

SHINFOX ENERGY CO., LTD.
PARENT COMPANY ONLY FINANCIAL
FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REPORT
DECEMBER 31, 2024 AND 2023

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.

SHINFOX ENERGY CO., LTD. PARENT COMPANY ONLY
DECEMBER 31, 2024 AND 2023 FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REPORT
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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR24000535

To the Board of Directors and Stockholders of Shinfox Energy Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Shinfox Energy Co., Ltd. (the "Company") as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2024 and 2023, 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.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Recognition of construction revenue - assessment on the stage of completion

Description

Please refer to Note 4(29) for accounting policy on construction contracts; Note 5 for the uncertainty of critical judgment, accounting estimates and assumptions applied to construction contracts; Note 6(21) for details of contract assets, contract liabilities, and construction revenue. Please refer to Note 6(6) for details of investments accounted for under equity method and Notes 8 and 9 for the related information of investees accounted for under equity method.

Contract assets, contract liabilities and construction revenue, amounted to NT\$311,122 thousand, NT\$755 thousand and NT\$1,007,597 thousand, respectively, as of December 31, 2024. Additionally, the companies accounted for under equity method, including Foxwell Energy Corporation Ltd., Foxwell Power Co., Ltd., Eastern Rainbow Green Energy Environmental Technology Co., Ltd., and Shinfox Fair East Company Pte. Ltd., amounted to NT\$13,064,866 thousand as of December 31, 2024. The Company and its subsidiaries are primarily engaged in the undertaking construction, electricity sales, energy conservation and energy storage and other related energy services. As the Company's construction revenue and costs mainly arise from undertaking construction works, the outcome of a construction contract can be estimated reliably, of which the revenue was recognised 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:

1. 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.
2. Assessed and tested the internal control procedures of the construction revenue recognised based on the stage of completion, including the verification of supporting documents for the additional or less projects and significant construction costs for the year.
3. 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.
4. 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.

Other matter - Reference to the audits 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, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$662,914 thousand, constituting 3.46 % of the total assets as at December 31, 2024, and the comprehensive loss recognised from associates and joint ventures accounted for under the equity method amounted to NT\$18,534 thousand, constituting 2.07% of the total comprehensive income for the year then ended.

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

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

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

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

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

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

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

We also:

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

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

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

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

Chou, Hsiao-Tzu

Liang, Yi-Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 6, 2025

The accompanying 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 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.

SHINFOX ENERGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,358,864	7	\$ 2,208,752	13
1110	Current financial assets at fair value through profit or loss	6(2)	2,641	-	3,900	-
1136	Current financial assets at amortised cost	6(3) and 8	5,973	-	-	-
1140	Current contract assets	6(21)	311,122	2	67,486	1
1150	Notes receivable, net	6(5)	-	-	10,267	-
1170	Accounts receivable, net	6(5)	79,971	-	32,001	-
1180	Accounts receivable, net - related parties	7	104,225	1	5,250	-
1200	Other receivables		1,823	-	64,374	-
1210	Other receivables - related parties	7	24,656	-	209	-
1220	Current tax assets		-	-	34,057	-
1410	Prepayments		538,040	3	263,137	2
1470	Other current assets	8	2,360	-	2,738	-
11XX	Total current assets		<u>2,429,675</u>	<u>13</u>	<u>2,692,171</u>	<u>16</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	45,780	-	-	-
1535	Non-current financial assets at amortised cost	6(4) and 8	25,843	-	34,394	-
1550	Investments accounted for using the equity method	6(6)	16,275,920	85	13,782,493	82
1600	Property, plant and equipment	6(7)	128,186	1	60,660	1
1755	Right-of-use assets	6(8)	70,168	-	54,596	-
1780	Intangible assets	6(9)	6,916	-	4,331	-
1840	Deferred tax assets	6(28)	71,507	-	20,680	-
1990	Other non-current assets, others	8	91,518	1	95,604	1
15XX	Total non-current assets		<u>16,715,838</u>	<u>87</u>	<u>14,052,758</u>	<u>84</u>
1XXX	Total assets		<u>\$ 19,145,513</u>	<u>100</u>	<u>\$ 16,744,929</u>	<u>100</u>

(Continued)

SHINFOX ENERGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(10)	\$ 2,160,531	11	\$ 1,040,000	6
2110	Short-term notes and bills payable	6(11)	1,117,963	6	967,410	6
2130	Current contract liabilities	6(21) and 7	500,755	3	531,922	3
2170	Accounts payable		126,324	1	7,022	-
2200	Other payables	6(12)	116,953	-	102,316	1
2220	Other payables - related parties	7	249	-	299	-
2230	Current tax liabilities		2,484	-	7,317	-
2280	Current lease liabilities	6(8) and 7	13,598	-	11,044	-
2300	Other current liabilities		627	-	484	-
21XX	Total current liabilities		<u>4,039,484</u>	<u>21</u>	<u>2,667,814</u>	<u>16</u>
Non-current liabilities						
2530	Bonds payable	6(13)	1,976,525	11	2,851,779	17
2540	Long-term borrowings	6(14)	400,000	2	-	-
2550	Non-current provisions		1,306	-	1,306	-
2570	Deferred tax liabilities	6(28)	5,637	-	1,947	-
2580	Non-current lease liabilities	7	57,616	-	45,096	-
2670	Other non-current liabilities, others		10,948	-	19,433	-
25XX	Total non-current liabilities		<u>2,452,032</u>	<u>13</u>	<u>2,919,561</u>	<u>17</u>
2XXX	Total liabilities		<u>6,491,516</u>	<u>34</u>	<u>5,587,375</u>	<u>33</u>
Equity						
Share capital						
3110	Ordinary share	6(17)	2,246,429	12	2,161,500	13
Capital surplus						
3200	Capital surplus	6(18)	9,038,544	47	8,197,827	49
Retained earnings						
3310	Legal reserve	6(19)	151,829	1	88,353	-
3320	Special reserve		87,347	-	16,978	-
3350	Unappropriated earnings		1,115,587	6	780,243	5
Other equity interest						
3400	Other equity interest	6(20)	14,261	-	(87,347)	-
3XXX	Total equity		<u>12,653,997</u>	<u>66</u>	<u>11,157,554</u>	<u>67</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 19,145,513</u>	<u>100</u>	<u>\$ 16,744,929</u>	<u>100</u>

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

SHINFOX ENERGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Years ended December 31,				
		2024		2023		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(21) and 7	\$ 1,139,256	100	\$ 392,152	100
5000	Operating costs	6(26)(27) and 7	(1,016,605)	(89)	(304,879)	(78)
5900	Gross profit		122,651	11	87,273	22
5910	Unrealised profit from sales	6(6)	(32,453)	(3)	(9,607)	(2)
5920	Realised profit from sales	6(6)	1,997	-	1,997	-
5950	Gross profit from operations		92,195	8	79,663	20
	Operating expenses	6(26)(27) and 7				
6200	Administrative expenses		(309,857)	(27)	(199,956)	(51)
6000	Total operating expenses		(309,857)	(27)	(199,956)	(51)
6500	Other operating income and expenses, net	6(6)(22)	-	-	41,356	11
6900	Operating income		(217,662)	(19)	(78,937)	(20)
	Non-operating income and expenses					
7100	Interest income	6(4) and 7	136,102	12	10,511	3
7010	Other income	6(23) and 7	43,311	4	23,639	6
7020	Other gains and losses	6(24)	77,043	7	28,273	7
7050	Finance costs	6(8)(25) and 7	(183,148)	(16)	(25,354)	(6)
7070	Share of profit of associates and joint ventures accounted for using equity method	6(6)	894,958	78	664,674	169
7000	Total non-operating income and expenses		968,266	85	701,743	179
7900	Profit before tax		750,604	66	622,806	159
7950	Income tax benefit	6(28)	42,810	4	13,579	3
8200	Profit		\$ 793,414	70	\$ 636,385	162
	Other comprehensive income, net					
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements	6(20)	\$ 101,608	9	(\$ 71,995)	(18)
8360	Total components of other comprehensive (loss) income that will be reclassified to profit or loss		101,608	9	(71,995)	(18)
8300	Other comprehensive income (loss), net		\$ 101,608	9	(\$ 71,995)	(18)
8500	Total comprehensive income		\$ 895,022	79	\$ 564,390	144
	Basic earnings per share	6(29)				
9750	Basic earnings per share		\$ 3.58		\$ 2.94	
	Diluted earnings per share	6(29)				
9850	Diluted earnings per share		\$ 3.42		\$ 2.92	

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

SHINFOX ENERGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31,	
		2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 750,604	\$ 622,806
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(7)(8)(26)	18,246	16,985
Amortisation expense	6(9)(26)	2,256	1,753
Share of profit of associates and joint ventures accounted for using equity method	6(6)	(894,958)	(664,674)
Gain on financial assets at fair value through profit or loss	6(2)(24)	(2,345)	-
Share-based payments	6(16)	1,183	-
Interest expense	6(25)	183,148	25,354
Interest income		(136,102)	(10,511)
Proceeds from disposal of property, plant and equipment		85	275
Gain on disposal of investments accounted for under the equity	6(6)(22)(24)	-	(96,439)
Unrealised profit from sales	6(6)	32,453	9,607
Realised profit from sales	6(6)	(1,997)	(1,997)
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		(243,636)	165,210
Notes receivable		10,267	20,533
Accounts receivable		(47,970)	2,267
Accounts receivable - related parties		(98,975)	(5,250)
Other receivables		62,982	(61,441)
Other receivables - related parties		(392)	(198)
Prepayments		(274,903)	(11,485)
Changes in operating liabilities			
Current contract liabilities		(31,167)	31,918
Accounts payable		119,302	(10,077)
Accounts payable - related parties		-	(1,000)
Other payables		14,832	19,809
Other payables to related parties		(50)	119
Other current liabilities		143	(288)
Cash (outflow) inflow generated from operations		(536,994)	53,276
Interest received		111,616	10,511
Interest paid		(130,448)	(19,852)
Income taxes paid		(9,161)	-
Income tax refunded		34,057	1,852
Net cash flows (used in) from operating activities		(530,930)	45,787

