

FIT HOLDING CO., LTD.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2022 AND 2021

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

FIT HOLDING CO., LTD.
DECEMBER 31, 2022 AND 2021 PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS' REPORT
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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 22004925

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

Opinion

We have audited the accompanying parent company only balance sheets of FIT HOLDING CO., LTD. as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of FIT HOLDING CO., LTD. as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements* section of our report. We are independent of FIT HOLDING CO., LTD. in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in

forming our opinion thereon, we do not provide a separate opinion on these matters.

The balance of investments accounted for under the equity method recognized amounted to NT\$9,552,564 thousand, constituting 91% of the Company's total assets as at December 31, 2022, and the investment profit (shown as operating revenue) amounted to NT\$551,836 thousand. Please refer to Note 4(9) for accounting policies on investments accounted for under the equity method and Note 6(3) for details of investments accounted for under the equity method. As the amounts are material to the parent company only financial statements of the Company, the investments accounted for under equity method - recognition of construction revenue - assessment on the stage of completion, investments accounted for under equity method - valuation of goodwill impairment and investments accounted for under equity method - valuation of property, plant and equipment impairment were identified as key audit matters.

Key audit matters for FIT HOLDING CO., LTD.'s parent company only financial statements of the current period are stated as follows:

Recognition of construction revenue - assessment on the stage of completion

Description

Please refer to Note 4(30) for accounting policy on construction contracts; Note 5(2) for the uncertainty of critical judgement, accounting estimates and assumptions applied to construction contracts and Note 6(23) for details of contract assets and contract liabilities, which amounted to NT\$2,716,125 thousand and NT\$7,785 thousand, respectively, as of December 31, 2022.

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

How our audit addressed the matter

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

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

Investments accounted for under equity method - Valuation of goodwill impairment

Description

Please refer to Note 4(21) in the consolidated financial statements for accounting policies on impairment loss on non-financial assets, Note 5(2) in the consolidated financial statements for the uncertainty of accounting estimates and assumptions applied to goodwill impairment valuation, and Note 6(12) in the consolidated financial statements for details of intangible assets. The amount of goodwill was generated from the acquisition of subsidiaries, Power Quotient International Co., Ltd. and Foxlink Image Technology Co., Ltd.. The Company valued the impairment of goodwill through the discounted cash flow method which measures the cash generating unit's recoverable amount. As the assumptions of expected future cash flows involved subjective judgement and a high degree of uncertainty which would cause a material impact on the valuation result, the valuation of goodwill impairment was identified as a key audit matter.

How our audit addressed the matter

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

- A. Obtained an understanding and assessed the reasonableness of valuation of goodwill impairment

policies and procedures.

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

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

Description

Please refer to Note 4(21) in the consolidated financial statements for accounting policies on impairment loss on non-financial assets, Note 5(2) in the consolidated financial statements for the uncertainty of accounting estimates and assumptions applied to property, plant and equipment impairment valuation, and Note 6(8) in the consolidated financial statements for details of property, plant and equipment.

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

How our audit addressed the matter

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

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

Other matter - Reference to the reports of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates and the information disclosed in Note 13, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$203,442 thousand and NT\$212,883 thousand, constituting 1.94% and 2.34% of the consolidated total assets as at December 31, 2022 and 2021, respectively, and the share of loss of associates and joint ventures accounted for under the equity method amounted to NT(\$9,441) thousand and NT(\$2,358) thousand, constituting (2.00%) and 2.38% of the total comprehensive income for the years then ended, respectively.

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

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

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

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

1. Identify and assess the risks of material misstatement of the 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 FIT HOLDING CO., LTD.'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 FIT HOLDING CO., LTD.'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 FIT HOLDING CO., LTD. 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 appropriate audit evidence regarding the financial information of the entities or business activities within FIT HOLDING CO., LTD. to express an opinion on the parent company

only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Chou, Hsiao-Tzu

Liang Yi Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 13, 2023

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

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

FIT HOLDING CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2022		December 31, 2021			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents		\$	7,224	-	\$	1,532	-
1136	Current financial assets at amortised cost	6(2)		27,330	-		227,626	3
1210	Other receivables - related parties	7		694,545	7		26,666	-
1410	Prepayments			-	-		78	-
1470	Other current assets			1,705	-		3,090	-
11XX	Current Assets			730,804	7		258,992	3
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(1)		210,529	2		210,529	2
1550	Investments accounted for under equity method	6(3)		9,552,564	91		8,643,898	95
15XX	Non-current assets			9,763,093	93		8,854,427	97
1XXX	Total assets		\$	10,493,897	100	\$	9,113,419	100
Liabilities and Equity								
Current liabilities								
2100	Short-term borrowings	6(5)	\$	1,128,000	11	\$	910,000	10
2200	Other payables			49,567	-		41,722	-
2230	Current income tax liabilities			9,581	-		54,515	1
2320	Long-term liabilities, current portion	6(6)		200,000	2		-	-
2399	Other current liabilities, others			63	-		38	-
21XX	Current Liabilities			1,387,211	13		1,006,275	11
Non-current liabilities								
2540	Long-term borrowings	6(6)		1,230,000	12		530,000	6
25XX	Non-current liabilities			1,230,000	12		530,000	6
2XXX	Total Liabilities			2,617,211	25		1,536,275	17
Equity								
Share capital								
3110	Share capital - common stock	6(7)		2,462,421	23		2,462,421	27
Capital surplus								
3200	Capital surplus	6(8)		4,841,997	47		4,890,319	53
Retained earnings								
3310	Legal reserve			51,068	-		8,985	-
3320	Special reserve			229,129	2		8,361	-
3350	Unappropriated retained earnings	6(9)		582,744	6		427,826	5
Other equity interest								
3400	Other equity interest		(	290,673)	(3)	(	220,768)	(2)
3XXX	Total equity			7,876,686	75		7,577,144	83
Significant contingent liabilities and unrecognised contract commitments		9						
Significant events after the balance sheet date		11						
3X2X	Total liabilities and equity		\$	10,493,897	100	\$	9,113,419	100

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

FIT HOLDING CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share)

			Year ended December 31			
			2022		2021	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(3)	\$ 551,836	100	\$ 512,752	100
5000	Operating costs		-	-	-	-
5900	Net operating margin		551,836	100	512,752	100
	Operating expenses	6(11)				
6200	General and administrative expenses		(25,669)	(5)	(42,691)	(8)
6000	Total operating expenses		(25,669)	(5)	(42,691)	(8)
6900	Operating profit		526,167	95	470,061	92
	Non-operating income and expenses					
7100	Interest income	7	13,090	3	7,845	1
7010	Other income	6(10)	168	-	973	-
7020	Other gains and losses		4,728	1	(2,276)	-
7050	Finance costs		(31,891)	(6)	(14,563)	(3)
7900	Profit before income tax		512,262	93	462,040	90
7950	Income tax expense	6(12)	17,327	3	(28,028)	(5)
8200	Profitfor the year		<u>\$ 529,589</u>	<u>96</u>	<u>\$ 434,012</u>	<u>85</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(\$ 183,950)	(34)	(\$ 469,153)	(92)
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(183,950)	(34)	(469,153)	(92)
	Components of other comprehensive income that will be reclassified to profit or loss					
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		125,346	23	(63,876)	(12)
8360	Components of other comprehensive income that will be reclassified to profit or loss		125,346	23	(63,876)	(12)
8300	Other comprehensive loss for the year		(\$ 58,604)	(11)	(\$ 533,029)	(104)
8500	Total comprehensive (loss) income for the year		<u>\$ 470,985</u>	<u>85</u>	<u>(\$ 99,017)</u>	<u>(19)</u>
9750	Total basic earnings per share (in dollars)	6(13)	<u>\$ 2.15</u>		<u>\$ 1.76</u>	
9850	Total diluted earnings per share (in dollars)		<u>\$ 2.14</u>		<u>\$ 1.76</u>	

