Chung-Hsin Electric and Machinery Manufacturing Corp.

Parent Company Only Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To The Board of Directors and the Stockholders
Chung-Hsin Electric and Machinery Manufacturing Corp.

Opinion

We have audited the parent company only financial statements of Chung-Hsin Electric and Machinery Manufacturing Corp. (the Corporation), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of the other independent accountants, as described in the other matters section of our report, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Parent Company Only Financial Statements section of our report. We are independent of the Corporation 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 report of other independent accountants, 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 parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The description of the key audit matters of the parent company only financial statements for the year ended December 31, 2023 are as follows:

<u>Engineering Project Revenue Recognition</u>

Key Audit Matters statements

Refer to the Note 4(17) to the accounting policy of revenues recognition.

The Corporation business included electric power engineering construction and design. Contract revenue should be recognized by reference to the stage of completion of the performance obligation over time. Performance obligation should be measured by reference to the stage of completion of the contract activity. The stage of completion of a contract is measured by the proportion of contract costs incurred for work performed to date to the estimated total costs for the contract which are based on significant accounting estimation and judgment of management. Therefore, the recognition of engineering project revenues is considered as a key audit matter by decision of CPA.

Key Audit procedures

By conducting the tests of controls, we obtained an understanding of the Corporation's recognition of engineering project revenues and of the design and implementation of related controls. We also perform corresponding audit procedures as follows:

1. Review the amount and estimate cost of matter contracts to confirm the accuracy of the information in the profit or loss on engineering project.
2. Test the accuracy of the engineering project listing on percentage of completion calculation and confirm the accuracy of the information in the accounting system.
3. Acquire and check the statements about the matter changing of contract, which is prepared by the corporation.

Other Matter

We did not audit the financial statements of certain subsidiaries and investments which were accounted for under the equity method based. Therefore, Our Opinion, insofar as it related to the amounts included for certain subsidiaries and investments which were accounted for under the equity method are based solely on the reports of other auditors.

The investments accounted for under the equity method balance of NT 4,550,953 thousand and NT 3,353,456 thousand, which represented 13.35% and 11.24% of the total assets as of December 31, 2023 and 2022, the related shares of profit of associates and joint ventures accounted for using equity method in the amount of NT 314,239 thousand and NT 414,316 thousand, which represented 13.77% and 14.08% of the incomes before income tax for the years ended December 31, 2023 and 2022.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management

determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the parent company only financial statements, management is responsible for assessing the Corporation’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 Corporation 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 Corporation’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
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 Corporation’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 Corporation’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company only 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 statements that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 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.

The engagement partner on the audit resulting in this independent auditors' report is Lin, Chin Feng and Chang, Ya Chuan.

Crowe (TW) CPAs
Republic of China
March 11, 2024

<u>Notice to Reader</u>

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, 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. The English version didn't review by auditor. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

CHUNG-HSIN ELECTRIC AND MACHINERY MANUFACTURING CORPS.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Assets				
CURRENT ASSETS：				
Cash and cash equivalents (Note 6)	$ 953,535	3	$ 1,684,523	6
Current financial assets at fair value through profit or loss (Note 6)	7,855	-	10,982	-
Current financial assets at amortized cost (Notes 6 and 8)	1,227,384	4	20,917	-
Contract assets, current (Notes 6 and 7)	3,256,748	10	3,023,611	10
Notes receivable, net (Note 6)	99,191	-	34,611	-
Notes receivable due from related parties, net (Notes 6 and 7)	222	-	584	-
Accounts receivable, net (Note 6)	1,500,543	4	1,767,589	6
Accounts receivables due from related parties (Notes 6 and 7)	38,068	-	143,544	-
Other accounts receivables, net	525	-	172	-
Other accounts receivables due from related parties (Note 7)	1,155,817	3	1,173,965	4
Inventory – manufactory (Note 6)	6,129,498	18	4,166,263	14
Inventory – Construction (Note 6)	2,269,246	7	2,050,727	7
Prepayments (Notes 6 and 7)	984,775	3	1,836,223	6
Other current assets (Notes 6 and 8)	100,387	-	132,316	1
Total current assets	17,723,794	52	16,046,027	54
NON-CURRENT ASSETS：				
Non-current financial assets at fair value through profit or loss (Note 6)	132,932	-	63,198 #	-
Investments accounted for using equity method (Notes 6 and 7)	7,396,824	22	6,368,008	21
Property, plant and equipment (Notes 6, 7 and 8)	4,665,508	14	3,293,861	11
Right-of-use assets (Note 6)	2,656,460	8	2,710,134	9
Investment property, net (Notes 6 and 8)	508,466	1	514,691	2
Intangible property	20,014	-	14,042	-
Deferred tax assets (Note 6)	477,908	1	365,226	1
Other non-current assets, others (Notes 6, 7 and 8)	511,018	2	464,359	2
Total non-current assets	16,369,130	48	13,793,519	46
TOTAL ASSETS	$ 34,092,924	100	$ 29,839,546	100
Liabilities and Equity				
CURRENT LIABILITIES：				
Short-term loans (Notes 6 and 8)	$ 532,749	2	$ 410,871	2
Current financial liabilities at fair value through profit or loss (Note 6)	-	-	2,234	-
Current contract liabilities (Note 6)	5,051,112	15	3,613,598	12
Notes payable	852	-	108,498	-
Notes payable due from related parties (Note 7)	-	-	44,827	-
Accounts payable	2,258,231	7	3,352,536	11
Accounts payable due from related parties (Note 7)	197,051	-	117,178	-
Other payables (Note 6)	883,109	3	916,258	3
Other payables due from related parties (Note 7)	18,961	-	17,932	-
Current tax liabilities	1,221,215	4	800,515	3
Current lease liabilities (Note 6)	1,057,412	3	935,952	3
Long-term liabilities, current portion (Note 6)	62,500	-	1,722,933	6
Other current liabilities (Note 6)	2,114,144	6	12,890	-
Total current liabilities	13,397,336	40	12,056,222	40
NON-CURRENT LIABILITIES：				
Bonds payable (Note 6)	1,997,952	6	1,997,206	6
Long-term debts (Note 6)	437,500	1	150,000	1
Current tax liabilities-non current	324,744	1	315,551	1
Deferred income tax liabilities (Note 6)	345,103	1	348,104	1
Non-current lease liabilities (Note 6)	1,521,345	4	1,701,220	6
Other non-current liabilities, others (Notes 6 and 7)	314,706	1	167,312	1
Total non-current liabilities	4,941,350	14	4,679,393	16
Total liabilities	18,338,686	54	16,735,615	56
Equity attributable to owners of parent				
Common stock (Note 6)	5,031,125	15	4,761,361	16
Certificate of entitlement to new shares from convertible bond (Note 6)	-	-	1,906	-
Capital surplus (Note 6)	2,970,660	9	1,723,376	6
RETAINED EARNINGS (Note 6)				
Legal reserve	1,774,200	5	1,546,952	5
Special reserve	858,940	2	858,940	3

CHUNG-HSIN ELECTRIC AND MACHINERY MANUFACTURING CORPS.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Unappropriated earnings	3,130,750	9	3,466,469	11
Total retained earnings	5,763,890	16	5,872,361	19
Other equity (Note 6)	2,105,443	6	861,807	3
Treasury shares (Note 6)	(116,880)	-	(116,880)	-
Total Equity attributable to owners of parent	15,754,238	46	13,103,931	44
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 34,092,924	100	$ 29,839,546	100

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

CHUNG-HSIN ELECTRIC AND MACHINERY MANUFACTURING CORPS.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the year ended December 31,			
	2023		2022	
	Amount	%	Amount	%
Operating revenue (Notes 6 and 7)	$ 17,691,963	100	$ 15,538,210	100
Operating costs (Notes 6 and 7)	(12,078,774)	(68)	(11,740,690)	(76)
Gross profit	5,613,189	32	3,797,520	24
UNREALIZED GROSS PROFIT ON SALES TO SUBSIDIARIES AND ASSOCIATES	(603,803)	(4)	(392,198)	(3)
REALIZED GROSS PROFIT ON SALES TO SUBSIDIARIES AND ASSOCIATES	110,596	1	95,091	1
NET GROSS PROFIT	5,119,982	29	3,500,413	22
Operating expenses (Notes 6 and 7)				
Marketing expenses	(373,778)	(2)	(343,580)	(2)
Administrative expenses	(828,950)	(5)	(898,399)	(6)
Research and development expenses	(455,146)	(3)	(337,843)	(2)
Expected credit impairment losses (gains)	(75,793)	-	(29,224)	-
Total operating expenses	(1,733,667)	(10)	(1,609,046)	(10)
OPERATING INCOME	3,386,315	19	1,891,367	12
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 6 and 7)	45,141	-	26,054	-
Other income (Notes 6 and 7)	236,437	1	248,861	2
Other gains and losses, net (Notes 6 and 7)	(2,067,331)	(12)	(7,135)	-
Financial cost (Note 6)	(66,007)	-	(61,477)	-
Share of profit (loss) of associates and joint accounted for using equity method (Note 6)	747,566	5	844,362	5
Total non-operating income and expenses	(1,104,194)	(6)	1,050,665	7
PROFIT BEFORE INCOME TAX	2,282,121	13	2,942,032	19
INCOME TAX (Note 6)	(696,426)	(4)	(507,794)	(3)
PROFIT	1,585,695	9	2,434,238	16
OTHER COMPREHENSIVE INCOME (Note 6)				
Items that may not be reclassified to profit or loss				
Remeasurements of defined benefit pension plans	(18,899)	-	25,142	-
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	1,274,403	7	475,806	3
Items that may be reclassified subsequently to profit or loss				
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	(30,767)	-	47,487	-
TOTAL OTHER COMPREHENSIVE INCOME	1,224,737	7	548,435	3
TOTAL COMPREHENSIVE INCOME	$ 2,810,432	16	$ 2,982,673	19
EARNINGS PER SHARE (Note 6)				
Basic earnings per share	$ 3.25		$ 5.21	
Diluted earnings per share	$ 3.25		$ 4.95	

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

CHUNG-HSIN ELECTRIC AND MACHINERY MANUFACTURING CORPS.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

				RETAINED EARNINGS				OTHER EQUITY				
	Common Stock	Certificate of entitlement to new shares from convertible bond	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total Retained earnings	Exchange differences on translating foreign operations	Unrealized gain (loss) on financial assets at FVTOCI	Total Other equity	Treasury stock	Total Equity
BALANCE, JANUARY 1, 2022	$ 4,761,343	$ -	$ 1,477,215	$ 1,350,034	$ 858,940	$ 2,718,908	$ 4,927,882	$ (223,301)	$ 560,498	$ 337,197	$ (116,880)	$ 11,386,757
Legal reserve appropriated	-	-	-	196,918	-	(196,918)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(1,333,176)	(1,333,176)	-	-	-	-	(1,333,176)
Changes in equity of associates and joint ventures accounted for using equity method	-	-	3,497	-	-	-	-	-	-	-	-	3,497
Profit (loss)	-	-	-	-	-	2,434,238	2,434,238	-	-	-	-	2,434,238
Other comprehensive income	-	-	-	-	-	25,142	25,142	47,487	475,806	523,293	-	548,435
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	-	-	2,459,380	2,459,380	47,487	475,806	523,293	-	2,982,673
Conversion of convertible bonds	18	1,906	8,493	-	-	-	-	-	-	-	-	10,417
Adjustments of capital surplus for company's dividends received by subsidiaries	-	-	25,308	-	-	-	-	-	-	-	-	25,308
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	70,957	-	-	(138)	(138)	-	-	-	-	70,819
Changes in ownership interests in subsidiaries	-	-	135,603	-	-	(181,612)	(181,612)	-	-	-	-	(46,009)
Other	-	-	2,303	-	-	25	25	1,317	-	1,317	-	3,645
BALANCE, DECEMBER 31, 2022	4,761,361	1,906	1,723,376	1,546,952	858,940	3,466,469	5,872,361	(174,497)	1,036,304	861,807	(116,880)	13,103,931
Legal reserve appropriated	-	-	-	227,248	-	(227,248)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(1,667,144)	(1,667,144)	-	-	-	-	(1,667,144)
Changes in equity of associates and joint ventures accounted for using equity method	-	-	5,784	-	-	-	-	-	-	-	-	5,784
Profit (loss)	-	-	-	-	-	1,585,695	1,585,695	-	-	-	-	1,585,695
Other comprehensive income	-	-	-	-	-	(18,899)	(18,899)	(30,767)	1,274,403	1,243,636	-	1,224,737
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	-	-	1,566,796	1,566,796	(30,767)	1,274,403	1,243,636	-	2,810,432
Conversion of convertible bonds	269,764	(1,906)	1,175,175	-	-	-	-	-	-	-	-	1,443,033
Adjustments of capital surplus for company's dividends received by subsidiaries	-	-	29,951	-	-	-	-	-	-	-	-	29,951
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	32,569	-	-	(8,186)	(8,186)	-	-	-	-	24,383
Changes in ownership interests in subsidiaries	-	-	1,811	-	-	-	-	-	-	-	-	1,811
Other	-	-	1,994	-	-	63	63	-	-	-	-	2,057
BALANCE, DECEMBER 31, 2023	$ 5,031,125	$ -	$ 2,970,660	$ 1,774,200	$ 858,940	$ 3,130,750	$ 5,763,890	$ (205,264)	$ 2,310,707	$ 2,105,443	$ (116,880)	$ 15,754,238

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

CHUNG-HSIN ELECTRIC AND MACHINERY MANUFACTURING CORPS.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	$ 2,282,121	$ 2,942,032
Adjustments to reconcile profit (loss):		
Depreciation	1,551,142	1,352,694
Amortization	135,738	95,303
Expected credit impairment losses (gains)	75,793	29,224
Net loss (gain) on financial assets or liabilities at FVTPL	(12,423)	43,598
Interest expenses	66,007	61,477
Interest income	(45,141)	(26,054)
Dividend income	(5,364)	(8,450)
Share of (profit) loss of associates and joint ventures accounted for using equity method	(747,566)	(844,362)
Loss (Gain) on disposal of property, plant and equipment	6,934	7,648
Loss (Gain) on disposal of investment	(1,283)	-
Impairment loss on non-financial assets	-	10,845
Other	8,414	(4,759)
Total adjustments to reconcile profit (loss)	1,032,251	717,164
Changes in operating assets and liabilities		
(Increase) Decrease in financial assets mandatorily classified as at fair value through profit or loss	(60,256)	3,987
(Increase) Decrease in contract assets	(317,088)	(159,574)
(Increase) Decrease in notes receivable	(64,580)	31,533
(Increase) Decrease in notes receivable - related parties	362	(83)
(Increase) Decrease in accounts receivables	266,994	(735,848)
(Increase) Decrease in accounts receivable - related parties	105,476	514,363
(Increase) Decrease in other accounts receivables	-	71
(Increase) Decrease in other accounts receivable - related parties	27,224	(707,362)
(Increase) Decrease in inventory	(2,276,050)	(905,967)
(Increase) Decrease in prepayments	851,448	(1,184,325)
(Increase) Decrease in other current assets	31,929	60,286
Net cash provided by (used in) operating assets	(1,434,541)	(3,082,919)
(Decrease) Increase in contract liabilities	1,437,514	1,106,988
(Decrease) Increase in notes payable	(107,646)	100,456
(Decrease) Increase in notes payable - related parties	(44,827)	44,827
(Decrease) Increase in accounts payable	(1,094,305)	1,522,606
(Decrease) Increase in accounts payable - related parties	79,873	17,962
(Decrease) Increase in other accounts payables	(32,802)	234,035
(Decrease) Increase in other accounts payables - related parties	1,029	6,658
(Decrease) Increase in other current liabilities	2,016,132	(4,091)
(Decrease) Increase in net defined benefit liability	(18,899)	25,142
Net cash provided by (used in) operating liabilities	2,236,069	3,054,583
Net changes provide by (used in) operating assets and liabilities	801,528	(28,336)
Total Adjustments	1,833,779	688,828
Cash provided by (used in) operating activities	4,115,900	3,630,860
Cash received for interest	43,923	17,296
Cash received for dividend	189,679	55,926
Cash paid for interest	(34,952)	(17,624)
Cash received (paid) for Income tax	(382,217)	(222,204)
Net cash provided by (used in) operating activities	3,932,333	3,464,254

(Continued)

	For the years ended December 31,	
	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(1,206,467)	-
Proceeds from financial assets at amortized cost	-	1,276
Acquisition of investments accounted for using equity method	(125,012)	(521,483)
Proceeds from investments accounted for using equity method	56,764	10
Refund from capital reduction of investments accounted for using equity method	600,756	515,874
Acquisition of property, plant and equipment	(1,666,962)	(269,788)
Proceeds from disposal of property, plant and equipment	2,712	4,247
Decrease in guarantee deposits paid	29,832	1,806
Acquisition of Intangible assets	(11,095)	(12,512)
Acquisition of right-of-use assets	(72,735)	(32,294)
Acquisition of investment property	(24)	-
Increase in other non-current assets	(105,047)	(217,349)
Other investment activities	493,207	297,107
Net cash provided by (used in) investing activities	(2,004,071)	(233,106)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	121,878	-
Decrease in short-term loans	-	(362,660)
Decrease in long-term debts	70,000	-
Repayment of long-term debts	-	(470,000)
Decrease in guarantee deposit received	(170)	(1,826)
Payment of lease liabilities	(1,225,646)	(1,103,926)
Increase in other non-current liabilities	39,775	7,601
Cash Dividends Paid	(1,667,144)	(1,333,176)
Other financing activities	2,057	2,328
Net cash provided by (used in) financing activities	(2,659,250)	(3,261,659)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(730,988)	(30,511)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,684,523	1,715,034
CASH AND CASH EQUIVALENTS, ENDING OF PERIOD	$ 953,535	$ 1,684,523

(Concluded)

(The accompanying notes are an integral part of the parent company only financial statements.）

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

1. HISTORY AND ORGANIZATION

The Corporation

Chung-Hsin Electric and Machinery Manufacturing Corp. (the Corporation), a Republic of China (R.O.C.) corporation, registered in Chung Ho city of New Taipei City, main business operated at No. 25, Wen-Te Rd., Lo Shan Tsun, Guishan Dist., Taoyuan city.

(a)The Corporation starts in May, 1956 as name in Chung-Hsin factory before and reorganizes to Chung-Hsin Electric and Machinery Manufacturing Corps. in 1962.

(b)The main business is: in manufacturing hydrogen fuel cell (stack module, power converter, conditioner), Smart Mirco-Grid, Dispenser; design and manufacturing of boost/substation, product of GIS operators and medium voltage switchgear; design, operation and management of parking and charging station; product of air conditioning refrigeration, generator and electronic meter; contract and construction of power supplying, transmission and distribution system, power monitoring system engineering, electrical pipeline installation, air conditioning electromechanical, and system engineering; contract and construction of turnkey project for wind power generator, hydro power generator and substation; contract and construction of incinerator and pollution prevent project., etc.; sale and rental residence and building; production and manufacture of aerospace components, OLED, precision machining for components and semiconductor components.

(c)The common shares of the Corporation have been listed on Taiwan Stock Exchange since March 8, 1994.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

The parent company only financial statements were approved by the board of directors and authorized for issue on March 11, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of adoption of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) in issue and endorsed by the Financial Supervisory Commission, R.O.C. (FSC):

The IFRSs endorsed and issued by the FSC in 2023 were listed below:

New Standards, Amendments and Interpretations		Effective Date of IASB
Amendments to IAS 1	Disclosure of Accounting Policies	January 1, 2023 (Note 1)
Amendments to IAS 8	Definition of Accounting Estimates	January 1, 2023 (Note 2)
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023 (Note 3)
Amendments to IAS 12	International Tax Reform - Pillar Two Model Rules	(Note 4)

Note 1: For annual reporting periods beginning on or after January 1, 2023, this amendment applies.

Note 2: Changes in accounting estimates and changes in accounting policies occurring in annual reporting periods beginning after January 1, 2023 are subject to this amendment.

Note 3: This amendment applies to transactions occurring after the beginning of the earliest comparative period expressed (January 1, 2022), unless additional provisions are made for temporary differences related to leases and decommissioning obligations.

Note 4: The temporary exceptions to IAS 12 (i.e., an entity shall not recognize deferred tax assets and liabilities for Pillar II income taxes and shall not disclose information about them; however, an entity shall disclose in its financial statements that it has applied the exceptions) shall be applied retrospectively in accordance with IAS 8 immediately after the issuance of the amendment (May 23, 2023), and other disclosure requirements shall be applied to annual reporting periods beginning after January 1, 2023; interim reports with an end date prior to December 31, 2023 shall not be required to disclose such other information.