(Continued)

SHINFOX ENERGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31,	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease (increase) in financial assets at amortised cost		\$ 2,578	(\$ 8,570)
Decrease in other receivables - related parties		-	600,000
Acquisition of financial assets at fair value through other comprehensive income	12(3)	(45,780)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(6)	-	180,000
Acquisition of long-term equity investment - subsidiary	6(6)	(1,548,579)	(3,395,798)
Proceeds from disposal of investments accounted for under the equity	6(6)	-	138,135
Acquisition of property, plant and equipment	6(30)	(75,519)	(29,415)
Acquisition of intangible assets	6(9)	(4,841)	(150)
Increase in refundable deposits		4,464	(3,710)
Dividend received		23,270	2,795
Net cash flows used in investing activities		<u>(1,644,407)</u>	<u>(2,516,713)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term loans	6(31)	2,160,531	4,745,000
Repayment in short-term loans	6(31)	(1,040,000)	(3,855,000)
Increase in short-term notes and bills payable	6(31)	150,553	318,494
Proceeds from long-term debt		400,000	-
Repayments of long-term debt	6(31)	-	(1,295)
Payments of lease liabilities	6(31)	(12,925)	(11,729)
(Decrease) increase in guarantee deposits received	6(31)	(8,485)	4,283
Proceeds from issuing bonds		-	3,153,604
Cash dividends paid	6(19)	(324,225)	(108,075)
Net cash flows from financing activities		<u>1,325,449</u>	<u>4,245,282</u>
Net (decrease) increase in cash and cash equivalents		(849,888)	1,774,356
Cash and cash equivalents at beginning of year	6(1)	2,208,752	434,396
Cash and cash equivalents at end of year	6(1)	<u>\$ 1,358,864</u>	<u>\$ 2,208,752</u>

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

SHINFOX ENERGY CO., LTD.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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

1. History and Organization

- A. Shinfox Energy Co., Ltd. (the “Company”, formerly named Shinfox Co., Ltd. until it changed its name on June 23, 2020) was incorporated as approved by the Ministry of Economic Affairs in May 2007. The Company is primarily engaged in the provision of construction services, equipment maintenance and repair and other services. Since 2012, the Company has been invested in comprehensive professional energy services such as solar power plants and energy-saving services.
- B. To integrate group resources as decided by the Company’s ultimate parent company, Cheng Uei Precision Industry Co., Ltd. (Cheng Uei), the Company conducted a share swap with the Company’s associate, Foxwell Energy Corporation Ltd. (Foxwell Energy, a subsidiary of Power Quotient International Co., Ltd. (PQI)) with the effective date of the share swap set on December 27, 2019. Under the share swap agreement, the conversion ratio was one share of the Company’s newly issued ordinary stock to one share of Foxwell Energy’s ordinary stock. Originally, Fu Uei International Investment Ltd. (FUII) held 57.17% ownership of the Company. After the share swap, the Company’s ownership was held by PQI and FUII, and the Company held 100% ownership of Foxwell Energy.
- C. As of December 31, 2024, PQI owned 45.82% of share interests in the Company, which was the Company’s largest single shareholder and had control over the Company. PQI was the parent company of the Company.

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 6, 2025.

3. Application of New Standards, Amendments and Interpretations

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

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

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

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

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

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

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

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material 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 Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

- A. Except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, 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 financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the parent company only financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The 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 entities and associates 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

The construction contracts contracted by the Company are generally longer than one year. The assets and liabilities of the construction projects are classified as current or non-current according to the business cycle; the other criteria for classifying between current and non-current are as follows:

A. Assets 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) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(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 profit or loss

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

(7) 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 Company 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 Company's business model is achieved both by collecting contractual cash flows and selling financial assets.
 - (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 Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) 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 Company'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 Company 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 Company'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.

(9) Accounts and notes receivable

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

(10) Impairment of financial assets

For 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 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.

(11) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Leasing arrangements (lessor) - lease receivables/ operating leases

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

B. Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Investments accounted for using the equity method - subsidiaries and associates

A. Subsidiaries are all 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 gains or losses on transactions between the Company and subsidiaries have been eliminated. The accounting policies of the subsidiaries are consistent with the policies adopted by the Company.

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 the losses in proportion to the ownership.

D. If changes in the Company's shares in subsidiaries do not result in loss in control (transactions with non-controlling interest), transactions shall be considered as equity transactions, which are transactions between owners. Difference of adjustment of non-controlling interest and fair value of consideration paid or received is recognized in equity.

E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of. When the Company disposes a subsidiary that is engaged in developing and constructing renewable power plant, related income and expenses arising from the disposal transaction belong to operating activities, which will be recognised in other operating income and expenses, net based on the actual operating conditions.

F. Associates are all entities over which the Company 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.

- G. 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 equal 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.
- H. 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 change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- I. 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.
- J. 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.
- K. Pursuant to the Rules Governing the Preparation of Financial Statements by Securities Issuers, profit (loss) and other comprehensive income of the current period in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.
- L. When the Company disposes a subsidiary that is engaged in developing and constructing renewable power plants, related income and expenses arising from the disposal transaction belong to operating activities, which will be recognised in 'other operating income and expenses, net' based on the actual operating conditions.
- M. Pursuant to the Rules Governing the Preparation of Financial Statements by Securities Issuers, profit (loss) and other comprehensive income of the current period in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(14) Investment accounted for using equity method- joint ventures

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

The Company accounts for its interest in a joint venture using equity method. Unrealised profits and losses arising from the transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, all such losses shall be recognised immediately. When the Company's share of losses in a joint venture equals or exceeds its interest in the joint venture together with 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 joint venture.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Machinery and equipment			20 years
Office equipment	3 years	~	5 years
Other equipment	3 years	~	7 years

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

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

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

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

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

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

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

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

(17) Intangible assets

A. Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 5 years.

B. Trademarks (indefinite useful life)

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

(18) 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.

(4) 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.

(19) Accounts payable

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

(5) Convertible bonds payable

A. Convertible bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares, but not by exchanging a fixed amount of cash for a fixed number of common shares) and put options. The Company classifies the bonds payable upon issuance as a financial asset, financial liability or equity in accordance with the contract terms. They are accounted for as follows:

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

(20) Derecognition of financial liabilities

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

(21) Provisions

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

(22) 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

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.

(23) Employee share-based payment

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

(24) 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 consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is 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.

(25) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities.

(27) Revenue recognition

A. Construction revenue from construction contracts

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

B. Service revenue

The Company's service revenue mainly arises from providing energy-saving services, equipment maintenance services, design and development of solar power projects, reservoir dredging and other services. Certain revenue from providing services is recognised when the services are rendered and certain revenue from providing services is recognised in the accounting period in which the services are rendered.

C. Electricity sales revenue

The Company's electricity sales revenue arising from the sales of goods is recognised when the Company has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity.

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:

Critical accounting estimates and assumptions

The Company's construction revenue is recognised by reference to the stage of completion of the contract activity, using the percentage-of-completion method of accounting, over the contract term. Contract costs are expensed as incurred. The stage of completion of a contract is measured by the proportion of contract costs incurred for work performed to date to the estimated total costs for the contract.

As the estimated total costs and contract items are assessed and determined by the management based on different nature of constructions and complying with fluctuations in market prices, estimated subcontract charges and material and labour expenses, etc., any changes in estimates might affect the calculation of profit or loss from construction contracts. The transaction prices of the unsatisfied performance obligations of the Company's construction contracts are provided in Note 6(21).

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and revolving funds	\$ 80	\$ 80
Demand deposits	703,084	199,701
Cash equivalents		
Time deposits	<u>655,700</u>	<u>2,008,971</u>
	<u>\$ 1,358,864</u>	<u>\$ 2,208,752</u>

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

B. For the years ended December 31, 2024 and 2023, cash and cash equivalents amounting to \$31,816 and \$34,394, respectively, consisting of corporate bonds were pledged to others as collateral and performance guarantee and were classified as 'financial assets at amortised cost'.

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

<u>Items</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Derivative instruments-call options of convertible bonds payable	<u>\$ 2,641</u>	<u>\$ 3,900</u>

A. The Company recognised net profit amounting to \$2,345 and \$0 on financial assets at fair value through profit or loss for the years ended December 31, 2024 and 2023, respectively.