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

FIT HOLDING CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

				Retained Earnings			Other equity interest		
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Year 2021									
Balance at January 1, 2021		\$ 2,462,421	\$ 4,198,013	\$ -	\$ 8,361	\$ 89,848	(\$ 239,429)	\$ 539,385	\$ 7,058,599
Profit		-	-	-	-	434,012	-	-	434,012
Other comprehensive income (loss)		-	-	-	-	4,795	(63,876)	(473,948)	(533,029)
Total comprehensive income (loss)		-	-	-	-	438,807	(63,876)	(473,948)	(99,017)
Adjustments to share of changes in equity of associates and joint ventures accounted for using the equity method		-	4,858	-	-	(871)	-	-	3,987
Cash dividends paid from additional paid-in capital	6(8)	-	(172,370)	-	-	-	-	-	(172,370)
Appropriation and distribution of retained earnings:	6(9)								
Legal reserve appropriated		-	-	8,985	-	(8,985)	-	-	-
Cash dividends to shareholders		-	-	-	-	(73,873)	-	-	(73,873)
Changes in investees' capital increase not recognized by shareholding percentage		-	712,436	-	-	-	-	-	712,436
Capital surplus, difference between consideration and carrying amount of subsidiaries acquired or disposed		-	147,382	-	-	-	-	-	147,382
Disposal of investments in equity instruments at fair value through other comprehensive income		-	-	-	-	(17,100)	-	17,100	-
Balance at December 31, 2021		\$ 2,462,421	\$ 4,890,319	\$ 8,985	\$ 8,361	\$ 427,826	(\$ 303,305)	\$ 82,537	\$ 7,577,144
Year 2022									
Balance at January 1, 2022		\$ 2,462,421	\$ 4,890,319	\$ 8,985	\$ 8,361	\$ 427,826	(\$ 303,305)	\$ 82,537	\$ 7,577,144
Profit		-	-	-	-	529,589	-	-	529,589
Other comprehensive income (loss)		-	-	-	-	11,301	125,346	(195,251)	(58,604)
Total comprehensive income (loss)		-	-	-	-	540,890	125,346	(195,251)	470,985
Adjustments to share of changes in equity of associates and joint ventures accounted for using the equity method		-	2,127	-	-	-	-	-	2,127
Cash dividends paid by additional paid-in capital	6(8)	-	(246,242)	-	-	-	-	-	(246,242)
Appropriation and distribution of retained earnings	6(9)								
Legal reserve appropriated		-	-	42,083	-	(42,083)	-	-	-
Special reserve appropriated		-	-	-	220,768	(220,768)	-	-	-
Cash dividends to shareholders		-	-	-	-	(123,121)	-	-	(123,121)
Changes in investees' capital increase not recognized by shareholding percentage		-	194,140	-	-	-	-	-	194,140
Compensation costs		-	1,653	-	-	-	-	-	1,653
Balance at December 31, 2022		\$ 2,462,421	\$ 4,841,997	\$ 51,068	\$ 229,129	\$ 582,744	(\$ 177,959)	(\$ 112,714)	\$ 7,876,686

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

FIT HOLDING CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 512,262	\$ 462,040
Adjustments			
Adjustments to reconcile profit (loss)			
Share of profit (loss) of associates accounted for using the equity method	6(3)	(551,836)	(512,752)
Interest expense		31,891	14,563
Interest income		(13,090)	(7,845)
Changes in operating assets and liabilities			
Changes in operating assets			
Other current assets		24	(1,430)
Changes in operating liabilities			
Other payables		(23,331)	28,716
Prepayments		78	11
Other liability		25	8
Cash outflow generated from operations		(43,977)	(16,689)
Interest received		14,452	6,476
Income taxes paid		(63,324)	(468)
Dividend received		412,485	412,485
Interest paid		(30,715)	(14,357)
Net cash flows from operating activities		<u>288,921</u>	<u>387,447</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost		200,296	(227,626)
Acquisition of investments accounted for under the equity method		(600,000)	(1,236,760)
Increase in other receivables from related parties		(632,162)	350,364
Net cash flows used in investing activities		<u>(1,031,866)</u>	<u>(1,114,022)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		218,000	152,200
Increase in long-term borrowings		2,910,000	1,760,000
Decrease in long-term borrowings		(2,010,000)	(1,630,000)
Cash dividends paid		(123,121)	(73,873)
Cash dividends paid by additional paid-in capital		(246,242)	(172,370)
Proceeds from disposal of subsidiaries		-	690,000
Net cash flows from financing activities		<u>748,637</u>	<u>725,957</u>
Net increase (decrease) in cash and cash equivalents		5,692	(618)
Cash and cash equivalents at beginning of year		1,532	2,150
Cash and cash equivalents at end of year		<u>\$ 7,224</u>	<u>\$ 1,532</u>

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

FIT HOLDING CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

FIT Holding Co., Ltd. (the “Company”) is a holding company established by Glory Science Co., Ltd. (Glory Science), Power Quotient International Co., Ltd. (PQI) and Foxlink Image Technology Co., Ltd. (Foxlink Image) through a share swap in accordance with the regulations on October 1, 2018. The Company’s shares were listed on the Taiwan Stock Exchange (TSE) and approved by the regulatory authority on the same date. The Company acquired 100% shares of Glory Science, PQI and Foxlink Image through share swap by exchanging 1 common share of PQI with 0.194 common share of the Company, 1 common share of Foxlink Image with 0.529 common share of the Company and 1 common share of Glory Science with 1 common share of the Company. The Company is primarily engaged in establishing the management mechanism for the Group, supervising the subsidiaries’ operation, and integrating the resources and platforms to improve the Group’s overall operational efficiency. Cheng Uei Precision Industry Co., Ltd. became the ultimate parent company of the Company after acquiring over half of the seats in the Company’s Board of Directors due to the abovementioned share swaps.

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

These parent company only financial statements were authorised for issuance by the Board of Directors on March 13, 2023.

3. Application of New Standards, Amendments and Interpretations

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

New standards, interpretations and amendments endorsed by FSC and became effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts—cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Company’s financial

condition and financial performance based on the Company's assessment.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023

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

4. Summary of Significant Accounting Policies

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

(1) Compliance statement

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

(2) Basis of preparation

- A. The parent company only financial statements have been prepared under the historical cost convention
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the company entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

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

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

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

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
 - (a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
 - (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(7) Financial assets at amortised cost

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

(8) Impairment of financial assets

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

(9) Investments accounted for using equity method / subsidiaries and associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealised profit (loss) from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted to be consistent with the Company's accounting policies.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- E. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- F. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

- G. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- H. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company'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 Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- I. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- J. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- K. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.
- L. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall be equal to the amount attributable to owners of the parent in the parent company only financial statements. Owners' equity in the parent company only financial statements shall be equal to equity attributable to owners of the parent in the consolidated financial statements.

(10) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(11) Borrowings

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

(12) Employee benefits

A. Short-term employee benefits

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

B. Pensions

Defined contribution plans

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

C. Employees' compensation and directors' remuneration

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

(13) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(14) Dividends

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

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

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

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

None.

(2) Critical accounting estimates and assumptions

Impairment assessment of investments accounted for using equity method

The Company assesses the impairment of an investment accounted for using equity method as soon as there is any indication that it might have been impaired and its carrying amount cannot be recovered. The Company assesses the recoverable amounts of an investment accounted for under the equity method based on the present value of the Company's share of expected future cash flows of the investee, and analyses the reasonableness of related assumptions.

6. Details of Significant Accounts

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

<u>Items</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Non-current items:		
Equity instruments		
Unlisted stocks	<u>\$ 210,529</u>	<u>\$ 210,529</u>

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

(2) Financial assets at amortised cost

<u>Items</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Time deposits maturing in excess of three months	<u>\$ 27,330</u>	<u>\$ 227,626</u>

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

	<u>2022</u>	<u>2021</u>
Interest income	<u>\$ 3,077</u>	<u>\$ 4,255</u>

B. The Group has no financial assets at amortised cost pledged to others as collateral.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(3) Investments accounted for using the equity method

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Foxlink Image Technology Co., Ltd.	\$ 3,575,292	\$ 3,426,039
Power Quotient International Co., Ltd.	4,861,812	4,414,241
Shih Fong Power Co., Ltd.	386,182	386,629
Glory Science Co., Ltd.	695,925	381,144
Synergy Co., Ltd.	33,353	35,845
LeadsunFox Greenergy Investment Co., Ltd.	-	-
	<u>\$ 9,552,564</u>	<u>\$ 8,643,898</u>

- A. The company resigned from the directorship of LeadsunFox Greenergy Investment Co., Ltd. on May 20, 2021. After evaluation, it has lost its significant influence and subsequently accounted for financial assets measured at fair value through other comprehensive income and losses.
- B. The investment profit of \$551,836 and \$512,752 recognised for the investments accounted for using equity method for the years ended December 31, 2022 and 2021, respectively, was based on each investee's audited financial statements for the corresponding period.
- C. Details of the Company's subsidiaries are provided in Note 4(3) of the Company's 2022 consolidated financial statements.

