |                    |
| Temporary differences:                           |                    |                                               |                                    |                                                   |                    |
| Unrealised exchange gain                         | ( 14,034)          | -                                             | ( 4,771)                           | ( 195)                                            | ( 19,000)          |
| Book-tax differences<br>of rights-of- use assets | -                  | ( 57,513)                                     | ( 14,264)                          | ( 814)                                            | ( 72,591)          |
| Others                                           | ( 226)             | -                                             | ( 1,026)                           | 2                                                 | ( 1,250)           |
|                                                  | <u>(\$ 14,260)</u> | <u>(\$ 57,513)</u>                            | <u>(\$ 20,061)</u>                 | <u>(\$ 1,007)</u>                                 | <u>(\$ 92,841)</u> |
|                                                  | <u>\$ 5,435</u>    | <u>\$ -</u>                                   | <u>\$ 58,624</u>                   | <u>\$ 22</u>                                      | <u>\$ 64,081</u>   |

D. The Group Expiration dates of unused tax losses and amounts of unrecognized deferred tax assets domestically are as follows:

| December 31, 2023 |                           |               |                                     |             |
|-------------------|---------------------------|---------------|-------------------------------------|-------------|
| Year incurred     | Amount filed/<br>assessed | Unused amount | Unrecognized<br>deferred tax assets | Expiry year |
| 2014              | 10,699                    | 8,507         | 8,507                               | 2024        |
| 2017              | 1,933,258                 | 1,862,030     | 1,862,030                           | 2027        |
| 2018              | 46,637                    | 41,652        | 41,652                              | 2028        |
| 2019              | 41,301                    | 29,346        | 29,346                              | 2029        |
| 2020              | 86,197                    | 68,480        | 68,480                              | 2030        |
| 2021              | 55,691                    | 54,737        | 54,737                              | 2031        |
| 2022              | 321,081                   | 318,338       | 318,338                             | 2032        |
| 2023              | 101,854                   | 101,854       | 101,854                             | 2033        |

| December 31, 2022 |                           |               |                                     |             |
|-------------------|---------------------------|---------------|-------------------------------------|-------------|
| Year incurred     | Amount filed/<br>assessed | Unused amount | Unrecognized deferred<br>tax assets | Expiry year |
| 2013              | \$ 22,186                 | \$ 21,340     | \$ 21,340                           | 2023        |
| 2014              | 10,699                    | 8,507         | 8,507                               | 2024        |
| 2016              | 11,222                    | 10,369        | 10,369                              | 2026        |
| 2017              | 1,933,258                 | 1,885,885     | 1,885,885                           | 2027        |
| 2018              | 46,637                    | 44,737        | 44,737                              | 2028        |
| 2019              | 41,301                    | 40,572        | 40,572                              | 2029        |
| 2020              | 86,197                    | 85,370        | 85,370                              | 2030        |
| 2021              | 55,691                    | 54,737        | 54,737                              | 2031        |
| 2022              | 321,081                   | 321,081       | 321,081                             | 2032        |

- E. The amounts of deductible temporary differences that were not recognized as deferred tax assets are as follows:

|                                  | December 31, 2023 | December 31, 2022 |
|----------------------------------|-------------------|-------------------|
| Deductible temporary differences | \$ 2,876,595      | \$ 3,152,712      |

- F. The Company has not recognized taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2023 and 2022, the amounts of temporary differences unrecognized as deferred tax liabilities were \$268,260 and \$610,885, respectively.

- G. The Company's and domestic subsidiaries' income tax returns which were assessed and approved by the Tax Authority are as follows:

| The company | Assessed year |
|-------------|---------------|
| FICG        | 2021          |
| FIC         | 2021          |
| FICTA       | 2021          |
| Ubiqconn    | 2020          |
| Ruggon      | 2021          |

(30) Earnings per share

|                                                                                                                                       | Year ended December 31, 2023 |                                                                                             |                                       |
|---------------------------------------------------------------------------------------------------------------------------------------|------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------|
|                                                                                                                                       |                              | Weighted average<br>number of<br>ordinary shares<br>outstanding<br>(shares in<br>thousands) | Earnings per<br>share<br>(in dollars) |
|                                                                                                                                       | Amount after tax             |                                                                                             |                                       |
| <u>Basic earnings per share</u>                                                                                                       |                              |                                                                                             |                                       |
| Profit attributable to ordinary<br>shareholders of the parent                                                                         | <u>\$ 332,140</u>            | <u>222,536</u>                                                                              | <u>\$ 1.49</u>                        |
| <u>Diluted earnings per share</u>                                                                                                     |                              |                                                                                             |                                       |
| Profit attributable to ordinary<br>shareholders of the parent                                                                         | \$ 332,140                   | 222,536                                                                                     |                                       |
| Assumed conversion of all dilutive<br>potential ordinary shares                                                                       |                              |                                                                                             |                                       |
| Convertible bonds                                                                                                                     | 9,159                        | 16,891                                                                                      |                                       |
| Employees' compensation                                                                                                               | <u>-</u>                     | <u>258</u>                                                                                  |                                       |
| Profit attributable to ordinary<br>shareholders of the parent plus<br>assumed conversion of all dilutive<br>potential ordinary shares | <u>\$ 341,299</u>            | <u>239,685</u>                                                                              | <u>\$ 1.42</u>                        |

| Year ended December 31, 2022                                                                                                          |                   |                                                                                             |                                       |
|---------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------------------------------------------------------------------------------------|---------------------------------------|
|                                                                                                                                       | Amount after tax  | Weighted average<br>number of<br>ordinary shares<br>outstanding<br>(shares in<br>thousands) | Earnings per<br>share<br>(in dollars) |
| <u>Basic earnings per share</u>                                                                                                       |                   |                                                                                             |                                       |
| Profit attributable to ordinary<br>shareholders of the parent                                                                         | <u>\$ 476,470</u> | <u>214,106</u>                                                                              | <u>\$ 2.23</u>                        |
| <u>Diluted earnings per share</u>                                                                                                     |                   |                                                                                             |                                       |
| Profit attributable to ordinary<br>shareholders of the parent                                                                         | \$ 476,470        | 214,106                                                                                     |                                       |
| Assumed conversion of all dilutive<br>potential ordinary shares                                                                       |                   |                                                                                             |                                       |
| Convertible bonds                                                                                                                     | 3,293             | 14,346                                                                                      |                                       |
| Employees' compensation                                                                                                               | <u>-</u>          | <u>301</u>                                                                                  |                                       |
| Profit attributable to ordinary<br>shareholders of the parent plus<br>assumed conversion of all dilutive<br>potential ordinary shares | <u>\$ 479,763</u> | <u>228,753</u>                                                                              | <u>\$ 2.10</u>                        |

(31) Transactions with non-controlling interest

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

- 1) In March 2022, the Group sold 1,315 thousand shares of its subsidiary, Ubiquconn Technology, Inc., to non-related parties at a price of \$52,600. Book value of non-controlling interest on the selling date is \$20,490. This transaction resulted in an increase in the controlling interest and Equity attributable to owners of parent by \$20,490 and \$32,110.
- 2) Disposal of equity interest in a subsidiary (that did not result in a loss of control)  
In January 2022, the Group sold 232 thousand shares of its subsidiary, Ubiquconn Technology, Inc., to 13 employees of the Group at a price of \$4,176 for the Company's operation needs and the Group's operating plan requirements, and it was ratified and approved by the Board of Directors on March 24, 2022. The carrying amount of non-controlling interest in Ubiquconn Technology, Inc. was \$2,466 at the disposal date. This transaction resulted in an increase in the non-controlling interest by \$2,466 and an increase in the equity attributable to owners of the parent by \$1,710.

B. The effect of changes in interests in Ubiquconn Technology, Inc. on the equity attributable to

owners of the parent for the year ended December 31, 2023 and 2022 are shown below:

|                                                      | Year ended<br>December 31, 2023 | Year ended<br>December 31, 2022 |
|------------------------------------------------------|---------------------------------|---------------------------------|
| Carrying amount of non-controlling interest disposed | (\$ 20,490)                     | (\$ 2,466)                      |
| Consideration received from non-controlling interest | 52,600                          | 4,176                           |
| Capital surplus                                      | <u>\$ 32,110</u>                | <u>\$ 1,710</u>                 |

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

(1) In August 2022, the Group's subsidiary, Ubiqconn Technology, Inc., increased its cash capital by issuing new shares, and the issuing price is \$20 (in dollars) per share. The Company used \$74,228 in cash and \$100,000 of monetary claims to pay for the shares. As the Group did not acquire shares proportionately to its interest, the comprehensive shareholding ratio decreased from 68% to 67%. This transaction resulted in a decrease in the non-controlling interest by \$8,311 and an increase in the equity attributable to owners of the parent by \$8,311. The effects of changes in interests in Ubiqconn on the equity attributable to owners of the parent for the years ended December 31, 2022 are shown below:

|                                                             | Year ended December 31<br>2022 |
|-------------------------------------------------------------|--------------------------------|
| Cash                                                        | \$ 125,772                     |
| Increase in the carrying amount of non-controlling interest | ( 117,461)                     |
| Increase in capital surplus                                 | <u>\$ 8,311</u>                |

(2) In December 2023, the Group's subsidiary, Prime GZ, increased its cash capital by issuing new shares, and the issuance price is \$7.33 (in RMB) per share. As the Group did not acquire shares proportionately to its interest, the comprehensive shareholding ratio decreased from 58% to 50%. This transaction resulted in a decrease in the non-controlling interest by \$112,555 and an increase in the equity attributable to owners of the parent by \$112,555. The effects of changes in interests in Prime GZ on the equity attributable to owners of the parent for the year ended December 31, 2023 is shown below:

|                                                             | Year ended December 31<br>2023 |
|-------------------------------------------------------------|--------------------------------|
| Cash                                                        | \$ 612,920                     |
| Increase in the carrying amount of non-controlling interest | ( 500,365)                     |
| Increase in capital surplus                                 | <u>\$ 112,555</u>              |

(32) Supplemental cash flow information

A. Investing activities with partial cash payments

|                                                                             | Year ended December 31 |                   |
|-----------------------------------------------------------------------------|------------------------|-------------------|
|                                                                             | 2023                   | 2022              |
| Purchase of property, plant and equipment                                   | \$ 342,256             | \$ 219,147        |
| Add: Opening balance of payable<br>on equipment (including related parties) | 19,798                 | 20,790            |
| Less: Ending balance of payable<br>on equipment (including related parties) | ( 47,456)              | ( 19,798)         |
| Cash paid during the year                                                   | <u>\$ 314,598</u>      | <u>\$ 220,139</u> |

B. Financing activities with no cash flow effects

|                                                        | Year ended December 31 |                  |
|--------------------------------------------------------|------------------------|------------------|
|                                                        | 2023                   | 2022             |
| Convertible bonds being converted to capital<br>stocks | <u>\$ 179,384</u>      | <u>\$ 78,366</u> |

(33) Changes in liabilities from financing activities

|                                                     | January 1,<br>2023  | Cash flows          | Non-cash changes              |                   | December<br>31, 2023 |
|-----------------------------------------------------|---------------------|---------------------|-------------------------------|-------------------|----------------------|
|                                                     |                     |                     | Foreign<br>exchange<br>change | Others            |                      |
| Short-term borrowings                               | \$ 189,891          | (\$ 153,863)        | (\$ 795)                      | \$ -              | \$ 35,233            |
| Other payables - related parties                    | 123,200             | ( 123,200)          | -                             | 340,826           | 340,826              |
| Long-term borrowings<br>(including current portion) | 70,203              | ( 70,903)           | 700                           | -                 | -                    |
| Bonds payable<br>(including current portion)        | 210,726             | 601,583             | -                             | ( 207,814)        | 604,495              |
| Lease liabilities                                   | 460,653             | ( 235,862)          | ( 5,511)                      | 323,594           | 542,874              |
| Guarantee deposits received                         | 29,368              | ( 2)                | -                             | -                 | 29,366               |
| Long-term accounts payable                          | 965,741             | ( 642,231)          | -                             | ( 323,510)        | -                    |
|                                                     | <u>\$ 2,049,782</u> | <u>(\$ 624,478)</u> | <u>(\$ 5,606)</u>             | <u>\$ 133,096</u> | <u>\$ 1,552,794</u>  |

|                                                     |                     |                    | Non-cash changes              |                   |                      |
|-----------------------------------------------------|---------------------|--------------------|-------------------------------|-------------------|----------------------|
|                                                     | January 1,<br>2022  | Cash flows         | Foreign<br>exchange<br>change | Others            | December<br>31, 2022 |
| Short-term borrowings                               | \$ 99,383           | \$ 90,644          | (\$ 136)                      | \$ -              | \$ 189,891           |
| Other payables - related parties                    | -                   | -                  | -                             | 123,200           | 123,200              |
| Long-term borrowings<br>(including current portion) | -                   | 68,323             | ( 979)                        | 2,859             | 70,203               |
| Bonds payable<br>(including current portion)        | 285,734             | -                  | -                             | ( 75,008)         | 210,726              |
| Lease liabilities                                   | 428,330             | ( 232,381)         | 3,361                         | 261,343           | 460,653              |
| Guarantee deposits received                         | 26,380              | 2,988              | -                             | -                 | 29,368               |
| Long-term accounts payable                          | 961,800             | ( 5,184)           | 9,125                         | -                 | 965,741              |
|                                                     | <u>\$ 1,801,627</u> | <u>(\$ 75,610)</u> | <u>\$ 11,371</u>              | <u>\$ 312,394</u> | <u>\$ 2,049,782</u>  |

## 7. Related Party Transactions

### (1) Names of related parties and relationship

| Names of related parties                                    | Relationship with the Group                     |
|-------------------------------------------------------------|-------------------------------------------------|
| LEO Systems, Inc. (LEO Systems)                             | Associate                                       |
| FIC Do Brasil Ltd. (FIC Do Brasil)                          | "                                               |
| Amerwave Technology (Shenzhen) Co., Ltd.<br>(Amerwave)      | "                                               |
| Geointelligence Systems, Inc. (Geointelligence)             | "                                               |
| Prihot Electronic (Malaysia) SDN. BHD.<br>(Prihot)          | "                                               |
| Formosa21 Inc. (Formosa21)                                  | "                                               |
| Mobility Technology Group Inc. (MTGI)                       | "                                               |
| University Venture Co., Ltd.<br>(University Venture) (Note) | Other related party (substantial related party) |
| eCommunications, Inc. (eCommunications)                     | "                                               |
| Supreme Image Limited (Supreme)                             | "                                               |
| Lohas Biotech Development Corp. (Lohas)                     | "                                               |
| GloryMakeup Inc. (GloryMakeup)                              | "                                               |
| Wang Yi De etc.                                             | "                                               |

| Names of related parties                    | Relationship with the Group                                                                                  |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Zong Jing Investment Inc. (Zong Jing)       | Other related party (major shareholder)                                                                      |
| Ho Mon Investment Inc. (Ho Mon)             | "                                                                                                            |
| Chia Chao Investment Inc. (Chia Chao)       | "                                                                                                            |
| WYC God-loving Foundation for Charity (GLF) | "                                                                                                            |
| CGCH Foundation for Education (CGCHF)       | Other related party (The company's directors and the Company's chairman are within second degree of kinship) |
| Via Technologies, Inc. (Via)                | "                                                                                                            |
| Xander International Corp. (Xander)         | "                                                                                                            |
| King's Sports Co. Ltd. (Kings)              | "                                                                                                            |

Note: University Venture Co., Ltd. was originally the Group's main management. The Group's Directors re-elected in June 2023, which became the Group's other related party (substantial related party).