B. The Company has no financial assets at fair value through profit or loss pledged to others.

C. Information relating to financial assets at fair value through profit or loss is provided in Note 12(3).

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

<u>Items</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Non-current items:		
Equity instruments		
Unlisted stocks	\$ 61,029	\$ 15,249
Valuation adjustment	<u>(15,249)</u>	<u>(15,249)</u>
	<u>\$ 45,780</u>	<u>\$ -</u>

- A. As at December 31, 2024 and 2023, the Company has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$45,780 and \$0, respectively.
- B. As the investee company was dissolved, the Company derecognised the original investment cost and decreased retained earnings by \$1,626 which was adjusted from cumulative loss for the year ended December 31, 2023.
- C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31	
	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Cumulative gains (losses) reclassified to retained earnings due to derecognition	\$ -	(\$ 1,626)

- D. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.
- E. Information relating to financial assets at fair value through other comprehensive income is provided in Note 12(3)

(4) Financial assets at amortised cost

Items	December 31, 2024	December 31, 2023
Current items:		
Restricted bank deposits	\$ 5,973	\$ -
Non-current items:		
Restricted bank deposits	\$ -	\$ 8,561
Pledged time deposits	25,843	25,833
	<u>\$ 25,843</u>	<u>\$ 34,394</u>

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

	2024	2023
Interest income	\$ 248	\$ 143

- B. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was \$31,816 and \$34,394, respectively.
- C. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

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

(5) Accounts receivable, net (including long-term notes and accounts receivable)

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable	\$ -	\$ 10,267
Accounts receivable	41,659	26,749
Construction payments receivable	38,322	5,262
Less: Allowance for uncollectible accounts	(10)	(10)
	<u>\$ 79,971</u>	<u>\$ 32,001</u>

- A. Details of the ageing analysis of accounts receivable are provided in Note 12(2) and the ageing of notes receivable are not overdue.
- B. As of December 31, 2024 and 2023, accounts receivable were all from contracts with customers. As of January 1, 2023, the balance of receivables and allowance for uncollectible accounts from contracts with customers amounted to \$65,078 and \$10, respectively.
- C. The Company has no accounts receivable pledged to others as collateral.
- D. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum hedge to credit risk in respect of the amount that best represents the Company's notes receivable were \$79,971 and \$42,268, respectively.
- E. The Company does not hold any collateral.
- F. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(6) Investments accounted for using the equity method

Investee companies	December 31, 2024		December 31, 2023	
	Carrying amount	Shareholding ratio	Carrying amount	Shareholding ratio
<u>Subsidiaries</u>				
Foxwell Energy Corporation Ltd.	\$ 10,666,465	100%	\$ 9,454,493	100%
Foxwell Power Co., Ltd.	796,922	77.57%	753,148	77.57%
Shinfox Natural Gas Co., Ltd.	276,663	80%	273,993	80%
Jiuwei Power Co., Ltd.	1,080,235	100%	1,086,175	100%
Kunshan Jiuwei Info Tech Co., Ltd.	34,048	100%	31,272	100%
Yuanshan Forest Natural Resources Co., Ltd.	85,054	100%	99,682	100%
Elegant Energy TECH Co., Ltd.	53,908	100%	146,872	100%
Guanwei Power Co., Ltd.	35,228	51%	35,622	51%
Shinfox Far East Company Pte Ltd	1,448,392	67%	1,571,897	67%
Junwei Power Co., Ltd.	18,369	100%	11,955	100%
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	153,087	56.63%	211,405	56.63%
Chengdu Xinfuwei Energy Co., Ltd.	127,187	100%	-	-
Youde Wind Power Co., Ltd.	490,837	70.04%	-	-
Fox Nam Energy Co., Ltd.	114,738	100%	-	-
<u>Associates</u>				
DakPsi Investment and Develop Hydroelectric Joint Stock Company	662,914	35%	-	-
Ubilink.AI CO., Ltd. (Note)	9,055	10%	-	-
<u>Joint Venture</u>				
Changpin Wind Power Ltd.	222,818	50%	105,979	50%
	<u>\$ 16,275,920</u>		<u>\$ 13,782,493</u>	

Note: Formerly known as Ubitus.AI CO., Ltd.

- A. Please refer to Note 4(3) in the 2024 consolidated financial statements for the information regarding the Company's subsidiaries.
- B. The share of profit on investments accounted for using the equity method amounted to \$894,958 and \$664,674 for the years ended December 31, 2024 and 2023, respectively. The abovementioned investments accounted for using the equity method for the reporting period were all recognised based on the investees' financial reports audited or reviewed by independent auditors for the same period.
- C. On March 23, 2023, June 29, 2023, and December 28, 2023, the Company participated in the capital increase raised by Foxwell Energy Corporation Ltd. in the amount of \$600,000, \$600,000 and \$1,200,000, respectively. After the capital increase, the shareholding ratio was still 100%.

- D. Chung Chia Power Co., Ltd. increased its capital by issuing new shares on January 29, 2023. The Company did not acquire shares proportionally to its interest and lost its significant influence, resulting in the decrease of equity interests in the entity from 20% to 8%, which was subsequently recorded as ‘financial assets at fair value through other comprehensive income’. The Group disposed all equity interests in Chung Chia Power Co., Ltd. for a total cash consideration of \$180,000, and recognised gain on disposal of investment amounting to \$10,058.
- E. For the year ended December 31, 2023, the Company disposed of 1,601 thousand shares of Foxwell Power Co., Ltd. for a total cash consideration of \$60,838 and recognised capital surplus of \$36,364. After the disposal, the shareholding ratio was 77.57%.
- F. The Company participated in the capital increase of YuanShan Forest in the amount of \$90,000 on November 10, 2023 and after the capital increase, the shareholding ratio was still 100%.
- G. On August 23, 2023, the Company invested and established Junwei Power Co., Ltd. by investing \$12,000. The Company participated in the capital increase in the amount of \$10,000 on December 26, 2024 and after the capital increase, the shareholding ratio was still 100%.
- H. In December 2023, the Company sold 100% of shares in Diwei Power Co., Ltd. in the amount of \$77,297. The Company recognised gains on disposal of investments of \$41,356, which was recorded under ‘Other operating income and expenses, net’.
- I. For the year ended December 31, 2023, because the Company did not participate in the capital increase of Guanwei Power Co., Ltd. proportionally to its interests, the Company decreased its share interests to 51% and recognised capital surplus amounting to (\$46).
- J. On December 27, 2022, the Company invested in Shinfox Far East Company Pte. Ltd. with the consideration amounting to \$981,545 (shown as ‘prepayment for investment’), and in January 2023, the Company acquired 40% equity interests in the entity under equity settlement. On September 25, 2023, the Board of Directors of the Company resolved to increase its shareholding in an overseas investee, Shinfox Far East Company Pte. Ltd. On November 6, 2023, the Company acquired 27% equity interests with the consideration amounting to \$675,778, as a result, the Company’s shareholding ratio increased to 67%, which became the Company’s subsidiary. The Company recognised gain on disposal of investment amounting to \$45,025 due to the accounting remeasurement of this transaction.
- K. On October 6, 2023, the Company invested in Eastern Rainbow Green Energy Environmental Technology Co. Ltd. by investing \$218,020 and acquired 56.63% equity interests in the entity.
- L. On August 20, 2024 and December 5, 2024, the Company participated in the capital increase of Changpin Wind Power Ltd. amounting to \$65,000 and \$85,000, respectively. The shareholding ratio remains at 50% after the capital increase.
- M. On June 14, 2024, the Company established Ubilink.AI CO., Ltd. with \$10,000 together with the Company’s ultimate parent company, Cheng Uei Precision Industry Co., Ltd. and Ubitus K.K. The Company and ultimate parent company shareholders hold 10% and 41% of the equity of Ubilink.AI CO., Ltd., respectively. Therefore, it is judged that the Company has a significant

influence on Ubilink.AI CO., Ltd.

- N. On July 5, 2024, the Company invested and established Chengdu Xinfuwei Energy Co., Ltd. by investing US\$4,000 thousands.
- O. On October 28, 2024, the Company invested and established Youde Wind Power Co., Ltd. by investing \$1,000. The Company participated in the capital increase in the amount of \$490,000 on November 8, 2024 and after the capital increase, the shareholding ratio was still 70.04%.
- P. On October 18, 2024, the Company invested and established Fox Nam Energy Co., LTD. by investing US\$3,500 thousands.
- Q. On September 25, 2023, the Board of Directors of the Company approved the investment in GIO Thanh Energy Joint Stock Company, DakPsi Investment and Develop Hydroelectric Joint Stock Company, Vietnam Renewable Energy Joint Company Stock and SECO Joint Stock Company, resulting in the Company holding 35% of the shares. The two parties signed the contract on September 29, 2023, with an investment amount of VND 853,248,000 thousand, of which DakPsi Investment and Develop Hydroelectric Joint Stock Company had already completed the investment on October 30, 2024 with VND 517,574,738 thousand (NTD 644,381 thousand). As of March 6, 2025, the investment in the remaining three power plants has not yet been completed.
- R. For the years ended December 31, 2024 and 2023, the unrealised gain arising from the sidestream intercompany transaction of the investees amounting to \$32,453 and \$9,607 have been eliminated, respectively. For the years ended December 31, 2024 and 2023, realised gain on sales amounted to \$1,997 and \$1,997, respectively.
- S. The Company has no material associate and the share of the operating results of the aforementioned individually immaterial associates amounted to \$9,458 and (\$33,448) for the years ended December 31, 2024 and 2023, respectively.
- T. The Company has no material joint ventures, and the Company's interests in immaterial joint ventures and the Company's share of the operating results amounted to (\$33,162) and (\$10,123) for the years ended December 31, 2024 and 2023, respectively.