(4) Pensions

The Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2022 and 2021, were \$196 and \$136, respectively.

(5) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	<u>\$ 1,128,000</u>	1.75%~2.50%	None
<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	<u>\$ 910,000</u>	0.85%~0.96%	None

(6) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Undrawn borrowing facilities</u>	<u>December 31, 2022</u>
Long-term bank borrowings				
-including covenants				
Unsecured borrowings	Borrowing period is from February 2022 to February 2024; principal is repayable in full amount at the maturity date; interest is repayable monthly.	1.51%	-	\$ 300,000
Unsecured borrowings	Borrowing period is from June 2022 to June 2024; principal is repayable in full amount at the maturity date; interest is repayable monthly.	2%	70,000	130,000
Unsecured borrowings	Borrowing period is from September 2022 to September 2024; principal is repayable in full amount at the maturity date; interest is repayable monthly.	1.8%~2.05%	-	200,000
-without covenants				
Unsecured borrowings	Borrowing period is from July 2021 to May 2023; principal is repayable in full amount at the maturity date; interest is repayable monthly.	1.63%	-	200,000

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Undrawn borrowing facilities</u>	<u>December 31, 2022</u>
Unsecured borrowings	Borrowing period is from August 2022 to August 2024; principal is repayable in full amount at the maturity date; interest is repayable monthly.	1.825%	-	300,000
Unsecured borrowings	Borrowing period is from May 2022 to May 2024; principal is repayable in full amount at the maturity date; interest is repayable monthly.	1.875%	-	300,000
				<u>1,430,000</u>
Less : Current portion (shown as other current liabilities)				<u>(200,000)</u>
				<u>\$ 1,230,000</u>

\$ 530,000

(d) Tangible net equity of at least NT\$5,000,000 thousand to NT\$ 8,000,000 thousand; and

(e) Net equity of at least NT\$1,800,000 thousand.

2. As of December 31, 2022, the borrowings that have been used amounted to as follows:

Company	Bank	Credit line	Amount of borrowings used
FIT Holding	Jih Sun Bank(Note)	\$ 200,000	\$ 200,000
FIT Holding	SCSB	300,000	300,000
FIT Holding	Mega Bank	300,000	300,000

NOTE : The credit line was shared by short-term and long-term borrowings.

(7) Share capital

As described in Note 1, the Company acquired 100% of the shares of Glory Science, PQI and Foxlink Image through share swap by exchanging 1 common share of Glory Science into 1 common share of the Company, 1 common share of PQI converted to 0.194 common share of the Company and 1 common share of Foxlink Image converted to 0.529 common share of the Company. As of December 31, 2022, the Company's authorised capital was \$3,000,000, consisting of 300,000 thousand shares of ordinary stock (including 30,000 thousand shares reserved for employee stock options), and the paid-in capital was \$2,462,421 with a par value of \$10 (in dollars) per share. Ordinary shares outstanding at December 31, 2022 amounted to 246,242 thousand shares.

(8) Capital surplus

	2022				
	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates	Total
At January 1	\$ 3,783,055	\$ 204,782	\$ 837,883	\$ 64,599	\$ 4,890,319
Capital surplus used to issue cash to shareholders	(246,242)	-	-	-	(246,242)
Transactions with non-controlling interest	-	-	194,140	-	194,140
Compensation cost of employee share options	-	-	1,653	-	1,653
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	522	1,605	2,127
At December 31	<u>\$ 3,536,813</u>	<u>\$ 204,782</u>	<u>\$ 1,034,198</u>	<u>\$ 66,204</u>	<u>\$ 4,841,997</u>

	2021				
	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates	Total
At January 1	\$ 3,955,425	\$ 57,400	\$ 125,447	\$ 59,741	\$ 4,198,013
Capital surplus used to cover accumulated deficits	(172,370)	-	-	-	(172,370)
Transactions with non-controlling interest	-	147,382	712,436	-	859,818
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	4,858	4,858
At December 31	<u>\$ 3,783,055</u>	<u>\$ 204,782</u>	<u>\$ 837,883</u>	<u>\$ 64,599</u>	<u>\$ 4,890,319</u>

- A. In accordance with IFRS Q&A issued by the Accounting Research and Development Foundation (ARDF) on October 26, 2018 and ARDF Interpretation 100-390, as described in Note 4, the share swap transactions between the Company and Glory Science were considered as a reorganisation under common control on October 1, 2018.
- B. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
- C. The shareholders resolved that the Company distribute cash by using capital surplus of \$246,242 (NT\$ 1 (in dollars) per share) and \$172,370(NT\$ 0.7 (in dollars) per share) on March 24 , 2022 and March 26 , 2021.

(9) Retained earnings (accumulated deficit to be covered)

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

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

expenditures budget and capital requirements.

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

C. Special reserve

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

- (b) As described in Note 4(2), the Company is substantially a continuation of Glory Science. Therefore, the amount previously set aside by the Company as special reserve in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be the same as the amount reclassified from accumulated translation adjustment under shareholders' equity to retained earnings for the exemptions elected by the Company. The increase in special reserve as a result of retained earnings arising from the adoption of IFRS amounted to \$8,361.

- D. In accordance with the Company's Articles of Incorporation and as resolved by the Board of Directors on March 26, 2021, the Company distributed cash dividends amounting to \$73,873. Also, the appropriation of 2020 earnings as proposed and resolved by the shareholders on July 20, 2021 are as follows:

	2020	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 8,985	
Cash dividends	73,873	\$ 0.3

- E. The appropriation of 2021 earnings as proposed and resolved by the shareholders on June 17, 2022 are as follows:

	2021	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 42,083	
Special reserve	220,768	
Cash dividends	123,121	\$ 0.50

For the information relating to the distribution of earnings as approved by the Board of shareholders, please refer to the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(10) Other income

	Year ended December 31	
	2022	2021
Revenue from directors' and supervisors' remuneration of the subsidiaries	\$ -	\$ 800
Others	168	173
	<u>\$ 168</u>	<u>\$ 973</u>

(11) Expenses by nature

	Year ended December 31	
	2022	2021
Employee benefit expense		
Wages and salaries	\$ 11,218	\$ 30,996
Directors' remuneration	6,780	4,980
Labour and health insurance fees	521	343
Pension costs	196	136
Other personnel expenses	240	148
	<u>\$ 18,955</u>	<u>\$ 36,603</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 6% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.
- B. For the year ended December 31, 2022, employees' compensation was accrued at \$34,000; while directors' and supervisors' remuneration was accrued at \$5,000. The aforementioned amounts were recognised in salary expenses.
- C. The employees' compensation and directors' remuneration were estimated and accrued based on distributable profit of current year as of the end of reporting period and the percentage prescribed by the Company's Articles of Incorporation. The employees' compensation and directors' remuneration resolved by the Board of Directors on March 13, 2023 were \$34,000 and \$5,000, respectively, and will be distributed in the form of cash.
- D. The amount of employees' compensation of \$30,000 and directors' remuneration of \$4,880 in 2021 as resolved by the Board of Directors were the same as the estimated amount recognized in the 2021 financial statements.
- E. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(12) Income tax

- A. Income tax expense

(a) Components of income tax expense:

		Year ended December 31	
		2022	2021
Current tax:			
Current tax on profits for the year	\$	2,520	\$ 28,028
Tax on undistributed surplus earnings		1,743	-
Prior year income tax (over) underestimation	(	21,590)	-
Income tax expense	(\$	17,327)	\$ 28,028