A. Amendments to IAS 1, "Disclosure of Accounting Policies"
This amended standard clarifies that when a transaction, other event or circumstance is significant in scale or nature, and the relevant accounting policy information is also material for financial reporting purposes, such relevant significant accounting policy information should be disclosed. However, if an entity decides that the scale or nature of a transaction, other event or circumstance is not material, or that although material, the accounting policy information related to it is not material, it is not required to disclose such accounting policy, it need to ensure that immaterial information does not obscure material information for other IFRS standards.

B. Amendments to IAS 8, "Definition of Accounting Estimates"
This amended standard defined an accounting estimate as monetary amounts in financial statements that are subject to measurement uncertainty. To provide additional guidance, the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

C. Amendments to IAS 12, "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"
This amended standard narrows the scope of paragraphs 15 and 24 of IAS 12 for the recognition exemption of deferred tax liabilities and assets. The above exemption does not apply if the taxable temporary difference arising from the original recognition of a single transaction is the same amount as the deductible temporary difference. When an entity first applies this amendment, it should recognize deferred income tax on all temporary differences related to lease and decommissioning obligations on the start date (January 1, 2022) of the earliest comparative period expressed, and recognize the cumulative effect on that date. An adjustment to the initial balance for retained earnings (or other components of equity, as appropriate). The amendments were applied prospectively to transactions that occur on or after January 1, 2022.

D. Amendments to IAS 12, "International Tax Reform - Pillar Two Model Rules"
This amendment provides a temporary exception to IAS 12 by stipulating that an enterprise neither recognize nor disclose deferred tax assets and liabilities for Pillar II income taxes related to international tax changes; however, an enterprise should disclose in its financial statements that it has applied this exception. In addition, an enterprise should separately disclose the current income tax expense (benefit) related to Pillar II income taxes. If the Pillar II legislation has been enacted or substantively enacted but not yet effective, an enterprise should disclose qualitative and quantitative information about its exposure to Pillar II income taxes that is known or can be reasonably estimated.

The Corporation assesses the application of the above standards, amendments and interpretations have not material impact on the Corporation's financial position and financial performance.

(2) The impact of the Corporation has not applied the IFRSs in issue and endorsed by FSC:

The IFRSs endorsed by the FSC with effective date starting 2024 were listed below:

New Standards, Amendments and Interpretations		Effective Date of IASB
Amendments to IFRS 16	Leases Liability in a Sale and leaseback	January 1, 2024 (Note 1)
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024

New Standards, Amendments and Interpretations		Effective Date of IASB
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 (Note 2)

Note 1: The seller and lessee shall apply this amendment retroactively to sale and leaseback transactions entered into after the date of initial application of IFRS 16 in accordance with IAS 8.

Note 2: This amendment provides certain transitional relief from the requirement to disclose comparative and interim period information, and opening information under paragraph 44H(b)(ii)-(iii), when first applied.

A. Amendments to IFRS 16, "Leases Liability in a Sale and leaseback"
The amendment clarifies that for sale and leaseback transactions, if the transfer of assets is treated as a sale under IFRS 15, the seller and lessee's liability arising from the leaseback shall be treated in accordance with the provisions of IFRS 16 relating to lease liabilities; however, if the transaction involves a variable lease payment that does not depend on an index or rate, the seller and lessee shall still determine and recognize the lease liability arising from the variable payment in a way that does not recognize the gain or loss related to the retained right of use. The difference between the subsequent actual lease payment amount and the reduced carrying amount of the lease liability is recognized in profit or loss.

B. Amendments to IAS 1, "Classification of Liabilities as Current or Non-current"
This amendment clarifies that the determination of whether a liability is classified as non-current should be made by assessing whether the enterprise has a right at the end of the reporting period to defer settlement until at least 12 months after the reporting period. If the enterprise has such a right at the end of the reporting period, the liability should be classified as non-current regardless of whether the enterprise expects to exercise the right. If the enterprise must comply with specific conditions to have the right to defer, those specific conditions must have been complied with at the end of the reporting period in order for the liability to be classified as non-current, even if the creditor tests at a later date whether the enterprise has complied with those conditions.
In addition, the amendment stipulates that, for the purpose of liability classification, liquidation means the transfer of cash, other economic resources or the Group's equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of the liability may be extinguished by the transfer of the Group's equity instruments at the option of the counterparty, and if the option is separately recognized in equity in accordance with IAS 32, "Financial Instruments: Presentation", the foregoing does not affect the classification of the liability.

C. Amendments to IAS 1, "Non-current Liabilities with Covenants"
The amendment further clarifies that only contractual terms that are required to be met before the end of the reporting period affect the classification of the liability at that date. Contractual terms that must be met within 12 months after the end of the reporting period do not affect the classification of liabilities. However, an enterprise should disclose in the notes the facts and circumstances of a liability classified as non-current at the end of the reporting period that may not be able to comply with the terms of the contract and must be settled within 12 months after the end of the reporting period.

D. Amendments to IAS 7 and IFRS 7, "Supplier Finance Arrangements"
Supplier financing arrangements involve one or more financing providers making payments to suppliers on behalf of an entity, and the entity agrees to repay the financing providers on the payment date agreed with the suppliers or a later date. The amendments to IAS 7 require an enterprise to disclose information about its supplier financing arrangements to enable users of financial statements to assess the impact of those arrangements on the enterprise's liabilities, cash flows and liquidity

risk exposures. The amendments to IFRS 7 include in the application guidance that an enterprise may also consider whether it has obtained or can obtain financing through supplier financing arrangements and whether such arrangements may result in a concentration of liquidity risk.

The Corporation assesses the application of the above standards, amendments and interpretations have not material impact on the Corporation's financial position and financial performance.

(3) The impact of the IFRSs issued by IASB but not endorsed by FSC

The IFRSs issued by IASB but not endorsed by FSC were listed below:

New Standards, Amendments and Interpretations		Effective Date of IASB
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date to be determined by IASB
IFRS 17	Insurance Contracts	January 1, 2023
Amendments to IFRS 17		January 1, 2023
Amendments to IFRS 17	Initial Application of IFRS 9 and IFRS 17 -Comparative Information	January 1, 2023
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025

As of the date the financial statements were authorized for issue, the Corporation is continuously assessing the impact that the application of the above standards and interpretations will have on the Corporation's financial position and financial performance and the related impact will be disclosed when the Corporation completes the assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the notes listed. The summary of significant accounting policies listed below is consistent adopted in all reporting periods.

(1) Compliance statement

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

Except for the financial instruments and net defined benefit assets which are measured at the fair value of plan assets less the present value of the defined benefit obligation that are measured at fair value, these parent company only financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of parent company only financial statements that comply with IFRSs in issue and endorsed by FSC, which requires the use of some important accounting estimates. In the process of applying the Corporation's accounting policies, management also requires the use of its judgment, involving highly judged or complex items, or involving major assumptions in financial reporting and the estimated items, please refers to Note 5.

(3) Foreign currency

The parent company only financial statements are prepared using the functional currency New Taiwan dollars of the Corporation as the expression currency.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Such exchange differences are recognized in profit or loss in the year in which they arise. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The assets and liabilities of the Corporation's foreign operations are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences are recognized in other comprehensive income and accumulated in exchange differences on translating foreign operations under equity. When a foreign operation is partially disposed of or sold, 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 due to lose control, join control or material influence in foreign operation.

(4) Classification of current and non-current assets and liabilities

A. Assets when met the one of the following conditions are classified as current assets:

a. it expects to realize asset, or intends to sell or consume it, in its normal operating cycle;
b. it holds the asset primarily for the purpose of trading;
c. it expects to realize the asset with in twelve months after the reporting period;
d. the asset is cash or a cash equivalent unless the asset is restricted for at least twelve months after the reporting period.

If none of the above criteria is met, an asset is classified as non-current.

B. Liabilities when met the one of the following conditions are classified as current liabilities:

a. it expects to settle the liability in its normal operating cycle;
b. it holds the liability primarily for the purpose of trading;
c. the liability is due to be settled within twelve months after the reporting period;
d. it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. 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.

If none of the above criteria is met, a liability is classified as non-current.

(5) Cash and Cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and other investments that are readily convertible to known amount of cash in the short-term or subject to an insignificant risk of changes in value (includes time deposits with original maturities of three months or less).

(6) Financial Instruments

Financial assets and financial liabilities of the Corporation is meet one of financial instruments' contract, are recognized in balance sheets.
Financial assets and financial liabilities are initially measured at fair value.
Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.
Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

A. Financial assets

Financial assets transactions on a regular way purchase or sale are recognized and derecognized using trade date accounting.

(A) Categories of financial assets

The Corporation has held categories of financial assets are including financial assets at fair value through profit or loss and financial assets at amortized cost.

a. Financial asset at fair value through profit or loss

Financial assets at fair value through profit or loss are including mandatorily at fair value through profit or loss or financial assets designated as at fair value through profit or loss. Mandatorily at fair value through profit (loss) includes equity instrument investment that the Corporation does not designate to measure at fair value through other comprehensive profit (loss), and debt instruments that are not measured as amortized cost or fair value through other comprehensive profit or loss investment.

Financial assets at fair value through profit or loss are recognized at fair value, and any changes in the fair value of these financial assets are recognized in profit or loss. This profit or loss is not including any dividends or interests. The method of adoption in fair value pleases refer to Note 12(2).

b. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

(a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

(a) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and

(b) Financial asset that has subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset.

(B) Impairment of financial assets

The Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivables), lease receivables, as well as contract assets.

The Corporation always recognizes lifetime Expected Credit Loss (i.e. ECL) for accounts receivables and lease receivable. For all other financial instruments, the Corporation recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Corporation recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

(C) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another party.

On derecognition of a financial asset at AC in its entirety, the difference between the carrying amount and the consideration received or to be received including any cumulative gain or loss that had been recognized in profit or loss. On the derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

B. Equity Instruments

Equity instruments issued by the Corporation are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

The Corporation reacquires the Corporation’s equity instruments recognized and derecognized under equity. The Corporation purchase, disposal, issue or write-down their equity instruments do not recognize in profit or loss.

C. Financial liabilities

(A) Subsequently measured

Financial liabilities are subsequently measured at amortized cost using the effective interest method, except the conditions as follows:

Financial liabilities at fair value through profits and losses

Financial liabilities at fair value through profits and losses are including held for trading and designated as at fair value through profit and loss. Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

(B) Convertible bond

The Corporation issues the compound financial instruments, convertible bonds, based on substance of the contract and definition of financial liabilities and equity instruments to classify into financial liabilities and equity at initial recognition, respectively.

On initial recognition, the fair value of liability component is estimated using the prevailing market interest rate for similar nonconvertible instruments. Before conversion option is exercised or the maturity date, it is measured at amortized cost using the effective interest method. The embedded non-equity derivatives instruments of liability component are measured at fair value.

To classify in conversion options of equity is equal to full fair value of compound instruments minus the residual amount of the fair value of the separately determined liability component, which recognized as equity after deduct the influence of income tax without subsequent measurement. When the conversion option is exercised, its related liability component and the amount of equity are transferred to capital and capital reserve-issue premium. If the conversion option of the convertible bond has not been executed on the maturity date, the amount recognized in equity will be transferred to the capital reserve-issue premium. The transaction costs related to the issuance of convertible bonds are allocated to the liability of the instrument (as the carrying amount of the liability) and the equity component (as the equity) in proportion to the total price allocated.

(C) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

(7) Inventories

The inventory of manufactory comprises raw materials, materials, finished products, and works in progress. Acquisition cost is used as the accounting basis for inventories, and costs are calculated through weighted average. Inventory is measured by cost or net realizable value, depending on which is lower. Cost and net realizable value are compared based on individual items unless the inventories are of the same category. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventory write-downs and unallocated fixed expenses when actual production is lower than normal production capacity are transferred to the current cost of goods sold.

The inventory of construction comprises real estate as held for sale, construction in progress and prepayment for land purchases and so on. Contract costs are expensed as incurred. Transactions are recorded based on Completed Contract Method. Prepayment for land purchases will be classified land held for construction site as acquisition of ownership, and then reclassified to construction in progress as active development. The requirements of the interests (borrowing costs) that should be capitalized during the period of active development or start of construction until finished.

(8) Investments Accounted for Using Equity Method

A. Investment in subsidiaries

Subsidiaries are the entities controlled by the Corporation and are accounted for using the equity method by the Corporation.

According to “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, profit and other comprehensive income in the separate financial statements should be the same as profit and other comprehensive income attributable to shareholders of the parent in the consolidated financial statements, and the equity in the separate financial statements should be the same as the equity attributable to shareholders of the parent in the consolidated financial statements.

The Corporation’s share of its subsidiaries’ 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 Corporation’s share of losses in a subsidiary equal or exceeds its interest in the subsidiary, the Corporation should continue to recognize losses in proportion to its ownership.

Changes in the Corporation’s ownership interests in subsidiaries that do not result in the Corporation losing control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amount of the subsidiary and the fair value of the consideration paid or received is recognized directly in equity.

When the Corporation loses control of a subsidiary, any retained investment is measured at fair value at that date and the difference between the previous carrying amount of the subsidiary attributable to the retained interest and its fair value is included in the determination of the gain or loss. In addition, the Corporation shall account for all amounts previously recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the Corporation had directly disposed of the related assets and liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate.

Profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream with a subsidiary and side stream transactions between subsidiaries are recognized in the Parent Company Only financial statements to the extent of interests in the subsidiary that are not related to the Corporation.

B. Investments in associates

Associates are all entities over which the Corporation has significant influence but not belong to subsidiaries or joint ventures. Significant influence means has rights of financial and operation decision but not control or join control to investee.

Investments in associates are accounted for using the equity method and are initially recognized at cost. The Corporation'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.

In the case that an associate issues new shares and the Corporation does not subscribe or acquire new shares proportionately, which results in a change in the Corporation'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 Corporation'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. The above adjustment is debit capital surplus exceeds the amount of capital surplus, and then the excess shall be reduced to retain earnings.

When the Corporation's share of losses in the associates equals or exceeds its interest in the associate, including carrying amount in investment of associates under equity method and net investment portfolio to the associates in other long-term equity by the Corporation, is stop to recognize loss. The Corporation recognizes further losses when legal obligation, constructive obligation and the payment for associates happened.

If the total of the fair values of the consideration of acquisition and any non-controlling interest in the acquire as well as the acquisition-date fair value of any previous equity interest in the acquire is higher than the fair value of the Corporation's share of the identifiable net assets acquired, the difference is recorded as goodwill; if less than the fair value of the Corporation's share of the identifiable net assets acquired, the difference is recognized directly in profit or loss.

The Corporation assess at carrying amount (including Goodwill) of investment where there is an indication to compare recoverable amount (the higher of an asset's fair value less costs to sell or value in use) with carrying amount for impairment test. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Upon loss of significant influence over an associate, the Corporation stops to use equity method and remeasure any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss. The Corporation loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate on the same basis as would be required if the relevant assets or liabilities were disposed of.

Gains or losses on sales from intercompany transactions between the Corporation and its associate are recognized in parent company only financial statement when intercompany transaction is realized through transaction with third parties.

(9) Property, plant and equipment

Property, plant and equipment are stated at cost including related interests capitalized the period of acquisition and construction. Property, plant and equipment under construction before they are completed and ready for intended use, samples produced to test whether the assets can function normally are measured at the lower of cost and net realizable value, and the sales price and cost are recognized in profit or loss. Subsequent costs are included in the book value of the asset or recognized as a separate asset only when the future economic benefits related to the item are likely to flow into the Corporation and the cost of the item can be measured reliably. The book value of the replaced part shall be derecognized. All other maintenance expenses are recognized in profit or loss when incurred.

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. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each financial year. If the expected value of the residual value and useful lives is different from the previous estimate, or the expected consumption pattern of the future economic benefits contained in the asset has changed significantly, then from the date of the change in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in accounting estimate changes. The useful lives of each asset are as follows:

Buildings	
Main buildings	35 to 50 years
Electrical and Mechanical Construction, etc.	15 to 30 years
Other	5 to 10 years
Machinery	2 to 10 years
Transportation	3 to 6 years
Others	3 to 15 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(10) Leases

The Corporation assesses whether the contract is (or includes) a lease on the commencement date of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

A. The Corporation as lessee

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities.

Except for the right-of-use assets that meet the definition of investment property, right-of-use assets are presented on a separate line in the consolidated balance sheets.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the lessee shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments less any lease incentives received. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Corporation uses the lessee's incremental borrowing rate.

When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

The Corporation has COVID-19 rent concessions from lessor to adjust rental expense before June 30, 2022. These concessions have no substantive changes to other terms and conditions of the leases. The Corporation has elected the practical expedient for above rent concessions and has not assessed whether these rent concessions are a lease modification. The Corporation recognized the gain from changes in lease payments arising from the rent concessions. The Corporation recognized the gain from lease payment decreased or concessions happened in the periods under right-of-use assets depreciation, and relatively decrease lease liabilities.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

B.The Corporation as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When a lease includes both land and building elements, the Corporation assesses the classification of each element separately as finance or an operating lease. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

Under finance leases, the lease payments included fixed payments and variable lease payments that depend on an index or a rate. The net investment in the leases is the sum of the present value of the lease receivable and the unguaranteed residual

value, plus the initial direct cost, and is expressed as the finance lease receivable. The Corporation aims to allocate finance income over the lease term on a systematic and rational basis term, based on a pattern reflecting a constant periodic rate of return on the Corporation's net investment in the lease.
Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

(11) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are also including the land without design of held purpose.
An investment property is stated initially at its cost, including transaction costs and measured subsequently using the cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.
On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

(12) Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized using the straight-line method over the following estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.
An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

(13) Impairment of Non-Financial Assets

The Corporation assesses the recoverable amounts at the end of reporting date whether there is an indication that asset may be 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 and value in use. A previously recognized impairment loss is reversed only if there has been disappear of impairment situation. The reversal should not exceed its impairment loss had been recognized in prior years.

(14) Provisions

Provisions recognition is the consideration of the risks and uncertainties of the obligations. It is the best estimate of the required expenditure on the obligation to pay off on the balance sheet date.

(15) Employee benefits

(A) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(B)Retirement benefits

a. Defined contribution retirement benefit plans

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

b. Defined benefit plan

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Corporation's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

c. Employees' and directors' remuneration

Employees' remuneration and directors' 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.

d. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Corporation's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Corporation recognizes expense when it can no longer withdraw an offer of termination benefits or it recognizes related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

(16) Treasury Shares

The subsidiaries held the Corporation's shares, and recognized the acquired cost as treasury shares. The write-off the share of loss of associates and joint ventures accounted for using equity method and adjust capital surplus – treasury share transactions as the dividends paid by the Corporation.

(17) Revenue Recognition

The Corporation recognizes revenue from customer contracts applies the following steps:

- identify the contract(s) with a customer.
- identify the performance obligations in the contract.
- determine the transaction price.
- allocate the transaction price to each performance obligation in the contract.
- recognize revenue when a performance obligation is satisfied.

The Corporation identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year, the Corporation does not adjust any of the transaction prices for the financing components.

(A) Sale of goods

Revenue from the sale of goods is mainly comes from sales of electricity power products. The Corporation recognized revenue when a customer obtains control of promised goods, at which time the goods are delivered to the customer's specific location and performance obligation is satisfied. Advance receipts for goods before delivery are recognized as contract liabilities.

When the Corporation provides material for processing, the control of the ownership of the processed products is not transferred, so the revenue is not recognized when the materials were supplied.

Sales of real estate within the scope of normal business receive fixed transaction prices in phases and recognize contract liabilities. After considering the major financial components, income is recognized when each real estate is completed and delivered to the buyer.

(B) Offer of services and maintenances

The Corporation offers services and maintenances such as parking management and electricity power system maintenance and overhaul.

As the customer obtains and consumes the compliance benefits at the same time, revenue from offer of services and maintenances is recognized when services are provided.

(C) Engineering project revenue

During the construction process, the Corporation recognized engineering project revenue based on the stage of completion of the contract. The Corporation gradually recognized contract assets during the construction process and converted them into accounts receivable upon billing. The excess of the engineering project money received over revenue recognized the difference is presented as contract liability. The engineering retention retained by the customer under the terms of the contract is intended to ensure that the Corporation completes all contractual obligations. The engineering retention is recognized as contract assets before the compliance of the Corporation is completed.