## (2) Significant related party transactions

### A. Operating revenue

|                        | Year ended December 31 |                   |
|------------------------|------------------------|-------------------|
|                        | 2023                   | 2022              |
| Sales of goods:        |                        |                   |
| -Other related parties | \$ 196,566             | \$ 144,366        |
| -Associates            | 3,150                  | 152               |
|                        | <u>\$ 199,716</u>      | <u>\$ 144,518</u> |
| Service revenue:       |                        |                   |
| -Associates            | \$ 5,640               | \$ 5,640          |
| -Other related parties | 88,576                 | 36,248            |
|                        | <u>\$ 94,216</u>       | <u>\$ 41,888</u>  |

- (a) Due to the diversity of the Group's product specifications, the specifications of the products sold to related parties may not be the same as those sold to non-related parties, thus, the sales prices cannot be compared. The terms of transactions with related parties are the same as those with non-related parties.
- (b) The Group entered into consulting contracts with the above-mentioned related parties, and transaction prices and terms are made based on agreements.

## B. Purchases

|                        | Year ended December 31 |                 |
|------------------------|------------------------|-----------------|
|                        | 2023                   | 2022            |
| Purchases of goods     |                        |                 |
| -Associates            | \$ 4,475               | \$ 325          |
| -Other related parties | 5                      | 1,952           |
|                        | <u>\$ 4,480</u>        | <u>\$ 2,277</u> |

Purchases based on the price lists in force and terms that would be available to third parties.

## C. Receivables from related parties

|                        | December 31, 2023 | December 31, 2022 |
|------------------------|-------------------|-------------------|
| Accounts receivable:   |                   |                   |
| -Associates            | \$ 3,822          | \$ 515            |
| -Other related parties | 31,412            | 12,267            |
|                        | <u>\$ 35,234</u>  | <u>\$ 12,782</u>  |

### Finance lease receivable, net:

|                        |                  |                  |
|------------------------|------------------|------------------|
| -Associates            |                  |                  |
| LEO Systems            | \$ 7,801         | \$ 8,480         |
| Formosa21              | 1,695            | 1,838            |
| -Other related parties |                  |                  |
| GloryMakeup            | 2,143            | 2,333            |
| Lohas                  | 1,875            | 2,035            |
| Others                 | 549              | 592              |
|                        | <u>\$ 14,063</u> | <u>\$ 15,278</u> |

### Long-term finance lease receivable, net:

|                        |                  |                  |
|------------------------|------------------|------------------|
| -Associates            |                  |                  |
| LEO Systems            | \$ 15,423        | \$ 22,094        |
| Formosa21              | 3,345            | 4,794            |
| -Other related parties |                  |                  |
| GloryMakeup            | 4,243            | 6,076            |
| Lohas                  | 3,703            | 5,307            |
| Others                 | 1,082            | 1,550            |
|                        | <u>\$ 27,796</u> | <u>\$ 39,821</u> |

|                        | December 31, 2023 | December 31, 2022 |
|------------------------|-------------------|-------------------|
| Other receivables:     |                   |                   |
| -Associates            | \$ 7,850          | \$ 2,781          |
| -Other related parties | 264               | 1,206             |
|                        | <u>\$ 8,114</u>   | <u>\$ 3,987</u>   |

Other receivables from related parties arise mainly from service receivables related to the logistics human resources.

As the credit term of accounts receivable from related parties exceeds normal terms, the accounts receivable were reclassified as other receivables.

|                                            | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|--------------------------------------------|--------------------------|--------------------------|
| Other receivables:                         |                          |                          |
| -Associate                                 |                          |                          |
| FIC Do Brasil                              | \$ -                     | \$ 138,758               |
| Less: Allowance for uncollectible accounts | -                        | (138,758)                |
|                                            | <u>\$ -</u>              | <u>\$ -</u>              |

D. Payables to related parties:

|                        | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|------------------------|--------------------------|--------------------------|
| Accounts payable:      |                          |                          |
| -Other related parties | \$ 8,518                 | \$ 11,878                |
| -Associates            | -                        | 341                      |
|                        | <u>\$ 8,518</u>          | <u>\$ 12,219</u>         |
| Other payables:        |                          |                          |
| -Other related parties | \$ 4,258                 | \$ 7,045                 |
| -Associates            | 154                      | 464                      |
|                        | <u>\$ 4,412</u>          | <u>\$ 7,509</u>          |

E. Contract liability

|                        | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|------------------------|--------------------------|--------------------------|
| -Other related parties |                          |                          |
| eCommunications        | \$ -                     | \$ 10,763                |
| Others                 | 3,412                    | 10,700                   |
|                        | <u>\$ 3,412</u>          | <u>\$ 21,463</u>         |

F. Property transaction

(a) Acquisition of property, plant and equipment

|                        | <u>Year ended December 31</u> |                 |
|------------------------|-------------------------------|-----------------|
|                        | <u>2023</u>                   | <u>2022</u>     |
| -Associates            | \$ 637                        | \$ 1,128        |
| -Other related parties | 2,488                         | 2,741           |
|                        | <u>\$ 3,125</u>               | <u>\$ 3,869</u> |

(b) Disposal of property, plant and equipment

|                        | December 31, 2023 |                              |
|------------------------|-------------------|------------------------------|
|                        | Disposal price    | Gains and losses on disposal |
| -Other related parties | \$ 23             | \$ -                         |

G. Loans to/from related parties:

Loans from related parties

|                            | December 31, 2023 | December 31, 2022 |
|----------------------------|-------------------|-------------------|
| Other payables             |                   |                   |
| -Other related parties     |                   |                   |
| Ho Mon                     | -                 | 123,200           |
| Supreme                    | 340,826           | -                 |
|                            | <u>\$ 340,826</u> | <u>\$ 123,200</u> |
| Long-term accounts payable |                   |                   |
| -Other related parties     |                   |                   |
| Ho Mon                     | \$ -              | \$ 267,860        |
| Zong Jing                  | -                 | 201,000           |
| Chia Chao                  | -                 | 156,000           |
| Supreme                    | -                 | 340,881           |
|                            | <u>\$ -</u>       | <u>\$ 965,741</u> |

|                            | Year ended December 31 |      |                 |      |
|----------------------------|------------------------|------|-----------------|------|
|                            | 2023                   |      | 2022            |      |
|                            | Interest income        | Rate | Interest income | Rate |
| Other payables             |                        |      |                 |      |
| -Other related parties     |                        |      |                 |      |
| Ho Mon                     | 2,444                  | 2.0% | 41              | 2.0% |
| Supreme                    | -                      | 0.0% | -               | 0.0% |
|                            | <u>\$ 2,444</u>        |      | <u>\$ 41</u>    |      |
| Long-term accounts payable |                        |      |                 |      |
| -Other related parties     |                        |      |                 |      |
| Ho Mon                     | \$ 508                 | 0.5% | \$ 2,395        | 0.5% |
| Zong Jing                  | 493                    | 0.5% | 1,068           | 0.5% |
| Chia Chao                  | 383                    | 0.5% | 780             | 0.5% |
| Supreme                    | -                      | 0.0% | -               | 0.0% |
|                            | <u>\$ 1,384</u>        |      | <u>\$ 4,243</u> |      |

## H. Rent income

|                              | Year ended December 31 |                  |
|------------------------------|------------------------|------------------|
|                              | 2023                   | 2022             |
| Associates                   |                        |                  |
| Amerwave                     | \$ 13,277              | \$ 11,502        |
| LEO Systems                  | 3,948                  | 3,878            |
| Others                       | 251                    | 248              |
| Other related parties        | 714                    | 678              |
| The Group's major management | 36                     | 72               |
|                              | <u>\$ 18,226</u>       | <u>\$ 16,378</u> |

The rental prices of the Group and its related parties are based on the rental rates in the neighbourhood, and the rent is receivable monthly.

## I. Other income

|                        | Year ended December 31 |                 |
|------------------------|------------------------|-----------------|
|                        | 2023                   | 2022            |
| -Associates            | \$ 5,448               | \$ 2,168        |
| -Other related parties | 78                     | 86              |
|                        | <u>\$ 5,526</u>        | <u>\$ 2,254</u> |

Other income is mainly from the service revenue related to the logistics human resources.

## J. Operating expenses

|                        | Year ended December 31 |                  |
|------------------------|------------------------|------------------|
|                        | 2023                   | 2022             |
| -Other related parties | \$ 122,840             | \$ 27,614        |
| -Associates            | 123                    | 190              |
|                        | <u>\$ 122,963</u>      | <u>\$ 27,804</u> |

Operating expenses are mainly from the sales commission and miscellaneous.

## K. Equity transactions

In January 2022, the Group sold 232 thousand shares of its subsidiary, UBIQCONN TECHNOLOGY, INC., to the employees for the Company's operation needs and the Group's operating plan requirements. Refer to Note 6(31) for details.

(3) Key management compensation

|                                                 | Year ended December 31 |                  |
|-------------------------------------------------|------------------------|------------------|
|                                                 | 2023                   | 2022             |
| Salaries and other short-term employee benefits | \$ 64,871              | \$ 43,408        |
| Post-employment benefits                        | 1,401                  | 247              |
|                                                 | <u>\$ 66,272</u>       | <u>\$ 43,655</u> |

8. Pledged Assets

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

| Pledged assets                                        | Book value        | Book value        | Purpose                                                                                          |
|-------------------------------------------------------|-------------------|-------------------|--------------------------------------------------------------------------------------------------|
|                                                       | December 31, 2023 | December 31, 2022 |                                                                                                  |
| Financial assets measured at amortised cost - current | \$ 94,510         | \$ 90,386         | Bank borrowings and endorsements/ guarantees and guarantee for foreign exchange forward contract |
| Notes receivable                                      | 32,788            | 54,129            | Discounted notes receivable                                                                      |
| Guarantee deposits paid                               | -                 | 19,654            | Guarantee of borrowings from non-financial institutions                                          |
| Property, plant and equipment                         | 13,694            | 20,849            | Bank borrowings                                                                                  |
| Land (shown as 'right-of-use assets')                 | 11,512            | 12,192            | Bank borrowings                                                                                  |
| Investment property                                   | 38,714            | 39,986            | Bank borrowings                                                                                  |
|                                                       | <u>\$ 191,218</u> | <u>\$ 237,196</u> |                                                                                                  |

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(a) Contingencies

None.

(b) Commitments

None.

10. Significant Disaster Loss

None.

## 11. Significant Events after the Balance Sheet Date

- (1) The Company subscribe for increasing its capital to issue 85,000 new shares in FIC, Inc., as resolved by the Board of Directors in February 1, 2023. The issuance price per share is NT\$10. The Company use its' monetary claims to offset the payment of shares.
- (2) In February, 2023, the Company's subsidiary, FIC, Inc., acquired Zhongtengbao Co., Ltd.'s capital by issuing new ordinary shares. Accordingly, the subsidiary's shareholding ratio increase to 51.02%.
- (3) Due to the reduction in business scale, the board of directors of the Company's subsidiary, Broad GZ, passed to reduce capital. The amount of capital reduction was USD\$13,000, and the capital reduction ratio was 56.52%.
- (4) The appropriations of 2023 earnings as submitted by the Broad of Directors on March 28, 2024. Information about it is provided on Note 6(22).
- (5) Due to operational needs and company diversification, the Company's subsidiary, FIC, Inc., established FICG JAPAN Inc. in Japan with a 100% equity interest of ¥75,000, as proposed by the board of directors on March 28, 2024.

## 12. Others

### (1) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The Group's capital structure comprises net debt (pertaining to borrowings, net of cash and cash equivalents) and equity attributable to owners of parent (pertaining to share capital, capital surplus, retained earnings and other equity items).