(7) Property, plant and equipment

	2024				
	Machinery and equipment	Office equipment	Others	Unfinished construction	Total
At January 1, 2024					
Cost	\$ 43,708	\$ 13,328	\$ 2,720	\$ 28,930	\$ 88,686
Accumulated depreciation	(20,572)	(5,964)	(1,490)	-	(28,026)
	<u>\$ 23,136</u>	<u>\$ 7,364</u>	<u>\$ 1,230</u>	<u>\$ 28,930</u>	<u>\$ 60,660</u>
<u>2024</u>					
Opening net book amount as at January 1	\$ 23,136	\$ 7,364	\$ 1,230	\$ 28,930	\$ 60,660
Additions	342	1,903	-	71,185	73,430
Disposals	-	(20)	(65)	-	(85)
Reclassifications	21,386	-	-	(21,386)	-
Depreciation expense	(3,118)	(2,136)	(565)	-	(5,819)
Closing net book amount as at December 31	<u>\$ 41,746</u>	<u>\$ 7,111</u>	<u>\$ 600</u>	<u>\$ 78,729</u>	<u>\$ 128,186</u>
At December 31, 2024					
Cost	\$ 65,436	\$ 12,847	\$ 1,808	\$ 78,729	\$ 158,820
Accumulated depreciation	(23,690)	(5,736)	(1,208)	-	(30,634)
	<u>\$ 41,746</u>	<u>\$ 7,111</u>	<u>\$ 600</u>	<u>\$ 78,729</u>	<u>\$ 128,186</u>
	2023				
	Machinery and equipment	Office equipment	Others	Unfinished construction	Total
At January 1, 2023					
Cost	\$ 39,063	\$ 12,912	\$ 2,720	\$ 3,050	\$ 57,745
Accumulated depreciation	(18,474)	(3,687)	(848)	-	(23,009)
	<u>\$ 20,589</u>	<u>\$ 9,225</u>	<u>\$ 1,872</u>	<u>\$ 3,050</u>	<u>\$ 34,736</u>
<u>2023</u>					
Opening net book amount as at January 1	\$ 20,589	\$ 9,225	\$ 1,872	\$ 3,050	\$ 34,736
Additions	23	691	-	30,502	31,216
Disposals	-	(275)	-	-	(275)
Reclassifications	4,622	-	-	(4,622)	-
Depreciation expense	(2,098)	(2,277)	(642)	-	(5,017)
Closing net book amount as at December 31	<u>\$ 23,136</u>	<u>\$ 7,364</u>	<u>\$ 1,230</u>	<u>\$ 28,930</u>	<u>\$ 60,660</u>
At December 31, 2023					
Cost	\$ 43,708	\$ 13,328	\$ 2,720	\$ 28,930	\$ 88,686
Accumulated depreciation	(20,572)	(5,964)	(1,490)	-	(28,026)
	<u>\$ 23,136</u>	<u>\$ 7,364</u>	<u>\$ 1,230</u>	<u>\$ 28,930</u>	<u>\$ 60,660</u>

- A. The Company has no property, plant and equipment that were pledged to others as collateral.
- B. Expenditure deemed necessary by the Company at the time the power plant is developed to a usable or completed state and should be classified under construction in progress.

(8) Leasing arrangements - lessee

- A. The Company leases various assets including buildings, business vehicles and multifunction printers. Rental contracts are typically made for periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise some of the Company's dormitories. Low-value assets comprise office equipment.
- C. The carrying amount of right-of-use assets and the depreciation expense are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 26,445	\$ 1,092
Buildings	43,131	52,912
Transportation equipment (Business vehicles)	592	592
Office equipment (Photocopiers)	-	-
	<u>\$ 70,168</u>	<u>\$ 54,596</u>
	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
	<u>Depreciation expense</u>	
Land	\$ 659	\$ 5
Buildings	10,896	10,873
Transportation equipment (Business vehicles)	872	1,078
Office equipment (Photocopiers)	-	12
	<u>\$ 12,427</u>	<u>\$ 11,968</u>

- D. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were \$27,999 and \$1,097, respectively.
- E. Information on profit or loss in relation to lease contracts is as follows:

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,030	\$ 1,088
Expense on short-term lease contracts	925	789
Expense on leases of low-value assets	204	218
Expense on variable lease payments	514	535

- F. For the years ended December 31, 2024 and 2023, the Company's total cash outflows for leases were \$15,598 and \$14,359, respectively.

G. Variable lease payments

(a) Some of the Company's lease contracts contain variable lease payment terms that are linked to sales generated from electricity sales. For above leases, up to 3.3% of lease payments are on the basis of variable payment terms and are accrued based on the sales amount. Variable payment terms are used for a variety of reasons. Various lease payments that depend on sales are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

(b) A 1% increase in electricity sales with such variable lease contracts would increase total lease payments by approximately \$5.

(9) Intangible assets

	December 31, 2024		
	Software	Goodwill	Total
At January 1			
Cost	\$ 9,488	\$ -	\$ 9,488
Accumulated amortisation and impairment	(5,157)	-	(5,157)
	<u>\$ 4,331</u>	<u>\$ -</u>	<u>\$ 4,331</u>
Opening net book amount as at January 1	\$ 4,331	\$ -	\$ 4,331
Additions — acquired separately	2,641	2,200	4,841
Amortisation expense	(2,256)	-	(2,256)
Closing net book amount as at December 31	<u>\$ 4,716</u>	<u>\$ 2,200</u>	<u>\$ 6,916</u>
At December 31			
Cost	\$ 10,016	\$ 2,200	\$ 12,216
Accumulated amortisation and impairment	(5,300)	-	(5,300)
	<u>\$ 4,716</u>	<u>\$ 2,200</u>	<u>\$ 6,916</u>
		<u>December 31, 2023</u>	
		<u>Software</u>	
At January 1			
Cost		\$ 9,338	
Accumulated amortisation and impairment		(3,404)	
		<u>\$ 5,934</u>	
Opening net book amount as at January 1		\$ 5,934	
Additions — acquired separately		150	
Amortisation expense		(1,753)	
Closing net book amount as at December 31		<u>\$ 4,331</u>	
At December 31			
Cost		\$ 9,488	
Accumulated amortisation and impairment		(5,157)	
		<u>\$ 4,331</u>	

Details of amortisation on intangible assets are as follows:

	Years ended December 31,	
	2024	2023
Administrative expenses	\$ 2,256	\$ 1,753

(10) Short-term borrowings

Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ 2,160,531	1.955%~2.555%	None
Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	\$ 1,040,000	1.83%~2.07%	None

(11) Short-term notes and bills payable

	December 31, 2024	December 31, 2023
Commercial paper	\$ 1,120,000	\$ 970,000
Discount amortisation	(2,037)	(2,590)
	\$ 1,117,963	\$ 967,410
Annual interest rate range	2.050%~2.138%	1.85%~1.91%

There is no collateral pledged for abovementioned short-term notes and bills borrowing payable.

(12) Other payables

	December 31, 2024	December 31, 2023
Employees' compensation and directors' remuneration payable	\$ 56,040	\$ 45,000
Wages, salaries and bonuses payable	22,689	21,440
Payable on maintenance and operation fees	13,238	-
Business tax payable	12,054	16,232
Others	12,932	19,644
	\$ 116,953	\$ 102,316

(13) Bonds payable

	December 31, 2024	December 31, 2023
Bonds payable	\$ 2,031,800	\$ 3,000,000
Less: Discount on bonds payable	(55,275)	(148,221)
	\$ 1,976,525	\$ 2,851,779

A. The terms of the first domestic secured convertible bonds issued by the Company are as follows:

- (a) The Company issued \$3,000,000, 0% first domestic secured convertible bonds, as approved by the regulatory authority. The bonds mature three years from the issue date (November 22, 2023 ~ November 22, 2026) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on November 22, 2023.

- (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
 - (c) The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds. The conversion price on the date of the bonds issue amounted to NT\$114. Starting from August 26, 2024, the aforementioned conversion price was reset to NT\$113 in accordance with the terms. For the year ended December 31, 2024, the bondholders applied for exercising the conversion of the bonds amounting to \$968,200 to exchange 8,493 thousand ordinary shares, and the exercise of the conversion options resulted in an increase of \$837,527 in capital surplus.
 - (d) The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.
 - (e) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- B. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$311,227 were separated from the liability component and were recognised in 'capital surplus-share options' in accordance with IAS 32. As of September 30, 2024, the cumulative amount of 'capital surplus - share options' of \$100,443 was eliminated based on the number of shares converted due to the exercise of bond conversion by the bondholders, and the remaining balance of 'capital surplus - share options' amounted to \$210,784. The call options embedded in bonds payable were separated from their host contracts and were recognised as 'financial assets or liabilities at fair value through profit or loss' in net amount of \$2,641 in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 1.7688%.

(14) Long-term borrowings (As of December 31, 2023: None)

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Bank unsecured borrowings	Borrowing period is from November 7, 2024 to November 9, 2026; interest is payable monthly and entire principal is payable when due.	2.0884%	None	\$ 400,000
Less: Current portion				<u>-</u>
				<u>\$ 400,000</u>

A. The Company entered into a medium and long-term loan agreement for a credit line of \$400,000 with The Export-Import Bank of the Republic of China on October 28, 2024. The main terms are as follows:

- (a) Purpose of borrowing: Provide the working capital for the Company to contract the development, construction and operation and maintenance of the domestic renewable energy power plants.
- (b) Tenure of borrowing: From October 28, 2024 to November 9, 2026. The financing period is 2 years from the drawing date.
- (c) Repayment:
 - i. Principal: Paid in full amount at the maturity date of tenure of borrowing.
 - ii. Interest: The first interest collection date would be on the 21st of the month following the first drawing date, and thereafter interest collection date would be on the 21st of each month. The interest rate would be adjusted every three months from the first interest collection date.

(15) Pensions

- A. 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.
- B. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2024 and 2023, were \$4,698 and \$4,464, respectively.

(16) Share-based payment (For the year ended December 31, 2023: None)

- A. For the years ended December 31, 2024 and 2023, the Company’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted		Vesting conditions
		(in shares)	Contract period	
Cash capital increase reserved for employee preemption	2023.11.21	835,000	5 years	2~4 years of service

Except for the above-mentioned share-based payments, the Company has no other share-based payments that have not yet been granted to employees.