If the outcome of a performance obligation cannot be estimated reliably, engineering project revenue is only recognized within the expected recoverable cost of satisfying the performance obligation.

(18) Borrowing Cost

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Specifies that the amount of borrowing costs eligible for capitalization on a qualifying asset is the actual borrowing costs incurred less any investment income earned on the temporary investment of such borrowings.

Borrowings are recognized in current expenses except above conditions.

(19) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

A. Current tax

The tax currently payable is based on taxable profit for the year. 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. The Corporation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

According to the Income Tax Law, an additional tax of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision

B. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. If the deferred income tax arises from the original recognition of assets or liabilities in a transaction (other than in a business combination) and does not affect accounting profits or taxable income at the time of the transaction, and the transaction does not result in equivalent taxable and deductible temporary differences at the time of the transaction, they will not be recognized.

Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax assets, such as temporary differences, loss carry forward or expenditure of R&D, are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. At the end of each reporting period, an entity reassesses unrecognized deferred tax assets. The entity recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

C. Current and deferred tax

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the aforementioned the Corporation's accounting policies in Note 4, the Corporation is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The key judgments, estimations and assumptions are discussed below when the

Corporation prepare the financial statements.

(1) Critical Judgments adopted by the accounting policies

Revenue recognition

The Corporation identifies the specified goods or services to be provided to the customer whether the Corporation controls identified goods or services before that good or service is transferred to the customer to determine it is a principal or an agent under IFRS 15. If it is identified to be the principal of the transaction, the net amount of the transaction is recognized as revenues.

(2) Critical accounting estimates and assumptions

A. Estimated impairment of financial assets

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Corporation uses judgments in making these assumptions and in selecting the inputs to the impairment calculation, based on the Corporation's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

B. Impairment of tangible and intangible assets

When assessing the impairment of tangible and intangible assets, the Corporation will use their subjective judgment and take into account the status of the assets to determine the useful life and any profit and loss which will be generated by specific asset group. Any changes in accounting estimates arising from changes in economic situation and the Corporation's strategy may cause significant impairment in the future.

C. Realization of deferred income tax assets

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Assessment of the realizability of deferred income tax assets involves critical accounting judgments and estimates of the management, including the assumptions of expected future sales revenue growth rate and profit rate, tax exempt duration, available tax credits, etc. Any variations in global economic environment, industrial environment, and laws and regulations might cause material adjustments to deferred income tax assets.

D. Project contracts

Project contracts are according with service concession arrangement. The contract revenue and cost should be recognized by reference to the stage of completion of the contract activity. The stage of completion of a contract is measured by the proportion of contract costs incurred for work performed to date to the estimated total costs for the contract. Under IFRS 15, contract revenue should include the revenue arising from variations from the original contract work, claims and incentive payments that are agreed by the customer and can be measured reliably. As the estimated total cost and contract items are assessed and judged by the management for the nature of the different projects, the expected amount of contract, the duration, the works and the work, etc., it may affect the calculation of the percentage of completion and the profit and loss of the project.

E. Fair value measurement and evaluation process

For Level 3 fair value measurement on equity investments, the Corporation determines the estimated fair value by selecting appropriate valuation methods primarily based on investees' financial positions, operation results and recent financing activities, the market transaction prices of the similar investments, market conditions and the required discount factors. As such, the estimated fair value may be different from the actual disposal price in the future. The Corporation reassesses the fair value measurement quarterly based on the market conditions to ensure the appropriateness of the fair value measurement.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31,2023	December 31,2022
Cash on hand	$ 819	$ 1,478
Turnover cash	5,512	5,480
Bank Deposit	947,204	1,673,859
Cash in transit	—	3,706
	$ 953,535	$ 1,684,523

(A) The financial institutions of the Corporation have good credit. The Corporation has business with numbers of financial institutions to diversify credit risk. The probability of breach of contract is expected to be low.

(B) As of December 31, 2023 and 2022, the Corporation's bank deposits were used as collaterals for purchasing raw materials, engineering contracts, and loans and listed as restricted assets. These have been reclassified into "other current assets" and "Other non-current assets", please refer to Note 8.

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

	December 31,2023	December 31,2022
Current financial assets		
Mandatorily at fair value through profit or loss		
Listed Stock	$ 7,855	$ 6,985
Beneficiary certificate	—	3,997
	$ 7,855	$ 10,982
Non-current financial assets		
Mandatorily at fair value through profit or loss		
Listed Stock	$ 132,932	$ 63,198
Current financial liabilities		
Held for trading - Convertible bonds call options and put options	$ —	$ 2,234

As of December 31, 2023 and 2022, financial assets at fair value through profit or loss did not server as collaterals for bank loan.

(3) Financial assets at amortized cost

	December 31,2023	December 31,2022
Current		
Time deposits with original maturities of more than 3 months	$ 1,227,384	$ 20,917

As of December 31, 2023 and 2022, the Corporation's financial assets at amortized cost were used as collaterals for purchasing raw materials, engineering contracts, and loans and listed as restricted assets. These have been reclassified into "other current assets" and "other non-current assets", please refer to Note 8.

(4) Notes receivable, net

	December 31,2023	December 31,2022
Notes receivable From Operating activities	$ 99,191	$ 34,611
Less: allowance for impairment loss	—	—
Notes receivable, net	99,191	34,611
Notes receivable due from related parties, net	222	584
	$ 99,413	$ 35,195

A. As of December 31, 2023 and 2022, the Corporation has no notes receivable overdue.

B. As of December 31, 2023 and 2022, notes receivable did not server as collaterals for bank loan.

(5) Accounts receivable, net

	December 31,2023	December 31,2022
Accounts receivable	$ 1,502,091	$ 1,769,085
Less: allowance for impairment loss	(1,548)	(1,496)
Accounts receivable, net	1,500,543	1,767,589
Accounts receivable due from related parties	38,068	143,544
Less: allowance for impairment loss	—	—
Accounts receivable due from related parties, net	38,068	143,544
	$ 1,538,611	$ 1,911,133

The Corporation applies the simplified approach to providing for expected credit losses, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using the expected credit loss rate, which is based on the past experience of the debtor and the overdue days of accounts receivable.

The following table details the loss allowance of trade receivables:

	Not overdue	Overdue 1~180 days	Overdue over 181 days	Total
December 31, 2023				
Expected credit loss rate		0%～50%	50%～100%	
Total Book Value	$ 1,521,956	$ 13,874	$ 4,329	$ 1,540,159
Less: Loss allowance	—	—	(1,548)	(1,548)
	$ 1,521,956	$ 13,874	$ 2,781	$ 1,538,611

	Not overdue	Overdue 1~180 days	Overdue over 181 days	Total
December 31, 2022				
Expected credit loss rate		0%～50%	50%～100%	
Total Book Value	$ 1,893,518	$ 11,723	$ 7,388	$ 1,912,629
Less: Loss allowance	—	—	(1,496)	(1,496)
	$ 1,893,518	$ 11,723	$ 5,892	$ 1,911,133

The movements of the loss allowance of other receivables were as follows:

	For the Years ended on December 31, 2023		
	Accounts receivable	Other receivable	Contract asset
Beginning balance of period	$ 1,496	$ 8,210	$ 38,909
Increase on impairment loss for the period	52	—	122,860
Reversal on impairment loss for the period	—	(8,210)	(38,909)
Ending balance of period	$ 1,548	$ —	$ 122,860

	For the Years ended on December 31, 2022		
	Accounts receivable	Other receivable	Contract asset
Beginning balance of period	$ 5,345	$ 18,461	$ —
Increase on impairment loss for the period	—	—	38,909
Reversal on impairment loss for the period	(1,474)	(8,211)	—
Write off on impairment loss for the period	(2,375)	(2,040)	—
Ending balance of period	$ 1,496	$ 8,210	$ 38,909

Related credit risk management and assessment methods please refer to Note 12(2).

As of December 31, 2023 and 2022, accounts receivable did not server as collaterals for bank loan.

(6) Inventories-manufactory, net

	December 31, 2023	December 31, 2022
Raw materials	$ 1,752,942	$ 1,039,583
Semi-finished goods	740,994	519,832
Work in process	1,882,215	1,521,766
Finished goods	1,574,775	1,022,262
Finished goods - purchased	15,736	12,455
Materials in transit	162,836	50,365
	$ 6,129,498	$ 4,166,263
Inventory as collateral	None	None

The profits and losses derived from cost of good sold for the period were as follows:

	For the Years ended December 31,	
	2023	2022
Cost of inventory sold	$ 1,661,193	$ 1,666,855
(Recoverable gain) Loss on obsolete and slow-moving	(62,230)	(127,341)
Loss on disposal of inventory	13,656	65,490
Loss (Gain) on physical inventory	(27)	(49)
	$ 1,612,592	$ 1,604,955

The recovery in the value of inventories was increase due to the decrease in obsolete inventory leading to an increase in the net realizable value of inventory.

(7) Inventories – Construction

	December 31, 2023	December 31, 2022
Building as Held for sale	$ 1,434,060	$ 1,509,249
Land held for construction site	242,956	242,956
Building in construction	592,230	298,522
	$ 2,269,246	$ 2,050,727

A. The Corporation had signed contracts with owners of land in Fuxing section city project and Chenggong section (Sanchongpu section), Sanchong Dist., New Taipei City city project to construct residential buildings. The construction permit was obtained in January 2022 and is under construction.

B. On May 11, 2020, the Corporation signed a co-construction contract with "CHAINQUI Construction Development Co., Ltd." to construct commercial and residential buildings in the form of co-construction distribution. In February 2021, the Corporation also signed a trust agreement with Taipei Fubon Commercial Bank Co., Ltd. ("Taipei Fubon") to entrust it to manage related trust property businesses, and the land ownership of Chengzhong section trust was registered with Taipei Fubon.

C. For the years ended December 31, 2023 and 2022, the interest expense capitalized amount was $3,843 thousand and $1,331 thousand, respectively; and the capitalized interests' ratio range was 0.72%~1.44% and 0.48%~1.32% in 2023 and 2022, respectively.

D. As of December 31, 2023 and 2022, Inventories Construction did not server as collaterals for bank loan.

(8) Prepayments

	December 31, 2023	December 31, 2022
Prepaid rental	$ 21,698	$ 88,015
Other prepaid expense	40,921	67,980
Prepayments for purchasing materials	217,021	237,197
Prepayments for construction	697,235	908,031
Other	7,900	535,000
	$ 984,775	$ 1,836,223

(9) Investments accounted for under the equity method

Investments accounted for using equity method were as follows:

	December 31, 2023	December 31, 2022
Subsidiaries	$ 4,342,063	$ 4,596,578
Associates	3,054,761	1,771,430
	$ 7,396,824	$ 6,368,008

Certain investments accounted for under the equity method were audited by other independent accountants.

A. Investment in subsidiaries:

	December 31, 2023		December 31, 2022	
Name of investee company	Amount	%	Amount	%
CHEM USA CORP.	$ 63,684	100.00%	$ 65,621	100.00%
CHEM CORP.	2,134,258	100.00%	2,158,569	100.00%
Sunrise Tech. Co. Ltd	381,356	100.00%	364,906	100.00%
Cheng-Hsin engineering & services CO., Ltd.	832,899	100.00%	692,898	100.00%
Bao-Sheng Global Co., Ltd.	332,971	100.00%	239,427	100.00%
Etrovision technology Co., Ltd.	71,059	99.99%	65,479	99.99%
Tone-zoom industry Co., Ltd.	24,827	67.96%	31,352	67.96%
Global-Entech Co., Ltd.	59,273	99.99%	67,744	99.99%
ME ENERGY SYSTEMS Limited	112,892	100.00%	96,750	100.00%
Chung- Hsin Energy Tech. Inc.	98,300	100.00%	4,111	100.00%
Tian Cin Energy Co., Ltd.	40,218	86.74%	84,152	86.74%
Tian Peng Energy Co., Ltd. (Note 1)	-	85.61%	92,813	85.61%
Tian Chong Energy Co., Ltd. (Note 1)	-	87.07%	150,045	87.07%
Tian Fu Energy Co., Ltd.	155,106	52.42%	154,228	52.42%
Yun-yi Energy Co., Ltd. (Note 2)	18,628	100.00%	248,659	88.37%
Hueilan Energy Co., Ltd. (Note 3)	-	-	13,502	100.00%
EGME energy ecosystems (India) private limited	10,445	71.80%	12,719	71.80%
CHEM ENERGY SA (PTY) LTD. (Note 4)	-	-	58,823	53.75%
Stellar Power System Co., Ltd. (Note 5)	11,367	100.00%	-	-
Subtotal	4,347,283		4,601,798	
Less: accumulated impairment	(5,220)		(5,220)	
Net balance	$ 4,342,063		$ 4,596,578	

Note 1: To reclassify in other non-current liabilities.

Note 2: The Corporation acquired the 11.63% shares by 8,000 thousand in August 2023.

Note 3: Disposal in Nov 2023.

Note 4: In May 2023, the decrease on shareholding ratio 36.24% was cause by not participating in cash capital increase in accordance with the shareholding ratio, and organizational structure adjustment. Transfer the entire equity held by the Corporation to the ME Energy Systems Limited.

Note 5: Acquired in February 2023.

(A) Aggregate information of subsidiaries

	For the year periods ended on December 31, 2023	2022
Proportionate interest from associates		
Year of Income	$ 659,997	$ 684,997
Other comprehensive loss from associates	(33,810)	12,016
	$ 626,187	$ 697,013

(B) In 2023 and 2022, the Corporation conducted evaluation and impairment test for investment in associates. The result recognized losses on impairment of investment were $0 and $5,220, respectively.

(C) As of December 31, 2023 and 2022, the Corporation holds the subsidiaries' stock server as collaterals for bank loan, please refer to Note 8.

B. Investment in associates:

Name of investee company	December 31, 2023 Amount	%	December 31, 2022 Amount	%
Associates are not individually material				
Sheng Yuan investment Corp.	$ 1,421,293	29.33%	$ 852, 863	29.33%
Guang-Hsin engineering & services Co., Ltd.	1,592,320	24.29%	877,460	24.29%
Lixiang Science and Technology Company (Note)	-	40.00%	-	40.00%
Nomura Chung-Hsin machinery Corporation (Note)	-	49.00%	-	49.00%
Aura Material Inc.	41,148	37.00%	41,107	37.00%
Subtotal	3,054,761		1,771,430	
Less: accumulative impairment losses	-		-	
Net balance	$ 3,054,761		$ 1,771,430	

Note: To reclassify in other non-current liabilities.

(A) Aggregate information of associates that are not individually material:

	For the year periods ended on December 31, 2023	2022
Proportionate interest from		
Year of Income	$ 87,569	$ 159,365
Other comprehensive loss from	1,277,446	511,277
	$ 1,365,015	$ 670,642

(B) For the years ended December 31, 2023 and 2022, the Corporation conducted evaluation and impairment test for investment in associates. The result recognized losses on impairment of investment both were $0.

(10) Property, plant and equipment

	December 31, 2023	December 31, 2022
Assets used by the Corporation	$ 4,665,508	$ 3,293,861

Assets used by the Corporation

For the Years ended December 31, 2023

	Land	Buildings	Machinery	Transportation	Others	Unfinished construction and Equipment to be tested	Total
Cost							
Beginning Balance of period	$ 1,519,901	$ 2,444,366	$ 2,194,445	$ 96,646	$ 636,473	$ 84,639	$ 6,976,470
Additions	901,916	273,185	105,058	33,348	273,175	72,516	1,659,198

	For the Years ended December 31, 2023						
	Land	Buildings	Machinery	Transportation	Others	Unfinished construction and Equipment to be tested	Total
Disposals	–	(3,023)	(152,028)	(2,898)	(29,358)	–	(187,307)
Ending balance of period	$ 2,421,817	$ 2,714,528	$ 2,147,475	$ 127,096	$ 880,290	$ 157,155	$ 8,448,361
Accumulated depreciation and impairment							
Beginning Balance of period (Restated)	$ –	$ (1,655,626)	$ (1,574,929)	$ (62,945)	$ (389,109)	$ –	$ (3,682,609)
Depreciation	–	(68,325)	(116,875)	(11,362)	(81,344)	–	(277,906)
Disposals	–	1,833	143,964	2,702	29,163	–	177,662
Ending balance of period	$ –	$ (1,722,118)	$ (1,547,840)	$ (71,605)	$ (441,290)	$ –	$ (3,782,853)
Net Balance	$ 2,421,817	$ 992,410	$ 599,635	$ 55,491	$ 439,000	$ 157,155	$ 4,665,508

	For the Years ended December 31, 2022						
	Land	Buildings	Machinery	Transportation	Others	Unfinished construction and Equipment to be tested	Total
Cost							
Beginning Balance of period (Restated)	$ 1,495,591	$ 2,441,716	$ 2,184,942	$ 86,802	$ 593,804	$ 18,416	$ 6,821,271
Additions	24,310	2,992	111,126	17,130	164,476	252,727	572,761
Disposals and Reclassifications	–	(342)	(101,623)	(7,286)	(121,807)	(186,504)	(417,562)
End Balance of period	$ 1,519,901	$ 2,444,366	$ 2,194,445	$ 96,646	$ 636,473	$ 84,639	$ 6,976,470
Accumulated depreciation and impairment							
Beginning Balance of period (Restated)	$ –	$ (1,593,410)	$ (1,549,803)	$ (61,359)	$ (407,091)	$ –	$ (3,611,663)
Depreciation	–	(62,466)	(113,670)	(8,845)	(56,513)	–	(241,494)
Disposals	–	250	94,169	7,259	74,495	–	176,173
Impairment loss	–	–	(5,625)	–	–	–	(5,625)
End Balance of period	$ –	$ (1,655,626)	$ (1,574,929)	$ (62,945)	$ (389,109)	$ –	$ (3,682,609)
Net Balance	$ 1,519,901	$ 788,740	$ 619,516	$ 33,701	$ 247,364	$ 84,639	$ 3,293,861

A. As of December 31, 2023 and 2022, property, plant and equipment for guarantee and mortgage, please refer to Note 8.

B. For the year period ended December 31, 2023 and 2022, the interest expense capitalized amounts both were $0 thousand.

C. For the year period ended December 31, 2023 and 2022, the impairment loss amounts were $0 and $5,625 thousand, respectively.

(11) Lease arrangements

A. Right-of-use assets

	For the Year period ended December 31, 2023			
	Land	Buildings	Transportation	Total
Cost				
Beginning balance of period	$ 4,541,464	$ 150,810	$ 20,281	$ 4,712,555
Additions	1,206,898	15,787	7,603	1,230,288
Disposals	(1,036,285)	(4,672)	(9,181)	(1,050,138)
Ending balance of period	$ 4,712,077	$ 161,925	$ 18,703	$ 4,892,705
Accumulated depreciation and impairment				
Beginning Balance of period	$ (1,958,130)	$ (32,560)	$ (11,731)	$ (2,002,421)
Depreciation	(1,200,742)	(39,722)	(6,523)	(1,266,987)
Disposals	1,021,471	4,671	7,021	1,033,163
Ending Balance of period	$ (2,157,401)	$ (67,611)	$ (11,233)	$ (2,236,245)
Net Balance	$ 2,554,676	$ 94,314	$ 7,470	$ 2,656,460

	For the Years ended December 31, 2022			
	Land	Buildings	Transportation	Total
Cost				
beginning balance of period	$ 3,451,827	$ 24,058	$ 19,461	$ 3,495,346
Additions	2,272,325	131,484	6,216	2,410,025
Disposals	(1,182,688)	(4,732)	(5,396)	(1,192,816)
Ending balance of period	$ 4,541,464	$ 150,810	$ 20,281	$ 4,712,555
Accumulated depreciation and impairment				
Beginning Balance of period	$ (1,928,906)	$ (9,809)	$ (9,177)	$ (1,947,892)
Depreciation	(1,070,857)	(27,413)	(6,680)	(1,104,950)
Disposals	1,041,633	4,662	4,126	1,050,421
Ending Balance of period	$ (1,958,130)	$ (32,560)	$ (11,731)	$ (2,002,421)
Net Balance	$ 2,583,334	$ 118,250	$ 8,550	$ 2,710,134

B. Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amount of lease liabilities		
Current	$ 1,057,412	$ 935,952
Non-current	$ 1,521,345	$ 1,701,220
Discount rate	0.96%～1.43%	0.96%

C. Material lease-in activities and terms

The Corporation leases certain lands or buildings for the use of plants and offices with original lease terms of 1 to 5 years. The Corporation does not have bargain purchase options to acquire the buildings at the end of the lease terms. In addition, the Corporation is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent. As of December 31, 2022 and 2021, the right-of-use assets did not have impairment sight.