(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 fair value through profit or loss | <u>\$ 92,785</u>         | <u>\$ 4,493</u>          |
| Financial assets measured at fair value through other comprehensive income |                          |                          |
| Designation of equity instrument                                           | <u>\$ 38,090</u>         | <u>\$ 21,251</u>         |
| Financial assets at amortised cost                                         |                          |                          |
| Cash and cash equivalents                                                  | \$ 2,782,947             | \$ 1,347,873             |
| Financial assets at amortised cost                                         | 101,265                  | 106,510                  |
| Notes receivable                                                           | 72,676                   | 89,587                   |
| Accounts receivable                                                        | 2,781,225                | 2,804,466                |
| Accounts receivable-related parties                                        | 35,234                   | 12,782                   |
| Finance lease receivable                                                   | 14,063                   | 15,278                   |
| -related parties                                                           |                          |                          |
| Other receivables                                                          | 80,771                   | 65,420                   |
| Other receivables-related parties                                          | 8,114                    | 3,987                    |
| Long-term finance lease                                                    | 27,796                   | 39,821                   |
| receivable-related parties                                                 |                          |                          |
| Guarantee deposits paid                                                    | 68,730                   | 82,754                   |
|                                                                            | <u>\$ 5,972,821</u>      | <u>\$ 4,568,478</u>      |

|                                                            | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|------------------------------------------------------------|--------------------------|--------------------------|
| <u>Financial liabilities</u>                               |                          |                          |
| Financial liabilities at fair value through profit or loss |                          |                          |
| Financial liabilities held for trading                     | \$ 5,039                 | \$ -                     |
| Financial liabilities at amortised cost                    |                          |                          |
| Short-term borrowings                                      | \$ 35,233                | \$ 189,891               |
| Notes payable                                              | 307                      | 307                      |
| Accounts payable                                           | 1,969,577                | 1,816,000                |
| Accounts payable-related parties                           | 8,518                    | 12,219                   |
| Other payables                                             | 556,588                  | 557,891                  |
| Other payables-related parties                             | 345,238                  | 130,709                  |
| Bond payables (including current portion)                  | 604,495                  | 210,726                  |
| Long-term borrowings                                       | -                        | 70,203                   |
| (including current portion)                                |                          |                          |
| Guarantee deposits received                                | 29,366                   | 29,368                   |
| Long-term notes and accounts payable                       | -                        | 965,741                  |
|                                                            | <u>\$ 3,549,322</u>      | <u>\$ 3,983,055</u>      |
| Lease liabilities-current                                  | \$ 193,540               | \$ 229,192               |
| Lease liabilities-non-current                              | 349,334                  | 231,461                  |
|                                                            | <u>\$ 542,874</u>        | <u>\$ 460,653</u>        |

#### B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

#### C. Significant financial risks and degrees of financial risks

##### (a) Market risk

##### Exchange rate risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
- ii. The Group is required to hedge its' entire foreign exchange risk exposure with Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures.

- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

| (Foreign currency:<br>functional currency) | December 31, 2023       |               |                        |
|--------------------------------------------|-------------------------|---------------|------------------------|
|                                            | Foreign currency amount |               | Book value             |
|                                            | (In thousands)          | Exchange rate | (NTD)<br>(in thousand) |
| <u>Financial assets</u>                    |                         |               |                        |
| <u>Monetary items</u>                      |                         |               |                        |
| USD : NTD                                  | \$ 141,448              | 30.7050       | \$ 4,343,161           |
| USD : RMB                                  | 147,181                 | 30.7050       | 4,519,193              |
| RMB : NTD                                  | 115                     | 4.3270        | 498                    |
| RMB : USD                                  | 13,510                  | 4.3270        | 58,458                 |
| <u>Financial liabilities</u>               |                         |               |                        |
| <u>Monetary items</u>                      |                         |               |                        |
| USD : NTD                                  | \$ 129,884              | 30.7050       | \$ 3,988,088           |
| USD : RMB                                  | 116,791                 | 30.7050       | 3,586,068              |
| RMB : USD                                  | 228,921                 | 4.3270        | 990,541                |
| (Foreign currency:<br>functional currency) | December 31, 2022       |               |                        |
|                                            | Foreign currency amount |               | Book value             |
|                                            | (In thousands)          | Exchange rate | (NTD)<br>(in thousand) |
| <u>Financial assets</u>                    |                         |               |                        |
| <u>Monetary items</u>                      |                         |               |                        |
| USD : NTD                                  | \$ 122,689              | 30.7100       | \$ 3,767,779           |
| USD : RMB                                  | 124,162                 | 30.7100       | 3,813,015              |
| RMB : NTD                                  | 3,146                   | 4.4080        | 13,868                 |
| RMB : USD                                  | 13,188                  | 4.4080        | 58,133                 |
| <u>Financial liabilities</u>               |                         |               |                        |
| <u>Monetary items</u>                      |                         |               |                        |
| USD : NTD                                  | \$ 117,982              | 30.7100       | \$ 3,623,227           |
| USD : RMB                                  | 89,744                  | 30.7100       | 2,756,038              |
| RMB : USD                                  | 227,407                 | 4.4080        | 1,002,410              |

- iv. The unrealized total exchange gain, including realized and unrealized, 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 \$40,514 and \$107,204, respectively.

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

| Year ended December 31, 2023               |                        |                             |                                            |      |
|--------------------------------------------|------------------------|-----------------------------|--------------------------------------------|------|
| (Foreign currency:<br>functional currency) | Degree of<br>variation | Effect on profit<br>or loss | Effect on other<br>comprehensive<br>income |      |
|                                            |                        |                             |                                            |      |
| <u>Financial assets</u>                    |                        |                             |                                            |      |
| <u>Monetary items</u>                      |                        |                             |                                            |      |
| USD:NTD                                    | 1%                     | \$                          | 43,432                                     | \$ - |
| USD:RMB                                    | 1%                     |                             | 45,192                                     | -    |
| RMB:NTD                                    | 1%                     |                             | 5                                          | -    |
| RMB:USD                                    | 1%                     |                             | 585                                        | -    |
| <u>Financial liabilities</u>               |                        |                             |                                            |      |
| <u>Monetary items</u>                      |                        |                             |                                            |      |
| USD:NTD                                    | 1%                     | \$                          | 39,881                                     | \$ - |
| USD:RMB                                    | 1%                     |                             | 35,861                                     | -    |
| RMB:USD                                    | 1%                     |                             | 9,905                                      | -    |
| Year ended December 31, 2022               |                        |                             |                                            |      |
| (Foreign currency:<br>functional currency) | Degree of<br>variation | Effect on profit<br>or loss | Effect on other<br>comprehensive<br>income |      |
|                                            |                        |                             |                                            |      |
| <u>Financial assets</u>                    |                        |                             |                                            |      |
| <u>Monetary items</u>                      |                        |                             |                                            |      |
| USD:NTD                                    | 1%                     | \$                          | 37,678                                     | \$ - |
| USD:RMB                                    | 1%                     |                             | 38,130                                     | -    |
| RMB:NTD                                    | 1%                     |                             | 139                                        | -    |
| RMB:USD                                    | 1%                     |                             | 581                                        | -    |
| <u>Financial liabilities</u>               |                        |                             |                                            |      |
| <u>Monetary items</u>                      |                        |                             |                                            |      |
| USD:NTD                                    | 1%                     | \$                          | 36,232                                     | \$ - |
| USD:RMB                                    | 1%                     |                             | 27,560                                     | -    |
| RMB:USD                                    | 1%                     |                             | 10,024                                     | -    |

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in

accordance with the limits set by the Group.

- ii. The Group's investments in equity securities comprise shares issued by the domestic companies. 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, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$928 and \$45, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$381 and \$213, respectively, as a result of other comprehensive income classified as available-for-sale equity investment and 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. During 2023 and 2022, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars, US Dollars and Chinese Yuan.
- ii. The Group's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit after tax for the years ended December 31, 2023 and 2022 would have increased/decreased by \$352 and \$2,601, respectively. Changes in interest expense mainly results from 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 contract cash flows of accounts receivable based on the agreed terms.
- ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- iii. The Group adopts the assumptions under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- 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.
- v. The Group classifies customer's accounts receivable in accordance with credit risk on trade. The Group applies the modified approach using a provision matrix based on the loss rate methodology to estimate expected credit loss.
- vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2023 and 2022, the Group had no written-off financial assets that are still under recourse procedures.
- vii. The expected loss rate for well-reputed customers of group A is 0.2%. For the years ended December 31, 2023 and 2022, the total book value of accounts receivable amounted to \$1,606,406 and \$1,591,767, and loss allowance amounted to \$3,491 and \$2,738, respectively.
- viii. The expected loss rate for well-reputed customers of group B is 0.2%~7%. For the years ended December 31, 2023 and 2022, the total book value of accounts receivable amounted to \$5,272 and \$0, and loss allowance amounted to \$11 and \$0, respectively.
- ix. The Group used the forecastability of Business Indicators Database and Basel Committee on Banking Supervision to adjust historical and timely information to assess the default possibility of notes and accounts receivable (including related parties) from the fair credit condition customers of the group C and D. On December 31, 2023 and 2022, the provision matrix is as follows:

(i) Group C

| <u>December 31, 2023</u> | <u>Expected loss rate</u> | <u>Total book value</u> | <u>Loss allowance</u> |
|--------------------------|---------------------------|-------------------------|-----------------------|
| Not past due             | 0.2%~8.77%                | \$ 985,126              | \$ 7,747              |
| Up to 30 days            | 0.2%~49.13%               | 155,733                 | 4,939                 |
| 31 to 90 days            | 0.2%~65.14%               | 7,978                   | 98                    |
| 61 to 90 days            | 0.2%~100%                 | 2,912                   | 1,205                 |
| 91 to 180 days           | 100%                      | 30,316                  | 30,316                |
| Over 180 days            | 100%                      | 16,594                  | 16,594                |
|                          |                           | <u>\$ 1,198,659</u>     | <u>\$ 60,899</u>      |

| <u>December 31, 2022</u> | <u>Expected loss rate</u> | <u>Total book value</u> | <u>Loss allowance</u> |
|--------------------------|---------------------------|-------------------------|-----------------------|
| Not past due             | 0.2%~0.55%                | \$ 744,157              | \$ 5,281              |
| Up to 30 days            | 0.2%~2.15%                | 137,680                 | 7,128                 |
| 31 to 90 days            | 0.2%~39.24%               | 13,608                  | 3,361                 |
| 61 to 90 days            | 0.2%~100%                 | 2,454                   | 1,843                 |
| 91 to 180 days           | 100%                      | 23,922                  | 23,884                |
| Over 180 days            | 100%                      | 17,364                  | 17,331                |
|                          |                           | <u>\$ 939,185</u>       | <u>\$ 58,828</u>      |

(ii) Group D

| <u>December 31, 2023</u> | <u>Expected loss rate</u> | <u>Total book value</u> | <u>Loss allowance</u> |
|--------------------------|---------------------------|-------------------------|-----------------------|
| Not past due             | 0.20%                     | \$ 91,898               | \$ 184                |
| Up to 30 days            | 0.20%                     | 51,588                  | 103                   |
| 31 to 90 days            | 0.20%                     | -                       | -                     |
| 61 to 90 days            | 0.20%                     | -                       | -                     |
| 91 to 180 days           | 100%                      | -                       | -                     |
| Over 180 days            | 100%                      | -                       | -                     |
|                          |                           | <u>\$ 143,486</u>       | <u>\$ 287</u>         |

  

| <u>December 31, 2022</u> | <u>Expected loss rate</u> | <u>Total book value</u> | <u>Loss allowance</u> |
|--------------------------|---------------------------|-------------------------|-----------------------|
| Not past due             | 2.43%                     | \$ 306,598              | \$ 7,859              |
| Up to 30 days            | 7.29%                     | 148,434                 | 9,724                 |
| 31 to 90 days            | 22.38%                    | -                       | -                     |
| 61 to 90 days            | 36.03%                    | -                       | -                     |
| 91 to 180 days           | 100%                      | -                       | -                     |
| Over 180 days            | 100%                      | -                       | -                     |
|                          |                           | <u>\$ 455,032</u>       | <u>\$ 17,583</u>      |

- x. Based on historical experience, the Group applies individual assessment to evaluate expected credit loss of the high-credit risk customers from group E. On December 31, 2023 and 2022, accounts receivable amounted to \$0 and \$2,277 and loss allowance amounted to \$0 and \$2,277, respectively.

- xi. Movements in relation to the Group applying the modified approach to provide loss allowance for notes and accounts receivable (including related parties) are as follows:

|                            | 2023                                                         |
|----------------------------|--------------------------------------------------------------|
|                            | Notes and accounts receivable<br>(including related parties) |
| At January 1               | \$ 81,426                                                    |
| Reversal of impairment     | ( 13,980)                                                    |
| Write-offs                 | ( 2,277)                                                     |
| Effect of foreign exchange | ( 481)                                                       |
| At December 31             | <u>\$ 64,688</u>                                             |

  

|                               | 2022                                                         |
|-------------------------------|--------------------------------------------------------------|
|                               | Notes and accounts receivable<br>(including related parties) |
| At January 1                  | \$ 40,654                                                    |
| Provision for impairment loss | 38,366                                                       |
| Effect of foreign exchange    | 2,406                                                        |
| At December 31                | <u>\$ 81,426</u>                                             |

For provisioned loss in 2023 and 2022, the reversal of (impairment loss) arising from customers' contracts are \$13,980 and (\$38,366), respectively.

- xii. The financial assets at amortized cost and other financial assets held by the Group are the bank deposits and restricted bank deposits with maturity term of over three months, and no material issues of credit rating levels were incurred. Further, there was no material expected credit loss.
- xiii. The amount of other receivables and expected credit gains on December 31, 2023 and 2022 after the recoverability assessment were \$80,771 and \$0, \$65,420 and \$14,688, respectively.