B. Reconciliation between income tax expense and accounting profit

		Year ended December 31	
		2022	2021
Tax calculated based on profit before tax and statutory tax rate	\$	102,452	\$ 92,408
Tax on undistributed earnings		1,743	-
Tax exempt income by tax regulation	(	99,932)	(90,062)
Prior year income tax overestimation	(	21,590)	-
Taxable loss not recognised as deferred tax assets		-	(2,346)
Effect from alternative minimum tax		-	28,028
Income tax expense	(\$	17,327)	\$ 28,028

C. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets of the Company's domestic subsidiaries are as follows:

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2018	\$ 4,103	\$ -	\$ -	2028

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2018	\$ 4,103	\$ -	\$ -	2028

D. The Company's income tax returns through 2018 have been assessed and approved by the Tax Authority.

(13) Earnings per share

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	<u>\$ 529,589</u>	<u>246,242</u>	<u>\$ 2.15</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 529,589	246,242	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>1,435</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 529,589</u>	<u>247,677</u>	<u>\$ 2.14</u>

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	<u>\$ 434,012</u>	<u>246,242</u>	<u>\$ 1.76</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 434,012	246,242	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	956	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 434,012</u>	<u>247,198</u>	<u>\$ 1.76</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Cheng Uei Precision Industry Co., Ltd. (Cheng Uei)	Ultimate parent
Foxlink International Investment (FII)	Subsidiary of the ultimate parent
Fu Uei International Investment Ltd. (FUII)	Subsidiary of the ultimate parent
Foxlink Image Technology Co., Ltd. (Foxlink Image)	Subsidiary of the Company
Power Quotient International Co., Ltd. (PQI)	Subsidiary of the Company
Glory Science Co., Ltd. (Glory Science)	Subsidiary of the Company
Shih Fong Power Co., Ltd. (Shih Fong)	Subsidiary of the Company
Shinfox Energy Co. Ltd. (Shinfox)	Subsidiary of the Company
Foxwell Energy Corporation Ltd. (Foxwell Energy)	Subsidiary of the Company
Glory Optics (Yancheng) Co., Ltd. (GOYC)	Subsidiary of the Company
Glorytek (Yancheng) Co., Ltd. (Glorytek Yancheng)	Subsidiary of the Company

(2) Significant related party transactions

A. Receivables from related parties:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other receivables		
PQI	19,688	19,689
Foxlink Image	4,857	6,977
	<u>\$ 24,545</u>	<u>\$ 26,666</u>

Other receivables represent collections from subsidiaries for filing consolidated tax returns.

B. Loans to /from related parties:

(a) Loans to related parties:

(i) Outstanding balance:

	December 31, 2022	December 31, 2021
PQI	\$ 670,000	\$ -
	<u>\$ 670,000</u>	<u>\$ -</u>

(ii) Interest income

	December 31, 2022	December 31, 2021
GOYC	\$ -	\$ 1,072
Glorytek Yancheng	-	708
PQI	9,483	-
	<u>\$ 9,483</u>	<u>\$ 1,780</u>

The loans to subsidiaries are repayable based on the agreement and carry interest at 1.7% per annum.

(3) Key management compensation

None.

8. Pledged Assets

None.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None

(2) Commitments

A. Information on endorsements/guarantees of the Company is provided in Note 13(1)B.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

A. The appropriation of 2022 earnings had been approved by the Board of Directors on March 13, 2023.

Details are summarized below:

	2022	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 54,089	
Special reserve	69,906	
Cash dividends	369,363	\$ 1.50

B. The cash payment from capital surplus of \$123,121(NT \$0.5 (in dollars) per share) had been approved by the Board of Directors on March 13, 2023.

C. On February 24, 2023, Shinfox Energy Co. Ltd. which was the subsidiary company of Company issued the overseas convertible bonds by the Board of Directors. The upper limit of total issuance amount was tentatively set at US\$300 million.

12. Others

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
<u>Financial assets at amortised cost</u>		
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	<u>\$ 210,529</u>	<u>\$ 210,529</u>
Financial assets at amortised cost		
Cash and cash equivalents	7,224	1,532
Financial assets at amortised cost	<u>27,330</u>	<u>227,626</u>
	<u>\$ 34,554</u>	<u>\$ 229,158</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial liabilities</u>		
<u>Financial liabilities at amortised cost</u>		
Short-term borrowings	\$ 1,128,000	\$ 910,000
Other accounts payable	49,567	41,722
Long-term borrowings	<u>1,430,000</u>	<u>530,000</u>
	<u>\$ 2,607,567</u>	<u>\$ 1,481,722</u>

B. Financial risk management policies

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

- i. The Company's foreign exchange rate risk mainly arises from recognised assets and liabilities
- ii. The Company's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2022				
	Foreign currency amount		Book value	
	(In thousands)	Exchange rate	(NTD)	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
RMB:NTD	\$	342	\$	1,508

December 31, 2021				
	Foreign currency amount		Book value	
	(In thousands)	Exchange rate	(NTD)	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
RMB:NTD	\$	457	\$	1,985

- iii. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2022 and 2021, amounted to \$4,727 and (\$2,276), respectively.
- iv. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2022			
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
RMB:NTD	1%	\$	-

	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
RMB:NTD	1%	\$ 20	-

Price risk

- i. The Company's equity securities, which are exposed to price risk, is the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company's investments in equity securities. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity would have increased/decreased by \$1,684 and \$1,684, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value Interest rate risk

- i. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 2022 and 2021, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars.
- ii. If interest rate of had increased/decreased by 0.1% or with all other variables held constant, profit, net of tax for the years ended December 31, 2022 and 2021 would have increased/decreased by \$2,046 and \$1,152, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

Credit risk refers to the risk of financial loss to the Company arising from default by the counterparties of financial instruments on the contract obligations. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a good credit rating are accepted.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the Company. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs so that the Company does not breach agreement related to liabilities.

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

Non-derivative financial liabilities

December 31, 2022	Less than 1 year	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 1,138,836	\$ -	\$ -
Other payables	49,567	-	-
Long-term borrowings	223,334	1,235,181	-
	<u>\$ 1,411,737</u>	<u>\$ 1,235,181</u>	<u>\$ -</u>

Non-derivative financial liabilities

December 31, 2021	Less than 1 year	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 910,402	\$ -	\$ -
Other payables	41,722	-	-
Long-term borrowings	6,295	534,294	-
	<u>\$ 958,419</u>	<u>\$ 534,294</u>	<u>\$ -</u>

(3) Fair value information

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

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

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

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

- B. Except for those listed in the table below, the carrying amounts of cash and cash equivalents, other receivables, short-term borrowings, other payables are approximate to their fair values.
- C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2022 and 2021 is as follows:

<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>-</u>	<u>-</u>	<u>210,529</u>	<u>210,529</u>
<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,529</u>	<u>\$ 210,529</u>

D. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
	<u>Total</u>	<u>Total</u>
At January 1	\$ 210,529	\$ -
Transfers in	<u>-</u>	<u>210,529</u>
At December 31	<u>\$ 210,529</u>	<u>\$ 210,529</u>

F. For the years ended December 31, 2022 and 2021, information on transfers into Level 3 is provided in Note 6(3).

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

(4) Other matters

Because of the Covid-19 pandemic and the government's promotion of multiple epidemic prevention measures, there is no significant impact to the Group's financial condition and financial performance in 2022.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

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

(2) Information on investees

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

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 9.
- B. Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas
 - (a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Please refer to Note 13(1) G.
 - (b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Please refer to Note 13(1) G.
 - (c) The amount of property transactions and the amount of the resulting gains or losses: None.
 - (d) Balance and purpose of provision of endorsements/guarantees or collaterals at December 31, 2022: Please refer to 13(1) B.
 - (e) Maximum balance, ending balance, interest rate range and interest for financing during the year ended and as at December 31, 2022: Please refer to Note 13(1) A.
 - (f) Other significant transactions that affected the gains and losses or financial status for the period, i.e. rendering/receiving of service: None.

(4) Major shareholders information

Please refer to table 10.

14. Segment Information

None.