The Corporation has rent concessions from lessor due to serious economic implications of COVID-19. The lessor agree decrease rent without any conditions. The Corporation has recognized aforementioned rent concessions $9,641 thousand under deduction of depreciation of right-of-use assets in 2022.

D. Other lease information

The Corporation has elected to apply the recognition exemption which qualifies as short-term leases or low-value asset leases did not recognize right-of-use assets and lease liabilities for these leases. The related expenses information was as follows:

	For the Years ended December 31,	
	2023	2022
Expenses relating to short-term leases or low-value asset leases	$ 111,621	$ 82,062
Total cash outflow for leases	$ 1,337,267	$ 1,185,988

(12) Investment property

	For the Years ended December 31, 2023		
	Land	Buildings	Total
Cost			
Beginning Balance of period	$ 391,808	$ 393,715	$ 785,523
Additions	—	24	24
Ending Balance of period	$ 391,808	$ 393,739	$ 785,547
Accumulated depreciation and impairment			
Beginning Balance of period	$ —	$ (270,832)	$ (270,832)
Depreciation	—	(6,249)	(6,249)
Ending Balance of period	$ —	$ (277,081)	$ (277,081)
Net Balance	$ 391,808	$ 116,658	$ 508,466

	For the Years ended December 31, 2022		
	Land	Buildings	Total
Cost			
Beginning Balance of period	$ 391,808	$ 393,715	$ 785,523
Ending Balance of period	$ 391,808	$ 393,715	$ 785,523
Accumulated depreciation and impairment			
Beginning Balance of period	$ —	$ (264,582)	$ (264,582)
Depreciation	—	(6,250)	(6,250)
Ending Balance of period	$ —	$ (270,832)	$ (270,832)
Net Balance	$ 391,808	$ 122,883	$ 514,691

(A)Depreciation is calculated on a straight-line basis over estimated useful lives as 8 to 50 years.

(B)Rental revenue and direct operating costs / expenses are shown below:

	For the Years ended December 31,	
	2023	2022
Rental revenue	$ 35,216	$ 34,758
Direct operating costs / expenses	(11,837)	(14,573)
	$ 23,379	$ 20,185

(C)The lease terms for the investment property expire between 1 year and 5 years. The lessee had not bargain purchase options as expired lease agreements. As of December 31, 2023 and 2022, the guarantee deposits / notes received for operating leases were $7,238 thousand and $7,213 thousand, respectively.

(D)The future minimum lease payments of non-cancellable operating lease commitments were as follows:

	December 31, 2023	December 31, 2022
Not later than one year	$ 27,219	$ 26,141
Later than one year but not later than five years	46,097	31,096
Over five years	-	630
	$ 73,316	$ 57,867

(E)The fair value of the investment property held by the Corporation as at December 31, 2023 and 2022 both was $1,017,316 thousand which was revalued by independent valuers. The management of the Corporation assessed that the fair value of investment property has no material changes at December 31, 2021.

(F) As of December 31, 2023 and 2022, Investment property was used as collaterals for bank loan. Please refer to Note 8.

(13)Other noncurrent assets

	December 31, 2023	December 31, 2022
Prepayment for equipment	$ 117,383	$ 15,324
Guarantee deposits paid	129,938	159,770
Deferred Expense	227,033	231,845
Net defined benefit assets	30,135	47,489
Others	6,529	9,931
	$ 511,018	$ 464,359

(14)Short-term debts

	December 31, 2023	December 31, 2022
Financial institution borrowing		
Loan without security:		
Bank overdraft	$ 32,749	$ 37,871

	December 31, 2023	December 31, 2022
Unsecured loans	500,000	373,000
	$ 532,749	$ 410,871
Range of interest rate	1.425%-1.827%	0.75% - 1.425%
Collateral	None	None

(15) Other payables

	December 31, 2023	December 31, 2022
Other payables	$ 46,536	$ 88,570
Accrued expenses	836,573	827,688
	$ 883,109	$ 916,258

(16) Other current liabilities

	December 31, 2023	December 31, 2022
Litigation confiscates	$ 2,099,160	$ —
Other	14,984	12,890
	$ 2,114,144	$ 12,890

The Corporation's Power Chassis System case conviction was upheld by the Taiwan High Court Taichung Branch Court on July 21, 2023. The court ruled that the former chairman of the Corporation had violated the Securities and Exchange Act, resulting in the confiscation of 2,099,160 thousand and imposed a criminal penalty on the former chairman of the board of directors.

In 2021, the Corporation recognized losses of 85,122 thousand in accordance with the lawyer's opinion. The remaining amount of 2,014,038 thousand has been fully accounted for in consolidated financial report for the second quarter of 2023. The Corporation will be engaging with the lawyer to discuss the subsequent course of action and related matters.

(17) Bonds payable

	December 31, 2023	December 31, 2022
The second domestic unsecured convertible bonds	$ —	$ 1,442,933
Less: Execution of put option bonds within one year	—	(1,442,933)
	—	—
The first domestic secured bonds	1,997,952	1,997,206
	$ 1,997,952	$ 1,997,206

A. Relevant information on second domestic unsecured convertible bonds issued by the Corporation is as follows:

(A) The Corporation raised and issued the second domestic unsecured convertible bond, which was approved by the competent authority. The total issue amount is 1,500,000 thousand. The coupon rate is 0%. The issuance period is 5 years. The period is from December 17, 2020 to December 17, 2025. Convertible bonds are settled in cash at once as the maturity of the bond.

(B) The bondholders of convertible bonds may request the Corporation to convert the convertible bonds into the Corporation's common stock during at any time from the next day after the three months (March 18, 2021) of issuance of the convertible bonds to the maturity date, except for the period of cessation of transfer according to the regulations or laws. The rights and obligations of the converted common stocks are the same as those of the common stocks.

(C) The Corporation will change the conversion price due to the anti-dilution clause, and the conversion price will be adjusted according to the pricing model specified in the conversion method. From July 31, 2022, the conversion price of bonds was adjusted from $58.6 to $55.6 per share.

(D) From the next day of the month of the Corporation's issuance (March 18, 2021) to the forty days before the end of the issuance period (November 7, 2025), if the conversion price reaches 30% (inclusive) at that time or the outstanding balance of the convertible bonds is less than 10% of the original total issuance, the Corporation may recover all of its bonds in cash at the per value of the bonds.

(E) According to the regulations of the conversion method, all convertible bonds recovered (including bought back from the securities companies' business offices), repaid or converted will be cancelled, no longer sold or issued, and the conversion rights attached will be eliminated together.

(F) Convertible bondholders may ask the Corporation to buy back at the face value plus interest compensation on the date of issuance of three years of maturity (December 17, 2023) and four years of maturity (December 17, 2024). The interest compensation is 100.75% of face value of convertible bond upon 3 years from issue date and 101.00% of face value of convertible bond upon 4 years from the issue date.

(G) The Convertible bond is including liability and equity component. The effective interest rate of the liability component is initially recognized 1.075%. The equity component is recognized under capital surplus – share option.

Proceeds from issuing bonds (minus transaction costs 5,114 thousand)	$	1,500,886
Equity component	(	68,615)
Financial liability at FVTPL - current	(	10,350)
Liability component on issue date		1,421,921
Interest calculated at the effective interest rate of 1.075%		78,079
Convertible bond converted into common stock	(	1,500,000)
Liability component on June 30, 2023	$	-

(H) As of June 30, 2023, the convertible bondholders have executed the conversion convertible bonds. Converted shares were 26,979 thousand shares.

B. Relevant information on first domestic secured bonds issued by the Corporation is as follows:

The Corporation raised and issued the first domestic secured bond 2,000,000 thousand at 1,000 thousand par value on September 29, 2021. The issuance period is 5 years. The simple interest is paid once a year; the interest rate is 0.55%. The first secured bonds are settled in cash at once as the maturity of the bond. As of December 31, 2023, unamortized issuance cost is 2,048 thousand.

The first domestic secured bond was guaranteed by a bank. The repayment amounts due in future are as follows:

Year	Amount
2026	$ 2,000,000

(18) Long-term debts

(A) Long-term notes and bills payable

	December 31, 2023	December 31, 2022
Commercial paper payable	$ —	$ —
Less: unamortized discount	—	—
	$ —	$ —
Range of interest rate	1.35%～1.64%	0.36%
Collateral	Refer to Note 8	Refer to Note 8

(B) Long-term debts

	December 31, 2023	December 31, 2022
Loan without security:		
Bank borrowings	$ 500,000	$ 430,000

	December 31, 2023	December 31, 2022
Less: Current portion of long-term liabilities	(62,500)	(280,000)
	$ 437,500	$ 150,000
Range of interest rate	1.24%～1.775%	0.518%～1.375%
Collateral	Refer to Note 8	Refer to Note 8

The subsidiaries of the Corporation obtained join loans from Bank of Taiwan (the main bank) and other financial institutions to build solar power-generating infrastructure and related accessory equipment. According to the loan contract, these subsidiaries shall calculate and maintain a specific financial ratio in accordance with the annual audited financial reports audited by the accountant during the loan period.

(19)Other noncurrent liabilities

	December 31, 2023	December 31, 2022
Guarantee deposit received	$ 20,017	$ 20,187
Custody funds	84,494	44,718
Credit balance of investment under equity method	210,195	17,285
Provisions	—	85,122
	$ 314,706	$ 167,312

(20)Post-employment benefits plans

(A)Defined contribution plans

The employees who were subject to the Labor Standard Law prior to July 1, 2005 were allowed to choose to be subject to the pension mechanism under the Labor Pension Act with their seniority as of July 1, 2005 retained or continue to be subject to the pension mechanism under the Labor Standards Law. The Corporation and its domestic subsidiaries have a defined contribution pension plan in accordance with the Labor Pension Act (LPA), covering all regular employees with R.O.C. nationality. Under the LPA, the Corporation and its domestic subsidiaries makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages at the Bureau of Labor Insurance.

The total expense recognized in profit or loss in statements of comprehensive income of $53,018 thousand and $48,891 thousand for the years ended December 31, 2023 and 2022.

(B)Defined benefit plans

The Corporation has a defined benefit plan under the Labor Standards Law that is operated by the government. Under the defined benefit plan, provide benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Corporation contributes an amount equal to 2% ～ 15% of salaries paid each month to a pension fund. The fund is administered by the pension fund monitoring committee and deposited in the Bank of Taiwan. Before the end of each year, the Corporation assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Funds are operated and managed by the government's designated authorities; as such, the Corporation does not have any right to intervene in the investments of the Funds.

The pension expenses in respect of these defined benefit plans were as follows:

	For the Years ended December 31, 2023	For the Years ended December 31, 2022
Current service cost	$ 2,529	$ 3,289
Net Interest cost	(623)	(76)

	For the Years ended December 31, 2023	2022
Recognized as profit or loss	1,906	3,213
Remeasurements		
Return on plan assets, excluding amounts included in net interest	(6,773)	(53,012)
Actuarial (Gain) Loss from changes in financial assumptions	1,682	(24,926)
Actuarial (Gain) Loss from experience adjustments	23,990	52,796
Recognized in Other comprehensive income or loss	18,899	(25,142)
	$ 20,805	$(21,929)

The pension expenses for the period were as follows:

	For the Years ended December 31, 2023	2022
Operating cost	$ 1,228	$ 2,086
Operating expenses	678	1,127
	$ 1,906	$ 3,213

The amounts included in the balance sheets for the Corporation's obligations in respect of its defined benefit plans were as follows:

	For the Years ended December 31, 2023	2022
Present value of defined benefit obligation	$ 666,475	$ 661,484
Fair value of plan assets	(696,610)	(708,973)
Net defined benefit (asset) liability	$(30,135)	$(47,489)

Movements in the present value of the defined benefit obligations were as follows:

	For the Years ended December 31, 2023	2022
Balance at beginning of period	$ 661,484	$ 646,616
Current service cost	2,529	3,289
Interest cost	7,460	3,388
Benefits paid from plan assets	(30,670)	(19,679)
Remeasurements		
Actuarial (Gain) Loss from financial assumptions	1,682	(24,926)
Actuarial Loss from Experience adjustments	23,990	52,796
Balance at end of year	$ 666,475	$ 661,484

Movements in the fair value of the plan assets were as follows:

	For the Years ended December 31, 2023	2022
Balance at beginning of period	$ 708,973	$ 654,728
Interest income	8,083	3,464
Benefits paid from plan assets	(30,670)	(19,679)
Contribution by employer	3,451	17,448
Remeasurements		
Return on plan assets, excluding amounts included in net interest	6,773	53,012
Balance at end of year	$ 696,610	$ 708,973

(C) The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions of the measurement date were as follows:

	Measurement Date: December 31, 2023	December 31, 2022
Discount rate	1.15%	1.20%
Expected rate of salary increase	0.30%	0.30%

The weighted average duration of the defined benefit obligation is 5.08 years.

The impact on the present value of the defined benefit obligation as a result of reasonable changes in key assumptions occurring as follows:

	The impact on the present value of the defined benefit obligation	
	December 31, 2023	December 31, 2022
Discount rate		
0.25% increase	$(8,360)	$(9,161)
0.25% decrease	$ 8,561	$ 9,394

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(D)Through the defined benefit plans under the Labor Standards Law, the Corporation is exposed to the following risks:

Investment risk: The pension funds are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the government's designated authorities or under the mandated management. However, under the Labor Standards Law, the rate of return on assets shall not be less than the average interest rate on a two-year time deposit published by the local banks and the government is responsible for any shortfall in the event that the rate of return is less than the required rate of return.

Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.

Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

(E)The Corporation expects to make contributions of $2,409 thousand to the defined benefit pension plans after December 31, 2023.

(21)Equity

(A) Common stock

	December 31, 2023	December 31, 2022
Authorized shares (in thousands)	750,000	750,000
Authorized capital	$ 7,500,000	$ 7,500,000
Outstanding shares (in thousands)	503,113	476,136
Outstanding common stocks	$ 5,031,125	$ 4,761,361

The Corporation issued common shares at $10.00 par value and each share has the rights to dividends and to vote.

As of June 30, 2023, the convertible bondholders have executed conversion of second convertible bond into 26,979 thousand shares. The relevant change registration procedures have been completed.

(B) Capital surplus

	December 31, 2023	December 31, 2022
Additional paid-in capital arising from bond conversion	$ 2,191,449	$ 948,149
Treasury stock transactions	501,549	471,598
Convertible bonds stock option	—	68,125
Difference between consideration and carrying amount of subsidiaries acquired or disposed	115,835	83,265
Changes in ownership interests in subsidiaries	137,413	135,603

	December 31, 2023	December 31, 2022
Other	24,414	16,636
	$ 2,970,660	$ 1,723,376

The capital surplus arising from paid-in capital in excess of par value (including the excess of the issuance price over par value on issuance of common stocks, premium on convertible bonds and treasury stock transactions) 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. The amount of capital surplus to be capitalized mentioned above should be fixed the ratio of capital in each year.

(C) Retained earnings and dividend policies

In accordance with the Corporation's articles of incorporation, when allocating the net profits for each fiscal year, the Corporation shall set aside the following items accordingly: A. To pay taxes; B. To cover accumulated losses, if any; C. To appropriate 10% legal reserve unless the total legal reserve accumulated has already reached the amount of the Corporation's authorized capital; D. To recognize or reverse special reserve return earnings; E. The board of directors shall propose allocation ratios for any remainder profit after withholding the amounts under subparagraphs A to D above plus any unappropriated retained earnings of previous years based on the dividend policy set forth in the Article and propose such allocation ratio at the shareholders' meeting.

As part of a high-technology industry and as a growing enterprise, the Corporation considers its operating environment, industry developments, and long-term interests of stockholders as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. Cash dividends to be distributed 50% ~ 80% of the total amount of dividends to be distributed on each year.

The legal reserve may be used to offset a deficit, or be distributed as dividends in cash or stocks for the portion in excess of 25% of the paid-in capital if the Corporation incurs no loss.

Pursuant to existing regulations, the Corporation is required to set aside additional special capital reserve equivalent to the net debit balance of the other components of stockholders' equity. For the subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

Under Rule No. 1010012865 issued by the FSC on April 6, 2012, the Corporation adjusts all cumulative translation adjustments and unrealized revaluations increment to special reserve for the subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

The appropriations of 2022 were agreed by stockholders' meeting on May 24, 2023.The appropriations of 2021 were agreed by stockholders' meeting on June 28, 2022.

The appropriations and dividends per share were as follows:

	Appropriation of		Dividends Per Share (NT$)	
	2022	2021	2022	2021
Legal reserve	$ 227,248	$ 196,918		
Cash dividends	$ 1,667,144	$ 1,333,176	$ 3.5	$ 2.8

The appropriations of 2023 were agreed by the board of directors' meeting on March 11, 2024. The appropriations and dividends per share were as follows:

	Appropriation of 2023	Dividends Per Share (NT$) 2023
Legal reserve	$ 155,867	
Cash dividends	$ 1,811,205	$ 3.6

The appropriations of 2023 are to be presented for approval in the shareholders' meeting on May 27, 2024.

Information on the Board of Directors' recommendations and stockholders' approval can be obtained from the Market Observation Post System website of the Taiwan Stock Exchange.

(D) Other equity items

	For the Years ended December 31, 2023		
	Exchange differences on translating of foreign operations	Unrealized gains (losses) on financial assets at FVTOCI	Total
Balance at beginning of period	$(174,497)	$ 1,036,304	$ 861,807
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	(30,767)	1,274,403	1,243,636
Balance at end of period	$(205,264)	$ 2,310,707	$ 2,105,443

	For the Years ended December 31, 2022		
	Exchange differences on translating of foreign operations	Unrealized gains (losses) on financial assets at FVTOCI	Total
Balance at beginning of period	$(223,301)	$ 560,498	$ 337,197
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	47,487	475,806	523,293
Other	1,317	—	1,317
Balance at end of period	$(174,497)	$ 1,036,304	$ 861,807

(E) Treasury shares:

In thousands shares

	For the Years ended December 31, 2023			
Reason for reacquisition	Shares at beginning of period	Additions	Disposals	Shares at end of period
Subsidiaries' Held	9,039	—	—	9,039

In thousands shares

	For the Years ended December 31, 2022			
Reason for reacquisition	Shares at beginning of period	Additions	Disposals	Shares at end of period
Subsidiaries' Held	9,039	—	—	9,039

The subsidiaries held the shares of the Corporation were as follows:

	shares (in thousands)	Amount	Fair Value
December 31, 2023：			
CHENG-HSIN Engineering & Services CO., LTD	2,772	$ 31,340	$ 322,957
Sunrise Tech. Co. Ltd	6,267	85,540	730,049
		$ 116,880	$ 1,053,006
December 31, 2022：			
CHENG-HSIN Engineering & Services CO., LTD	2,772	$ 31,340	$ 186,289
Sunrise Tech. Co. Ltd	6,267	85,540	421,110
		$ 116,880	$ 607,399

(22)Operating revenue

	For the Years ended December 31,	
	2023	2022
Sales revenue	$ 2,340,755	$ 1,958,487
Service revenue	15,305,116	13,533,099
Other operating revenue	46,092	46,624
	$ 17,691,963	$ 15,538,210

(A) Disaggregation of revenue from contracts with customers

For the Years ended December 31, 2023：

	By operating segments			
	Electricity Power	Service	Engineering and other	Total
The timing of revenue recognition				
The revenue recognized at a point in time	$ 1,669,866	$ －	$ 670,888	$ 2,340,754
The revenue recognized over time	11,519,765	2,435,872	1,395,572	15,351,209
	$ 13,189,631	$ 2,435,872	$ 2,066,460	$ 17,691,963

For the Years ended December 31, 2022：

	By operating segments			
	Electricity Power	Service	Engineering and other	Total
The timing of revenue recognition				
The revenue recognized at a point in time	$ 1,471,830	$ －	$ 486,657	$ 1,958,487
The revenue recognized over time	10,127,353	1,920,039	1,532,331	13,579,723
	$ 11,599,183	$ 1,920,039	$ 2,018,988	$ 15,538,210

(B) Contract balances

	December 31, 2023	December 31, 2022
Contract assets		
Construction	$ 2,790,405	$ 2,691,563
Offer of services and maintenances	527,953	306,600
Others	61,250	64,357
Less: Loss allowance	(122,860)	(38,909)