B. Details of the share-based payment arrangements are as follows:

Subsidiaries- Foxwell Power:

	December 31, 2024		December 31, 2023	
	No. of options	Weighted-average exercise price	No. of options	Weighted-average exercise price
		(in dollars)		(in dollars)
Options outstanding at January 1	835	\$ 16	-	\$ -
Options granted	-	-	835	16
Options outstanding at December 31	<u>835</u>	16	<u>835</u>	16
Options exercisable at December 31	<u>-</u>	-	<u>-</u>	-

C. As of December 31, 2024 and 2023, the exercise prices of stock options outstanding were both \$16 (in dollars); the weighted-average remaining contractual periods were 3.8 years and 4.9 years, respectively.

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

Type of arrangement	Grant date	Share price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value (in dollars)
Cash capital increase reserved for employee preemption	2023.11.21	\$ 16.92	\$ 16	25.93% (Note)	3~4 years	-	1.1966%	3.071~4.189

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

E. The Company recognised compensation cost of \$1,183 and \$0 for cash capital increase reserved for employee preemption for the years ended December 31, 2024 and 2023, respectively.

(17) Share capital

A. As of December 31, 2024, the Company's authorised capital was \$4,000,000, consisting of 400,000 thousand shares of ordinary stock, and the paid-in capital was \$2,246,429 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

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

	2024	2023
At January 1	216,150	216,150
Convertible bonds	8,493	-
At December 31	224,643	216,150

B. To reinvest in the subsidiary, the Board of Directors during its meeting on November 8, 2024 adopted a resolution to increase the Company's capital by issuing 50,000 thousand ordinary shares with the effective date set on February 19, 2025, and the subscription price was NT\$80 (in dollars) per share. As of March 6, 2025, the registration has not yet been completed.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be 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.

(19) Retained earnings

- 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. Stock dividends should be appropriated at a rate of 10% per annum. The remainder shall be proposed by the Board of Directors and resolved by the shareholders as dividends to shareholders.
- 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. 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.
- D. The appropriation of 2023 and 2022 earnings as approved at the shareholders' meeting on May 21, 2024 and May 24, 2023, respectively, is as follows:

	2023		2022	
	Dividends per share		Dividends per share	
	Amount	(in dollars)	Amount	(in dollars)
Legal reserve	\$ 63,476		\$ 22,521	
Special reserve	70,369		-	
Reversal of special reserve	-		(238)	
Cash dividends	324,225	\$ 1.5	108,075	\$ 0.5

E. The appropriation of 2024 earnings as proposed by the Board of Directors on March 6, 2025 is as follows:

	2024	
	Dividends per share	
	Amount	(in dollars)
Legal reserve	\$ 79,341	
Reversal of special reserve	(87,347)	
Cash dividends	336,964	\$ 1.5

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

(20) Other equity items

	2024		
	Financial assets at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Total
At January 1	(\$ 15,249)	(\$ 72,098)	(\$ 87,347)
Currency translation differences:			
- Group	-	101,608	101,608
At December 31	<u>(\$ 15,249)</u>	<u>\$ 29,510</u>	<u>\$ 14,261</u>
	2023		
	Financial assets at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Total
At January 1	(\$ 16,875)	(\$ 103)	(\$ 16,978)
Currency translation differences:			
- Group	-	(71,995)	(71,995)
Disposal differences:			
- Revaluation transferred to retained earnings	1,626	-	1,626
At December 31	<u>(\$ 15,249)</u>	<u>(\$ 72,098)</u>	<u>(\$ 87,347)</u>

(21) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following categories within the respective reportable segments:

<u>Year ended December 31, 2024</u>	<u>Construction business revenue</u>	<u>Service revenue</u>	<u>Electricity sales revenue</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 1,007,597</u>	<u>\$ 124,693</u>	<u>\$ 6,966</u>	<u>\$ 1,139,256</u>
Timing of revenue				
At a point in time	\$ -	\$ 16,088	\$ -	\$ 16,088
Over time	<u>1,007,597</u>	<u>108,605</u>	<u>6,966</u>	<u>1,123,168</u>
	<u>\$ 1,007,597</u>	<u>\$ 124,693</u>	<u>\$ 6,966</u>	<u>\$ 1,139,256</u>

<u>Year ended December 31, 2023</u>	<u>Construction business revenue</u>	<u>Service revenue</u>	<u>Electricity sales revenue</u>	<u>Total</u>
Revenue from external customer contracts	<u>\$ 288,310</u>	<u>\$ 99,476</u>	<u>\$ 4,366</u>	<u>\$ 392,152</u>
Timing of revenue				
At a point in time	\$ -	\$ 5,000	\$ -	\$ 5,000
Over time	<u>288,310</u>	<u>94,476</u>	<u>4,366</u>	<u>387,152</u>
	<u>\$ 288,310</u>	<u>\$ 99,476</u>	<u>\$ 4,366</u>	<u>\$ 392,152</u>

B. Unfulfilled construction contracts

Aggregate amount of the transaction price allocated to and the year expected to recognise revenue for the unsatisfied performance obligations in relation to the contracted significant construction contracts as at December 31, 2024 and 2023 are as follows:

<u>Year ended</u>	<u>Year expected to recognise revenue</u>	<u>Contracted amount</u>
2024/12/31	2025~2027	\$ 2,764,028
2023/12/31	2024~2025	\$ 3,489,464

C. Contract assets and liabilities

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Contract assets		
Contract assets-Construction contracts	<u>\$ 311,122</u>	<u>\$ 67,486</u>
Contract liabilities		
Contract liabilities-Advance payment	\$ 500,000	\$ 500,000
Contract liabilities-Construction contracts	<u>755</u>	<u>31,922</u>
	<u>\$ 500,755</u>	<u>\$ 531,922</u>

(b) For the years ended December 31, 2024 and 2023, recognition of the aforementioned construction contract-related contract assets and liabilities are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Aggregate costs incurred plus recognised profits	\$ 1,261,802	\$ 4,123,969
Less: Progress billings	(951,435)	(4,088,405)
Net balance sheet position for construction in progress	<u>\$ 310,367</u>	<u>\$ 35,564</u>
Presented as:		
Current contract assets	\$ 311,122	\$ 67,486
Current contract liabilities	(755)	(31,922)
	<u>\$ 310,367</u>	<u>\$ 35,564</u>

(c) There was no revenue recognised that was included in the contract liability balance at the beginning of the period.

(22) Other income-Other

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Gains on disposals of investments	\$ -	\$ 41,356

(23) Other income

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Management services revenue	\$ 42,537	\$ 18,694
Other income, others	774	4,945
	<u>\$ 43,311</u>	<u>\$ 23,639</u>

(24) Other gains and losses

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Foreign exchange gains (losses)	\$ 74,783	(\$ 26,249)
Net gains on financial assets at fair value through profit or loss	2,345	-
Losses on disposal of property, plant and equipment	(85)	(275)
Gains on disposals of investments	-	55,083
Other income and expenses	-	(286)
	<u>\$ 77,043</u>	<u>\$ 28,273</u>

(25) Finance costs

	Year ended December 31	
	2024	2023
Interest expense		
Bank borrowings	\$ 46,819	\$ 18,764
Loans from related parties	84,493	-
Lease liabilities	1,030	1,088
Amortization of discount on convertible bonds	50,806	5,502
	<u>\$ 183,148</u>	<u>\$ 25,354</u>

(26) Expenses by nature

	Year ended December 31	
	2024	2023
Employee benefit expense	\$ 161,905	\$ 147,654
Depreciation expense	18,246	16,985
Amortisation expense	2,256	1,753

(27) Employee benefit expense

	Year ended December 31	
	2024	2023
Wages and salaries	\$ 135,859	\$ 125,364
Labour and health insurance fees	9,612	8,877
Pension costs	4,698	4,464
Directors' remuneration	8,160	6,500
Other personnel expenses	3,576	2,449
	<u>\$ 161,905</u>	<u>\$ 147,654</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' remuneration. The ratio shall not be lower than 6% for employees' compensation and shall not be higher than 3% for directors' remuneration.
- B. For the years ended December 31, 2024 and 2023, employees' compensation was accrued at \$48,980 and \$39,630, respectively; while directors' remuneration was accrued at \$7,780 and \$6,600, respectively. 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 period for the year ended December 31, 2024 and the percentage prescribed by the Company's Articles of Incorporation.
- D. The employees' compensation and directors' remuneration resolved by the Board of Directors on March 6, 2025 were \$48,980 and \$7,780, respectively, and will be distributed in the form of cash.