FIT HOLDING CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 1

Name	Beginning Balance		Addition (Note 1)		Decrease (Note 1)		Ending Balance			Market Value or Net Assets Value (Note 2)		
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of Ownership	Amount	Unit Price	Total Amount	Collateral
Foxlink Image Technology Co., Ltd.	164,993,974	\$ 3,426,039	-	\$ 149,253	-	\$ -	164,993,974	100%	\$ 3,575,292	17.22	\$ 2,841,786	None
Power Quotient International Co., Ltd.	444,690,529	4,414,241	-	447,571	-	-	444,690,529	100%	4,861,812	11.13	4,950,955	None
Glory Science Co., Ltd.	95,970,371	381,144	60,000,000	600,000	(95,970,370)	(285,219)	60,000,001	100%	695,925	11.60	695,925	None
Shih Fong Power Co., Ltd.	37,500,000	386,629	-	-	-	(447)	37,500,000	16.30%	386,182	10.61	397,861	None
Synergy Co., Ltd.	3,676,000	35,845	-	-	-	(2,492)	3,676,000	37%	33,353	9.07	33,353	None
		<u>\$ 8,643,898</u>		<u>\$ 1,196,824</u>		<u>(\$ 288,158)</u>			<u>\$ 9,552,564</u>		<u>\$ 8,919,880</u>	

Note 1: Changes in current year included acquisition of investments accounted for using equity method, share of profit or loss or other comprehensive income in investees accounted for using the equity method, capital increase and reduction to write off accumulated losses.

Note 2: Net assets value was calculated based on the Company's shareholding ratio in each investee according to their financial statements.

FIT HOLDING CO., LTD.
STATEMENT OF SHORT-TERM BORROWINGS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 2

Nature	Description	Ending Balance	Contract Period	Range of Interest Rate	Credit Line	Collateral	Note
Unsecured borrowings	Taishin Bank	\$ 250,000	111/11/11~112/2/9	1.75%	250,000	None	
Unsecured borrowings	KGI Bank	100,000	111/11/11~112/3/10	1.969%	100,000	None	
Unsecured borrowings	Cathay United Bank	100,000	111/12/28~112/1/19	1.78%	200,000	None	
Unsecured borrowings	CTBC Bank	200,000	111/11/28~112/2/24	1.85%	100,000	None	
Unsecured borrowings	Bank SinoPac	348,000	111/12/30~112/1/19	2.50%	1,000,000	None	The credit line was shared by short-term and long-term borrowings.
Unsecured borrowings	Hua Nan Bank	<u>130,000</u>	111/12/19~112/1/19	1.91%	200,000	None	
		<u>\$ 1,128,000</u>					

FIT HOLDING CO., LTD.
STATEMENT OF LONG-TERM BORROWINGS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Creditor	Description	Amount	Contract Period	Interest Rate	Collateral	Note
STATEMENT 3						
Yuanta Bank	Borrowing period is from February 2022 to February 2024; principal is repayable in full amount at the maturity date; interest is repayable monthly.	\$ 300,000	111/2/7~113/2/7	1.51%	None	
Entie Commercial Bank	Borrowing period is from September 2022 to September 2024; principal is repayable in full amount at the maturity date; interest is repayable monthly.	200,000	111/9/25~113/9/25	1.80%~ 2.05%	None	
Jih Sun Bank	Borrowing period is from July 2021 to May 2023; principal is repayable in full amount at the maturity date; interest is repayable monthly.	200,000	110/7/27~112/5/27	1.63%	None	
Mega Bank	Borrowing period is from August 2022 to August 2024; principal is repayable in full amount at the maturity date; interest is repayable monthly.	300,000	111/8/10~112/8/10	1.825%	None	

FIT HOLDING CO., LTD.
STATEMENT OF LONG-TERM BORROWINGS (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

<u>Creditor</u>	<u>Description</u>	<u>Amount</u>	<u>Contract Period</u>	<u>Interest Rate</u>	<u>Collateral</u>	<u>Note</u>
STATEMENT 3						
SCSB	Borrowing period is from May 2022 to May 2024; principal is repayable in full amount at the maturity date; interest is repayable monthly.	300,000	111/5/12~113/5/12	1.875%	None	
Far Eastern International Bank	Borrowing period is from June 2022 to June 2024; principal is repayable in full amount at the maturity date; interest is repayable monthly.	130,000	111/6/22~113/6/22	2.00%	None	
Less : Current portion (shown as current liability)		(<u>200,000</u>)				
		<u>\$ 1,230,000</u>				

FIT HOLDING CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

STATEMENT 4

Function Nature	Year ended December 31, 2022			Year ended December 31, 2021		
	Classified as Operating Costs	Classified as Operating	Total	Classified as Operating Costs	Classified as Operating	Total
Employee Benefit Expense						
Wages and salaries	\$ -	\$ 11,218	\$ 11,218	\$ -	\$ 30,996	\$ 30,996
Labour and health insurance fees	-	521	521	-	343	343
Pension costs	-	196	196	-	136	136
Directors' remuneration	-	6,780	6,780	-	4,980	4,980
Other personnel expenses	-	240	240	-	148	148

Note:

1. As at December 31, 2022 and 2021, the Company had 20 and 20 employees, including 9 and 9 non-employee directors, respectively.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information :
 - (1) Average employee benefit expense in current year was \$1,107 ((Total employee benefit expense in current year–Total Directors' remuneration)/(Number of employees in current year–Number of non-employee directors in current year)).
Average employee benefit expense in previous year was \$2,875 ((Total employee benefit expense in previous year–Total Directors' remuneration)/(Number of employees in previous year–Number of non-employee directors in previous year)).
 - (2) Average employee salaries in current year was \$1,020 (Total employee salaries in current year/(Number of employees in current year–Number of non-employee directors in current year)).
Average employee salaries in previous year was \$2,818 (Total employee salaries in previous year/(Number of employees in previous year–Number of non-employee directors in previous year)).

FIT HOLDING CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
(Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

STATEMENT 4

- (3) Adjustments of average employee salaries was (64%) ((Average employee salaries in current year–Average employee salaries in previous year) / Average employee salaries in previous year).
- (4) There was no supervisors' remuneration in current and previous years. (The Company has no supervisors' remuneration as it has set up an audit committee)
- (5) The Company's remuneration policy (including directors, supervisors, managers, and employees) is as follows:
 - A. Relevance between the policy, standard and portfolio and established procedures of the remuneration that the Company paid to directors and independent directors and operational performance and future risk;
 - (a) Directors' remuneration of the Company was paid in accordance with the standards of attendance allowance and travel fee payments approved by the Board of Directors as well as the general pay levels.
 - (b) In accordance with Article 26 of the Company's Articles of Incorporation: a ratio of distributable profit of the current year's profit before tax that excludes employees' compensation and directors' remuneration, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration, which will be resolved by the Board of Directors. The ratio shall not be lower than 6% for employees' compensation and shall not be higher than 3% for directors' remuneration.
 - B. Relevance between the policy, standard and portfolio and established procedures of the remuneration that the Company paid to managers and operational performance and future risk;
 - (a) Managers' remuneration of the Company was determined in accordance with requirements stated in the performance evaluation regulations of the Company, depending on personal performance and contribution to the Company's overall operation and by reference to the general pay levels of the industry and was conducted after being reviewed by the remuneration committee and reported to the Board of Directors for approval.

FIT HOLDING CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
(Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

STATEMENT 4

(b) In accordance with Article 26 of the Company's Articles of Incorporation: a ratio of distributable profit of the current year's profit before tax that excludes employees' compensation and directors' remuneration, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration, which will be resolved by the Board of Directors. The ratio shall not be lower than 6% for employees' compensation and shall not be higher than 3% for directors' remuneration.

C. Relevance between the policy, standard and portfolio and established procedures of the remuneration that the Company paid to employees and operational performance and future risk;

(a) Employees' remuneration included monthly salary (including meal allowances), annual salary adjustment for personal performance, performance bonus, holiday bonus and earnings bonus. Salary payment of the Company's employees was determined in accordance with the general pay levels of the industry, operation of the Company, employees' educational background, experience, ability and contribution and was adjusted depending on the market salary dynamics, changes in the overall economic and industrial climate and the government regulations.

(b) In accordance with Article 26 of the Company's Articles of Incorporation: a ratio of distributable profit of the current year's profit before tax that excludes employees' compensation and directors' remuneration, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration, which will be resolved by the Board of Directors. The ratio shall not be lower than 6% for employees' compensation and shall not be higher than 3% for directors' remuneration.