	December 31, 2023	December 31, 2022
Contract assets－current	$ 3,256,748	$ 3,023,611
Contract liabilities		
Sale of goods	$ 83,996	$ 157,014
Sale of real estate	128,880	3,000
Construction	4,803,987	3,453,584
Others	34,249	—
Contract liabilities－current	$ 5,051,112	$ 3,613,598

The changes in the contract liability balances primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment. The major changes were as follows:

	For the Years ended December 31,	
	2023	2022
Contract assets		
Level of completion measures change	$ 81,648	$ 35,311
Contract liabilities		
Level of completion measures change	$ 1,339,503	$ 1,019,867

The Corporation recognized in revenue from the beginning balance of contract liabilities was as follows:

	For the Years ended December 31,	
	2023	2022
Beginning balance of contract liabilities		
Sale of goods	$ 112,270	$ 110,177
Offer of services and maintenances	33,447	31,692
	$ 145,717	$ 141,869

(23) Interest income

	For the Years ended December 31,	
	2023	2022
Bank deposits	$ 23,486	$ 7,875
Financial assets at amortized cost	252	37
Other	21,403	18,142
	$ 45,141	$ 26,054

(24) Other income

	For the Years ended December 31,	
	2023	2022
Dividend income	$ 5,364	$ 8,450
Other	231,073	240,411
	$ 236,437	$ 248,861

(25) Other gains and losses

	For the Years ended December 31,	
	2023	2022
Gain (Loss) on disposal of property, plant and equipment	$(6,934)	$(7,648)
Gain (Loss) on disposal of investment	1,283	—
Gain on Lease modification	100	507
Net currency exchange gains (losses)	(22,343)	66,385
Net gains (losses) on financial assets (liabilities) at FVTPL	12,423	(43,598)
Other expenditure	(2,051,860)	(11,936)

	For the Years ended December 31,	
	2023	2022
Impairment loss	–	(10,845)
	$(2,067,331)	$(7,135)

(26) Finance costs

	For the Years ended December 31,	
	2023	2022
Interest expenses	$(43,095)	$(35,622)
Interest expenses of lease liabilities	(26,755)	(27,186)
Capitalization of interest	3,843	1,331
	$(66,007)	$(61,477)

(27) Expenses by nature

	For the Years ended December 31, 2023			For the Years ended December 31, 2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Salary	$ 773,291	$ 769,676	$ 1,542,967	$ 702,256	$ 814,025	$ 1,516,281
Labor & health insurance	90,974	45,455	136,429	83,084	38,542	121,626
Pension	46,044	22,948	68,992	44,142	15,163	59,305
Directors' remuneration	–	53,116	53,116	–	66,685	66,685
Others	46,852	48,399	95,251	43,497	42,834	86,331
Depreciation	1,482,845	68,297	1,551,142	1,305,511	47,183	1,352,694
Amortization	132,732	3,006	135,738	93,889	1,414	95,303
	$ 2,572,738	$ 1,010,897	$ 3,583,635	$ 2,272,379	$ 1,025,846	$ 3,298,225

The additional information of number of employees and benefit were as follows:

	For the Years ended December 31,	
	2023	2022
Number of employees	1,741	1,710
Number of directors who are not employees	5	4
Average employee benefit expense	$ 1,062	$ 1,045
Average salary	$ 889	$ 889
Adjustment situation of average salary	–	11.7%

A. The Corporation's policy for compensation of directors, managers and employees is as follows:

(A) Employees

The Corporation set up the employees' salary policies in accordance with the market salary level, the responsibilities of functional level and the operating needs, and uses the employee's academic experience, job rank, responsibilities and personal performances as an important basis for salary assessment.

The Corporation's annual salary adjustments are determined based on operating conditions, budgets, price levels and market salary levels.

The individual employee's salary adjustments will be determined based on their performance and their salary competitiveness compared to same job rank.

The Corporation's salary included recurring salary (principal salary and monthly fixed allowances and bonuses), overtime (taxable or exempt tax) and non-recurring salary (non-monthly allowance, bonuses, employee compensation, etc.).

(B) Managers

The appointment of the general manager and deputy general managers (job rank) is in accordance with the Corporation's regulations, and the compensation policy is based on the job and responsibilities of the position, the achievement rate of the Corporation's overall operating goals, personal performance and academic experience, and consideration of peers based on the salary level of the same nature in the market.

(C)The Corporation has no supervisors.

(D)Director

Directors' remuneration includes carriage fees, remuneration, attendance fees, and distribution of earnings. According to the Corporation's articles, distribute less than 3% of current year's profit as remuneration to directors after resolution by board of directors and reporting to shareholders' meeting.

B. The Corporation shall distribute greater than 1% of current year's profit as Employees' bonus and less than 3% of current year's profit as remuneration to directors and supervisors after offsetting the cumulative losses, if any. The Corporation recognized accrued employees' compensation was $23,527 thousand and $30,330 thousand for the year periods ended December 31, 2023 and 2022, respectively. The Corporation recognized accrued remuneration to directors was $47,054 thousand and $60,661 thousand for the year periods ended December 31, 2023and 2022, respectively. These accrued based on aforementioned ratio 1% and 2%. According to changes in Accounting Estimates, the differences between these amounts and the amounts proposed in the following year are adjusted for in the year of the proposal.

C. The appropriations of 2023 and 2022 were agreed in the meeting of board of directors on March 11, 2024 and March 8, 2023, respectively. The employees' compensation and remuneration to directors and supervisors were as follows:

	For the Year Ended December 31,			
	2023		2022	
	Employees' compensation	Remuneration to directors	Employees' compensation	Remuneration to directors
Appropriations	$ 23,527	$ 47,054	$ 30,330	$ 60,661

There was no difference between the aforementioned amounts of the employees' compensation approved in the board of directors' meetings, and the amounts recognized in the financial statements.

Information on the compensation to employees and directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(28)Income tax

A.Components of income tax expense:

	For the Years ended December 31,	
	2023	2022
Current tax:		
Current tax on profits for the period	$ 833,132	$ 509,164
Income tax adjustments on prior years	(21,023)	(25,344)
Deferred tax:		
Temporary differences	(115,683)	23,974
Total income tax expense recognized in profit or loss	$ 696,426	$ 507,794

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	For the Years ended December 31,	
	2023	2022
Profit before income tax	$ 2,282,121	$ 2,942,032
Income tax payable calculated by Statutory tax rate	$ 456,424	$ 588,406
Adjustment to effect of tax:		
Nondeductible (deductible) items in determining taxable income	363,997	(93,064)
Exemption income	(9,796)	(2,891)
Income tax credits	(16,996)	(12,374)

	For the Years ended December 31, 2023	2022
Additional tax on un-appropriated earnings	28,249	21,944
Income tax adjustments on prior years	(10,392)	(25,344)
Land Value Increment Tax	623	229
Adjustments on other income tax	—	6,914
Net differences on deferred income tax	(115,683)	23,974
Income tax expense recognized in profit or loss	$ 696,426	$ 507,794

B. Deferred income tax assets or liabilities as result of temporary differences

The Years ended December 31, 2023：

Deferred income tax assets	Balance at Beginning of Year	Recognized in Profit or Loss	Balance at End of Year
Temporary differences			
Unrealized reduce inventory to market	$ 54,363	$(6,223)	$ 48,140
Unrealized deferred sales profit	310,201	98,641	408,842
Impairment loss	—	20,411	20,411
Others	662	(147)	515
	$ 365,226	$ 112,682	$ 477,908

Deferred income tax liabilities	Balance at Beginning of Year	Recognized in Profit or Loss	Balance at End of Year
Temporary differences			
Property, plant and equipment	$ 286,075	$ —	$ 286,075
Exchange differences on translating foreign operations	54,621	—	54,621
Others	7,408	(3,001)	4,407
	$ 348,104	$(3,001)	$ 345,103

The Years ended December 31, 2022：

Deferred income tax assets	Balance at Beginning of Year	Recognized in Profit or Loss	Balance at End of Year
Temporary differences			
Unrealized reduce inventory to market	$ 128,895	$(74,532)	$ 54,363
Unrealized deferred sales profit	250,779	59,422	310,201
Other	2,118	(1,456)	662
	$ 381,792	$(16,566)	$ 365,226

Deferred income tax liabilities			
Temporary differences			
Property, plant and equipment	$ 286,075	$ —	$ 286,075
Exchange differences on translating foreign operations	54,621	—	54,621
Others	—	7,408	7,408
	$ 340,696	$ 7,408	$ 348,104

C. Information of unrecognized deferred income tax assets / liabilities associated with investments:

	December 31, 2023	December 31, 2022
Unrecognized as deferred income tax assets		
Temporary differences associated with investments in subsidiaries	$ 414,211	$ 740,943

Unrecognized as deferred income tax assets		
Temporary differences associated with investments in subsidiaries	$ 24,493	$ 26,431

D. Affected by COVID-19, the Corporation's income tax payable for 2022, 2021 and 2020 was approved on June 12, 2023, July 1, 2022 and June 29, 2021 by National Taxation Bureau of Taipei, Ministry of Finance to pay in 36 installments. As of December 31, 2023, the tax payable has been paid was as follows:

	Year		
	2022	2021	2020
Income tax payable	$ 482,455	$ 501,099	$ 390,010
Number of installments paid	6 installments	18 installments	30 installments

E. Income tax assessed and approved situations

The Corporation income tax return filings through 2021 had been assessed and approved by tax authority. The balances of the income tax credit had been assessed and approved by tax authority in each year were adjustment.

(29) Earnings per share (EPS)

	For the Years ended December 31,	
	2023	2022
Basic EPS ($):		
Income attributable to owners of parent	$ 1,585,695	$ 2,434,238
Weighted average number of ordinary shares in issue used in calculating basic EPS (in thousands)	488,513	467,105
Basic EPS ($) after tax	$ 3.25	$ 5.21

	For the Years ended December 31,	
	2023	2022
Diluted earnings per share:		
Income attributable to owners of parent	$ 1,585,695	$ 2,434,238
Assumed conversion of all dilutive potential ordinary share:		
Effect shares on convertible bonds	—	12,364
Income attributable to ordinary shareholders of the parent plus assumed conversion of dilutive potential ordinary shares	$ 1,585,695	$ 2,446,602
Weighted average number of ordinary shares in issue used in calculating basic EPS (in thousands)	488,513	467,105
Weighted average number of ordinary shares of convertible bonds (in thousands)	—	26,786
Income attributable to weighted average number of ordinary shareholders of the parent plus assumed conversion of dilutive potential ordinary shares (in thousands)	488,513	493,891
Diluted EPS ($) after tax	$ 3.25	$ 4.95

(30) Reconciliation of Liabilities from Financing Activities

The Years ended December 31, 2023：	January 1, 2023	Cash Flows	Non-cash changes Others	December 31, 2023
Short-term debts	$ 410,871	$ 121,878	$ －	$ 532,749
Lease liabilities	2,637,172	(1,225,646)	1,167,231	2,578,757
Bonds payable (including Current portion of put option bonds)	3,440,139	－	(1,442,187)	1,997,952
Long-term liabilities (including Current portion of long-term liabilities)	430,000	70,000	－	500,000
Guarantee deposit received	20,187	(170)	－	20,017
Total liabilities from Financing Activities	$ 6,938,369	$(1,033,938)	$(274,956)	$ 5,629,475

The Years ended December 31, 2022：	January 1, 2022	Cash Flows	Non-cash changes Others	December 31, 2022
Short-term debts	$ 773,531	$(362,660)	$ －	$ 410,871
Lease liabilities	1,479,081	(1,103,926)	2,262,017	2,637,172
Bonds payable (including Current portion of put option bonds)	3,434,306	－	5,833	3,440,139
Long-term liabilities (including Current portion of long-term liabilities)	900,000	(470,000)	－	430,000
Guarantee deposit received	22,013	(1,826)	－	20,187
Total liabilities from Financing Activities	$ 6,608,931	$(1,938,412)	$ 2,267,850	$ 6,938,369

7. RELATED PARTY TRANSACTIONS

(1) Related party name and their relationship with the Corporation

Name of related parties	Relationship with the Corporation
CHEM USA CORPORATION (CHEM USA)	Subsidiary
Etrovision technology Co., Ltd. (Etrovision)	Subsidiary
CHENG-HSIN Engineering & Services CO., LTD (Chesco)	Subsidiary
San-feng construction Co., Ltd. (San-feng)	Subsidiary
Wha Dun Building Management Service Co., Ltd. (Wha Dun)	Subsidiary
Sunrise Tech. Co. Ltd. (Sunrise)	Subsidiary
Global-Entech Co., Ltd. (Global)	Subsidiary
Tone-zoom industry Co., Ltd. (Tone-zoom)	Subsidiary
Bao-Sheng Global Co., Ltd. (Bao Sheng)	Subsidiary
FinData Technology Corp. (FinData)	Subsidiary
Tian Fu Energy Co., Ltd. (Tian Fu)	Subsidiary
Tian Cin Energy Co. (Tian Cin)	Subsidiary
Tian Peng Energy Co. (Tian Peng)	Subsidiary
Tian Chong Energy Co. (Tian Chong)	Subsidiary
Yun-yi Energy Co., Ltd. (Yun-yi)	Subsidiary
Hueilan Energy Co., Ltd. (Hueilan)	Subsidiary (Disposal in Nov 2023)
Chung- Hsin Energy Tech. Inc. (CET)	Subsidiary
Stellar Power System Co., Ltd.（Stellar）	Subsidiary
CHEM CORP	Subsidiary
H2 Power Tech, LLC. (H2PT)	Subsidiary

Name of related parties	Relationship with the Corporation
CHEM J-V Limited	Subsidiary
Jiangsu Chung-Hsin Precision Machinery Co., Ltd. (Chem Precision)	Subsidiary
Chung-Hsin Power Systems Corp. (Chem Power)	Subsidiary
Chem-tech (Shang-hai) Corp. (Chem tech)	Subsidiary
Chemly power equipment Corp. (ChemLY)	Subsidiary
Chung-Hsin Power Systems (Shenyang) Inc. (Chem Shenyang)	Subsidiary to be disposed (Sold in June 2022)
EGME ENERGY ECOSYSTEMS (INDIA) PRIVATE LIMITED (EGME)	Subsidiary
CHEM ENERGY SA (Pty) Ltd. (ENERGY SA)	Subsidiary
CHEM FUEL CELL(M) SDN.BHD (Chem Fuel)	Subsidiary
Sheng-yuan investment Corp. (Sheng-yuan)	Associate
Guang-Hsin engineering & services Co., Ltd. (Guang-Hsin)	Associate
Li-Xiang Technology Co., Ltd. (Li-Xiang)	Associate
Nomura Chung-Hsin Machinery Corporation (Nomura Chung-Hsin)	Associate
Aura Material Inc. (Aura Material)	Associate
Qingdao Sunhydro group. Co. Ltd. (Sunhydro)	Associates
Wuxi Hengchi Chem switchgear Co., Ltd. (Wuxi Hengchi)	Associate
CHC International Investment Corp. (Chung Chia)	Other related party
Director, supervisor, general manager and vice manager	Key management

(2) Trading transactions

A. Sales revenue

	For the Years ended December 31, 2023	2022
Subsidiaries		
Tian Chong	$ 133,005	$ 1,097,334
Other	288,701	762,161
Associates	4,036	233,680
	$ 425,742	$ 2,093,175

The Corporation sold or provided service to above mentioned associated and related parties was based on mutually agreed terms.

B. Purchase

	For the Years ended December 31, 2023	2022
Subsidiaries	$ 963,896	$ 953,611
Associates	5,766	20,979
	$ 969,662	$ 974,590

The Corporation purchased from above mentioned subsidiaries, associates and related parties were based on mutually agreed terms.

C. Property transactions

Acquisition of property, plant and equipment

	Acquisition Price 2023	2022
Subsidiaries	$ 164	$ 23,266
Associates	—	2,580
	$ 164	$ 25,846

D. Other

(A) Cost / Expenses attributable

	For the Years ended December 31, 2023	2022
Subsidiaries	$ 178,050	$ 164,254
Associates	3,150	3,150
	$ 181,200	$ 167,404

(B) Other income

	For the Years ended December 31, 2023	2022
Subsidiaries		
Tian Chong	$ 93,985	$ 113,154
Tian Peng	54,484	68,233
Others	16,532	20,676
Associates	—	5,627
	$ 165,001	$ 207,690

E. Contract Assets

	December 31, 2023	December 31, 2022
Subsidiaries	$ 199,386	$ 219,599
Associates	3,979	—
	203,365	219,599

F. Notes receivable

	December 31, 2023	December 31, 2022
Subsidiaries	$ 222	$ 584

G. Accounts receivable

	December 31, 2023	December 31, 2022
Subsidiaries	$ 38,068	$ 16,999
Associates	—	126,545
	$ 38,068	$ 143,544

H. Notes payable

	December 31, 2023	December 31, 2022
Subsidiaries		
Etrovision	$ —	$ 20,291
Bao Sheng	—	24,536
	$ —	$ 44,827

I. Accounts payable

	December 31, 2023	December 31, 2022
Subsidiaries	$ 197,051	$ 117,156
Associates	—	22
	$ 197,051	$ 117,178

J. Others accounts receivable / payable

(A) Other receivable (excluding loans to related parties)

	December 31, 2023	December 31, 2022
Subsidiaries	$ 51,751	$ 10,465
Associates	8,266	—
	$ 60,017	$ 10,465

(B) Others payable-other

	December 31, 2023	December 31, 2022
Subsidiaries	$ 17,669	$ 17,302
Associates	1,292	630
	$ 18,961	$ 17,932

K. Prepayments

	December 31, 2023	December 31, 2022
Subsidiaries	$ 5,659	$ 47,604
Associates	18,284	35,402
	$ 23,943	$ 83,006

L. Prepayments for equipment (under other non-current assets)

	December 31, 2023	December 31, 2022
Subsidiaries	$ 10,819	$ —

M. Guarantee deposit received

	December 31, 2023	December 31, 2022
Subsidiaries	$ 12	$ 12

N. Engineering contracts

	December 31, 2023	
	Contract amounts	Amounts paid
Subsidiaries	$ 649,158	$ 639,340

	December 31, 2022	
	Contract amounts	Amounts paid
Subsidiaries	$ 554,944	$ 484,407

O. Construction contracts

	December 31, 2023	
	Contract amounts	Amounts paid
Subsidiaries	$ 7,068,103	$ 7,068,103

	December 31, 2022	
	Contract amounts	Amounts paid
Subsidiaries	$ 7,068,103	$ 7,068,103

P. Financial Provided

(A) Other receivable

	December 31, 2023	December 31, 2022
Subsidiaries		
Tian Chong	$ 642,500	$ 642,500
Tian Peng	334,300	334,300
Tian Cin	119,000	186,700
	$ 1,095,800	$ 1,163,500
Range of Interest rate	1.10%～3.00%	1.10%～3.00%

	Interest Income	
	For the Years ended December 31,	
	2023	2022
Subsidiaries		
Tian Chong	$ 11,556	$ 9,948
Tian Peng	6,009	5,630
Others	2,565	1,800
	$ 20,130	$ 17,378

(B) Other long-term receivable (under other non-current assets)

	December 31, 2023	December 31, 2022
Subsidiaries	$ 6,529	$ 8,640

Q. Dividend income (deduction of investment accounted under the equity method)

	For the Years ended December 31,	
	2023	2022
Subsidiaries		
Sunrise	$ 99,930	$ 33,955
Global	4,249	—
Etrovision	18,405	—
	122,584	33,955
Associates		
Guang-hsin	33,802	13,521
Sheng Yuan	46,333	—
	80,135	13,521
	$ 202,719	$ 47,476

R. Other

The Corporation participates in the cash capital increase of related parties and increase investments were as follows:

For the years ended December 31, 2023

	Increase investment		Percentage of shares	
	Shares (In thousands)	Amount	Before increase capital	After increase capital
Global	—	$ 12	99.99%	99.99%
Stellar	2,200	22,000	—	100.00%
CET	9,500	95,000	100.00%	100.00%
Yun-yi	3,280	8,000	88.37%	100.00%
		$ 125,012		

For the years ended December 31, 2022

	Increase investment		Percentage of shares	
	Shares (In thousands)	Amount	Before increase capital	After increase capital
Global	3,300	$ 33,000	99.99%	99.99%
Tone-zoom	103	13,434	58.04%	67.96%
Bao Sheng	10,000	100,000	100.00%	100.00%
Yun-yi	24,920	249,200	—	88.37%
Aura Material	3,700	37,000	—	37.00%
Hueilan	2,720	14,373	—	100.00%
EGME	—	14,136	—	71.80%
Energy SA	85	60,340	—	53.75%
		$ 521,483		

S. Endorsement / Guarantee provide

	December 31, 2023	December 31, 2022
Subsidiaries	$ 9,629,698	$ 4,898,046

(3) Key management compensation

	For the Years ended December 31,	
	2023	2022
Salaries and other short-term employee benefits	$ 92,035	$ 102,553
Post-employment benefits	2,954	1,144
	$ 94,989	$ 103,697

8. PLEDGED ASSETS

(1) Assets (book values) were pledged for bank loans or engineering guarantee as follows:

	December 31, 2023	December 31, 2022
Time deposits	$ 100,367	$ 121,194
Deposit with bank	—	12,142
Property, plant and equipment	107,401	108,984
Investment property	508,466	514,691
Guarantee deposit paid	129,938	159,770
	$ 846,172	$ 916,781

(2) As of December 31, 2023 and 2022, the Corporation all provided the 99,805 thousand shares and 167,462 thousand shares of subsidiaries servers as collaterals for subsidiaries' bank loan.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

Except as note disclosure, the Corporation has other significant contract commitments and contingencies were as follows:

(A) The Corporation had commitments for engineering contracts guaranteed for a certain period of time after equipment or project completed, delivered and accepted by customers.