- E. 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 February 27, 2024 were \$39,630 and \$6,600, respectively. The difference of employees' compensation between the amounts resolved at the Board meeting and the amounts recognised in the 2023 financial statements, had been adjusted in the profit or loss of 2024 and based on the method of changes in accounting estimate.
- F. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) Income tax

A. Income tax expense

Components of income tax expense:

	Year ended December 31	
	2024	2023
Current tax:		
Current tax on profits for the year	\$ -	\$ 3,852
Tax on undistributed surplus earnings	7,618	4,470
Prior year income tax (overestimation) underestimation	(3,291)	1,824
Total current tax	<u>4,327</u>	<u>10,146</u>
Deferred tax:		
Origination and reversal of temporary differences	(47,137)	(23,725)
Income tax benefit	<u>(\$ 42,810)</u>	<u>(\$ 13,579)</u>

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2024	2023
Tax calculated based on profit before tax and statutory tax rate	\$ 150,121	\$ 124,769
Effects from items disallowed by tax regulation	(197,258)	(148,494)
Tax on undistributed surplus earnings	7,618	4,470
Effect from Alternative Minimum Tax	-	3,852
Prior year income tax (overestimation) underestimation	(3,291)	1,824
Income tax benefit	<u>(\$ 42,810)</u>	<u>(\$ 13,579)</u>

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

	2024		
	January 1	Recognised in profit or loss	December 31
Temporary differences:			
- Deferred tax assets:			
Unused compensated absences	\$ 271	(\$ 3)	\$ 268
Unrealized exchange gains/losses	5,145	(5,145)	-
Gain on overseas investment	-	39,197	39,197
Tax losses	15,264	16,778	32,042
Subtotal	<u>20,680</u>	<u>50,827</u>	<u>71,507</u>
- Deferred tax liabilities:			
Unrealized exchange gains/losses	-	(5,637)	(5,637)
Gain on overseas investment	(1,947)	1,947	-
Subtotal	<u>(1,947)</u>	<u>(3,690)</u>	<u>(5,637)</u>
Total	<u>\$ 18,733</u>	<u>\$ 47,137</u>	<u>\$ 65,870</u>
	2023		
	January 1	Recognised in profit or loss	December 31
Temporary differences:			
- Deferred tax assets:			
Unused compensated absences	\$ 232	\$ 39	\$ 271
Unrealized exchange gains/losses	-	5,145	5,145
Tax losses	-	15,264	15,264
Subtotal	<u>232</u>	<u>20,448</u>	<u>20,680</u>
- Deferred tax liabilities:			
Unrealized exchange gains/losses	(105)	105	-
Gain on overseas investment	(5,119)	3,172	(1,947)
Subtotal	<u>(5,224)</u>	<u>3,277</u>	<u>(1,947)</u>
Total	<u>(\$ 4,992)</u>	<u>\$ 23,725</u>	<u>\$ 18,733</u>

D. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

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

December 31, 2024				
Year incurred	Amount filed/ assessed	Unused amount	Deferred tax assets	Expiry year
2023	Amount filed	\$ 65,985	\$ -	2033
2024	Estimated	\$ 94,227	\$ -	2034

December 31, 2023				
Year incurred	Amount filed/ assessed	Unused amount	Deferred tax assets	Expiry year
2023	Amount filed	\$ 65,985	\$ -	2033

F. The Company has not recognised taxable temporary differences associated with investment in foreign investee company as deferred tax assets. As of December 31, 2024 and 2023, the amounts of temporary difference unrecognised as deferred tax liabilities were \$20,204 and (\$5,573), respectively.

(29) Earnings per share

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 793,414	221,642	\$ 3.58
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 793,414	221,642	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	477	
convertible corporate bonds	38,768	20,982	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 832,182	243,101	\$ 3.42

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 636,385	216,150	\$ 2.94
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 636,385	216,150	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	398	
convertible corporate bonds	4,402	2,884	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 640,787	219,432	\$ 2.92

(30) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Year ended December 31	
	2024	2023
Purchase of property, plant and equipment	\$ 73,430	\$ 31,216
Add: Opening balance of payable on equipment	2,425	624
Less: Ending balance of payable on equipment	(336)	(2,425)
Cash paid during the year	\$ 75,519	\$ 29,415

B. Investing activities with partial cash payments:

	Year ended December 31	
	2024	2023
Convertible bonds being converted to capital stocks	\$ 84,929	\$ -

(31) Changes in liabilities from financing activities

	Short-term	Short-term	Bonds	Long-term	Lease liabilities	Guarantee	Liabilities
	borrowings	notes and bills payable	payable	borrowings		deposits received	from financing activities-gross
At January 1, 2024	\$ 1,040,000	\$ 967,410	\$ 2,851,779	\$ -	\$ 56,140	\$ 19,432	\$ 4,934,761
Changes in cash flow from financing activities	1,120,531	150,553	-	400,000	(12,925)	(8,485)	1,649,674
Interest expense paid	-	-	-	-	(1,030)	-	(1,030)
Discount on bonds and issuance cost	-	-	-	-	-	-	-
Changes in other non-cash items	-	-	(875,254)	-	29,029	-	(846,225)
At December 31, 2024	\$ 2,160,531	\$ 1,117,963	\$ 1,976,525	\$ 400,000	\$ 71,214	\$ 10,947	\$ 5,737,180

	Short-term borrowings	Short-term notes and bills payable	Bonds payable	Long-term borrowings	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2023	\$ 150,000	\$ 648,916	\$ -	\$ 1,295	\$ 66,772	\$ 15,149	\$ 882,132
Changes in cash flow from financing activities	890,000	318,494	3,153,604	(1,295)	(11,729)	4,283	4,353,357
Interest expense paid	-	-	-	-	(1,088)	-	(1,088)
Discount on bonds and issuance cost	-	-	(307,327)	-	-	-	(307,327)
Changes in other non-cash items	-	-	5,502	-	2,185	-	7,687
At December 31, 2023	<u>\$ 1,040,000</u>	<u>\$ 967,410</u>	<u>\$ 2,851,779</u>	<u>\$ -</u>	<u>\$ 56,140</u>	<u>\$ 19,432</u>	<u>\$ 4,934,761</u>

7. Related Party Transactions

(1) Parent and ultimate controlling party

The Company is controlled by Power Quotient International Co., Ltd. which is the Company's largest single shareholder with control. The ultimate parent of the Company is Cheng Uei Precision Industry Co., Ltd.

(2) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Cheng Uei Precision Industry Co., Ltd.	Ultimate parent
Power Quotient International Co., Ltd.	Parent
Foxwell Energy Corporation Ltd. (Foxwell Energy)	Subsidiary
Kunshan Jiuwei Info Tech Co., Ltd. (Kunshan Jiuwei)	Subsidiary
Foxwell Power Co., Ltd. (Foxwell Power)	Subsidiary
Shinfox Natural Gas Co., Ltd. (Shinfox Natural Gas)	Subsidiary
Jiuwei Power Co., Ltd. (Jiuwei Power)	Subsidiary
Diwei Power Co., Ltd. (Diwei Power)	Subsidiary (Note 1)
Guanwei Power Co., Ltd. (Guanwei Power)	Subsidiary
Shinfox Far East Company Pte. Ltd. (SFE)	Subsidiary
Junwei Power Co., Ltd. (Junwei Power)	Subsidiary
Elegant Energy TECH Co., Ltd. (Elegant Energy)	Subsidiary
YuanShan Forest Natural Resources Co., Ltd (YuanShan Forest)	Subsidiary
Eastern Rainbow Green Energy Environmental Technology Co., Ltd. (Eastern Rainbow)	Subsidiary
Youde Wind Power Co., Ltd. (Youde)	Subsidiary (Note 3)
Liangwei Power Co., Ltd. (Liangwei Power)	Sub-subsidiary (Note 1)
Xinwei Power Co., Ltd. (Xinwei Power)	Sub-subsidiary
Changpin Wind Power Ltd. (Changpin)	Joint venture
Chung Chia Power Co., Ltd. (Chung Chia)	Associate (Note 2)
Shih Fong Power Co., Ltd. (Shih Fong)	Other related party
Hon Hai Precision Industry Co., Ltd. (Hon Hai)	Other related party

Note 1: The Company disposed all the equity interest in Liangwei Power Co., Ltd and Diwei Power Co., Ltd. on December 25, 2023. As a result, Liangwei Power Co., Ltd. and Diwei Power Co., Ltd. was no longer a related party starting from December 25, 2023.

Note 2: The Company disposed all the equity interest in Chung Chia Co., Ltd. on December 28, 2023. As a result, Chung Chia Co., Ltd. was no longer a related party starting from December 28, 2023.

Note 3: The company was newly established in 2024.

(3) Significant related party transactions

A. Operating revenue

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Ultimate parent	\$ 305,591	\$ -
Subsidiaries		
- Foxwell Energy	4,978	6,645
- Foxwell Power	-	1,000
- Liangwei Power	-	739
- Diwei Power	-	592
Sub-subsidiary		
- Xinwei Power	1,898	689
Joint Venture		
- Changpin	515,557	133,355
Other related parties		
- Hon Hai	3,678	-
- Shih Fong	12	2,094
	<u>\$ 831,714</u>	<u>\$ 145,114</u>

The Company entered into contracted construction agreements, contracted agreements for development, design, manufacture and supervision of construction and the operation and maintenance contract for wind turbine generator system (WTGS) with related parties and charged construction revenue and service revenue from related parties. The transaction price and credit terms are the same with the market situation or the general situation.

B. Operating costs and operating expenses

	Year ended December 31	
	2024	2023
<u>Cost of engineering sales</u>		
<u>Subsidiaries</u>		
- Foxwell Power	\$ 695	\$ 105
<u>Service fees</u>		
- Ultimate parent	\$ 960	\$ 1,200
<u>Utilities expense</u>		
- Ultimate parent	\$ 1,680	\$ 1,991
- Other	888	232
	<u>\$ 2,568</u>	<u>\$ 2,223</u>
<u>Transportation expense</u>		
- Ultimate parent	\$ 252	\$ 265
<u>Postage expenses</u>		
- Ultimate parent	\$ 425	\$ 447
<u>System usage expenses</u>		
- Ultimate parent	\$ 538	\$ -
<u>Other expenses</u>		
- Ultimate parent	\$ 54	\$ 54
- Parent	346	446
	<u>\$ 400</u>	<u>\$ 500</u>

Except for construction costs which are charged based on the transaction prices and payment terms that would be available to third parties or based on market quotes, other payments of the transactions between the Company and the abovementioned related parties are calculated based on the actual amount incurred and paid monthly.