FIT HOLDING CO., LTD.
Loans to others
Year ended December 31, 2022

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2022	Balance at December 31, 2022	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral	Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted	Footnote
0	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	Other receivables	Y	\$ 900,000	\$ 900,000	\$ 670,000	1.70%	2	\$ -	Operations	\$ -	- \$ -	\$ 2,363,005	\$ 3,150,674	
1	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	Other receivables	Y	300,000	-	-	1.20%	2	-	Operations	-	- -	1,136,714	1,136,714	
1	Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables	Y	478,720	264,480	176,320	1.5%-2.5%	2	-	Operations			1,136,714	1,136,714	
1	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	Other receivables	Y	500,000	400,000	-	1.65%	2	-	Operations	-	- -	1,136,714	1,136,714	
2	Glorytek (Suzhou) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Other receivables	Y	28,838	28,211	-	3%	2	-	Operations	-	- -	280,758	280,758	
2	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Other receivables	Y	225,300	220,400	158,688	3%	2	-	Operations			280,758	280,758	
3	Shinfox Energy Co. Ltd.	Foxwell Energy Corporation Ltd.	Other receivables	Y	600,000	600,000	600,000	Average borrowing rate plus 0.1%	2	-	Group capital movement	-	- -	4,141,477	4,141,477	
4	Power Quotient Technology (YANCHENG) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Other receivables	Y	540,720	528,960	528,960	2.5%	2	-	Group capital movement	-	- -	711,821	711,821	

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

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

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

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

FIT HOLDING CO., LTD.

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

Year ended December 31, 2022

Table 3 Expressed in thousands of NTD
(Except as otherwise indicated)

				As of December 31, 2022				
Securities held by	Marketable securities	Relationship with the	General	Number of shares				
		securities issuer	ledger account	(in thousands)	Book value	Ownership (%)	Fair value	Footnote
FIT Holding Co., Ltd.	LeadsunFox Greenergy Investment Co., Ltd.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	21,147	\$ 210,529	12.00	\$ 210,529	Not pledged as collateral
Foxlink Image Technology Co., Ltd.	TAIWAN STAR TELECOM CORPORATION LIMITED	Not applicable	Financial assets at fair value through other comprehensive income-non-current	50,000	213,454	0.80	213,454	Not pledged as collateral
Foxlink Image Technology Co., Ltd.	Central Motion Picture Corporation	Investee of the Company's parent company which is accounted for using equity method	Financial assets at fair value through other comprehensive income-non-current	4,294	177,555	4.00	177,555	Not pledged as collateral
Foxlink Image Technology Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	The Company's parent company	Financial assets at fair value through other comprehensive income-non-current	27,503	1,014,860	5.37	1,014,860	Not pledged as collateral
Foxlink Image Technology Co., Ltd.	Wellgen Medical Co., Ltd.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	1,500	-	15.56	-	Not pledged as collateral
Power Quotient International Co., Ltd.	SAINT SONG CORP.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	127	-	1.05	-	Not pledged as collateral
Power Quotient International Co., Ltd.	OURS TECHNOLOGY INC.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	13	-	0.21	-	Not pledged as collateral
Power Quotient International Co., Ltd.	INNOPLUS CO., LTD.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	160	-	12.00	-	Not pledged as collateral
Power Quotient International Co., Ltd.	TAIWAN STAR TELECOM CORPORATION LIMITED	Not applicable	Financial assets at fair value through other comprehensive income-non-current	50,000	213,454	0.80	213,454	Not pledged as collateral
Power Quotient International Co., Ltd.	STACK DEVICES CORP.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	70	-	0.11	-	Not pledged as collateral

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2022				
				Number of shares (in thousands)	Book value	Ownership (%)	Fair value	Footnote
Power Quotient Technology (YANCHENG) Co., Ltd.	Jiangsu Foxlink New Energy Technology Co.,Ltd.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	-	74,517	12.90	74,517	Not pledged as collateral
Shinfox Co., Ltd.	Corvus Energy Ltd.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	22	-	0.04	-	Not pledged as collateral
Shinfox Co., Ltd.	SEC INTERNATIONAL INC.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	-	-	-	-	Not pledged as collateral
Foxwell Energy Corporation Ltd.	Full Entertainment Marketing Co., Ltd.	Not applicable	Financial assets at fair value through other comprehensive income-non-current	300	-	3.00	-	Not pledged as collateral

FIT HOLDING CO., LTD.
Provision of endorsements and guarantees to others
Year ended December 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022	Outstanding endorsement/ guarantee amount at December 31, 2022	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 1)											
0	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	2	\$ 47,260,116	\$ 1,636,103	\$ 1,635,869	\$ 765,869	\$ -	20.77	\$ 47,260,116	Y	N	N	
0	FIT Holding Co., Ltd.	Glory Science Co., Ltd.	2	47,260,116	1,224,190	1,222,240	657,240	\$ -	15.52	47,260,116	Y	N	N	
0	FIT Holding Co., Ltd.	Shih Fong Power Co., Ltd.	2	47,260,116	3,000,000	-	-	\$ -	-	47,260,116	Y	N	N	
1	Foxlink Image Technology Co., Ltd.	Power Quotient International Co., Ltd.	4	17,050,716	1,025,000	1,025,000	925,000	\$ -	13.01	17,050,716	N	N	N	
1	Foxlink Image Technology Co., Ltd.	Glory Science Co., Ltd.	4	17,050,716	300,000	300,000	300,000	\$ -	3.81	17,050,716	N	N	N	
2	Shinfox Energy Co. Ltd.	Foxwell Energy Corporation Ltd.	2	62,122,164	25,950,000	25,950,000	16,542,997	\$ -	329.45	62,122,164	Y	N	N	

Note 1: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 2: Total limit or limit on loans to a singal party of the Company's and subsidiaries is calculated in accordance with the Company's "Procedures for Provision of Endorsements and Guarantees".

- (1) Limit on total endorsements is 600% of the Company's net asset.
- (2) Limit on endorsements to a single party is 600% of the Company's net asset.
- (3) Limit on total endorsements granted by the Company and its subsidiaries is 600% of the Company's net asset.
- (4) Total limit on the Company's and its subsidiaries endorsement/guarantee to a singal party is 600% of the Company's net assets and to the subsidiaries that the Company owned more than 90% (included) voting shares is 600% of the Company's net assets.
- (5) For business transaction with the Company, the guarantee amount should not exceed 150% of the amount of business transaction, which is the higher between sales and purchases.
- (6) The companies whose voting rights are 90% owned directly and indirectly by the Company can provide endorsement/guarantee each other with a limit of 10% of the Company's net assets, but not available for the companies whose voting rights are 100% owned directly and indirectly by the Company.
- (7) The Company's subsidiary who prepared to provide endorsement/guarantee to others due to business transaction shall implement in accordance with the Company's procedures, and the calculation of the Company's net assets shall use the subsidiary's net assets.

FIT HOLDING CO., LTD.

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

Year ended December 31, 2022

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the counterparty	Balance as at January 1, 2022		Addition		Disposal			Gain (loss) on disposal	Balance as at December 31, 2022	
					No. of shares (in thousands)	Amount	No. of shares (in thousands)	Amount	No. of shares (in thousands)	Selling price	Book value		No. of shares (in thousands)	Amount
Power Quotient International Co., Ltd.	Shinfox Co., Ltd.	Investment accounted for using equity method	Note1	Subsidiary	73,518,610	1,880,146	20,073,340	1,766,454	-	-	-	-	102,951,145	3,646,600

Note1 : Department of cash capital increase ◦

FIT HOLDING CO., LTD.
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 5 Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction					Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Wei Hai Fu Kang Electric Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	Affiliate	Sales	(\$ 138,846)	-23%	Flexible collection, depending on the capital requirement	Mutual agreement	None	\$ 45,977	21%		
ACCU-IMAGE TECHNOLOGY LIMITED	Wei Hai Fu Kang Electric Co., Ltd.	Affiliate	Purchases	138,846	100%	Flexible collection, depending on the capital requirement	Mutual agreement	None	(\$ 45,977)	-100%		
Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliate	Sales	(467,655)	-77%	Flexible collection, depending on the capital requirement	Mutual agreement	None	169,688	79%		
Foxlink Image Technology Co., Ltd.	Wei Hai Fu Kang Electric Co., Ltd.	Affiliate	Purchases	467,655	11%	Flexible collection, depending on the capital requirement	Mutual agreement	None	(169,688)	-21%		
Glorytek (Yancheng) Co., Ltd.	Glory Science Co., Ltd.	Affiliate	Sales	(118,476)	-46%	90 days after monthly billings	Mutual agreement	None	6,849	11%		
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	Purchases	118,476	35%	90 days after monthly billings	Mutual agreement	None	(6,849)	-11%		