(B) As of December 31, 2023 and 2022, amounts of material engineering contracts under construction signed were $28,799,699 thousand and $25,408,552 thousand, respectively; and payments made were $19,158,389 thousand and $18,361,820 thousand, respectively.

(C) As of December 31, 2023 and 2022, the unused letters of credit listed as follows:

Expressed in thousands

Currency	December 31, 2023	December 31, 2022
USD	–	2,348
Japanese Yen	474,412	432,647
Euro	172,500	–

(D) As of December 31, 2023 and 2022, the guarantees of material engineering contracts pledged by banks were $5,360,361 thousand and $5,026,528 thousand, respectively.

(E) As of December 31, 2023 and 2022, the Corporation issued notes as guarantee for bank borrowing, engineering contracts and bond, etc. were $45,093,071 thousand and $34,121,999 thousand, respectively.

(F) As of December 31, 2023 and 2022, the Corporation endorsed as guarantees for other companies both were NTD $9,820,232 thousand and NTD $5,088,580 thousand, respectively.

(G) The Corporation had been bid for engineer project of Linyuan plant of CPC Corporation, and signed the contract on April 18, 2000. The Corporation had been completed this project and be accepted by CPC. However, CPC arbitrarily deducted $23,716 thousand from the payment to the Corporation because CPC claimed the Corporation delayed the power generation project, and rejected additional construction payment $15,630 thousand because CPC disagreed this additional construction payment. The Corporation sued CPC for the deduction and requested payment $47,530 thousand with interest. Lawsuits under processing were listed as follows:

A. According the first judgment of the court, CPC should pay the Corporation $40,964 thousand. CPC did not accept the judgment and appealed the case. The second judgment overruled the amount exceeding $27,980 thousand. Both CPC and the Corporation appealed the case.

B. According the second judgment of the court, CPC should pay the Corporation $1,645 thousand and overruled the rest.

C. Both CPC and the Corporation appealed the case. CPC should pay the Corporation a $1,645 thousand was sure and the rest under processing of Taiwan Supreme court.

D. The Taiwan Supreme court had judgment that CPC Corporation should pay the Corporation other $8,144 thousand with interest and rejected the arbitration request of the Corporation on September 29, 2016. Both CPC and the Corporation appealed the case. Judgment No. 466 of the Supreme Court on 2017, abandoned the original trial that is not conducive to the part of the Corporation, sent back to the High Court more trial, and overruled the CPC Corporation's appeal. So the judgment No. 113 on 2012 was sure.

E. The Taiwan Supreme court judgment zhong-shang-geng-3-51 on 2017 had judgment that CPC Corporation should pay the Corporation other $15,382 thousand and rejected the arbitration request of the Corporation. Both of the Corporation and CPC Corporation appealed against the disadvantage. The Taiwan Supreme court judgment Taishang-Zi-2368 on 2021 had judgment the CPC should be paid to the Corporation $322 thousand with its interest, and also rejected the second arbitration about the company requests the overdue liquidated damages deduction part to the court of second instance for trial. On June 15, 2023, the Taiwan Supreme court reached a settlement. Both of the Corporation and the CPC agreed that CPC paid another $13,866 thousand to the Corporation.

10. SIGNIFICANT CATASTROPHE

None.

11. SUBSEQUENT EVENTS

None.

12. OTHERS

(1) Capital risk management

The Corporation manages its capital to ensure that entities in the Corporation will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Corporation adopts prudent risk management strategy and performs audit on a regular basis. The capital structure of the Corporation is determined according to the business development strategies and operational requirements.

(2) Financial instruments

(A) Categories of financial instruments

	December 31, 2023		December 31, 2022	
Financial assets				
Measured at FVTPL				
Mandatorily at FVTPL	$	140,787	$	74,180
Measured at amortized cost (Note 1)		5,205,590		5,127,651
	$	5,346,377	$	5,201,831
Financial liabilities				
Measured at FVTPL	$	—	$	2,234
Measured at amortized cost (Note 2)		6,408,922		8,858,426
	$	6,408,922	$	8,860,660

Note 1: The amount includes cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable (including related parities), other receivables (including related parities), deposit guarantee paid, other long-term receivables, restricted assets and other financial assets measured at amortized cost.

Note 2: The amount includes short-term debts, short-term bonds payable, notes and accounts payable (including related parities), other payables (including related parities), bonds payable, long-term debts and guarantee deposit received measured at amortized cost.

(B) Fair value of financial instruments

a. Measured without using fair value

The Corporation's measured at amortized cost of financial assets / loans and receivables and financial liabilities had carrying values that very close to their fair values.

b. Measured by using fair value

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3. Level 3 inputs are unobservable inputs for the asset or liability.

The following table provides an analysis of financial assets and liabilities that are measured subsequent to initial recognition at fair value on the recurring basis:

	December 31, 2023							
	Level 1		Level 2		Level 3		Total	
Financial assets at FVTPL								
Listed stocks	$	47,437	$	—	$	—	$	47,437
Unlisted stocks		—		—		93,350		93,350
	$	47,437	$	—	$	93,350	$	140,787

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed stocks	$ 49,793	$ —	$ —	$ 49,793
Unlisted stocks	—	—	20,390	20,390
Beneficiary certificate	3,997	—	—	3,997
	$ 53,790	$ —	$ 20,390	$ 74,180
FVTPL Financial Liabilities				
Call / Put option of convertible bond	$ —	$ 2,234	$ —	$ 2,234

The Corporation held financial assets and liabilities measured at fair value on a recurring basis were no transfers between Level 1 and Level 2 for the years ended December 31, 2023 and 2022.

Reconciliation of Level 3 fair value measurements of financial instruments

The financial assets measured at Level 3 fair value were equity investments classified as financial assets at FVTPL. Reconciliations for the year of 2023 and 2022 were as follows:

	For the Years ended December 31,	
	2023	2022
Balance at beginning of period	$ 20,390	$ 28,860
Increase for the period	72,200	—
Refund of capital reduction for the period	(7,975)	(3,988)
Recognized in profit (loss)	8,735	(4,482)
Balance at end of period	$ 93,350	$ 20,390

c. Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active and liquid markets are determined with reference to quoted market prices;
- The call / put option of convertible bonds adopt the binomial tree model to estimate the fair value. The significant observable input value used is stock price volatility.
- The financial assets and liabilities without active and liquid markets are determined with estimate of fair value by market method. That based on past financial activities, value of similar companies, technique development of company and its expectations of market development and so on.
- Derivatives Instruments were evaluated based on evaluation models accepted by market users such as Discount method and option pricing model. Forward exchange contracts are measured using forward exchange rates that are derived from quoted market prices.

(C)Financial risk management objectives and policies

The Corporation's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Corporation's overall risk management programmed focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Corporation's financial position and financial performance.

The important financial activities are reviewed by Board of Directors in accordance with procedures required by relevant regulations or internal controls. The Corporation treasury identifies, evaluates and hedges financial risks in close co-operation with the Corporation's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters and investment of excess liquidity.

A. Market risk

Foreign exchange risk

Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. To manage their foreign exchange risk, the Corporation use forward foreign exchange contracts for hedge.

The Corporation has no hedge for investments in foreign operations due to these are strategic investment.

Sensitive analyses of foreign exchange risk are calculated for foreign currency items on the end of reporting date.

The significant financial assets and liabilities denominated in foreign currencies were as follows:

he end of reporting date.

The significant financial assets and liabilities denominated in foreign currencies were as follows:

	December 31,2023		December 31,2022	
(Foreign currencies: function currency)	Foreign Currency (In Thousands)	Exchange Rate	Foreign Currency (In Thousands)	Exchange Rate
Financial assets				
Monetary items				
USD: NTD	11,769.97	30.71	13,128.43	30.71
JPY: NTD	1,070,222.69	0.2172	34,185.90	0.2324
Euro: NTD	12,897.78	33.98	13,964.22	32.72
RMB: NTD	41,038.52	4.3302	52,013.12	4.4178
Non-monetary items				
USD: NTD	76,500.89	30.71	76,804.43	30.71
Financial liabilities				
Monetary items				
USD: NTD	1,469.51	30.71	427.01	30.71
JPY: NTD	329,430.08	0.2172	231,931.91	0.2324
Euro: NTD	39.44	33.98	82.00	32.72
RMB: NTD	27,187.51	4.3302	3,534.03	4.4178

When new Taiwan dollars are upvaluation with foreign currency about 1%, the incomes are decreased $9,741 thousand and $10,125 thousand, respectively for the years ended December 31, 2023 and 2022. When the new Taiwan dollars are devaluation with foreign currency about 1%, its impact amount is the negative amount of the same amount.

Interest rate risk

Interest rate risk is the risk in changes of fair value on financial instruments due to market interest ratio changed. Interest rate risk arises from deposits with banks and long-term or short-term debts.

Sensitive analyses of interest rate risk are determined with exposure interest risk on the end of reporting date and all other variables were held constant. When the interest ratios are increased 1 yard, the incomes are decreased $2,601 thousand and $1,681 thousand, respectively for the years ended December 31, 2023 and 2022.

Other Price risk

The Corporation is exposed to equity securities price risk because of financial asset at fair value through profit or loss. All of material equity investment should be approved by director of board.

Sensitive analyses of price risk in equity instruments are calculated in changes of fair value on the end of reporting date. When the value of equity instruments are increase 5%, the incomes are increased $2,369 thousand and $2,683 thousand, respectively for the years ended December 31, 2023 and 2022. When the value of equity instruments are decrease 5%, its impact amount is the negative amount of the same amount.

B. Credit risk

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Corporation. Credit risk arises from receivables from operating activities and deposits with banks, fixed revenues investments and other financial instruments from investing activities. The credit risk of operating and financial are managed individually.

Operating credit risk

The Corporation has set up the processes about credit risk management for maintenance the quality of accounts receivables.

Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The Corporation will use instruments for increasing credit at appropriate time, such as prepayments for purchasing; collateral and guarantee etc. for reduce the credit risk.

As of December, 2023 and 2022, the accounts receivables of customers that are more than 10% of operating revenues are based on accounts receivables are 21% and 36%, respectively. Others accounts receivables are not material for centralized credit risk.

Financial credit risk

The finance department of the Corporation is responsible for measurement and monitor in credit risk of deposit with bank and other financial instruments. For banks and financial institutions, only independently rated parties with investing grade, corporation organization and governments are accepted. Therefore, there are not material credit risks.

Liquidity risk Management

The Corporation manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring the use of loan credits and the compliance to loan contracts.

The tables below have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date the Corporation can be required to pay.

	December 31, 2023				
	Less Than 1 Year	Between 2 Year and 3 Years	Between 4 Years and 5 Years	Over 5 Years	Total
Non derivatives financial liabilities:					
Short-term debts	$ 532,749	$ —	$ —	$ —	$ 532,749
Accounts and notes payable (including related parties)	2,456,134	—	—	—	2,456,134
Other accounts payable (including related parties)	902,070	—	—	—	902,070
Lease liabilities	1,057,412	1,390,478	124,019	6,848	2,578,757
Long-term debts (including current portion of long-term liabilities)	62,500	437,500	—	—	500,000
Bonds payable	—	1,997,952	—	—	1,997,952
	$ 5,010,865	$ 3,825,930	$ 124,019	$ 6,848	$ 8,967,662

	December 31, 2022				
	Less Than 1 Year	Between 2 Year and 3 Years	Between 4 Years and 5 Years	Over 5 Years	Total
Non derivatives financial liabilities:					

	December 31, 2022				
	Less Than 1 Year	Between 2 Year and 3 Years	Between 4 Years and 5 Years	Over 5 Years	Total
Short-term debts	$ 410,871	$ —	$ —	$ —	$ 410,871
Accounts and notes payable (including related parties)	3,623,039	—	—	—	3,623,039
Other accounts payable (including related parties)	934,190	—	—	—	934,190
Lease liabilities	935,952	1,258,824	441,992	404	2,637,172
Long-term debts (including current portion of long-term liabilities)	1,722,933	150,000	—	—	1,872,933
Bonds payable	—	—	1,997,206	—	1,997,206
	$ 7,626,985	$ 1,408,824	$ 2,439,198	$ 404	$ 11,475,411

13. ADDITIONAL DISCLOSURES

(1) Significant transactions information and (2) Information on investees:

(A)Financing provided: attached table 1.
(B)Endorsement/guarantee provided: attached table 2.
(C)Marketable securities held: attached table 3.
(D)The cumulative buying or selling amount of one specific security exceeding of $300 million or 20 percent of the paid-in capital: None.
(E)Acquisition of individual real estates at costs exceeding of $300 million or 20% of the paid-in capital: None.
(F)Dispose of individual real estates at costs exceeding of $300 million or 20% of the paid-in capital: None.
(G)Total purchase from or sale to related parties amounting to exceeding of $100 million or 20% of the paid-in capital: attach table 4.
(H)Receivables from related parties amounting to exceeding of $100 million or 20% of the paid-in capital: attached table 5.
(I)Derivative financial transactions: None.
(J)Names, locations, and related information of investees over which the company exercises significant influence: attach table 6.

(3) Information of investment in China

(A)Names, main businesses, total paid-in capital, method of investment, investment out / in flows, percentage of ownership, investment profit (loss) of this period, Book value, accumulated amount of investment income remitted back to Taiwan and upper limit on investment in China. (Table 7)
(B)Significant inter-company transactions, price, credit term, unrealized profit or loss and other related information for understanding the effect of investment in China. (Refer to table 1, 3 and 5)

(4) Information of major shareholders: attach table 8.

14. SEGMENT FINANCIAL INFORMATION

The Corporation had disclosure the segment financial information in the consolidated financial statements.

Chung-Hsin Electric and Machinery Manufacturing Corp.
Financing provided details
For the Years Ended December 31, 2023
In Thousands of New Taiwan Dollars

Attached table 1

No	Financing company's name	Counter party	Financial statement account	Related Party	Maximum balance for the period	Ending balance (2)	Amounts of loan (3)	Interest Rate (%)	Type of financing (1)	Transaction amount	Reasons for short-term financing	Allowance for bad debt	Collateral		Financing limit for each borrowing company	Financing company's financing amount limit
													Item	Value		
0	Chung-Hsin Electric and Machinery Manufacturing Corp	EGME ENERGY ECOSYSTEMS (INDIA) PRIVATE LIMITED	Long-term receivable	Yes	6,895	6,529	6,529	—	1	6,529	Accounts receivable transferred	—	—	—	(14) 6,529	(14) 3,150,848
		CHEM FUEL CELL (M) SDN. BHD	Other Receivable	Yes	2,111	—	—	—	1	2,095	Accounts receivable transferred	—	—	—	(14) 2,095	(14) 3,150,848
		Qingdao Sunhydro group Co. Ltd.	Other Receivable	Yes	124,378	122,860	122,860	—	1	122,860	Accounts receivable transferred	122,860	—	—	(14) 122,860	(14) 3,150,848
		Tian Chong Energy Co., Ltd.	Other Receivable	Yes	1,100,000	700,000	642,500	1.10%~3.00%	2	—	Operation needed	—	Note	700,000	(12) 2,000,000	(4) 6,301,695
		Tian Peng Energy Co., Ltd.	Other Receivable	Yes	1,000,000	400,000	334,300	1.10%~3.00%	2	—	Operation needed	—	Note	400,000	(12) 2,000,000	(4) 6,301,695
		Tian Cin Energy Co., Ltd.	Other Receivable	Yes	200,000	200,000	119,000	1.10%~3.00%	2	—	Operation needed	—	Note	200,000	(12) 2,000,000	(4) 6,301,695
		San-Feng construction Co., Ltd.	Other Receivable	Yes	200,000	—	—	1.10%	2	—	Operation needed	—	—	—	(12) 2,000,000	(4) 6,301,695
		CHENG-HSIN Engineering & Services CO., LTD	Other Receivable	Yes	200,000	—	—	1.10%	2	—	Operation needed	—	—	—	(12) 2,000,000	(4) 6,301,695
1	CHENG-HSIN Engineering & Services CO., LTD	Sheng Yuan investment Corp.	Other Receivable	Yes	70,000	70,000	39,000	1.85%	2	—	Operation needed	—	Note	70,000	(8) 463,828	(4) 463,828
		Tian Peng Energy Co., Ltd.	Other Receivable	Yes	70,000	70,000	19,500	1.80%	2	—	Operation needed	—	Note	70,000	(8) 463,828	(4) 463,828
		Tian Chong Energy Co., Ltd.	Other Receivable	Yes	64,000	64,000	46,000	1.80%	2	—	Operation needed	—	Note	64,000	(8) 463,828	(4) 463,828
		Tian Chong Energy Co., Ltd.	Other Receivable	Yes	42,818	42,818	21,409	—	1	81,557	Accounts receivable transferred	—	—	—	(16) 81,557	(16) 231,914
		Tian Peng Energy Co., Ltd.	Other Receivable	Yes	29,393	29,393	14,696	—	1	55,986	Accounts receivable transferred	—	—	—	(16) 55,986	(16) 231,914
		Tian Cin Energy Co., Ltd.	Other Receivable	Yes	7,191	7,191	3,595	—	1	13,697	Accounts receivable transferred	—	—	—	(16) 13,697	(16) 231,914
2	Sunrise Tech. Co. Ltd	Guang-Hsin engineering & services Co., Ltd.	Other Receivable	Yes	85,000	85,000	64,500	1.00%~1.20%	2	—	Operation needed	—	Note	85,000	(9) 100,000	(4) 444,561
		Shengyi electric and machinery Co.	Other Receivable	No	10,000	10,000	10,000	1.60%~2.00%	2	—	Operation needed	—	Note	10,000	(9) 100,000	(4) 444,561
		Nomura Chung-Hsin machinery Corporation	Other Receivable	Yes	5,000	1,000	200	1.00%	2	—	Operation needed	—	Note	1,000	(9) 100,000	(4) 444,561
		San-feng construction Co., Ltd.	Other Receivable	Yes	45,000	—	—	1.00%	2	—	Operation needed	—	—	—	(9) 100,000	(4) 444,561
		Li-Xiang Technology Co., Ltd.	Other Receivable	Yes	7,500	7,500	7,500	2.00%	2	—	Operation needed	—	Check	7,500	(9) 100,000	(4) 444,561
		Tian Peng Energy Co., Ltd.	Other Receivable	Yes	50,000	50,000	26,700	1.80%	2	—	Operation needed	—	Note	50,000	(9) 100,000	(4) 444,561
		Tian Chong Energy Co., Ltd.	Other Receivable	Yes	35,000	35,000	35,000	1.80%	2	—	Operation needed	—	Note	35,000	(9) 100,000	(4) 444,561

Chung-Hsin Electric and Machinery Manufacturing Corp.
Financing provided details
For the Years Ended December 31, 2023
In Thousands of New Taiwan Dollars