C. Rental and other income

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Subsidiaries		
- Foxwell Energy	\$ 19,248	\$ 11,742
- Shinfox Natural Gas	5,934	3,737
- Foxwell Power	2,868	1,887
- Eastern Rainbow	2,820	559
- YuanShan Forest	2,360	-
- Jiuwei Power	2,063	-
- Elegant Energy	1,920	-
- Guanwei Power	360	-
- Junwei Power	360	-
Sub-subsidiary		
- Xinwei Power	446	-
Joint Venture		
- Changpin	1,800	1,200
Other related parties		
- Shih Fong	2,529	552
	<u>\$ 42,708</u>	<u>\$ 19,677</u>

The contract period that the Company provides related party management services is from January 1, 2024 to December 31, 2024 and from January 1, 2023 to December 31, 2023, respectively, and the transactions price and payment terms are determined based on the contracts.

D. Receivables from related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable:		
Joint Venture		
- Changpin	\$ 100,000	\$ 5,250
Other related parties		
- Hon Hai	4,225	-
Subtotal	<u>\$ 104,225</u>	<u>\$ 5,250</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Other receivables:		
Subsidiaries		
- SFE	\$ 24,055	\$ 209
- Youde	600	-
- Foxwell	1	-
	<u>\$ 24,656</u>	<u>\$ 209</u>

Receivables from related parties are mainly technical service revenue that the Company shall receive from related parties. Other receivables are interest income and payments on behalf of related parties.

E. Guarantee deposits received (shown as “other non-current liabilities-others”)

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Subsidiaries		
- Foxwell Power	\$ 10,943	\$ 14,399

Guarantee deposits received are mainly the deposits for warranty arising from the transaction of construction contract from related parties.

F. Payables to related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Other payables:		
- Ultimate parent	\$ 180	\$ 180
- Foxwell Power	69	119
	<u>\$ 249</u>	<u>\$ 299</u>

Other payables mainly pertain to the construction payments, service fees and utilities expenses payable to related parties.

G. Contract liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Subsidiary:		
- Jiuwei Power		
Total costs incurred and profits recognized	\$ -	\$ -
Less: Progress billings	(500,000)	(50,000)
Net balance sheet position for Construction in progress	<u>(\$ 500,000)</u>	<u>(\$ 50,000)</u>
Presented as:		
Current contract liabilities	<u>(\$ 500,000)</u>	<u>(\$ 50,000)</u>

The Company's contractual liabilities for engineering development service income from related parties.

H. Lease transactions - lessee

(a) The Company entered into rental contracts with related parties based on the market quote to lease offices from its ultimate parent. Rental contracts are typically made for periods of 10 years. Rents are paid monthly according to the contracts.

For the years ended December 31, 2024 and 2023, the depreciation charge is as follows:

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Ultimate parent	<u>\$ 10,245</u>	<u>\$ 10,283</u>

(b) Lease liabilities

i. Outstanding balance

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Ultimate parent	\$ 42,394	\$ 52,870

ii. Interest expense

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Ultimate parent	\$ 853	\$ 1,035

I. Property transactions

(a) Acquisition of financial assets

				<u>Year ended December 31, 2024</u>	
	<u>Accounts</u>	<u>No. of shares</u>	<u>Objects</u>	<u>Consideration</u>	
Subsidiary-					
Youde	Investments measured by equity method	<u>49,000</u>	shares	\$	490,000
Junwei Power	Investments measured by equity method	<u>1,000</u>	shares		10,000
Joint venture-					
Changpin	Investments measured by equity method	<u>15,000</u>	shares		150,000
				\$	<u>650,000</u>

				<u>Year ended December 31, 2023</u>	
	<u>Accounts</u>	<u>No. of shares</u>	<u>Objects</u>	<u>Consideration</u>	
Subsidiary-					
Foxwell Energy	Investments measured by equity method	<u>240,000</u>	shares	\$	2,400,000
YuanShan Forest	Investments measured by equity method	<u>9,000</u>	shares		90,000
Junwei Power	Investments measured by equity method	<u>1,200</u>	shares		12,000
SFE	Investments measured by equity method	<u>21,600</u>	shares		675,778
				\$	<u>3,177,778</u>

(b) Disposal of financial assets (For the year ended December 31, 2024: None)

	Accounts	No. of shares	Objects	Year ended December 31, 2024	
				Proceeds	Gain/(loss)
Subsidiary-					
Foxwell Power	Investments measured by equity method	<u>1,601</u>	shares	\$ 60,838	\$ -
Diwei Power	Investments measured by equity method	<u>3,000</u>	shares	77,297	41,356
Associate-					
Chung Chia	Non-current financial assets at fair value through other comprehensive income	<u>12,000</u>	shares	<u>180,000</u>	<u>10,058</u>
				<u>\$ 318,135</u>	<u>\$ 51,414</u>

J. Loans to /from related parties

(a) Loans to related parties:

- i. For the years ended December 31, 2024 and 2023, the balance of loans to related parties both amounted to \$0. Refer to Note 13 for details.
- ii. Interest income

	Year ended December 31	
	2024	2023
Foxwell Energy	\$ -	\$ 2,359
SFE	<u>83,288</u>	<u>-</u>
	<u>\$ 83,288</u>	<u>\$ 2,359</u>

(b) Loans from related parties

- i. For the years ended December 31, 2024 and 2023, the balance of loans from related parties both amounted to \$0. Refer to Note 13 for details.
- ii. Interest expense: (For the year ended December 31, 2023: None)

	Year ended December 31	
	2024	
Ultimate parent	\$	<u>84,493</u>

K. Endorsements and guarantees provided to related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Subsidiary		
- Foxwell Energy	\$ 27,325,000	\$ 31,200,000
- SFE	5,254,390	630,000
Joint Venture		
- Changpin	120,000	-
	<u>\$ 32,699,390</u>	<u>\$ 31,830,000</u>

(4) Key management compensation

	<u>Year ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Salaries and other short-term employee benefits	\$ 27,683	\$ 20,028
Post-employment benefits	358	960
Total	<u>\$ 28,041</u>	<u>\$ 20,988</u>

8. Pledged Assets

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

<u>Pledged asset</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>	
Restricted bank time deposits (shown as current financial assets at amortised cost)	\$ 5,973	\$ -	Reserve account
Restricted bank deposits and pledged time deposits (shown as non-current financial assets at amortised cost)	25,843	34,394	Reserve account and guarantee notes
Other assets, others (shown as other current assets)	2,360	2,738	Guarantee for construction performance
Other assets, others (shown as other non-current assets)	91,518	95,604	Deposits and Guarantee for development performance
	<u>\$ 125,694</u>	<u>\$ 132,736</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

The Company's subcontractor (Xincheng Co., Ltd.) requested compensation from the Company as it had objections to the payment for the construction. In May 2022, the Court's first instance judgement was rendered. According to the judgment, the Company shall pay \$1,257 and its penalty interest to Xincheng Co., Ltd., and the Company's other litigations were dismissed. The Company and Xincheng Co., Ltd. both disagreed with the judgment and filed an appeal. As of March 6, 2025, the case is still under trial with the Court of Second Instance. The Company will actively defend aforementioned litigation. However, due to the nature of unpredictability of legal cases, it is unable to reasonably determine the exact amount of possible compensation. The management assessed that the amount of the loss is not material to the financial statements.

(2) Commitments

A. As of December 31, 2024 and 2023, in addition to the significant construction contracts listed in Notes 6 and (21), the letters of guarantee to be issued by the bank, which are required for performance guarantee under the contracted construction and the warranty, amounted to \$192,392 and \$22,689, respectively.

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Equipment procurement contract		
Contract consideration	\$ 106,100	\$ 127,556
Unpaid amount	\$ 56,691	\$ 118,304
Work cooperation contract		
Contract consideration	\$ 3,695,902	\$ 4,064,600
Unpaid amount	\$ 1,366,812	\$ 2,203,912

(3) The Company entered an operation and maintenance contract with Changyuan and Beiyuan for wind turbine generator system. The contract specifies the terms such as the bonus and penalty of operation and maintenance as well as the relevant rights and obligations of both parties. The contract period is for 20 years from the parallel connection date.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

(a) Details of the appropriation of 2024 earnings are provided in Note 6(19).

(b) As of March 6, 2025, the registration of the Company's capital increase has not yet been completed. Refer to Note 6(17) for details.

(c) On November 8, 2024, the Company's Board of Directors resolved to acquire 50% equity interests in Synergy Co., Ltd., and on January 21, 2025, the Company increased its capital in the amount of \$800,010. As of March 6, 2025, the registration of the capital increase has not yet been completed.

(d) On March 6, 2025, the Board of Directors of the Company's subsidiary, Foxwell Energy, resolved to increase its capital by issuing 200,000 thousand new shares with a par value of \$10 per share with the effective date set on March 28, 2025. The Company's Board of Directors resolved to participate in the entity's capital increase on March 6, 2025.