(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 into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| December 31, 2023            | Less than 1 year | Between<br>1 and 5 years | Over 5 years |
|------------------------------|------------------|--------------------------|--------------|
| <u>Non-derivative</u>        |                  |                          |              |
| <u>financial liabilities</u> |                  |                          |              |
| Short-term                   |                  |                          |              |
| borrowings                   | \$ 35,233        | \$ -                     | \$ -         |
| Notes payable                | 307              | -                        | -            |
| Accounts payable             |                  |                          |              |
| (including related           |                  |                          |              |
| parties)                     | 1,978,095        | -                        | -            |
| Other payables               |                  |                          |              |
| (including related           |                  |                          |              |
| parties)                     | 901,826          | -                        | -            |
| Bonds payable                |                  |                          |              |
| (including current           |                  |                          |              |
| portion)                     | 34,300           | 599,900                  | -            |
| Lease liabilities            | 207,362          | 360,804                  | -            |

| December 31, 2022                                   | Less than 1 year | Between<br>1 and 5 years | Over 5 years |
|-----------------------------------------------------|------------------|--------------------------|--------------|
| <u>Non-derivative<br/>financial liabilities</u>     |                  |                          |              |
| Short-term borrowings                               | \$ 190,396       | \$ -                     | \$ -         |
| Notes payable                                       | 307              | -                        | -            |
| Accounts payable<br>(including related parties)     | 1,828,219        | -                        | -            |
| Other payables<br>(including related parties)       | 688,600          | -                        | -            |
| Bonds payable<br>(including current portion)        | 217,100          | -                        | -            |
| Lease liabilities                                   | 239,693          | 237,575                  | -            |
| Long-term borrowings<br>(including current portion) | 33,167           | 40,230                   | -            |
| Long-term notes and accounts payable                | -                | 976,430                  | -            |

### (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 investment in derivative instruments is included in Level 1.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), long-term notes and accounts receivable, short-term borrowings, notes payable, other payables (including related parties), other payables (including related parties), bonds payable, lease liabilities and long-term notes and accounts payable are approximate to their fair values.

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

(a) The related information on the nature of the assets and liabilities is as follows:

| <u>December 31, 2023</u>                                          | <u>Level 1</u>    | <u>Level 2</u> | <u>Level 3</u>   | <u>Total</u>      |
|-------------------------------------------------------------------|-------------------|----------------|------------------|-------------------|
| Assets                                                            |                   |                |                  |                   |
| <u>Recurring fair value measurements</u>                          |                   |                |                  |                   |
| Financial assets at fair value through profit or loss             |                   |                |                  |                   |
| Equity securities                                                 | \$ 2,388          | \$ -           | \$ -             | \$ 2,388          |
| Beneficiary                                                       | 90,397            | -              | -                | 90,397            |
| certificaties                                                     |                   |                |                  |                   |
| Financial assets at fair value through other comprehensive income |                   |                |                  |                   |
| Equity securities                                                 | 23,669            | -              | 14,421           | 38,090            |
|                                                                   | <u>\$ 116,454</u> | <u>\$ -</u>    | <u>\$ 14,421</u> | <u>\$ 130,875</u> |

| <u>December 31, 2022</u>                                          | <u>Level 1</u>  | <u>Level 2</u> | <u>Level 3</u>   | <u>Total</u>     |
|-------------------------------------------------------------------|-----------------|----------------|------------------|------------------|
| Assets                                                            |                 |                |                  |                  |
| <u>Recurring fair value measurements</u>                          |                 |                |                  |                  |
| Financial assets at fair value through profit or loss             |                 |                |                  |                  |
| Equity securities                                                 | \$ 3,364        | \$ -           | \$ -             | \$ 3,364         |
| Derivative instruments                                            |                 |                |                  |                  |
| -Call/put options of bonds                                        | -               | -              | 1,129            | 1,129            |
| Financial assets at fair value through other comprehensive income |                 |                |                  |                  |
| Equity securities                                                 | -               | -              | 21,251           | 21,251           |
|                                                                   | <u>\$ 3,364</u> | <u>\$ -</u>    | <u>\$ 22,380</u> | <u>\$ 25,744</u> |

(b) The methods and assumptions the Group used to measure fair value are as follows:

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

|                     | <u>Listed stocks</u> |
|---------------------|----------------------|
| Market quoted price | Closing price        |

- ii. 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.
- iii. When assessing non-standard and low-complexity financial instruments, 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.
- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques.

- v. 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. As a result, the estimate generated by valuation model will be slightly adjusted based on additional inputs, such as model risk or liquidity risk. 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.

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

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

|                                                                                                                                                                     | 2023               |                              |                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------------------|-----------------|
|                                                                                                                                                                     | Equity instruments | Call/put options<br>of bonds | Total           |
| At January 1                                                                                                                                                        | \$ 21,251          | \$ 1,129                     | \$ 22,380       |
| Gains and losses recognized<br>in profit or loss                                                                                                                    |                    |                              |                 |
| Recorded as non-operating<br>income and expenses                                                                                                                    | -                  | ( 1,957)                     | ( 1,957)        |
| Gains and losses recognized<br>in other comprehensive<br>income                                                                                                     |                    |                              |                 |
| Recorded as unrealised<br>gains (losses) on<br>valuation of investments<br>in equity instruments<br>measured at fair value<br>through other<br>comprehensive income | 16,839             | -                            | 16,839          |
| Issued during this year                                                                                                                                             | -                  | ( 4,020)                     | ( 4,020)        |
| Converted during the year                                                                                                                                           | -                  | ( 191)                       | ( 191)          |
| Transfer out from Level 3                                                                                                                                           | ( 23,669)          | -                            | ( 23,669)       |
| At December 31                                                                                                                                                      | <u>\$ 14,421</u>   | <u>(\$ 5,039)</u>            | <u>\$ 9,382</u> |

|                                                                                                                                                                     | 2022               |                              |                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------------------|------------------|
|                                                                                                                                                                     | Equity instruments | Call/put options<br>of bonds | Total            |
| At January 1                                                                                                                                                        | \$ 19,372          | \$ 1,887                     | \$ 21,259        |
| Gains and losses recognized<br>in profit or loss                                                                                                                    |                    |                              |                  |
| Recorded as non-operating<br>income and expenses                                                                                                                    | -                  | ( 95)                        | ( 95)            |
| Gains and losses recognized<br>in other comprehensive<br>income                                                                                                     |                    |                              |                  |
| Recorded as unrealized<br>gains (losses) on<br>valuation of investments<br>in equity instruments<br>measured at fair value<br>through other<br>comprehensive income | 1,879              | -                            | 1,879            |
| Converted during the year                                                                                                                                           | -                  | ( 663)                       | ( 663)           |
| At December 31                                                                                                                                                      | <u>\$ 21,251</u>   | <u>\$ 1,129</u>              | <u>\$ 22,380</u> |

F. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

G. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and making any other necessary adjustments to the fair value.

Treasury segment set up valuation policies, valuation processes and rules for measuring fair value of financial instruments and ensure compliance with the related requirements in IFRS.

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

|                                      |     | Fair value at<br>December 31,<br>2023 | Valuation<br>technique                                    | Significant<br>unobservable<br>input                                         | Range<br>(weighted<br>average) | Relationship of<br>inputs to fair<br>value                                                                                                   |
|--------------------------------------|-----|---------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Non-derivative<br>equity instrument: |     |                                       |                                                           |                                                                              |                                |                                                                                                                                              |
| Unlisted shares                      | \$  | 14,421                                | Market<br>comparable<br>companies                         | Price to book<br>ratio multiple,<br>discount for<br>lack of<br>marketability | 4.33 ~ 29.55                   | The higher the<br>multiple, the<br>higher the fair<br>value; the<br>higher the<br>discount for<br>lack of<br>marketability,<br>the lower the |
| Derivative<br>instrument:            |     |                                       |                                                           |                                                                              |                                |                                                                                                                                              |
| Call/put options of<br>bonds         | (\$ | 5,039)                                | The Binomial-<br>Tree approach<br>to convertible<br>bonds | Volatility rate                                                              | 44.12%                         | The higher the<br>price volatility,<br>the higher the<br>fair value                                                                          |
|                                      |     | Fair value at<br>December 31,<br>2022 | Valuation<br>technique                                    | Significant<br>unobservable<br>input                                         | Range<br>(weighted<br>average) | Relationship of<br>inputs to fair<br>value                                                                                                   |
| Non-derivative<br>equity instrument: |     |                                       |                                                           |                                                                              |                                |                                                                                                                                              |
| Unlisted shares                      | \$  | 21,251                                | Market<br>comparable<br>companies                         | Price to book<br>ratio multiple,<br>discount for<br>lack of<br>marketability | 3.88 ~ 26.13                   | The higher the<br>multiple, the<br>higher the fair<br>value; the<br>higher the<br>discount for<br>lack of<br>marketability,<br>the lower the |
| Derivative<br>instrument:            |     |                                       |                                                           |                                                                              |                                |                                                                                                                                              |
| Call/put options of<br>bonds         | \$  | 1,129                                 | The Binomial-<br>Tree approach<br>to convertible<br>bonds | Volatility rate                                                              | 57.68%                         | The higher the<br>price volatility,<br>the higher the<br>fair value                                                                          |

- I. 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.

### 13. Supplementary Disclosures

#### (1) Significant transactions information

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

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 6.

(4) Major shareholders information

Major shareholders information: Refer to table 9.

14. Segment Information

(1) General information

The Group is engaged in research and development, production and sales of automotive electronics, surveillance product and the industrial computers, electronic contract manufacturing of computers and server products and leasing real estate, which was the information reported to the chief operating decision-maker for the purpose of resource allocation and the assessment of segment performance. The Group focused on the differences in law and regulation in different countries which required different marketing strategies.

The reportable segments are as follows:

A. 3CEMS and its subsidiaries

B. Ubiqconn and its subsidiaries

C. FIC Inc. and its subsidiaries

D. Other companies

(2) Measurement of segment information

The Group's segment is measured with revenue and the operating profit, which is used as a basis for the Group in assessing the performance of operating segments. The accounting policies of the operating segments are in agreement with the significant accounting policies Summarized in Note 4. The Group did not provide the amounts of total assets and total liabilities to chief operating decision-maker.

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

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

| Year ended<br>December 31,<br>2023                                      | 3CEMS<br>and its<br>subsidiaries | Ubiqconn<br>and its<br>subsidiaries | FIC Inc.<br>and its<br>subsidiaries | Other<br>companies | Adjustments<br>and<br>write-offs | Total                |
|-------------------------------------------------------------------------|----------------------------------|-------------------------------------|-------------------------------------|--------------------|----------------------------------|----------------------|
| Revenue from<br>external<br>customers                                   | \$ 9,221,814                     | \$ 3,657,350                        | \$ 104,627                          | \$ -               | \$ -                             | \$ 12,983,791        |
| Service revenue<br>from external<br>customers                           | -                                | 63,205                              | 107,016                             | 5,640              | -                                | 175,861              |
| Rental income<br>from external<br>customers                             | 60,546                           | -                                   | 63,198                              | -                  | -                                | 123,744              |
| Inter-segment<br>revenue                                                | 105,235                          | 785                                 | 1,479                               | 15,736             | ( 123,235)                       | -                    |
| Segment revenue                                                         | <u>\$ 9,387,595</u>              | <u>\$ 3,721,340</u>                 | <u>\$ 276,320</u>                   | <u>\$ 21,376</u>   | <u>(\$ 123,235)</u>              | <u>\$ 13,283,396</u> |
| Segment income<br>(loss)                                                | <u>\$ 414,292</u>                | <u>\$ 313,648</u>                   | <u>(\$ 82,707)</u>                  | <u>\$ 2,596</u>    | <u>\$ 6,047</u>                  | <u>\$ 653,876</u>    |
| Segment income<br>(loss) including:<br>Depreciation and<br>amortisation | <u>\$ 423,789</u>                | <u>\$ 58,015</u>                    | <u>\$ 23,096</u>                    | <u>\$ 673</u>      | <u>(\$ 1,938)</u>                | <u>\$ 503,635</u>    |

| Year ended<br>December 31,<br>2022                                      | 3CEMS<br>and its<br>subsidiaries | Ubiqconn<br>and its<br>subsidiaries | FIC Inc.<br>and its<br>subsidiaries | Other<br>companies | Adjustments<br>and<br>write-offs | Total                |
|-------------------------------------------------------------------------|----------------------------------|-------------------------------------|-------------------------------------|--------------------|----------------------------------|----------------------|
| Revenue from<br>external<br>customers                                   | \$ 7,460,072                     | \$ 3,243,179                        | \$ 1,486,534                        | \$ -               | \$ -                             | \$ 12,189,785        |
| Service revenue<br>from external<br>customers                           | -                                | 71,132                              | 39,457                              | 5,640              | -                                | 116,229              |
| Rental income<br>from external<br>customers                             | 60,949                           | -                                   | 81,472                              | -                  | -                                | 142,421              |
| Inter-segment<br>revenue                                                | 1,411,517                        | 724                                 | 13,144                              | 14,327             | ( 1,439,712)                     | -                    |
| Segment revenue                                                         | <u>\$ 8,932,538</u>              | <u>\$ 3,315,035</u>                 | <u>\$ 1,620,607</u>                 | <u>\$ 19,967</u>   | <u>(\$ 1,439,712)</u>            | <u>\$ 12,448,435</u> |
| Segment income<br>(loss)                                                | <u>\$ 248,731</u>                | <u>\$ 192,990</u>                   | <u>(\$ 26,945)</u>                  | <u>(\$ 209)</u>    | <u>\$ 10,294</u>                 | <u>\$ 424,861</u>    |
| Segment income<br>(loss) including:<br>Depreciation and<br>amortisation | <u>\$ 442,046</u>                | <u>\$ 48,346</u>                    | <u>\$ 41,758</u>                    | <u>\$ 58</u>       | <u>(\$ 1,939)</u>                | <u>\$ 530,269</u>    |

(4) Reconciliation for segment income (loss)

- A. Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.
- B. A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations is provided as follows:

|                                   | Year ended December 31 |                   |
|-----------------------------------|------------------------|-------------------|
|                                   | 2023                   | 2022              |
| Segments income/(loss)            | \$ 653,876             | \$ 424,861        |
| Non-operating income and expenses | 126,993                | 339,631           |
| operations                        | <u>\$ 780,869</u>      | <u>\$ 764,492</u> |