Attached table 1

No	Financing company's name	Counter party	Financial statement account	Related Party	Maximum balance for the period	Ending balance (2)	Amounts of loan (3)	Interest Rate (%)	Type of financing (1)	Transaction amount	Reasons for short-term financing	Allowance for bad debt	Collateral		Financing limit for each borrowing company	Financing company's financing amount limit
													Item	Value		
		Me Energy Systems Limited.	Other Receivable	Yes	36,745	29,175	29,175	1.00%	2	—	Operation needed	—	Note	36,238	(9) 100,000	(4) 444,561
3	San-feng construction Co., Ltd.	Tian Peng Energy Co., Ltd.	Other Receivable	Yes	100,000	—	—	1.80%	2	—	Operation needed	—	—	—	(9) 100,000	(5) 230,623
4	Bao-Sheng Global Co., Ltd.	Guang-Hsin engineering & services Co., Ltd.	Other Receivable	Yes	35,000	—	—	1.20%	2	—	Operation needed	—	—	—	(7) 45,000	(4) 133,189
		Chung-Hsin Electric and Machinery Manufacturing Corp	Other Receivable	Yes	41,993	—	—	—	1	156,426	Accounts receivable transferred	—	—	—	(16) 66,594	(16) 66,594
5	Global-Entech Co., Ltd.	Stellar Power System Co., Ltd.	Other Receivable	Yes	8,000	—	—	1.00%	2	—	Operation needed	—	—	—	(6) 10,000	(4) 23,709
6	Etrovision technology Co., Ltd.	Guang-Hsin engineering & services Co., Ltd.	Other Receivable	Yes	19,500	17,500	17,500	1.00%	2	—	Operation needed	—	Note	19,500	(8) 35,445	(4) 35,445
		Me Energy Systems Limited.	Other Receivable	Yes	6,486	6,142	6,142	1.00%	2	—	Operation needed	—	Note	6,142	(8) 35,445	(4) 35,445
7	Chemly power equipment Corp.	Chem-tech (Shang-hai) Corp.	Other Receivable	Yes	2,223	—	—	1.00%	2	—	Operation needed	—	—	—	(10) 17,291	(4) 23,055
		Jiangsu Fumei Landscape & Real Estate Development Co., Ltd.	Other Receivable	Yes	22,089	—	—	1.00%	2	—	Operation needed	—	—	—	(10) 17,291	(4) 23,055

Chung-Hsin Electric and Machinery Manufacturing Corp.
Financing provided details
For the Years Ended December 31, 2023
In Thousands of New Taiwan Dollars

Attached table 1-2

No	Financing company's name	Counter party	Financial statement account	Related Party	Maximum balance for the period	Ending balance (2)	Amounts of loan (3)	Interest Rate (%)	Type of financing (1)	Transaction amount	Reasons for short-term financing	Allowance for bad debt	Collateral		Financing limit for each borrowing company	Financing company's financing amount limit
													Item	Value		
8	CHEM J-V Limited	Chem Corp.	Other Receivable	Yes	213,100	207,562	207,562	1.00%	2	—	Operation needed	—	Note	207,562	(15) 266,913	(15) 444,855
9	CHEM Power Limited	Jiangsu Fumei Landscape & Real Estate Development Co., Ltd.	Other Receivable	Yes	13,253	—	—	1.00%	2	—	Operation needed	—	—	—	(11) 411,596	(4) 823,192
		Chem Corp.	Other Receivable	Yes	407,005	152,676	152,676	1.00%	2	—	Operation needed	—	Note	152,676	(11) 411,596	(4) 823,192
10	Jiangsu Chung-Hsin Precision Machinery Co., Ltd	Chung-Hsin Power Systems (Shenyang) Inc.	Other Receivable	No	84,468	—	—	1.25%	2	—	Operation needed	—	—	—	(13) 290,112	(4) 464,179

(1) Type of financing: 1 business purpose 2 necessary for short term financing.
(2) The amounts of finance were approved by resolution of directors.
(3) The actual amounts of loan happened.
(4) Not exceeding 40% of the net equity current period.
(5) Not exceeding 50% of the net equity current period.
(6) Not exceeding NT$ 10,000 thousand for each counter party.
(7) Not exceeding NT$ 45,000 thousand for each counter party.
(8) Not exceeding 40% of the net equity current period for each counter party.
(9) Not exceeding NT$ 100,000 thousand for each counter party.
(10) Not exceeding 30% of the net equity current period for each counter party.
(11) Not exceeding 20% of the net equity current period for each counter party.
(12) Not exceeding NT$ 2,000,000 thousand for each counter party.
(13) Not exceeding 25% of the net equity current period.
(14) Finance of single company limited to the whole year business transaction amount of latest year. Short-term financing did not exceeding 20% of the net equity current period or the amount of business dealings. The amount of business dealings is the higher of purchase or sales.
(15) When the company engages in finance provided with its parent company, and with foreign companies whose parent company directly or indirectly holds 100% of the voting shares, the amount is not exceeding 40% of the net equity of the company. The total amount shall not exceed 100% of the net equity of the company; not exceeding 60% of the net equity of the company for each counter party.
(16) Finance of single company limited to the whole year business transaction amount of latest year. Short-term financing did not exceed 20% of the net equity current period or the amount of business dealings.

Chung-Hsin Electric and Machinery Manufacturing Corp.
Endorsement / Guarantee provide
For the Years Ended December 31, 2023
In Thousands of New Taiwan Dollars, except as otherwise indicated

Attached table 2

No	Endorsement / guarantee Provider	Endorsement / guarantee for: Name	Endorsement / guarantee for: Relation	Amount limit on each endorsement / guarantee (2)	Maximum balance of endorsement / guarantee during the period	Ending balance of endorsement / guarantee	Amount limit on each endorsement / guarantee	Endorsement / guarantee amount backed by property(11)	Accumulated amount of endorsement / guarantee to net equity (%)	Maximum endorsement / guarantee amount allowed (1)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements /guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China
0	Chung-Hsin Electric and Machinery Manufacturing Corp.	CHENG-HSIN Engineering & Services CO., LTD	2	23,631,357	700,000	700,000	149,105	700,000	4.44%	31,508,476	Yes	No	No
0	Chung-Hsin Electric and Machinery Manufacturing Corp.	San-feng construction Co., Ltd.	2	23,631,357	860,000	700,000	55,186	700,000	4.44%	31,508,476	Yes	No	No
0	Chung-Hsin Electric and Machinery Manufacturing Corp.	Wha Dun Building Management Service Co., Ltd.	2	23,631,357	10,000	10,000	2,860	10,000	0.06%	31,508,476	Yes	No	No
0	Chung-Hsin Electric and Machinery Manufacturing Corp.	Bao-Sheng Global Co.,Ltd.	2	23,631,357	460,000	460,000	126,998	460,000	2.92%	31,508,476	Yes	No	No
0	Chung-Hsin Electric and Machinery Manufacturing Corp.	Tian Chong Energy Co., Ltd.	2	23,631,357	6,802,000	4,582,000	4,031,036	6,282,000	29.08%	31,508,476	Yes	No	No
0	Chung-Hsin Electric and Machinery Manufacturing Corp.	Tian Peng Energy Co., Ltd.	2	23,631,357	4,689,123	3,177,698	2,943,299	4,077,698	20.17%	31,508,476	Yes	No	No
0	Chung-Hsin Electric and Machinery Manufacturing Corp.	Matian Optoelectronics Co., Ltd.	1	23,631,357	95,180	95,180	89,891	—	0.61%	31,508,476	No	No	No
0	Chung-Hsin Electric and Machinery Manufacturing Corp.	Tagumo Technology Co., Ltd.	1	23,631,357	95,354	95,354	95,354	—	0.61%	31,508,476	No	No	No
0	Chung-Hsin Electric and Machinery Manufacturing Corp.	Huilan Dongdian Co., Ltd.	1	23,631,357	80,000	—	—	—	—	31,508,476	No	No	No
					Total 13,791,657	Total 9,820,232	Total 7,493,729		62.33%				
1	Chung-Hsin Electric and Machinery Manufacturing Corp.	San-feng construction Co., Ltd.	3	(3) 3,150,848	250,000	250,000	185,995	250,000	(5) 1.59%	(4) 7,877,119	No	No	No
1	Chung-Hsin Electric and Machinery Manufacturing Corp.	Chung-Hsin Electric and Machinery Manufacturing Corp.	4	(3) 3,150,848	61,662	48,002	48,002	—	(5) 0.30%	(4) 7,877,119	No	Yes	No
					Total 311,662	Total 298,002	Total 233,997		1.89%				
2	CHEM CORP.	Tian Peng Energy Co., Ltd.	4	(6) 433,288	5,513	—	—	—	—	(8) 1,083,221	No	No	No
3	CHEM Power Limited	Tian Peng Energy Co., Ltd.	4	(6) 411,596	101,603	—	—	—	—	(8) 1,028,989	No	No	No
4	CHEM J-V Limited	Tian Peng Energy Co., Ltd.	4	(7) 541,611	43,924	—	—	—	—	(9) 649,933	No	No	No
5	CHEM Power CORP.	Tian Peng Energy Co., Ltd.	4	(7) 541,611	38,592	—	—	—	—	(9) 649,933	No	No	No
6	Sunrise Tech. Co. Ltd	Tian Peng Energy Co., Ltd.	4	(3) 3,150,848	200,000	200,000	—	200,000	(10) 1.27%	(4) 7,877,119	No	No	No

(1) Not exceeding 2 times of the Corporation’s current year net equity.
(2) Not exceeding 1.5 times of the Corporation’s net equity for each company. Exclude the entity which the corporation owned 90% of voting shares directly or indirectly and the guarantee amount could not exceed 10% of the Corporation’s net equity. However, the companies

that the Corporation directly or indirectly holds 100% of the voting shares are not limited to this.

(3) Not exceeding 20% of the parent company's current year net equity for each entity.

(4) Not exceeding 50% of the parent company's current year net equity.

(5) The percentage of accumulate endorsement and guarantee amount of CHENG-HSIN Engineering & Services CO., LTD.

(6) Not exceeding 20% of the company's current year net equity for each entity.

(7) Not exceeding 25% of the parent company's current year net equity for each entity.

(8) Not exceeding 50% of the company's current year net equity.

(9) Not exceeding 30% of the parent company's current year net equity.

(10) The percentage of accumulate endorsement and guarantee amount of Sunrise Tech. Co. Ltd.

(11) Provide notes as a guarantee.

(12)The relative between Endorsement / Guarantee providing are as follows: a. business between companies; b. direct investment exceeding 50% of the subsidies; c. investment exceeding 50% of the subsidies by parent and its other subsidies; d. direct investment exceeding 90% of parent company by the company and its subsidies; e. taking insurances to each other under engineering contract; f. shareholder's guarantee by shares of the company due to common investment relationship; g. in the same industry, the Consumer Protection Law provides performance guarantees and joint guarantees for pre-sale house sales contracts.

Chung-Hsin Electric and Machinery Manufacturing Corp.
Marketable securities held (excluding subsidiaries and associates)
December 31, 2023
In Thousands of New Taiwan Dollars, except as otherwise indicated

Attached table 3-1

Holding company	Type of marketable security/ Name of marketable security	Relation with the Company	Financial statement account	Ending balance				Remark
				Shares	Book value	(%)	Market value	
The Corporation	Stock							
	Pacific construction Co., Ltd.	—	Current financial assets at FVTPL	770,124	7,855	0.20%	7,855	
	Stock							
	Powerchip Technology Corporation	—	Non-current financial assets at FVTPL	742,716	—	0.05%	—	
	Powerchip Semiconductor Manufacturing Corp	—	Non-current financial assets at FVTPL	1,344,048	39,582	0.03%	39,582	
	Quan-you technology Co., Ltd	—	Non-current financial assets at FVTPL	1,200,000	—	—	—	Preferred stock
	Xian-han Co., Ltd.	—	Non-current financial assets at FVTPL	7,177,447	21,150	19.94%	21,150	
	Shen Ghe Precision Co., Ltd.	—	Non-current financial assets at FVTPL	72,200	72,200	19.00%	72,200	
	Subtotal				132,932		132,932	
CHENG-HSIN Engineering & Services CO., LTD	Stock							
	Chung-hsin E&M manufacturing Corp.	Parent company	Non-current financial assets at FVTOCI	2,772,162	322,957	0.55%	322,957	2,712,500 shares as collateral
	Beneficiary Certificate							
	FSITC Taiwan Money Market	—	Current financial assets at FVTPL	254,482.00	4,005	—	4,005	
	FSITC Money Market	—	Current financial assets at FVTPL	414,919.64	76,000	—	76,000	
					80,005		80,005	
Wha Dun Building Management Service Co., Ltd.	Beneficiary Certificate							
	FSITC Taiwan Money Market	—	Current financial assets at FVTPL	1,223,159.90	19,251	—	19,251	
Global-Entech Co., Ltd.	Beneficiary Certificate							
	Hua Nan Phoenix Money Market Fund	—	Current financial assets at FVTPL	182,763.00	3,057	—	3,057	
	Yuanta Japan Leaders Equity Fund A	—	Current financial assets at FVTPL	1,000,000.00	10,000	—	10,000	
	Subtotal				13,057		13,057	
Tian Fu Energy Co., Ltd.	Beneficiary Certificate							
	Fu Hua Youli Currency Fund	—	Current financial assets at FVTPL	247,311.30	3,415	—	3,415	
Sunrise Tech. Co. Ltd	Beneficiary Certificate							
	Capital Aggressive Allocation Fund of Funds	—	Current financial assets at FVTPL	163,800.20	2,034	—	2,034	
	CTBC Growth Opportunities Multi-Asset Fund-TWD A	—	Current financial assets at FVTPL	1,000,000.00	10,154	—	10,154	
	UPAMC Taiwan High Dividend and Growth Fund-ACC	—	Current financial assets at FVTPL	500,000.00	4,985	—	4,985	
	Hua Nan Future Technology Fund	—	Current financial assets at FVTPL	800,000.00	8,104		8,104	
	Subtotal				25,277		25,277	
	Stock							
	Chung-hsin E&M manufacturing Corp.	Parent company	Non-current financial assets at FVTOCI	6,266,514	730,049	1.25%	730,049	3,000,000 shares as collateral
	Zhengyu technology engineering Co., Ltd.	—	Non-current financial assets at FVTPL	3,256,550	87,764	12.89%	87,764	
	Kaohsiung rapid transit Co., Ltd.	—	Non-current financial assets at FVTPL	2,572,127	25,366	0.92%	25,366	
	An Qing Innovation Investment Co., Ltd.	—	Non-current financial assets at FVTPL	1,557,000	10,300	3.37%	10,300	
	U.S. TECHNICAL CONSULTANTS INC.	—	Non-current financial assets at FVTPL	5,310	—	19.33%	—	
	Subtotal				853,479		853,479	
San-Feng construction Co., Ltd.	Beneficiary Certificate							
	FSITC Taiwan Money Market	—	Current financial assets at FVTPL	291,295.40	4,585	—	4,585	

Chung-Hsin Electric and Machinery Manufacturing Corp.
Marketable securities held (excluding subsidiaries and associates)
December 31, 2023
In Thousands of New Taiwan Dollars, except as otherwise indicated

Attached table 3-1

Holding company	Type of marketable security/ Name of marketable security	Relation with the Company	Financial statement account	Ending balance				Remark
				Shares	Book value	(%)	Market value	
Etrovision technology Co., Ltd.	Beneficiary Certificate FSITC Taiwan Money Market	—	Current financial assets at FVTPL	1,470,474.30	23,143	—	23,143	

Chung-Hsin Electric and Machinery Manufacturing Corp.
Marketable securities held (excluding subsidiaries and associates)
December 31, 2023
In Thousands of New Taiwan Dollars, except as otherwise indicated

Attached table 3-2

Holding company	Type of marketable security/ Name of marketable security	Relation with the Company	Financial statement account	Ending balance				Remark
				Shares	Book value	(%)	Market value	
Stellar Power System Co., Ltd	Beneficiary Certificate FSITC Taiwan Money Market	—	Current financial assets at FVTPL	64,050.00	1,008	—	1,008	
ME ENERGY SYSTEMS LIMITED	Stock ELEMENT ONE LLC	—	Non-current financial assets at FVTPL	428,572	—	12.55%	—	
Chung-Hsin Power Systems Corp.	Financial products of Agricultural Bank of China	—	Current financial assets at FVTPL	—	79,676	—	79,676	

Chung-Hsin Electric and Machinery Manufacturing Corp.s
Purchase from or sale to related parties amounting exceeding $100 million or 20% of the Company paid-in capital
For the Years Ended December 31, 2023
In Thousands of New Taiwan Dollars

Attached table 4

Purchase/ Sales	Amount	Percentage of total purchase or sales	Transaction Details				Differences in transaction terms compared to third party transactions		Notes/Accounts Receivable (Payable)		Remark
			Purchase/ Sales	Amount	Percentage of total purchase or sales	Credit term	Unit Price	Credit term	Balance	Percentage of total Notes/Accounts Receivable (Payable)	
The Corporation	Tian Chong Energy Co., Ltd.	Investment using equity method	Sales etc.	133,005	0.75%	—	—	—	Accounts receivable 10,770 Contract assets 106,674	0.66% —	
The Corporation	San-Feng construction Co., Ltd.	Investment using equity method	Purchases etc.	183,497	1.80%	—	—	—	Accounts payable —	—	
The Corporation	Jiangsu Chung-Hsin Precision Machinery Co., Ltd.	Investment using equity method	Purchases	381,011	3.74%	—	—	—	Accounts payable 55,796	2.27%	
The Corporation	Bao-Sheng Global Co., Ltd.	Investment using equity method	Purchases etc.	164,476	1.62%	—	—	—	Accounts payable 22,623	0.92%	
The Corporation	Chung-Hsin Power Systems Corp.	Investment using equity method	Purchases	145,557	1.43%	—	—	—	Accounts payable 79,832	3.25%	
The Corporation	H2 PowerTech, LLC.	Investment using equity method	Purchases etc.	171,835	1.69%	—	—	—	Accounts payable —	—	

Chung-Hsin Electric and Machinery Manufacturing Corp.

Receivables from related parties amounting to exceeding of $100 million or 20% of the paid-in capital

December 31, 2023

In Thousands of New Taiwan Dollars

Attached table 5

Company Name	Related Party	Nature of Relationships	Ending balance of accounts receivable		Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
						Amount	Action taken		
The Corporation	Qingdao Sunhydro group.Co.Ltd.	Investment using equity method	Contract asset	125,696	—	—	—	—	122,860
The Corporation	Tian Chong Energy Co., Ltd.	Investment using equity method	Other receivable (Note 1) Contract asset	649,077 106,674	—	—	—	313,900	—
The Corporation	Tian Peng Energy Co., Ltd.	Investment using equity method	Other receivable (Note 1)	336,960	—	—	—	146,200	—
The Corporation	Tian Cin Energy Co., Ltd.	Investment using equity method	Other receivable (Note 1)	120,005	—	—	—	30,400	—
CHEM J-V Limited	CHEM CORP.	Intragroup entity	Other receivable (Note 1)	209,235	—	—	—	—	—
CHEM Power Limited	CHEM CORP.	Intragroup entity	Other receivable (Note 1)	152,754	—	—	—	—	—

Note 1: The loan and its interest receivable.