FIT HOLDING CO., LTD.
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	Subsidiary	\$ 670,000	Note1				
Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	176,320	Note1	-	-	-	-
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	350,909	0.03	-	-	-	-
Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	166,070	Note1	-	-	-	-
Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Affiliate	259,800	Note1	-	-	-	-
Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	Affiliate	139,433	Note1	-	-	-	-
Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliate	273,968	2.92	-	-	-	-
Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliate	112,862	0.02	-	-	-	-
Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	Affiliate	169,688	4.46	-	-	78,714	-
Power Quotient Technology (YANCHENG) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	Affiliate	528,960	Note1	-	-	-	-

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

FIT HOLDING CO., LTD.
Significant inter-company transactions during the reporting period
Year ended December 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	1	Other receivables	\$ 670,000	Based on the Company's policies	2%
1	Foxlink Image Technology Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	176,320	Based on the Company's policies	1%
2	Glory Science Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	259,800	Based on the Company's policies	1%
2	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Accounts receivable	350,909	Based on the Company's policies	1%
2	Glory Science Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	139,433	Based on the Company's policies	0%
3	Glorytek (Yancheng) Co., Ltd.	Glory Science Co., Ltd.	3	Sales revenue	118,476	Based on the Company's policies	1%
4	Glorytek (Suzhou) Co., Ltd.	Glorytek (Yancheng) Co., Ltd.	3	Other receivables	166,070	Based on the Company's policies	1%
5	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	273,968	Flexible collection, depending on the capital requirement	1%
5	Dongguan Fu Wei Electronics Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Processing fees revenue	770,514	Flexible collection, depending on the capital requirement	6%
6	Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	112,862	Flexible collection, depending on the capital requirement	0%
6	Dong Guan Fu Zhang Precision Industry Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Processing fees revenue	143,585	Flexible collection, depending on the capital requirement	1%
7	Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Accounts receivable	169,688	Flexible collection, depending on the capital requirement	1%

Number (Note 1)	Company name	Counterparty	Relationship (Note2)	General ledger account	Amount	Transaction		Percentage of consolidated total operating revenues or total assets (Note 3)
						Transaction terms		
7	Wei Hai Fu Kang Electric Co., Ltd.	Foxlink Image Technology Co., Ltd.	3	Sales revenue	467,655	Flexible collection, depending on the capital requirement		4%
7	Wei Hai Fu Kang Electric Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	3	Sales revenue	138,846	Flexible collection, depending on the capital requirement		1%
8	Power Quotient Technology (YANCHENG) Co., Ltd.	Glory Optics (Yancheng) Co., Ltd.	3	Other receivables	528,960	Based on the Company's policies		2%

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

(1) Parent company is '0'.

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

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to.

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Percentage of total consolidated revenues or total assets is calculated using the total consolidated assets at the end of the year when the subject of transaction is an asset/liability, and is calculated by total consolidated revenues during the year when the subject of transaction is a revenue/expense.

Note 4: The inter-company transactions not exceeding \$0.1 billion are not disclosed. In addition, counterparty related parties' transactions are not disclosed.

FIT HOLDING CO., LTD.
Information on investees
Year ended December 31, 2022

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2022							
Investor	Investee	Location	Main business activities	Balance as at		Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee		Investment income (loss)		Footnote
				December 31, 2022	December 31, 2021				for the year ended December 31, 2022		recognized by the Company for the year ended December 31, 2022		
FIT Holding Co., Ltd.	Glory Science Co., Ltd.	Taiwan	Manufacture and sales of optical instruments	\$ 2,814,868	\$ 2,214,868	60,000,001	100.00	\$ 695,925	(\$ 288,663)	(\$ 288,663)		Subsidiary	
FIT Holding Co., Ltd.	Foxlink Image Technology Co., Ltd.	Taiwan	Manufacture of image scanners and multifunction printers	3,011,140	3,011,140	164,993,974	100.00	3,575,292	693,126	686,912		Subsidiary	
FIT Holding Co., Ltd.	Power Quotient International Co., Ltd.	Taiwan	Manufacture and sales of telecommunication electronic components	3,372,180	3,372,180	444,690,529	100.00	4,861,812	158,141	156,526		Subsidiary	
FIT Holding Co., Ltd.	Shih Fong Power Co., Ltd.	Taiwan	Hydroelectricity generation	299,952	299,952	37,500,000	16.30	386,182	(2,742)	(447)		Subsidiary	
FIT Holding Co., Ltd.	Synergy Co., Ltd.	Taiwan	Optoelectronics Industry 、Renewable energy and Energy technical services	36,760	36,760	3,676,000	36.76	33,353	(6,780)	(2,492)		Investee	
Foxlink Image Technology Co., Ltd.	ACCU-IMAGE TECHNOLOGY LIMITED	British Virgin Islands	Manufacture of image scanners and multifunction printers	1,325,962	1,110,992	20,241,034	100.00	2,065,845	292,660	-		Second-tier subsidiary	
Foxlink Image Technology Co., Ltd.	Shih Fong Power Co., Ltd.	Taiwan	Hydroelectricity generation	957,600	957,600	79,800,000	34.70	953,276	(2,742)	-		Investee	
ACCU-IMAGE TECHNOLOGY LIMITED	POWER CHANNEL LIMITED	Hong Kong	Holding and reinvesting businesses	150,479	150,479	3,575	35.75	585,875	134,185	-		Investee	
Glory Science Co., Ltd.	GLORY TEK (BVI) CO., LTD.	British Virgin Islands	General investments business	1,372,936	1,372,936	40,699,819	100.00	95,368	(274,877)	-		Second-tier subsidiary	
GLORY TEK (BVI) CO., LTD.	GLORY TEK (SAMOA) CO., LTD.	Samoa	General investments business	769,305	780,074	25,050,628	100.00	387,279	(147,276)	-		Third-tier subsidiary	
GLORY TEK (BVI) CO., LTD.	GLORY OPTICS (BVI) CO., LTD.	British Virgin Islands	Trading	491,360	494,837	16,000,000	100.00	(301,971)	(126,543)	-		Third-tier subsidiary	
GLORY TEK (BVI) CO., LTD.	GLORYTEK SCIENCE INDIA PRIVATE LIMITED	India	Trading and manufacturing	103,366	99,927	21,773,105	99.27	80,341	(1,076)	-		Third-tier subsidiary	
GLORYTEK SCIENCE INDIA PRIVATE LIMITED	TEGNA ELECTRONICS PRIVATE LIMITED	India	Trading and manufacturing	11,134	11,181	3,001,000	10.00	12,025	(5,177)	-		Investee	
Power Quotient International Co., Ltd.	Power Quotient International (H.K.) Co., Ltd.	Hong Kong	Sales of electronic telecommunication components	417,822	417,822	106,100,000	100.00	712,265	11,317	-		Second-tier subsidiary	
Power Quotient International Co., Ltd.	PQI JAPAN CO., LTD	Japan	Sales of electronic telecommunication components	23,129	23,129	24,300	100.00	(155,591)	-	-		Second-tier subsidiary	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022					Investment income (loss) recognized by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2022			
Power Quotient International Co., Ltd.	SYSCOM DEVELOPMENT CO., LTD.	British Virgin Islands	Specialised investments holding	333,602	333,602	10,862,980	100.00	83,046	(	881)	-	Second-tier subsidiary
Power Quotient International Co., Ltd.	Apix LIMITED	British Virgin Islands	Specialised investments holding	3,177,539	3,177,539	12,501	100.00	1,212,623		78,129	-	Second-tier subsidiary
Power Quotient International Co., Ltd.	PQI Mobility Inc.	Samoa	Specialised investments holding	-	307,100	-	0.00	-		1,599	-	Second-tier subsidiary (Note 1)
Power Quotient International Co., Ltd.	Power Sufficient International Co., Ltd.	Taiwan	Sales of medical equipment	10,000	10,000	1,000,000	100.00	13,160		107	-	Second-tier subsidiary
Power Quotient International Co., Ltd.	Shinfox Co., Ltd.	Taiwan	Energy service management	3,646,600	1,880,146	102,951,145	47.63	4,931,464		225,212	-	Second-tier subsidiary
Shinfox Co., Ltd.	Foxwell Energy Corporation Ltd.	Taiwan	Energy service management	6,100,000	3,000,000	610,000,000	100.00	6,289,095		186,554	-	Third-tier subsidiary
Shinfox Co., Ltd.	SHINFOX NATURAL GAS CO., LTD.	Taiwan	Energy service management	360,000	120,000	36,000,000	80.00	300,692	(	36,892)	-	Third-tier subsidiary
Shinfox Co., Ltd.	Foxwell Power Co., Ltd.	Taiwan	Energy service management	672,600	99,000	48,140,000	80.23	733,053		25,883	-	Third-tier subsidiary
Shinfox Co., Ltd.	Junezhe Co., Ltd.	Taiwan	Dredging industry	-	134,000	-	-	-		30,576	-	Third-tier subsidiary (Note 2)
Shinfox Co., Ltd.	Jiuwei Power Co., Ltd.	Taiwan	Natural gas power generation business	1,100,000	30,000	110,000,000	100.00	1,092,329	(	7,660)	-	Third-tier subsidiary
Shinfox Co., Ltd.	CHUNG CHIA POWER Co., Ltd.	Taiwan	Combined Heat and Power	180,000	180,000	12,000,000	20.00	170,089	(	36,176)	-	Investee
Shinfox Co., Ltd.	Elegant Energy TECH Co., Ltd	Taiwan	Energy technical services	200,000	-	500,000	100.00	204,303		7,321	-	Third-tier subsidiary
Shinfox Co., Ltd.	Yuanshan Forest Natural Resources Co., Ltd.	Taiwan	Tree planting industry	10,000	-	1,000,000	100.00	9,946	(	54)	-	Third-tier subsidiary
Shinfox Co., Ltd.	Changpin Wind Power Ltd.	Taiwan	Electricity Generating Enterprise	120,000	-	12,000,000	50.00	116,102	(	896)	-	Investee