(5) Information on products and services

Details of revenue are as follows:

|                               | Year ended December 31 |                      |
|-------------------------------|------------------------|----------------------|
|                               | 2023                   | 2022                 |
| Sales revenue                 | \$ 12,983,791          | \$ 12,189,785        |
| Service revenue               | 175,861                | 116,229              |
| Rental of real estate revenue | 123,744                | 142,421              |
|                               | <u>\$ 13,283,396</u>   | <u>\$ 12,448,435</u> |

(6) Geographical information

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

|          | Year ended December 31 |                     |                      |                     |
|----------|------------------------|---------------------|----------------------|---------------------|
|          | 2023                   |                     | 2022                 |                     |
|          | Revenue                | Non-current         | Revenue              | Non-current         |
| Taiwan   | \$ 3,505,600           | \$ 281,825          | \$ 3,359,565         | \$ 229,939          |
| Malaysia | 2,638,301              | -                   | 2,389,549            | 390                 |
| US       | 2,208,827              | -                   | 2,364,950            | -                   |
| China    | 1,269,848              | 1,771,939           | 1,401,226            | 1,687,394           |
| Others   | 3,660,820              | -                   | 2,933,145            | -                   |
|          | <u>\$ 13,283,396</u>   | <u>\$ 2,053,764</u> | <u>\$ 12,448,435</u> | <u>\$ 1,917,723</u> |

(7) Major customer information

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

|   | Year ended December 31 |                      |                     |                      |
|---|------------------------|----------------------|---------------------|----------------------|
|   | 2023                   |                      | 2022                |                      |
|   | Revenue                | operating<br>revenue | Revenue             | operating<br>revenue |
| A | \$ 2,795,591           | 21%                  | \$ 3,032,721        | 24%                  |
| B | 2,369,389              | 18%                  | 2,483,369           | 20%                  |
| C | 2,072,814              | 16%                  | 2,356,471           | 19%                  |
|   | <u>\$ 7,237,794</u>    | <u>54%</u>           | <u>\$ 7,872,561</u> | <u>63%</u>           |

| FIC GLOBAL, INC. AND SUBSIDIARIES |                    |                 |                              |                          |                                                                                 |                                 |                             |                  |                               |                                                   |                                                       |                                          |            |       |                                                |                                      |          |  |
|-----------------------------------|--------------------|-----------------|------------------------------|--------------------------|---------------------------------------------------------------------------------|---------------------------------|-----------------------------|------------------|-------------------------------|---------------------------------------------------|-------------------------------------------------------|------------------------------------------|------------|-------|------------------------------------------------|--------------------------------------|----------|--|
| Loans to others                   |                    |                 |                              |                          |                                                                                 |                                 |                             |                  |                               |                                                   |                                                       |                                          |            |       |                                                |                                      |          |  |
| Year ended December 31, 2023      |                    |                 |                              |                          |                                                                                 |                                 |                             |                  |                               |                                                   |                                                       |                                          |            |       |                                                |                                      |          |  |
| Expressed in thousands of NTD     |                    |                 |                              |                          |                                                                                 |                                 |                             |                  |                               |                                                   |                                                       |                                          |            |       |                                                |                                      |          |  |
| (Except as otherwise indicated)   |                    |                 |                              |                          |                                                                                 |                                 |                             |                  |                               |                                                   |                                                       |                                          |            |       |                                                |                                      |          |  |
| No.<br>(Note 1)                   | Creditor           | Borrower        | General<br>ledger<br>account | Is a<br>related<br>party | Maximum<br>outstanding<br>balance during<br>the year ended<br>December 31, 2023 | Balance at<br>December 31, 2023 | Actual amount<br>drawn down | Interest<br>rate | Nature of<br>loan<br>(Note 2) | Amount of<br>transactions<br>with the<br>borrower | Reason<br>for short -term<br>financing                | Allowance<br>for<br>doubtful<br>accounts | Collateral |       | Limit on loans<br>granted to<br>a single party | Ceiling on<br>total loans<br>granted | Footnote |  |
|                                   |                    |                 |                              |                          |                                                                                 |                                 |                             |                  |                               |                                                   |                                                       |                                          | Item       | Value |                                                |                                      |          |  |
| 0                                 | FICG               | FIC, Inc.       | Other receivables            | Yes                      | \$ 850,000                                                                      | \$ 850,000                      | \$ 850,000                  | 2.065            | 2                             | \$ -                                              | For operational need                                  | \$ -                                     | -          | \$ -  | \$ 1,276,096                                   | \$ 1,701,462                         | Note 3   |  |
| 1                                 | FIC, Inc.          | Access          | Other receivables            | Yes                      | 42,987                                                                          | 21,494                          | 21,494                      | 3.85-5.86        | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 305,205                                        | 406,940                              | Note 3   |  |
| 2                                 | FIC Holding        | Access          | Other receivables            | Yes                      | 76,795                                                                          | 76,795                          | 76,795                      | 0.6-3.0          | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 253,960                                        | 338,614                              | Note 5   |  |
| 3                                 | Brilliant          | Access          | Other receivables            | Yes                      | 617,171                                                                         | 586,466                         | 577,254                     | 3.85-5.94        | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 4,206,881                                      | 5,609,174                            | Note 5   |  |
| 4                                 | FICTA              | Prime Base Inc  | Other receivables            | Yes                      | 61,410                                                                          | -                               | -                           | 4.4              | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 226,273                                        | 258,597                              | Note 4   |  |
|                                   |                    | FIC, Inc.       | Other receivables            | Yes                      | 172,468                                                                         | 107,468                         | 107,468                     | 2.065-5.99       | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 226,273                                        | 258,597                              | Note 4   |  |
| 5                                 | Prime              | Broad           | Other receivables            | Yes                      | 158,591                                                                         | 158,591                         | 158,591                     | 0.8-3.75         | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 5,373,625                                      | 7,164,833                            | Note 7   |  |
| 6                                 | Danriver           | PUG             | Other receivables            | Yes                      | 310,121                                                                         | 310,121                         | 310,121                     | 0.8-3.85         | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 1,272,211                                      | 1,696,281                            | Note 7   |  |
|                                   |                    | Broad           | Other receivables            | Yes                      | 368,460                                                                         | 368,460                         | 342,361                     | 0.8-3.85         | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 1,272,211                                      | 1,696,281                            | Note 7   |  |
|                                   |                    | Danriver System | Other receivables            | Yes                      | 162,737                                                                         | -                               | -                           | 3.85             | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 1,272,211                                      | 1,696,281                            | Note 7   |  |
| 7                                 | Danriver GZ        | Amertek         | Other receivables            | Yes                      | 255,293                                                                         | -                               | -                           | 4.75             | 2                             | -                                                 | For operational need and past due accounts receivable | -                                        | -          | -     | 153,133                                        | 153,133                              | Note 6   |  |
|                                   |                    | Danriver        | Other receivables            | Yes                      | 276,345                                                                         | 276,345                         | 269,451                     | 0-0.8            | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 574,249                                        | 765,665                              | Note 7   |  |
|                                   |                    | Prime GZ        | Other receivables            | Yes                      | 25,962                                                                          | -                               | -                           | 4.75             | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 153,133                                        | 153,133                              | Note 6   |  |
| 8                                 | 3CEMS              | Danriver System | Other receivables            | Yes                      | 164,272                                                                         | 164,272                         | 164,272                     | 3.85-4.67        | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 1,751,279                                      | 1,751,279                            | Note 6   |  |
| 9                                 | Danriver System GZ | Danriver System | Other receivables            | Yes                      | 344,203                                                                         | 344,203                         | 335,970                     | 0-3.45           | 2                             | -                                                 | For operational need and past due accounts receivable | -                                        | -          | -     | 645,549                                        | 860,732                              | Note 7   |  |
|                                   |                    | Amertek         | Other receivables            | Yes                      | 84,377                                                                          | -                               | -                           | 4.75             | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 172,146                                        | 172,146                              | Note 6   |  |

FIC GLOBAL, INC. AND SUBSIDIARIES

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

| No.<br>(Note 1) | Creditor | Borrower   | General<br>ledger<br>account | Is a<br>related<br>party | Maximum<br>outstanding<br>balance during<br>the year ended<br>December 31, 2023 | Balance at<br>December 31, 2023 | Actual amount<br>drawn down | Interest<br>rate | Nature of<br>loan<br>(Note 2) | Amount of<br>transactions<br>with the<br>borrower | Reason<br>for short -term<br>financing                | Allowance<br>for<br>doubtful<br>accounts | Collateral |       | Limit on loans<br>granted to<br>a single party | Ceiling on<br>total loans<br>granted | Footnote |
|-----------------|----------|------------|------------------------------|--------------------------|---------------------------------------------------------------------------------|---------------------------------|-----------------------------|------------------|-------------------------------|---------------------------------------------------|-------------------------------------------------------|------------------------------------------|------------|-------|------------------------------------------------|--------------------------------------|----------|
|                 |          |            |                              |                          |                                                                                 |                                 |                             |                  |                               |                                                   |                                                       |                                          | Item       | Value |                                                |                                      |          |
| 10              | Broad GZ | Broad      | Other receivables            | Yes                      | 874,032                                                                         | 874,032                         | 747,203                     | 0.00-1.75        | 2                             | -                                                 | For operational need and past due accounts receivable | -                                        | -          | -     | 1,666,518                                      | 2,222,024                            | Note 7   |
|                 |          | Amertek    | Other receivables            | Yes                      | 263,947                                                                         | -                               | -                           | 4.75             | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 444,405                                        | 444,405                              | Note 6   |
|                 |          | Prime GZ   | Other receivables            | Yes                      | 17,308                                                                          | -                               | -                           | 4.75             | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 444,405                                        | 444,405                              | Note 6   |
| 11              | Access   | Fic SZ     | Other receivables            | Yes                      | 399,165                                                                         | 399,165                         | 381,831                     | 0                | 2                             | -                                                 | Past due accounts receivable                          | -                                        | -          | -     | 1,547,532                                      | 2,063,376                            | Note 5   |
| 12              | PUG      | Prime Base | Other receivables            | Yes                      | 72,157                                                                          | -                               | -                           | 0.8              | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 1,368,030                                      | 1,368,030                            | Note 6   |
|                 |          | Brilliant  | Other receivables            | Yes                      | 39,917                                                                          | -                               | -                           | 3.6              | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 1,368,030                                      | 1,368,030                            | Note 6   |
|                 |          | Access     | Other receivables            | Yes                      | 21,494                                                                          | -                               | -                           | 3.6              | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 1,368,030                                      | 1,368,030                            | Note 6   |
|                 |          | FIC, Inc.  | Other receivables            | Yes                      | 145,849                                                                         | 145,849                         | 145,849                     | 3.85             | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 1,368,030                                      | 1,368,030                            | Note 6   |
| 13              | Fic SZ   | Prime GZ   | Other receivables            | Yes                      | 77,886                                                                          | -                               | -                           | 4.35             | 2                             | -                                                 | For operational need                                  | -                                        | -          | -     | 176,615                                        | 235,487                              | Note 3   |

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’

Note 2: The column of ‘Nature of loan’ shall fill in ‘Business transaction or ‘Short-term financing’.

(1) Business association is labeled as ‘1’

(2) Short-term financing is labeled as ‘2’.

Note 3: According to the FICG’s and the investees’ “Regulations for Provision of Loans”, the limit on loans granted to a single party shall not exceed 30% of the investees’ net assets value, and the ceiling on total loans shall not exceed 40% of the investees' net assets value.

Note 4: According to the investees’“Regulations for Provision of Loans”, the limit on loans granted to a single party shall not exceed 35% of the investees’ net assets value, and the ceiling on total loans shall not exceed 40% of the investees' net assets value.

Note 5: According to the investees’“Regulations for Provision of Loans”, the overseas subsidiaries’ loans are granted to the Company directly and indirectly holds 100% of the shares , the limit on loans granted to a single party shall not exceed 150%

of the investees’ paid-in capital and the ceiling on total loans shall not exceed 200% of the investees’ paid-in capital.

Note 6: According to the investees’“Regulations for Provision of Loans”, the limit on loans granted to a single party shall not exceed 40% of the investees’ net assets value, and the ceiling on total loans shall not exceed 40% of the investees' net assets value.

Note 7: According to the investees’“Regulations for Provision of Loans”, the overseas subsidiaries’ loans are granted to the Company directly and indirectly holds 100% of the shares , the limit on loans granted to a single party shall not exceed

150% of the investees’ paid-in capital and the ceiling on total loans shall not exceed 200% of the investees’ paid-in capital.