Chung-Hsin Electric and Machinery Manufacturing Corp.
Names, locations, and related information of investees over which the company exercises significant influence (excluding information of China)
For the Years Ended December 31, 2023
In Thousands of New Taiwan Dollars, except as otherwise indicated

Attached table 6-1

Investor	Investee	Location	Business	Original investment		Ending balance			Profit (loss) of investee in this period	Investment profit/loss recognized in this period	Remark	
				Ending balance	Beginning balance	Share	%	Book value				
The Corporation	CHEM USA CORPORATION	USA	Selling and assembly of note book and computers	34,753	34,753	1,300,000	100.00%	63,684	(1,966)	(1,966)	—	Subsidiary
	Guang-Hsin engineering & services Co., Ltd.	Taiwan	1. Telecommunication equipment wholesale, retail and installment 2. Communication engineering 3. Computer equipment installment 4. Information software service	33,120	33,120	17,577,041	24.29%	1,592,320	183,371	44,542	FVTOCI financial assets $701,439 Cash Dividend $(33,802)	–
	Sunrise Tech. Co. Ltd	Taiwan	General investment	262,000	262,000	33,955,200	100.00%	381,356	116,381	116,381	Treated as treasury stock $(730,049) Cash Dividend $(99,930)	Subsidiary
	CHENG-HSIN Engineering & Services CO., LTD	Taiwan	1. Environmental protection incinerator set up and maintenance 2.Electric power and monitor equipment 3. Plan, design and maintenance for electricity, water and firefighting system of building and factory	150,006	150,006	66,122,186	100.00%	832,899	139,538	139,538	Treated as treasury stock $(322,957)	Subsidiary
	Global-Entech Co., Ltd.	Taiwan	1. Air pollution sample testing 2. Waste water and environmental water testing 3. Noise testing 4. Evaluation of environmental affection	48,905	48,893	5,989,859	99.99%	59,273	(4,224)	(4,234)	Invest for the period $12 Cash Dividend $(4,249)	Subsidiary
	Tone-zoom industry Co., Ltd.	Taiwan	1. Intensified fiber plastic material and product 2. Bathing equipment 3. Industrial plastic product	23,677	23,677	708,135	67.96%	19,607	(9,601)	(6,525)	—	Subsidiary
	Sheng-yuan investment Corp.	Taiwan	General investment	53,397	53,397	16,015,936	29.33%	1,421,293	132,122	38,756	FVTOCI financial assets $576,007 Cash Dividend $(46,333)	–

Chung-Hsin Electric and Machinery Manufacturing Corp.
Names, locations, and related information of investees over which the company exercises significant influence (excluding information of China)
For the Years Ended December 31, 2023
In Thousands of New Taiwan Dollars, except as otherwise indicated

Attached table 6-1

Investor	Investee	Location	Business	Original investment		Ending balance			Profit (loss) of investee in this period	Investment profit/loss recognized in this period	Remark	
				Ending balance	Beginning balance	Share	%	Book value				
	Etrovision technology Co., Ltd.	Taiwan	1. Electric equipment installment 2. Automatic control equipment 3. Communication engineering 4. TV-KU channel and C channel installment	95,000	95,000	4,499,980	99.99%	71,059	41,538	41,538	Cash Dividend $(18,405)	Subsidiary
	Chem Corp. Samoa	Samoa	Holding company	2,168,570	2,490,921	54,652,648	100.00%	2,134,258	341,441	341,441	Capital deduction return $(322,351)	Subsidiary
	Bao-Sheng Global Co.,Ltd.	Taiwan	Manufacture machinery equipment, lift installation, automation control equipment, traffic mark and parking management, etc.	193,000	193,000	26,360,860	100.00%	332,971	93,544	93,544	—	Subsidiary
	Li-Xiang Technology Co., Ltd	Taiwan	Import and export trade about Rail industry, electronic control system, slope away from the coating liquid	6,670	6,670	667,000	40.00%	—	1,283	513	—	—

Chung-Hsin Electric and Machinery Manufacturing Corp.
Names, locations, and related information of investees over which the company exercises significant influence (excluding information of China)
For the Years Ended December 31, 2023
In Thousands of New Taiwan Dollars, except as otherwise indicated

Attached table 6-2

Investor	Investee	Location	Business	Original investment		Ending balance			Profit (loss) of investee in this period	Investment profit/loss recognized in this period	Remark	
				Ending balance	Beginning balance	Share	%	Book value				
The Corporation	Nomura Chung-Hsin Machinery Corporation	Taiwan	Manufacture machinery, other equipment and international trade	20,874	20,874	127,400	49.00%	—	58	29	—	–
	ME ENERGY SYSTEMS LIMITED	Hong Kong	Power EQU, engineering & parking management services	321,940	321,940	10,673,455	100.00%	112,892	1,068	1,068	FVTOCI financial assets $(3,042) Organization structure adjustment $9,027	Subsidiary
	Chung- Hsin Energy Tech. Inc.	Taiwan	Manufacturing machinery for generating, transmitting and distributing electric power and fuel cells; energy technology services.	100,000	5,000	10,000,000	100.00%	98,300	(2,625)	(2,625)	Cash capital increased $95,000	Subsidiary
	Tian Cin Energy Co., Ltd.	Taiwan	Manufacturing machinery for generating, transmitting and distributing electric power and energy technology services.	211,253	211,253	21,013,300	86.74%	40,218	2,273	1,972	—	Subsidiary
	Tian Peng Energy Co., Ltd.	Taiwan	Manufacturing machinery for generating, transmitting and distributing electric power and energy technology services.	680,497	680,497	67,657,540	85.61%	—	(3,522)	(3,015)	—	Subsidiary
	Tian Chong Energy Co., Ltd.	Taiwan	Manufacturing machinery for generating, transmitting and distributing electric power and energy technology services.	1,003,152	1,003,152	99,804,600	87.07%	—	14,898	12,972	—	Subsidiary
	Tian Fu Energy Co., Ltd.	Taiwan	Manufacturing machinery for generating, transmitting and distributing electric power and energy technology services.	156,000	156,000	15,600,000	52.42%	155,106	1,674	878	—	Subsidiary
	Yun-yi Energy Co., Ltd.	Taiwan	Renewable energy self-use power generation equipment, investment consultants and energy technology services, etc.	—	249,200	2,200,000	100.00%	18,628	(2,757)	(2,414)	Invest for the period $8,000 Capital deduction return $(260,000)	Subsidiary
	Aura Material Inc.	Taiwan	Design and manufacture of carbon capture materials, manufacture and sales of wet adsorption equipment, etc.	37,000	37,000	3,700,000	37.00%	41,148	111	41	—	–
	Hueilan Energy Co.,	Taiwan	Self-usage power	—	14,373	—	—	—	(446)	(446)	Disposal for the period	–

Chung-Hsin Electric and Machinery Manufacturing Corp.
Names, locations, and related information of investees over which the company exercises significant influence (excluding information of China)
For the Years Ended December 31, 2023
In Thousands of New Taiwan Dollars, except as otherwise indicated

Attached table 6-2

Investor	Investee	Location	Business	Original investment		Ending balance			Profit (loss) of investee in this period	Investment profit/loss recognized in this period	Remark	
				Ending balance	Beginning balance	Share	%	Book value				
	Ltd.		generation equipment utilizing renewable energy and energy technology services, etc.									
	EGME ENERGY ECOSYSTEMS (INDIA) PRIVATE LIMITED	India	To promote, own, acquire, erect, construct, establish, maintain, improve, manage, devise, develop, manufacture, install, commission, alter, carry on, control, take on backup power services, fuel cells equipment projects, telecom towers or other facilities of generation back power services of green energy and their sales and distribution	14,136	14,136	3,590,000 (US443,038.45)	71.80%	10,445	(3,195)	(2,294)	—	Subsidiary
	CHEM ENERGY SA (PTY) LTD.	South Africa	Manufacturing and Sales of fuel generators, battery charging services, power generating services, fuel service and parts and maintenance thereof.	—	60,340	—	—	—	(15,622)	(4,744)	Participate in capital increase not in accordance with shareholding ratio $970 Organization structure adjustment $(8,186)	–
	Stellar Power System Co., Ltd.	Taiwan	Hydrogen fuel cell vehicle and power system research and development, manufacturing, sales and energy technology services, etc.	22,000	—	2,200,000	100.00%	11,367	(10,633)	(10,633)	Invest for the period $2,000 Cash capital increased $20,000	Subsidiary

Chung-Hsin Electric and Machinery Manufacturing Corp.
Names, locations, and related information of investees over which the company exercises significant influence (excluding information of China)
For the Years Ended December 31, 2023
In Thousands of New Taiwan Dollars, except as otherwise indicated

Attached table 6-3

Investor	Investee	Location	Business	Original investment		Ending balance			Profit (loss) of investee in this period	Investment profit/loss recognized in this period	Remark	
				Ending balance	Beginning balance	Share	%	Book value				
Bao-Sheng Global Co., Ltd.	FinData Technology Corp.	Taiwan	Software Design Services, Data Processing Services, Digital Information Supply Services	75,010	75,010	7,510,000	100.00%	27,211	21,150	Note	—	Subsidiary
CHENG-HSIN Engineering & Services CO., LTD	San-feng construction Co., Ltd.	Taiwan	Civil engineering, construction, water conservancy, contract management industry	411,939	411,939	43,200,000	100.00%	465,938	9,816	Note	—	Subsidiary
	Wha Dun Building Management Service Co., Ltd.	Taiwan	Apartment managing services and consulting, etc.	10,000	10,000	2,602,495	100.00%	36,311	7,708	Note	Cash Dividend $(6,845)	Subsidiary
San-feng construction Co., Ltd.	Tian Fu Energy Co., Ltd. (Tian Fu)	Taiwan	Manufacturing machinery for generating, transmitting and distributing electric power and energy technology services.	490,000	490,000	14,160,000	47.58%	370,111	1,674	Note	—	–
Tian Fu Energy Co., Ltd. (Tian Fu)	Tian Cin Energy Co., Ltd.	Taiwan	Manufacturing machinery for generating, transmitting and distributing electric power and energy technology services.	32,134	32,134	3,213,420	13.26%	31,335	2,273	Note	—	–
	Tian Peng Energy Co., Ltd.	Taiwan	Manufacturing machinery for generating, transmitting and distributing electric power and energy technology services.	113,690	113,690	11,368,980	14.39%	112,706	(3,522)	Note	—	–
	Tian Chong Energy Co., Ltd.	Taiwan	Manufacturing machinery for generating, transmitting and distributing electric power and energy technology services.	148,176	148,176	14,817,600	12.93%	147,729	14,898	Note	—	–
Chung- Hsin Energy Tech. Inc.	CHEM ENERGY SA (PTY) LTD.	South Africa	Manufacturing and Sales of fuel generators, battery charging services, power generating services, fuel service and parts and maintenance thereof.	30,801	—	76,349	32.57%	30,396	(15,622)	Note	Invest for the period $30,801	Subsidiary
CHEM Corp.	CHEM Power Corp.	Samoa	Holding company	310,518	349,434	US9,542,824.04	100.00%	58,725	1,644	Note	Capital deduction return $(38,916)	Subsidiary
	CHEM J-V Limited	Hong Kong	Holding company	382,936	382,936	US12,644,500.00	100.00%	444,855	30,366	Note	—	Subsidiary
	CHEM Power Limited	Hong Kong	Holding company	2,213,656	2,570,519	US56,943,050.70	100.00%	2,057,979	305,965	Note	Capital deduction return $(356,863)	Subsidiary

Chung-Hsin Electric and Machinery Manufacturing Corp.
Names, locations, and related information of investees over which the company exercises significant influence (excluding information of China)
For the Years Ended December 31, 2023
In Thousands of New Taiwan Dollars, except as otherwise indicated

Attached table 6-3

Investor	Investee	Location	Business	Original investment		Ending balance			Profit (loss) of investee in this period	Investment profit/loss recognized in this period	Remark	
				Ending balance	Beginning balance	Share	%	Book value				
H2 Power Tech Inc.	H2 Power Tech, LLC.	USA	Technical services, licensing and equipment sales	15,100	15,100	US500,000.00	100.00%	22,894	10,007	Note	—	Subsidiary
ME ENERGY SYSTEMS LIMITED CHEM ME ENERGY SYSTEMS HOLDINGS (PTY) Ltd.	H2 Power Tech, INC.	USA	Holding company	3,564	3,564	50	100.00%	22,894	10,007	Note	—	Subsidiary
	EGME ENERGY ECOSYSTEMS (INDIA) PRIVATE LIMITED	India	To promote, own, acquire, erect, construct, establish, maintain, improve, manage, devise, develop, manufacture, install, commission, alter, carry on, control, take on backup power services, fuel cells equipment projects, telecom towers or other facilities of generation back power services of green energy and their sales and distribution	6,401	6,401	1,409,999 (US205,527.15)	28.19%	1,483	(3,195)	Note	—	Subsidiary
	CHEM FUEL CELL (M) SDN.BHD.	Malaysia	To promote Fuel cells, Micro grid and their sales	6,253	6,253	824,002	100.00%	551	753	Note	—	Subsidiary
	CHEM ME ENERGY SYSTEMS HOLDINGS (PTY) Ltd.	South Africa	Holding company for manufacturing, sales and service related to fuel cell generators and other generation and energy storage systems.	102,635	102,635	3,539 (US3,500,000.00)	100.00%	27,527	(6,278)	Note	Participate in capital increase not in accordance with shareholding ratio $841	Subsidiary
	CHEM ENERGY SA (PTY) LTD.	South Africa	Manufacturing and Sales of fuel generators, battery charging services, power generating services, fuel service and parts and maintenance thereof.	42,390	—	84,953 (US1,382,136.64)	36.24%	50,126	(15,622)	Note	Organization structure adjustment $(8,186 Invest for the period $42,390	Subsidiary

Note：The share of profits/losses of the investee company is not reflected herein as such amount is already included in the share of profits/losses of the investor company.

Chung-Hsin Electric and Machinery Manufacturing Corp.

Names, locations, and related information of investees over which the company exercises significant influence (excluding information of China)

For the Years Ended December 31, 2023

In Thousands of New Taiwan Dollars, except as otherwise indicated

Attached table 6-4

Investor	Investee	Location	Business	Original investment		Ending balance			Profit (loss) of investee in this period	Investment profit/loss recognized in this period	Remark	
				Ending balance	Beginning balance	Share	%	Book value				
CHEM J-V Limited	MICT international Ltd.	Hong Kong	Holding company	48,308	48,308	3,600,000	40.00%	19,578	(9,371)	Note	—	—
CHEM ME ENERGY SYSTEMS HOLDINGS (PTY) Ltd.	CHEM ENERGY SA (PTY) LTD.	South Africa	Manufacturing and Sales of fuel generators, battery charging services, power generating services, fuel service and parts and maintenance thereof.	102,374	102,374	73,107 (US3,490,838.62)	31.19%	27,374	(15,622)	Note	Participate in capital increase not in accordance with shareholding ratio $841	Subsidiary

Note：The share of profits/losses of the investee company is not reflected herein as such amount is already included in the share of profits/losses of the investor company.

Chung-Hsin Electric and Machinery Manufacturing Corp.
Information of investment in mainland China
For the Years Ended December 31, 2023
In Thousands of New Taiwan Dollars, except as otherwise indicated

Attached table 7

Investee	Main businesses	Total paid-in capital	Method of investment (1)	Accumulated outflow of investment from Taiwan as of beginning balance	Investment flows		Accumulated outflow of investment from Taiwan as of ending balance	Net Income (Losses) of the Investee Company	Percentage of ownership	Investment profit (loss) of this period recognized (2)	Book value	Accumulated inward remittance of Earnings as of ending balance
					Outflow	In flow						
Chem-tech (Shang-hai) Corp.	Importing and exporting trading	174,178 (US5,400,000)	(b)	130,662 (US4,125,220.53)	—	—	130,662 (US4,125,220.53)	(386)	100.00%	(386)	9,632	—
Chemly Power equipment Corp.	Manufacturing machinery for generating, Transmitting and distributing electric power	281,896 (US8,600,000)	(b)	318,310 (US9,799,284.34)	—	—	318,310 (US9,799,284.34)	(1,946)	100.00%	(1,946)	57,637	—
Wuxi Hengchi Chem Switchgear Co., Ltd.	GIS assembly and manufacturing	185,963 (US5,575,982.58)	(b)	81,329 (US2,403,148.34)	—	—	81,329 (US2,403,148.34)	29,133	45.00%	13,110	78,526	—
Jiangsu Chung-Hsin Precision Machinery Co., Ltd.	Aluminum alloy tank, tube and accessories manufacturing and casting	984,793 (US30,268,000)	(b)	966,640 (US29,750,000)	—	—	966,640 (US29,750,000)	190,356	99.17%	188,770	1,150,779	—
Shannxi baoji Yong-shin Ltd.	Aluminum alloy tank, tube and accessories manufacturing and casting	10,694 (US326,130.09)	(b)	6,979 (US213,000)	—	—	6,979 (US213,000)	(55)	30.00%	(17)	7,364	—
Nantong L-S metal forming Co., Ltd.	Aluminum Alloy tank, tube and accessories manufacturing and casting	113,889 (US3,630,200)	(b)	14,982 (US453,800)	—	—	14,982 (US453,800)	140,918	25.00%	35,229	132,880	—
Toko electric (Suzhou) Co., Ltd.	Manufacturing and selling potential transformer	183,154 (US5,520,000)	(b)	33,523 (US1,048,000)	—	—	33,523 (US1,048,000)	—	18.99%	—	20,761	Evaluated by FVTPL - non current
Chung-Hsin Power Systems Corp.	220kv~550kv high voltage GIS/GCB assembly and manufacturing	598,772 (US18,000,000)	(b)	598,772 (US18,000,000)	—	—	598,772 (US18,000,000)	108,083	100.00%	108,083	465,499	—
Nantong Shengyi precision machinery Co.	Processing tank, conductors and various machinery parts	331,907 (US10,000,000)	(b)	165,755 (US5,000,000)	—	—	165,755 (US5,000,000)	3,520	50.00%	1,760	181,542	—
Jiangsu Fumei Landscape & Real Estate Development Co., Ltd.	Resort development and management	345,200 (US11,578,500)	(b)	296,700 (US10,000,000)	—	—	296,700 (US10,000,000)	(14,132)	99.17%	(14,014)	8,326	—
Integrated Manufacturing & Services Co., Ltd.	Development of special equipment for solar cell production, manufacture of optical engine, lighting source, projection screen, high-definition projection cathode-ray tube and micro display module, and production, cleaning and regeneration of new electrical device	215,740 (US7,000,000)	(c)	—	—	—	—	(9,371)	40.00%	(3,749)	17,513	—

Chung-Hsin Electric and Machinery Manufacturing Corp.
Information of investment in mainland China
For the Years Ended December 31, 2023
In Thousands of New Taiwan Dollars, except as otherwise indicated

Attached table 7

Investee	**Main businesses**	**Total paid-in capital**	**Method of investment (1)**	**Accumulated outflow of investment from Taiwan as of beginning balance**	**Investment flows**		**Accumulated outflow of investment from Taiwan as of ending balance**	**Net Income (Losses) of the Investee Company**	**Percentage of ownership**	**Investment profit (loss) of this period recognized (2)**	**Book value**	**Accumulated inward remittance of Earnings as of ending balance**
					Outflow	**In flow**						
Shanghai Shunhua New Energy System Co., Ltd.	R & D and sales of on-board hydrogen supply systems for fuel cell vehicles and hydrogen supply basic equipment, design, construction and operation services of hydrogen refueling stations.	302,798 (US9,859,981.53) (4)	(b)	161,116 (US5,371,416)	–	–	161,116 (US5,371,416)	–	5.96%	–	52,070	Evaluated by FVTOCI – non-current
Qingdao Sunhydro group.Co.Ltd.	Emerging energy technology research and development, service, development, liquid separation and purification equipment sales, station hydrogenation and hydrogen removal equipment sales	1,273,079 (US41,455,160.74) (4)	(b)	21,508 (US 773,455.02)	–	–	21,508 (US773,455.02)	(154,524)	24.75%	–	–	–

Accumulated investment in China as of December 31, 2023	Investment amounts authorized by investment commission, MOEA	Upper limit on investment authorized by investment commission, MOEA (3)
3,115,214 (US96,524,649.90)	3,402,341 (US105,501,688.30)	9,452,543

(1) Methods of investment:
(a) Remit through third area to invest in China.
(b) Through the company set up in third area and then reinvest in China.
(c) Through investment to set up company then invest in China.
(d) Other method.

(2) Investment profit and loss were recognized based on the following:
(a) From the financial statements audited by R.O.C. parent company's CPA.
(b) From the investee company, which had not been audited by independent accountants.

(3) Calculated based on 60% of net equity value of the Corporation as of December 31, 2023.

(4) Converted at the exchange rate on December 31, 2023.

Chung-Hsin Electric and Machinery Manufacturing Corp.
INFORMATION ON MAJOR SHAREHOLDERS
December 31, 2023

Attached table 8

Shareholders	**Shares**	
	Total Shares Owned (In Thousands)	**Ownership Percentage (%)**
Sheng Yuan investment Corp.	44,689	8.88
Guang-Hsin engineering & services Co., Ltd.	30,705	6.10

Note 1: The main shareholder information in this table is calculated by the Taiwan Depository & Clearing Corporation on the last business day at the end of each quarter, and the total number of ordinary shares and special shares held by the shareholders who have completed the delivery of the company non-physical registration (including treasury shares) is more than 5%. As for the share capital recorded in the Corporation's financial report and the number of shares actually delivered by the Corporation non-physical registration, may be different due to the calculation basis different.

Note 2: The above information, if the shareholder delivers the shareholding to the trust, it will be disclosed by the individual trustee who opened the trust account. As for shareholders' declaration of insider shareholdings that hold more than 10% of their shares in accordance with the Securities Exchange Act, their shareholdings include their shareholdings plus their delivery of trusts and shares that have the right to make decisions on trust property. Please refer to Market Observation Post System website for information on insider equity declaration.