Table 8, Page2

				Initial investment amount		Shares held as at December 31, 2022				Investment income (loss)		
Investor	Investee	Location	Main business activities	Balance as at	Balance as at	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee	Investment income (loss)	Footnote	
				December 31, 2022	December 31, 2021				for the year ended December 31, 2022	recognized by the Company for the year ended December 31, 2022		
Shinfox Co., Ltd.	Diwei Electric Power Co., Ltd	Taiwan	Electricity Generating Enterprise	30,000	-	3,000,000	100.00	29,950	(50)	-	Third-tier subsidiary	
Shinfox Co., Ltd.	Guanwei Power Co., Ltd.	Taiwan	Electricity Generating Enterprise	35,700	-	3,570,000	100.00	35,669	(31)	-	Third-tier subsidiary	
Shinfox Co., Ltd.	Shinfox Far East Company Pte Ltd	Singapore	Maritime Engineering	981,545	-	981,545,000	98.46	981,545	-	-	Investee	
Foxwell Energy Corporation Ltd.	Liangwei Electric Power Co., Ltd.	Taiwan	Electricity Generating Enterprise	40,000	-	4,000,000	100.00	39,961	(39)	-	Fourth-tier subsidiary	
SYSCOM DEVELOPMENT CO., LTD	Foxlink Powerbank International Technology Private Limited	India	Sales of electronic telecommunication components	103,277	103,277	21,790,000	99.27	80,419	(897)	-	Third-tier subsidiary	
Apix LIMITED	Sinocity Industries Co., Ltd.	Hong Kong	Sales of electronic product	2,658,150	2,658,150	6,000,000	100.00	953,004	61,273	-	Third-tier subsidiary	
Apix LIMITED	Perennial Ace Limited	British Virgin Islands	Specialised investments holding	654,123	654,123	-	100.00	259,477	16,855	-	Third-tier subsidiary	
Sinocity Industries Co., Ltd.	DG LIFESTYLE STORE LIMITED	Macau	Sales of electronic product	382	382	100,000	100.00	(9,913)	(8,811)	-	Fourth-tier subsidiary	
Perennial Ace Limited	Studio A Technology Limited	Hong Kong	Sales of electronic product	4,998	4,998	1,225,000	24.50	122,882	68,796	-	Investee	
Foxlink Powerbank International Technology Private Limited	TEGNA ELECTRONICS PRIVATE LIMITED	India	Trading and manufacturing	11,134	11,134	3,001,000	10.00	12,024	(5,177)	-	Investee	

Note 1: The company has completed the dissolution and liquidation on October 2022.

Note 2: Junezhe Co., Ltd. has been sold 33.5% equity to other related parties on December 27 ,2022.

FIT HOLDING CO., LTD.
Information on investments in Mainland China
Year ended December 31, 2022

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2022	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Dong Guan Han Yang Computer Limited	Manufacture of image scanners and multifunction printers and investment in property	\$ 187,442	Note 2	\$ 187,442	\$ -	\$ -	\$ 187,442	\$ 27,462	100	\$ 27,462	\$ 302,566	\$ -	Note 7
Sharetronic Data Technology Co., Ltd.	Manufacture and sales of mobile phone, LCD TV Connector and electronic components	910,507	Note 2	131,746	-	-	131,746	653,194	7.13	47,971	459,495	-	Note 7
Dong Guan Fu Zhang Precision Industry Co., Ltd.	Mould development and moulding tool manufacture	249,127	Note 2	183,200	-	-	183,200	(33,807)	100	(33,807)	184,226	-	Note 7
Wei Hai Fu Kang Electric Co., Ltd.	Manufacture and sale of parts and moulds of photocopiers and scanners	460,650	Note 2	153,550	214,970	-	368,520	115,027	100	115,027	593,014	-	Note 7
Dongguan Fu Wei Electronics Co., Ltd.	Manufacture and sales of image scanners, multifunction and printers and its accessories	184,260	Note 2	163,019	-	-	163,019	119,158	100	119,158	486,751	-	Note 7
Glorytek (Suzhou) Co., Ltd.	Trading and manufacturing	429,940	Note 2	399,490	-	-	399,490	(94,443)	100	(94,443)	280,758	-	Note 7
Glorytek (Yancheng) Co., Ltd.	Trading and manufacturing	276,390	Note 2	256,815	-	-	256,815	(143,279)	100	(143,279)	(562,508)	-	Note 7
Yancheng Yao Wei Technology Co., Ltd.	Trading and manufacturing	44,080	Note 3	-	-	-	-	(58,511)	100	(58,511)	85,597	-	Note 7
Glory Optics (Yancheng) Co., Ltd.	Trading and manufacturing	951,101	Note 4	326,960	-	-	326,960	(151,454)	100	(151,454)	318,187	-	Note 7
Power Quotient Technology (YANCHENG) Co., Ltd.	Manufacture and sales of electronic components	614,200	Note 2	Note5	-	-	-	7,496	100	7,496	711,821	-	Note 7
PQI (Xuzhou) New Energy Co., Ltd.	Manufacture and sales of electronic components	44,080	Note 3	Note6	-	-	-	117	100	117	44,319	-	Note 7
Kunshan Jiawei Info Tech Co., Ltd.	Supply chain finance energy service management	1,536	Note 1	1,536	-	-	1,536	8,775	100	8,775	27,027	-	Note 7

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

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

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

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

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

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

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

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022		Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA	
Foxlink Image Technology Co., Ltd.	\$	1,046,296	\$	994,410	\$	1,705,071
Glory Science Co., Ltd.		983,265		1,288,285		417,916
Power Quotient International Co., Ltd.		1,536		670,860		6,357,945

FIT HOLDING CO., LTD.
Major shareholders information
December 31, 2022

Table 10

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Foxlink International Investment Ltd.	58,303,464	23.67%
Zhi De Investment Co., Ltd.	21,055,687	8.55%
Fu Uei International Investment Ltd. (FUII)	14,690,257	5.96%