Table 2

FIC GLOBAL, INC. AND SUBSIDIARIES  
Provision of endorsements and guarantees to other  
Year ended December 31, 2023

Expressed in thousands of NTD  
(Except as otherwise indicated)

| Number<br>( Note 1 ) | Endorser/<br>guarantor | Party being<br>endorsed/guaranteed<br>Company nam | Relationship<br>with the<br>endorser/<br>guarantor<br>(Note 2) | Limit on<br>endorsements/<br>guarantees<br>provided for a<br>single party<br>(Note 3) | Maximum<br>outstanding<br>endorsement/<br>guarantee<br>amount as of<br>December 31, 2023<br>(Note 4) | Outstanding<br>endorsement/<br>guarantee<br>amount at<br>December 31, 2023<br>(Note 5) | Actual amount<br>drawn down<br>(Note 6) | Amount of<br>endorsements/<br>guarantees<br>secured wit<br>collateral | Ratio of accumulated<br>endorsement/guanantee<br>amount to net<br>asset value of<br>the endorser/guarantor<br>company | Ceiling on<br>total amount of<br>endorsements/<br>guarantees<br>provided<br>(Note 3) | Provision of<br>endorsements/<br>guarantees by<br>parent<br>company to<br>subsidiary<br>(Note 7) | Provision of<br>endorsements/<br>guarantees by<br>subsidiary to<br>parent<br>company<br>(Note 7) | Provision of<br>endorsements/<br>guarantees to<br>the party in<br>Mainland<br>China<br>(Note 7) | Footnote |
|----------------------|------------------------|---------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|----------|
|                      |                        |                                                   |                                                                |                                                                                       |                                                                                                      |                                                                                        |                                         |                                                                       |                                                                                                                       |                                                                                      |                                                                                                  |                                                                                                  |                                                                                                 |          |
| 0                    | FICG                   | Prime Base                                        | (2)                                                            | 5,866,895                                                                             | 501,720                                                                                              | -                                                                                      | -                                       | -                                                                     | 0%                                                                                                                    | 11,733,790                                                                           | Y                                                                                                | N                                                                                                | N                                                                                               |          |
| 1                    | High Stnadard          | FIC, Inc.                                         | (3)                                                            | 6,528,651                                                                             | 100,000                                                                                              | 100,000                                                                                | 40,000                                  | 100,000                                                               | 17%                                                                                                                   | 13,057,301                                                                           | N                                                                                                | N                                                                                                | N                                                                                               |          |
| 2                    | 3CEMS                  | PUG                                               | (2)                                                            | 6,567,295                                                                             | 30,705                                                                                               | -                                                                                      | -                                       | -                                                                     | 0%                                                                                                                    | 8,756,394                                                                            | N                                                                                                | N                                                                                                | N                                                                                               |          |
| 3                    | Danriver GZ            | Amertek                                           | (4)                                                            | 1,261,648                                                                             | 216,350                                                                                              | -                                                                                      | -                                       | -                                                                     | 0%                                                                                                                    | 2,523,295                                                                            | N                                                                                                | N                                                                                                | Y                                                                                               |          |
|                      |                        | Prime GZ                                          | (4)                                                            | 1,261,648                                                                             | 173,080                                                                                              | -                                                                                      | -                                       | -                                                                     | 0%                                                                                                                    | 2,523,295                                                                            | N                                                                                                | N                                                                                                | Y                                                                                               |          |
| 4                    | Broad GZ               | Amertek                                           | (4)                                                            | 2,059,511                                                                             | 432,700                                                                                              | -                                                                                      | -                                       | -                                                                     | 0%                                                                                                                    | 4,119,023                                                                            | N                                                                                                | N                                                                                                | Y                                                                                               |          |
| 5                    | Prime GZ               | Amertek                                           | (2)                                                            | 2,788,011                                                                             | 649,050                                                                                              | 649,050                                                                                | 30,289                                  | -                                                                     | 15%                                                                                                                   | 5,576,021                                                                            | N                                                                                                | N                                                                                                | Y                                                                                               |          |

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1)The Company is ‘0’

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

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

(1)Having business relationship

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

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

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

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) The performance guarantees for the sale of pre-sales contracts under the Consumer Protection Law are jointly guaranteed.

|                                      |  |                                                                     |                                                                       |
|--------------------------------------|--|---------------------------------------------------------------------|-----------------------------------------------------------------------|
| Note 3 :                             |  | <u>Limit on endorsements/guarantees provided for a single party</u> | <u>Ceiling on total amounts of endorsements / guarantees provided</u> |
| The FICG                             |  | 250% of paid-in capital                                             | 500% of paid-in capital                                               |
| High Standard                        |  | 250% of paid-in capital                                             | 500% of paid-in capital                                               |
| 3CEMS Corporation                    |  | 150% of current net assets                                          | 200% of current net assets                                            |
| Danriver Technology (Guangzhou) Inc. |  | 350% of paid-in capital                                             | 700% of paid-in capital                                               |
| Broad Technology (Guangzhou) Inc.    |  | 250% of paid-in capital                                             | 500% of paid-in capital                                               |
| Prime Technology (Guangzhou) Inc.    |  | 350% of paid-in capital                                             | 700% of paid-in capital                                               |

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

FIC GLOBAL, INC. 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)

| As of December 31, 2023            |                                             |                                                           |                                                                                  |                    |                        |               |            |                      |
|------------------------------------|---------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------------|--------------------|------------------------|---------------|------------|----------------------|
| Securities held by                 | Marketable securities<br>(Note 1)           | Relationship<br>with the<br>securities issuer<br>(Note 2) | General<br>ledger account                                                        | Number of<br>share | Book value<br>(Note 3) | Ownership (%) | Fair value | Footnote<br>(Note 4) |
| First International Computer, Inc. | Stocks                                      |                                                           |                                                                                  |                    |                        |               |            |                      |
|                                    | Digitimes Inc.                              | None                                                      | Financial assets at fair value through profit or loss - non - current            | 63                 | \$ -                   | 0.00          | \$ -       |                      |
|                                    | Changing Information Technology Inc.        | None                                                      | Financial assets at fair value through other comprehensive income -non - current | 295                | 23,669                 | 1.72          | 23,669     |                      |
|                                    | IQ Technology Inc.                          | None                                                      | Financial assets at fair value through other comprehensive income -non - current | 5                  | 153                    | 0.64          | 153        |                      |
|                                    | Forte Media, Inc.                           | None                                                      | Financial assets at fair value through other comprehensive income -non - current | 900                | 13,021                 | 0.67          | 13,021     |                      |
|                                    | First Communication Inc.                    | None                                                      | Financial assets at fair value through other comprehensive income -non - current | -                  | -                      | 0.00          | -          |                      |
|                                    | Incomm Technologies Co., Ltd.               | None                                                      | Financial assets at fair value through profit or loss - non - current            | -                  | -                      | 0.00          | -          |                      |
|                                    | Mingo Telecom Inc.                          | None                                                      | Financial assets at fair value through profit or loss - non - current            | 68                 | -                      | 1.00          | -          |                      |
|                                    | Systems & Software Inc.                     | None                                                      | Financial assets at fair value through profit or loss - non - current            | 1                  | -                      | 13.00         | -          |                      |
|                                    | Environmental & Ocean Technology Inc.       | None                                                      | Financial assets at fair value through profit or loss - non - current            | 100                | -                      | 11.00         | -          |                      |
|                                    | China United Trust & Investment Corporation | None                                                      | Financial assets at fair value through profit or loss - non - current            | 890                | -                      | 1.00          | -          |                      |
|                                    | Fonestock Technology Inc.                   | None                                                      | Financial assets at fair value through profit or loss - non - current            | -                  | -                      | 0.00          | -          |                      |
|                                    | EGtran,Corp.                                | None                                                      | Financial assets at fair value through profit or loss - non - current            | 1,244              | -                      | 2.00          | -          |                      |
|                                    | First International Digital,Inc.            | None                                                      | Financial assets at fair value through profit or loss - non - current            | 5,400              | -                      | 19.00         | -          |                      |
|                                    | VREX,Inc.                                   | None                                                      | Financial assets at fair value through profit or loss - non - current            | 667                | -                      | 2.00          | -          |                      |
|                                    | Turbo Ic,Inc.                               | None                                                      | Financial assets at fair value through profit or loss - non - current            | 400                | -                      | 1.00          | -          |                      |
|                                    | CTO Corporation                             | None                                                      | Financial assets at fair value through profit or loss - non - current            | -                  | -                      | 8.00          | -          |                      |

FIC GLOBAL, INC. 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)

| As of December 31, 2023 |                                          |                                                           |                                                                                  |                    |                        |               |            |                      |
|-------------------------|------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------------|--------------------|------------------------|---------------|------------|----------------------|
| Securities held by      | Marketable securities<br>(Note 1)        | Relationship<br>with the<br>securities issuer<br>(Note 2) | General<br>ledger account                                                        | Number of<br>share | Book value<br>(Note 3) | Ownership (%) | Fair value | Footnote<br>(Note 4) |
| Brilliant               | Stocks                                   |                                                           |                                                                                  |                    |                        |               |            |                      |
|                         | Tech Power Ltd.                          | None                                                      | Financial assets at fair value through profit or loss - non - current            | 200                | \$ -                   | 16.00         | \$ -       |                      |
|                         | Openmoko Inc,                            | None                                                      | Financial assets at fair value through profit or loss - non - current            | 1,450              | -                      | 10.00         | -          |                      |
|                         | eVionyx, Inc.                            | None                                                      | Financial assets at fair value through profit or loss - non - current            | 144                | -                      | 1.00          | -          |                      |
|                         | Asia Technology 3 Ltd.                   | None                                                      | Financial assets at fair value through profit or loss - non - current            | 1                  | -                      | 2.00          | -          |                      |
|                         | Preference share                         |                                                           |                                                                                  |                    |                        |               |            |                      |
|                         | Asia Technology 3 Ltd.                   | None                                                      | Financial assets at fair value through profit or loss - non - current            | 1                  | -                      | 2.00          | -          |                      |
|                         | Lineo Inc.                               | None                                                      | Financial assets at fair value through profit or loss - non - current            | 333                | -                      | 1.00          | -          |                      |
|                         | Neo Paradigm Labs Inc.                   | None                                                      | Financial assets at fair value through profit or loss - non - current            | 4,348              | -                      | 11.00         | -          |                      |
|                         | Showiz, Inc.                             | None                                                      | Financial assets at fair value through profit or loss - non - current            | 1,500              | -                      | 5.00          | -          |                      |
|                         | iPilot, Inc.                             | None                                                      | Financial assets at fair value through profit or loss - non - current            | 800                | -                      | 9.00          | -          |                      |
|                         | Streaming21, Inc.                        | None                                                      | Financial assets at fair value through profit or loss - non - current            | 1,052              | -                      | 1.00          | -          |                      |
|                         | Vweb Corporation                         | None                                                      | Financial assets at fair value through profit or loss - non - current            | 500                | -                      | 1.00          | -          |                      |
| FICTA Technology Inc.   | Stocks                                   |                                                           |                                                                                  |                    |                        |               |            |                      |
|                         | Solar Applied Materials Technology Corp. | None                                                      | Financial assets at fair value through profit or loss - current                  | 20                 | 777                    | 0.00          | 777        |                      |
|                         | Navitas Semiconductor Corporation (USD)  | None                                                      | Financial assets at fair value through profit or loss - current                  | 7                  | 1,611                  | 0.00          | 1,611      |                      |
|                         | Sipp Technology Corporation              | None                                                      | Financial assets at fair value through other comprehensive income -non - current | 288                | 1,247                  | 3.65          | 1,247      |                      |
|                         | Fonestock Technology Inc.                | None                                                      | Financial assets at fair value through other comprehensive income -non - current | -                  | -                      | 0.00          | -          |                      |
|                         | Funds                                    |                                                           |                                                                                  |                    |                        |               |            |                      |
|                         | Hua Nan Phoenix Money Market Fund        | None                                                      | Financial assets at fair value through profit or loss - current                  | 5,405              | 90,397                 |               | 90,397     |                      |

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and marketable securities derived from the above items that fall within the scope of IFRS 9, "Financial Instruments".

Note 2: Leave the column blank if the issuer of marketable securities is non-related party

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions

FIC GLOBAL, INC. 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

Expressed in thousands of NTD

(Except as otherwise indicated)

Table 4

|                  |                          |                                    | Transaction       |              |                                       |                                                                     | Compared to third party transactions |                                                |              | Notes/accounts receivable (payable)                     |          |
|------------------|--------------------------|------------------------------------|-------------------|--------------|---------------------------------------|---------------------------------------------------------------------|--------------------------------------|------------------------------------------------|--------------|---------------------------------------------------------|----------|
| Purchaser/seller | Counterparty             | Relationship with the counterparty | Purchases (sales) | Amount       | Percentage of total purchases (sales) | Credit term                                                         | Unit price                           | Credit term                                    | Balance      | Percentage of total notes/accounts receivable (payable) | Footnote |
| Prime GZ         | Prime Base               | Subsidiary                         | Sales             | \$ 4,509,044 | 67%                                   | Periodic settlement or offsetting, the payment period was 120 days. | Same as non-related parties          | Similar transactions with non- related parties | \$ 1,354,418 | 64%                                                     |          |
| Amertek          | Prime Base Taiwan branch | Subsidiary                         | Sales             | 2,516,404    | 73%                                   | Periodic settlement or offsetting, the payment period was 60 days.  | Same as non-related parties          | Similar transactions with non- related parties | 146,930      | 55%                                                     |          |
| Ubiqconn         | Ruggon                   | Subsidiary                         | Sales             | 174,507      | 5%                                    | Periodic settlement or offsetting, the payment period was 60 days.  | Same as non-related parties          | Similar transactions with non- related parties | 28,889       | 8%                                                      |          |

Note: These transactions are shown in revenue, and related transations were no longer disclosed.

FIC GLOBAL, INC. AND SUBSIDIARIES

Receivables from 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)

| Creditor           | Counterparty             | Relationship<br>with the<br>counterparty | Balance as at December 31, 2023 | Turnover rate | Overdue |              | Amount collected<br>subsequent to the<br>balance sheet date | Allowance for doubtful accounts |
|--------------------|--------------------------|------------------------------------------|---------------------------------|---------------|---------|--------------|-------------------------------------------------------------|---------------------------------|
|                    |                          |                                          |                                 |               | Amount  | Action taken |                                                             |                                 |
| FICG               | FIC, Inc.                | Associates                               | \$ 850,000                      | Note          | \$ -    | -            | \$ -                                                        | \$ -                            |
| Access             | Fic SZ                   | Subsidiary                               | 381,831                         | Note          | -       | -            | -                                                           | -                               |
| Brilliant          | Access                   | Subsidiary                               | 577,254                         | Note          | -       | -            | -                                                           | -                               |
| FICTA              | FIC, Inc.                | Subsidiary                               | 107,468                         | Note          | -       | -            | -                                                           | -                               |
| 3CEMS              | Danriver System          | Subsidiary                               | 164,272                         | Note          | -       | -            | -                                                           | -                               |
| Prime              | Broad                    | Subsidiary                               | 158,591                         | Note          | -       | -            | -                                                           | -                               |
| Danriver           | Broad                    | Subsidiary                               | 342,361                         | Note          | -       | -            | -                                                           | -                               |
| Broad GZ           | Broad                    | Subsidiary                               | 747,203                         | Note          | -       | -            | -                                                           | -                               |
| Danriver GZ        | Danriver                 | Subsidiary                               | 269,451                         | Note          | -       | -            | -                                                           | -                               |
| Danriver System GZ | Danriver System          | Subsidiary                               | 335,970                         | Note          | -       | -            | -                                                           | -                               |
| PUG                | FIC, Inc.                | Subsidiary                               | 145,849                         | Note          | -       | -            | -                                                           | -                               |
| Prime GZ           | Prime Base               | Subsidiary                               | 1,354,418                       | 4.18          | -       | -            | 376,702                                                     | -                               |
| Amertek            | Prime Base Taiwan branch | Subsidiary                               | 146,930                         | 2.61          | -       | -            | 146,930                                                     | -                               |

Note: The calculation of turnover rate was not applicable because it was a loan to others.

FIC GLOBAL, INC. AND SUBSIDIARIES  
Significant inter-company transactions during the reporting period  
Year ended December 31, 2023

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

| Number<br>(Note 1) | Company name       | Counterparty             | Relationship<br>(Note 2) | Transaction                               |            |                                                                     | Percentage of consolidated total<br>operating revenues or total assets<br>(Note 3) |
|--------------------|--------------------|--------------------------|--------------------------|-------------------------------------------|------------|---------------------------------------------------------------------|------------------------------------------------------------------------------------|
|                    |                    |                          |                          | General ledger account                    | Amount     | Transaction term                                                    |                                                                                    |
| 0                  | FICG               | FIC, Inc.                | 1                        | Other receivables-financing-related party | \$ 850,000 | Collection of payments at maturity according to the agreement.      | 7%                                                                                 |
| 1                  | Access             | Fic SZ                   | 3                        | Other receivables-financing-related party | 381,831    | Collection of payments at maturity according to the agreement.      | 3%                                                                                 |
| 2                  | Brilliant          | Access                   | 3                        | Other receivables-financing-related party | 577,254    | Collection of payments at maturity according to the agreement.      | 5%                                                                                 |
| 3                  | Ubiqconn           | Ruggon                   | 3                        | Sales                                     | 174,507    | The payment period was 30 days.                                     | 1%                                                                                 |
| 4                  | Amertek            | Prime Base Taiwan branch | 3                        | Accounts receivable                       | 146,930    | Periodic settlement or offsetting, the payment period was 60 days.  | 1%                                                                                 |
|                    | Amertek            | Prime Base Taiwan branch | 3                        | Sales                                     | 2,516,404  | Periodic settlement or offsetting, the payment period was 60 days.  | 19%                                                                                |
| 5                  | Broad GZ           | Broad                    | 3                        | Other receivables-financing-related party | 747,203    | Collection of payments at maturity according to the agreement.      | 6%                                                                                 |
| 6                  | Danriver GZ        | Danriver                 | 3                        | Other receivables-financing-related party | 269,451    | Collection of payments at maturity according to the agreement.      | 2%                                                                                 |
| 7                  | Danriver System GZ | Danriver System          | 3                        | Other receivables-financing-related party | 335,970    | Collection of payments at maturity according to the agreement.      | 3%                                                                                 |
| 8                  | Danriver           | Broad                    | 3                        | Other receivables-financing-related party | 342,361    | Collection of payments at maturity according to the agreement.      | 3%                                                                                 |
|                    |                    | PUG                      | 3                        | Other receivables-financing-related party | 310,121    | Collection of payments at maturity according to the agreement.      | 3%                                                                                 |
| 9                  | Prime              | Broad                    | 3                        | Other receivables-financing-related party | 158,591    | Collection of payments at maturity according to the agreement.      | 1%                                                                                 |
| 10                 | 3CEMS              | Danriver System          | 3                        | Other receivables-financing-related party | 164,272    | Collection of payments at maturity according to the agreement.      | 1%                                                                                 |
| 11                 | Prime GZ           | Prime Base               | 3                        | Accounts receivable                       | 1,354,418  | Periodic settlement or offsetting, the payment period was 120 days. | 11%                                                                                |
|                    | Prime GZ           | Prime Base               | 3                        | Sales                                     | 4,509,044  | Periodic settlement or offsetting, the payment period was 120 days. | 34%                                                                                |
| 12                 | PUG                | FIC, Inc.                | 3                        | Other receivables-financing-related party | 145,849    | Collection of payments at maturity according to the 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 requiredto 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: If the amount of individual transactions does not reach 1% of the consolidated total revenue and 1% of the consolidated total assets, they will not be disclosed; in addition, as the transactions are shown in asset-income form, the relative transactions are not disclosed.

FIC GLOBAL, INC. AND SUBSIDIARIES

Information on investees

Year ended December 31, 2023

Table 7

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 profit (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                    | Ownership (%) | Book value   |  |                                                                        |                                                                                         |          |
| FICG     | First International Computer, Inc. | Taiwan         | Computer system analysis, planning and maintenance, EMS and import and export trade business                                                                                                               | \$ 3,172,961                    | \$ 3,172,961                    | 103,874                             | 100.00        | \$ 1,014,028 |  | \$ 12,318                                                              | \$ 13,222                                                                               |          |
|          | FICTA Technology Inc.              | Taiwan         | Communication product business                                                                                                                                                                             | 514,547                         | 514,547                         | 41,496                              | 69.00         | 405,033      |  | 64,983                                                                 | 44,942                                                                                  |          |
|          | 3CEMS Corporation                  | Cayman Islands | Investment                                                                                                                                                                                                 | 1,291,806                       | 1,291,806                       | 317,609                             | 36.00         | 1,582,287    |  | 481,980                                                                | 173,539                                                                                 |          |
|          | Ubiqconn Technology, Inc.          | Taiwan         | Manufacturing and sales of industrial computers, automotive electronics, electronic components and peripheral equipment.                                                                                   | 580,144                         | 600,312                         | 37,827                              | 50.00         | 694,964      |  | 257,868                                                                | 130,449                                                                                 |          |
|          | LEO Systems, Inc.                  | Taiwan         | Sales of information software and hardware products, software planning and design, computer hardware maintenance services, system integration                                                              | 13,391                          | 13,391                          | 1,787                               | 2.00          | 28,796       |  | 188,447                                                                | 3,786                                                                                   |          |
|          | Formosa21 Inc.                     | Taiwan         | Manufacture, distribution, renting, maintenance and import and export trade business of computer system, data communication system, peripheral equipment, terminal equipment and related business machine. | 5                               | 5                               | -                                   | -             | 5            |  | 3,361                                                                  | -                                                                                       |          |
|          | Geointelligence Systems, Inc.      | Taiwan         | Accept the commison of civil engineering planning and design and related business                                                                                                                          | 561                             | 561                             | 43                                  | 1.00          | 704          |  | 15,939                                                                 | 166                                                                                     |          |
|          | Mobility Technology Group Inc.     | Cayman Islands | Investment                                                                                                                                                                                                 | \$ 273,240                      | -                               | 9,000                               | 32.00         | \$ 268,654   |  | \$ (75,637)                                                            | \$ (24,285)                                                                             |          |

FIC GLOBAL, INC. AND SUBSIDIARIES

Information on investees

Year ended December 31, 2023

Table 7

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 profit (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                    | Ownership (%) | Book value |   |           |                                                                        |                                                                                         |          |
| First International Computer, Inc. | Brilliant World Limited                     | British Virgin Islands | Investment                                                                                                                                                                                                              | \$ 2,869,980                    | \$ 2,869,980                    | 91,340                              | 100.00        | \$ 603,590 |   | \$ 31,648 | -                                                                      |                                                                                         |          |
|                                    | High Standard Global Corporation            | British Virgin Islands | Investment                                                                                                                                                                                                              | 2,704,361                       | 2,704,361                       | 85,050                              | 100.00        | 593,116    |   | 18,598    | -                                                                      |                                                                                         |          |
|                                    | City Smarter Technologies Corporation       | Taiwan                 | Manufacture and sale of telecommunication equipment, electronic components, computers, peripheral equipment and office equipment.                                                                                       | 2,860                           | 2,860                           | 36                                  | 19.00         | 512        | ( | 687)      | -                                                                      |                                                                                         |          |
|                                    | Access Trend Limited                        | British Virgin Islands | International Trade business                                                                                                                                                                                            | 617,994                         | 617,994                         | 33,600                              | 100.00        | ( 471,985) | ( | 39,127)   | -                                                                      |                                                                                         |          |
|                                    | FIC First international Holding B.V.        | Nederland              | Investment                                                                                                                                                                                                              | 913,148                         | 913,148                         | 4,983                               | 100.00        | 79,144     |   | 1,325     | -                                                                      |                                                                                         |          |
|                                    | 3CEMS Corporation                           | Cayman Islands         | Investment                                                                                                                                                                                                              | 1,267,081                       | 1,267,081                       | 194,212                             | 22.00         | 967,984    |   | 481,980   | -                                                                      |                                                                                         |          |
|                                    | First international Computer do Brasil Ltd. | Brasil                 | Distribution of computers and peripheral equipment                                                                                                                                                                      | 266,992                         | 266,992                         | 18,373                              | 45.00         | -          |   | -         | -                                                                      |                                                                                         |          |
|                                    | Venture Gain Developments Ltd.              | British Virgin Islands | Investment                                                                                                                                                                                                              | 3,182                           | 3,182                           | 100                                 | 20.00         | -          |   | -         | -                                                                      |                                                                                         |          |
|                                    | LEO Systems, Inc.                           | Taiwan                 | Sales of information software and hardware products, software planning and design, computer hardware maintenance services, system integration                                                                           | 124                             | 124                             | 14                                  | 0.02          | 219        |   | 188,447   | -                                                                      |                                                                                         |          |
|                                    | Web Information Technology Inc.             | Taiwan                 | Manufacture, development, distribution, renting, maintenance and import and export trade business of computer system, data communication system, peripheral equipment, terminal equipment and related business machine. | 28,348                          | 28,348                          | 2,937                               | 42.00         | -          |   | -         | -                                                                      |                                                                                         |          |
|                                    | Lambert Newmedia, Inc.                      | Taiwan                 | Computer equipment installation, retail sale of computer software and digital information supply services                                                                                                               | 2,800                           | 2,800                           | 280                                 | 24.00         | -          |   | -         | -                                                                      |                                                                                         |          |

FIC GLOBAL, INC. AND SUBSIDIARIES

Information on investees

Year ended December 31, 2023

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

|                       |                                     |                        |                                                                                                                                                                                                            | Initial investment amount |                         | Shares held as at December 31, 2023 |               |            |                                                      |                                                                              |          |
|-----------------------|-------------------------------------|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------|-------------------------------------|---------------|------------|------------------------------------------------------|------------------------------------------------------------------------------|----------|
| Investor              | Investee                            | Location               | Main business activities                                                                                                                                                                                   | Balance                   | Balance                 | Number of shares                    | Ownership (%) | Book value | Net profit (loss)                                    | Investment                                                                   | Footnote |
|                       |                                     |                        |                                                                                                                                                                                                            | as at December 31, 2023   | as at December 31, 2022 |                                     |               |            | of the investee for the year ended December 31, 2023 | income (loss) recognised by the Company for the year ended December 31, 2023 |          |
| FIC Holding           | 3CEMS Europe B.V.                   | Netherlands            | Purchase, sale and after-sales service of computers and parts                                                                                                                                              | \$ 785                    | \$ 785                  | 7                                   | 100.00        | -          | -                                                    | -                                                                            |          |
| FICTA Technology Inc. | Ubiquonn Technology, Inc.           | Taiwan                 | Manufacturing and sales of industrial computers, automotive electronics, electronic components and peripheral equipment.                                                                                   | 248,112                   | 248,112                 | 14,751                              | 20.00         | 271,005    | 257,868                                              | -                                                                            |          |
|                       | LEO Systems, Inc.                   | Taiwan                 | Sales of information software and hardware products, software planning and design, computer hardware maintenance services, system integration                                                              | 75,984                    | 75,984                  | 3,367                               | 4.00          | 54,326     | 188,447                                              | -                                                                            |          |
|                       | Formosa21 Inc.                      | Taiwan                 | Manufacture, distribution, renting, maintenance and import and export trade business of computer system, data communication system, peripheral equipment, terminal equipment and related business machine. | 19,035                    | 19,035                  | 2,038                               | 29.00         | 22,029     | 3,361                                                | -                                                                            |          |
|                       | Witology Technology Company Limited | Taiwan                 | Research on electronic related industry                                                                                                                                                                    | 10,000                    | 10,000                  | 1,000                               | 25.00         | 7,223      | ( 6,542)                                             | -                                                                            |          |
| 3CEMS                 | 3CEMS Investment Management Limited | Hong Kong              | Investment                                                                                                                                                                                                 | -                         | -                       | -                                   | 100.00        | ( 789)     | ( 175)                                               | -                                                                            | Note     |
|                       | Prime Foundation Inc.               | British Virgin Islands | Investment                                                                                                                                                                                                 | 1,447,024                 | 1,447,024               | 27,403                              | 100.00        | 3,582,417  | 414,665                                              | -                                                                            |          |
|                       | Danriver System Inc.                | British Virgin Islands | Investment                                                                                                                                                                                                 | -                         | -                       | 8,500                               | 100.00        | ( 87,470)  | ( 1,589)                                             | -                                                                            |          |
|                       | Danriver Inc.                       | British Virgin Islands | Investment                                                                                                                                                                                                 | 1,066,527                 | 1,066,527               | 30,000                              | 100.00        | 848,141    | 40,508                                               | -                                                                            |          |
|                       | Broad Technology, Inc.              | British Virgin Islands | Investment                                                                                                                                                                                                 | 227,388                   | 227,388                 | 5,000                               | 100.00        | ( 169,168) | 7,170                                                | -                                                                            |          |

FIC GLOBAL, INC. AND SUBSIDIARIES

Information on investees

Year ended December 31, 2023

Table 7

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 profit (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                    | Ownership (%) | Book value   |   |            |                                                                        |                                                                                         |          |
| Prime                             | Perfect Union Global Inc.      | British Virgin Islands | Investment                                                                                            | \$ 2,681,086                    | \$ 2,681,086                    | 82,332                              | 100.00        | \$ 3,420,074 |   | \$ 419,536 |                                                                        | -                                                                                       |          |
| Prime Technology (Guangzhou) Inc. | Prime Base Inc.                | Cayman Islands         | Investment, assembly service and trading of printed circuit board and electronic parts and components | 3,287                           | 3,287                           | 100                                 | 100.00        | 287,312      |   | 112,632    |                                                                        | -                                                                                       |          |
| Ubiqconn Technology, Inc.         | Ruggon Corporation             | Taiwan                 | Trade of industrial computers, automotive products, electronic components and peripheral equipment.   | 110,768                         | 110,768                         | 12,000                              | 100.00        | 84,888       |   | 40,812     |                                                                        | -                                                                                       |          |
|                                   | Ubiqconn Technology (USA) Inc. | USA                    | Trade of industrial computers, automotive products, electronic components and peripheral equipment.   | 31,871                          | 16,708                          | 10,500                              | 100.00        | 16,531       | ( | 1,613)     |                                                                        | -                                                                                       |          |

Note: As of December 31, 2022, the investment has not yet been remitted

Table 8

| FIC GLOBAL, INC. AND SUBSIDIARIES                                                                                 |                                                                                |                 |                              |                                                                                      |                            |                         |                                                                                        |                                                             |                                                    |                                                                                                    |                                                                     |                                                                                         |                                      |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------|------------------------------|--------------------------------------------------------------------------------------|----------------------------|-------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------|
| Information on investments in Mainland China                                                                      |                                                                                |                 |                              |                                                                                      |                            |                         |                                                                                        |                                                             |                                                    |                                                                                                    |                                                                     |                                                                                         |                                      |
| Year ended December 31, 2023                                                                                      |                                                                                |                 |                              |                                                                                      |                            |                         |                                                                                        |                                                             |                                                    |                                                                                                    |                                                                     |                                                                                         |                                      |
| Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023 |                                                                                |                 |                              |                                                                                      |                            |                         |                                                                                        |                                                             |                                                    |                                                                                                    |                                                                     |                                                                                         |                                      |
| 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 | Remitted to Mainland China | Remitted back to Taiwan | Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023 | Net income of investee for the year ended December 31, 2023 | Ownership held by the Company (direct or indirect) | Investment income (loss) 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                             |
| Shanghai Zhong Chuan Plastics Co., Ltd.                                                                           | Production and sales of electronic components and plastic stationery and toys. | \$ 121,346      | 2                            | \$ 121,346                                                                           | \$ -                       | \$ -                    | \$ 121,346                                                                             | \$ -                                                        | -                                                  | \$ -                                                                                               | \$ -                                                                | \$ -                                                                                    | Note 11                              |
| Guangzhou Han Rigid Corporation                                                                                   | Production and sales of PVC Rigid Film                                         | 1,304,800       | 2                            | 195,720                                                                              | -                          | -                       | 195,720                                                                                | -                                                           | -                                                  | -                                                                                                  | -                                                                   | -                                                                                       | Note 11                              |
| Shanghai User Electronics Co., Ltd.                                                                               | Production and sales of software and hardware, computer case and accessories   | 35,230          | 2                            | 6,850                                                                                | -                          | -                       | 6,850                                                                                  | -                                                           | -                                                  | -                                                                                                  | -                                                                   | -                                                                                       | Note 2 (2)C                          |
| Broad Technology (Guangzhou) Inc.                                                                                 | Real estate leasing business                                                   | 750,260         | 2                            | 587,160                                                                              | -                          | -                       | 587,160                                                                                | 9,948                                                       | 58                                                 | 5,797                                                                                              | 1,111,012                                                           | -                                                                                       | Note 2 (2)B, Note 10                 |
| Prime Technology (Guangzhou) Inc.                                                                                 | Production and sales of main board                                             | 772,439         | 2                            | 391,440                                                                              | -                          | -                       | 391,440                                                                                | 456,564                                                     | 50                                                 | 232,673                                                                                            | 3,875,730                                                           | -                                                                                       | Note 2 (2), Note 7, Note 10          |
| Danriver Technology (Guangzhou) Inc.                                                                              | Real estate leasing business                                                   | 293,580         | 2                            | 391,440                                                                              | -                          | -                       | 391,440                                                                                | 32,041                                                      | 58                                                 | 18,670                                                                                             | 382,833                                                             | -                                                                                       | Note 2 (2)B, Note 7, Note 10         |
| Fic (Suzhou) Inc.                                                                                                 | Real estate leasing business                                                   | 3,082,634       | 2                            | 2,915,573                                                                            | -                          | -                       | 2,915,573                                                                              | 18,231                                                      | 100                                                | 18,231                                                                                             | 588,717                                                             | -                                                                                       | Note 2 (2)B, Note 12                 |
| Broadteam Electronics (Guangzhou) Inc.                                                                            | Production and sales of printed circuit board                                  | 820,854         | 2                            | -                                                                                    | -                          | -                       | -                                                                                      | -                                                           | -                                                  | -                                                                                                  | -                                                                   | -                                                                                       | Note 4, Note 7, Note 10, Note 11     |
| Danriver System (Guangzhou) Inc.                                                                                  | Production and sales of printed circuit board                                  | 326,000         | 2                            | -                                                                                    | -                          | -                       | -                                                                                      | 9,985                                                       | 58                                                 | 5,818                                                                                              | 430,366                                                             | -                                                                                       | Note 2 (2)C, Note 5, Note 7, Note 10 |
| Delton Electronics (Guangzhou) Inc.                                                                               | Production and sales of printed circuit board                                  | 900,312         | 2                            | -                                                                                    | -                          | -                       | -                                                                                      | -                                                           | -                                                  | -                                                                                                  | -                                                                   | -                                                                                       | Note 6, Note 7, Note 8, Note 11      |

Table 8

| FIC GLOBAL, INC. AND SUBSIDIARIES                                                                                 |                                                                                                                                                                                  |                 |                              |                                                                                      |                            |                         |                                                                                        |                                                             |                                                    |                                                                                                    |                                                                     |                                                                                         |                      |  |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------|--------------------------------------------------------------------------------------|----------------------------|-------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------|--|
| Information on investments in Mainland China                                                                      |                                                                                                                                                                                  |                 |                              |                                                                                      |                            |                         |                                                                                        |                                                             |                                                    |                                                                                                    |                                                                     |                                                                                         |                      |  |
| Year ended December 31, 2023                                                                                      |                                                                                                                                                                                  |                 |                              |                                                                                      |                            |                         |                                                                                        |                                                             |                                                    |                                                                                                    |                                                                     |                                                                                         |                      |  |
| Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023 |                                                                                                                                                                                  |                 |                              |                                                                                      |                            |                         |                                                                                        |                                                             |                                                    |                                                                                                    |                                                                     |                                                                                         |                      |  |
| 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 | Remitted to Mainland China | Remitted back to Taiwan | Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023 | Net income of investee for the year ended December 31, 2023 | Ownership held by the Company (direct or indirect) | Investment income (loss) 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             |  |
| Ficus Systems (Shanghai) Inc.                                                                                     | Production and sales of mobile phone and related accessories                                                                                                                     | \$ 68,750       | 2                            | \$ -                                                                                 | \$ -                       | \$ -                    | \$ -                                                                                   | \$ -                                                        | -                                                  | \$ -                                                                                               | \$ -                                                                | \$ -                                                                                    | Note 7, Note 11      |  |
| Success Technology (GuangZhou) Inc.                                                                               | Production and sales of printed circuit board                                                                                                                                    | 336,363         | 2                            | -                                                                                    | -                          | -                       | -                                                                                      | -                                                           | -                                                  | -                                                                                                  | -                                                                   | -                                                                                       | Note 9, Note 11      |  |
| Amertek Computer (Shenzhen) Co., Ltd.                                                                             | Production and sales of desk personal computers, main board                                                                                                                      | 747,896         | 2                            | -                                                                                    | -                          | -                       | -                                                                                      | 126,470                                                     | 58                                                 | 73,694                                                                                             | 1,430,143                                                           | -                                                                                       | Note 2 (2)B, Note 10 |  |
| Amerwave Technology (Shenzhen) Co., Ltd.                                                                          | Production and sales of computer host, main board and control board                                                                                                              | 282,750         | 2                            | -                                                                                    | -                          | -                       | -                                                                                      | 31,319                                                      | 19                                                 | 11,376                                                                                             | 47,602                                                              | -                                                                                       | Note 2 (2)B, Note 9  |  |
| China Applied Technology Co., Ltd.                                                                                | Internet of Things (IoT), Development of intelligent technology, Technology transfer, Technological consultancy and service, Import and export business of goods and technology. | 57,580          | 2                            | -                                                                                    | -                          | -                       | -                                                                                      | -                                                           | -                                                  | -                                                                                                  | -                                                                   | -                                                                                       | Note 8, Note 11      |  |
| Amerwis Technology (Shenzhen) Co., Ltd.                                                                           | Providing research&development services and trading                                                                                                                              | 894             | 2                            | -                                                                                    | -                          | -                       | - (                                                                                    | 223)                                                        | 58 (                                               | 130)                                                                                               | 797                                                                 | -                                                                                       | Note 2 (2)B, Note 9  |  |

FIC GLOBAL, INC. AND SUBSIDIARIES

Information on investments in Mainland China

Year ended December 31, 2023

Table 8

| 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 |
|-----------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| FIC GLOBAL, INC. AND SUBSIDIARIES | \$ 4,823,206                                                                           | \$ 5,887,682                                                                                       | \$ 2,552,192                                                                          |

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, 3CEMS, Zircon and High standard which then invested in the investee in Mainland China

(3) Others

Note 2: In the Investment income (loss) recognized by the Company for the year ended December 31, 2023 column:

(1) Indicate if the company did not accrue investment income or loss since it was still in preparation.

(2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

A.The financial statements were audited and attested by international accounting firms which are in collaborative relationships whith accounting firms in R.O.C.

B.The financial statements were audited and attested by R.O.C. parent company’s CPA.

C. Others : The investment income or loss is recognized on the basis of the unreviewed financial statements for the same period.

Note 3: The numbers in this table are expressed in New Taiwan dollars,

Note 4: Broadteam Electronics (Guangzhou) Inc. is based on Jing-Shen-II-Zi Letter No. 91007611 (經審二字第91007611號函) as approved by the investment Commission, Ministry of Economic Affairs. As the funds are from the FICG’s own funds of its indirectly controlled subsidiaries, there are no funds remitted.

Note 5: Danriver System (Guangzhou) Inc. is based on Jing-Shen-II-Zi Letter No. 92017614 (經審二字第92017614號函) as approved by the investment Commission, Ministry of Economic Affairs, but the funds are from the FICG’s own funds of its indirectly controlled subsidiaries, so there are no funds remitted.

Note 6: Delton Electronics (Guangzhou) Inc. is based on Jing-Shen-II-Zi Letter No. 92008097 (經審二字第92008097號函) as approved by the investment Commission, Ministry of Economic Affairs, but the funds are from the FICG’s own funds of its indirectly controlled subsidiaries, so there are no funds remitted.

Note 7: The investment in Mainland China held by First International Computer, Inc. had been sold to its parent company, FIC GLOBAL, INC. in 2015, which has not been approved by the investment Commission of the Ministry of Economic Affairs as of December 31, 2023.

Note 8: As of December 31, 2023, the indirectly acquired of investment in Mainland China business which are the investee purchased by the subsidiary established through in the third area has not been approved by the investment Commission of the Ministry of Economic Affairs.

Note 9: As of December 31, 2023, the investment in Mainland China which are invested through investing in the subsidiary in the third area has not been approved by the investment Commission of the Ministry of Economic Affairs.

Note 10: As of December 31, 2023, Amertek Limited repaid the accounts payable of First International Computer, Inc. by using the shares of 3CEMS Corp. and CEMS Inc., the repayment amounted to 817,019 thousand and 53,074 thousand.

The company acquired the residual property (owning the long-term equity investments of 3CEMS Corp.) due to the liquidation of CEMS Inc. in 2011, amounted to \$258,471.

Note 11: All the ownership has been sold.

Note 12: The liquidation has been completed

Note 13: As of December 31, 2023, Fic (Suzhou) Inc. reduced its capital by cash amounting to 149,900 thousand, of which 8,994 thousand had been collected, only are not approved by the investment Commission of the Ministry of Economic Affairs.

FIC GLOBAL, INC. AND SUBSIDIARIES

Major shareholders information

December 31, 2023

Table 9

| Name of major shareholders            | Shares             |          |
|---------------------------------------|--------------------|----------|
|                                       | Total shares owned | Owership |
| Chia Chao Investment Inc.             | 45,723,836         | 19.48%   |
| WYC God-loving Foundation for Charity | 35,292,065         | 15.03%   |
| CGCH Education Charitable Trust Fund  | 32,000,000         | 13.63%   |
| Zong Jing Investment Inc.             | 16,860,370         | 7.18%    |
| Chi Hsin Investment Inc.              | 15,021,646         | 6.40%    |

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements is different from the actual number of shares issued in dematerialised form because of the different calculation basis.

Note 2: If the aforementioned data contains shares which were held in trust by the shareholders, the data was disclosed as a separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio include the self-owned shares and shares held in trust, at the same time, the shareholder who has the power to decide how to allocate the trust assets. For the information on reported share equity of insider, please refer to Market Observation Post System.