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. Therefore, the Company's capital management is to ensure it has sufficient financial resources and operating plans, to maintain or adjust capital structure, and to meet operational capital for future needs, capital expenditure and obligation repayment within the next year.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ <u>2,641</u>	\$ <u>3,900</u>
Financial assets at amortised cost/		
Loans and receivables		
Cash and cash equivalents	\$ 1,358,864	\$ 2,208,752
Financial assets at amortised cost	31,816	34,394
Notes receivable	-	10,267
Accounts receivable (including related parties)	184,196	37,251
Other receivables (including related parties)	26,479	64,583
Guarantee deposits paid	93,878	98,342
	<u>\$ 1,695,233</u>	<u>\$ 2,453,589</u>

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 2,160,531	\$ 1,040,000
Short-term notes and bills payable	1,117,963	967,410
Accounts payable	126,324	7,022
Other accounts payable (including related parties)	117,202	102,615
Bonds payable	1,976,525	2,851,779
Long-term borrowings (including current portion)	400,000	-
Guarantee deposits received	10,947	19,432
	<u>\$ 5,909,492</u>	<u>\$ 4,988,258</u>
Lease liabilities	<u>\$ 71,214</u>	<u>\$ 56,140</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate), credit risk and liquidity risk. The Company's overall risk management policies focus on the unpredictable matters in financial market and seek to minimize potential adverse effects on the Company's financial condition and financial performance.
- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units.
- C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD, RMB and VND. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). 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, 2024			
	Foreign currency amount	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 20,174	32.79	\$ 661,405
RMB:NTD	2	4.48	9
<u>Non-monetary items</u>			
USD:NTD	\$ 44,178	32.79	\$ 1,448,392
VND:NTD	598,193,764	0.0013	777,652
RMB:NTD	36,006	4.48	161,235

December 31, 2023			
	Foreign currency amount	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 38,961	30.71	\$ 1,196,298
RMB:NTD	3,044	4.33	13,181
<u>Non-monetary items</u>			
USD:NTD	\$ 71,608	30.71	\$ 2,198,713
RMB:NTD	7,227	4.33	31,272

- iii. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2024 and 2023, amounted to \$74,783 and (\$26,249), respectively.
- iv. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2024			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 6,614	\$ -
RMB:NTD	1%	-	-

	Year ended December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 11,963	\$ -
RMB:NTD	1%	132	-

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. The Company's borrowings mainly bear fixed and variable interest rate. For the years ended December 31, 2024 and 2023, the Company's borrowings at variable rate were denominated in New Taiwan dollars. The interest arising from the short-term notes and bills payable borrowed by the Company is calculated at fixed rates. Since the borrowing periods are not long, it is assessed that there should be no significant fair value risk arising from interest rate changes.
- ii. On December 31, 2024 and 2023, if the borrowing interest rate had increased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2024 and 2023 would have decreased by \$20,484 and \$8,320, respectively. The main factor is that increase in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the cash flows of accounts receivable based on the agreed terms and the contract cash flows stated at amortised cost.
- ii. According to the Company's credit policy, each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- iii. The Company treasury manages the credit risk of bank deposits and other financial instruments in accordance with the policy. The counterparties of the Company are determined according to the internal control procedures, and only banks with good credit quality are accepted.
- iv. The Company has assessed the credit status of counterparties upon provision of services. Thus, it expects that the probability of counterparty default is remote. The Company's maximum exposure to credit risk at balance sheet date is the carrying amount.
- v. For the years ended December 31, 2024 and 2023, no credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.
- vi. The Company adopts the assumptions under IFRS 9, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

- vii. The Company classifies customers' accounts receivable and contract assets in accordance with customer types. The Company applies the modified approach using a provision matrix based on the loss rate methodology to estimate the expected credit loss.
- viii. The Company used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable and notes receivable. On December 31, 2024 and 2023, the provision matrix, loss rate methodology is as follows:

	Up to 30 days		31~60 days	61~90 days	Over 90 days	Total
	Not past due	past due	past due	past due	past due	
<u>December 31, 2024</u>						
Expected loss rate	0.01%	0.13%	0.26%	0.40%	100%	
Total book value	\$ 79,981	\$ -	\$ -	\$ -	\$ -	\$ 79,981
Loss allowance	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ 10

	Up to 30 days		31~60 days	61~90 days	Over 90 days	Total
	Not past due	past due	past due	past due	past due	
<u>December 31, 2023</u>						
Expected loss rate	6.00%	6.00%	6.00%	6.00%	100%	
Total book value	\$ 42,278	\$ -	\$ -	\$ -	\$ -	\$ 42,278
Loss allowance	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ 10

- ix. Movements in relation to the Company applying the simplified approach to provide loss allowance are as follows:

	2024	2023
At January 1	\$ 10	\$ 10
Write-offs	-	-
At December 31	<u>\$ 10</u>	<u>\$ 10</u>

- x. The Company's financial assets at amortised cost are pledged time deposits and time deposits mature in excess of three months with low credit risk. Thus, the Company did not recognise significant loss allowance in accordance with 12 months expected credit losses.

(b) Liquidity risk

- i. Cash flow forecasting is performed by Company treasury. The Company's treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The Company invests surplus cash in interest bearing demand deposits. The Company chooses instruments that are with appropriate maturities or sufficient liquidity to provide sufficient headroom.
- iii. The Company has the following undrawn borrowing facilities:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Floating rate:		
Expiring within one year	\$ 150,000	\$ 850,000
Fixed rate:		
Expiring within one year	-	100,000
	<u>\$ 150,000</u>	<u>\$ 950,000</u>

- iv. 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 for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. Except that the carrying amounts of accounts payable, other payables and guarantee deposits received are approximate to the amounts of contractual undiscounted cash flows and those accounts will expire within a year, the amounts of financial liabilities disclosed in the table are the contractual undiscounted cash flows:

Non-derivative financial liabilities:

December 31, 2024	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 3 years</u>	<u>Between 3 and 5 years</u>	<u>Over 5 years</u>
Lease liabilities	\$ 15,648	\$ 14,585	\$ 13,945	\$ 16,783	\$ 15,356
Short-term borrowings	2,175,585	-	-	-	-
Short-term notes and bills payable	1,120,000	-	-	-	-
Long-term borrowings (including current portion)	8,354	406,889	-	-	-
Bonds payable	-	2,031,800	-	-	-

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, 2024 and 2023 is as follows:

December 31, 2024	<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	\$ -	\$ -	\$ 45,780	\$ 45,780
Embedded derivatives				
Put options of convertible bonds comprehensive income	-	2,641	-	2,641
Total	<u>\$ -</u>	<u>\$ 2,641</u>	<u>\$ 45,780</u>	<u>\$ 48,421</u>
December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ -	\$ 3,900	\$ -	\$ 3,900

D. The methods and assumptions the Company used to measure fair value are as follows:

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

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

(b) Except for financial instruments with active markets, the fair value of other instruments is measured by using valuation techniques or by reference to counterparty quotes.

(c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

(d) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimate value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

- (e) The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.
- E. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
	<u>Equity instrument</u>	<u>Equity instrument</u>
At January 1	\$ -	\$ -
Purchase in the year	45,780	-
Sold in the year	-	(169,942)
Transfers into level 3	-	169,942
At December 31	<u>\$ 45,780</u>	<u>\$ -</u>

- G. For the years ended December 31, 2024 and 2023, there was no transfer into Level 3, please refer to Note 6 (3).
- H. Financing management 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.
- I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	<u>Fair value at December 31, 2024</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of input to fair value</u>
Non-derivative equity instrument:					
Unlisted shares	<u>\$ 45,780</u>	Market comparable companies	Volatility	21.27%	The higher the volatility, the higher the fair value

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of input to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ -	Market comparable companies	Discount for lack of marketability	20.00%	The higher the discount for lack of marketability, the lower the fair value

J. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed: (As of December 31, 2023: None.)

		December 31, 2024				
		Recognised in profit or loss		Recognised in other comprehensive income		
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets equity instrument	Volatility	±1%	\$ -	\$ -	\$ 458	(\$ 458)

13. Supplementary Disclosures

(1) Significant transactions information

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

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

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.

E. Acquisition of real estate reaching 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 NT\$100 million or 20% of paid-in capital or more: Please refer to table 5.

H. Receivables from related parties reaching NT\$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

For the information on investees, except for current profit (loss) for the year ended December 31, 2024 is translated using the monthly average exchange rate in 2024, others are translated using the spot rate as December 31, 2024.

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

Investee in Mainland China, main business activities, paid-in capital, investment method, amount remitted from Taiwan to Mainland China / amount remitted back to Taiwan, ownership, investment income (loss), investments in Mainland China as of December 31, 2024, book value, investment income remitted back and ceiling on investments in Mainland China: Please refer to table 9.

(4) Major shareholders information

Major shareholders information: Please refer to table 10.

Shinfox Energy Co., Ltd.
Loans to others
Year ended December 31, 2024

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, 2024	Balance at December 31, 2024	Actual amount drawn down	Interest rate	Nature of loan (Note 1)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 3)	Footnote
													Item	Value			
0	Shinfox Energy Co., Ltd.	Shinfox Far East Company Pte. Ltd.	Other receivables due from related parties	Yes	\$ 1,500,000	\$ -	\$ -	Average borrowing rate plus 8%	2	\$ -	Group's capital management	\$ -	None	\$ -	\$ 5,061,599	\$ 5,061,599	

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

Business transaction is labelled as "1".

Short-term financing is labelled as "2".

Note 2: Limit on loans granted by the Company or the domestic unlisted subsidiaries of the Company to a company or a business for short-term financing is 40% of its net asset value.

Limit on loans granted between foreign subsidiaries whose voting shares are directly or indirectly held by the Company or granted by foreign companies whose voting shares are 100% directly or indirectly held by the Company to the Company is 100% of the subsidiary's net asset value.

Note 3: Ceiling on total loans granted by the Company or the domestic unlisted subsidiaries of the Company to a company or a business for short-term financing is 40% of its net asset value.

Ceiling on total loans granted between foreign subsidiaries whose voting shares are directly or indirectly held by the Company or granted by foreign companies whose voting shares are 100% directly or indirectly held by the Company to the Company is 100% of the subsidiary's net asset value.

Shinfox Energy Co., Ltd.
Provision of endorsements and guarantees to others
Year ended December 31, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 1)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2024	Outstanding endorsement/ guarantee amount at December 31, 2024	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 2)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor											
0	Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	Subsidiary	\$ 75,923,982	\$ 35,840,000	\$ 27,325,000	\$ 24,721,411	\$ -	195.36	\$ 75,923,982	Y	N	N	
0	Shinfox Energy Co., Ltd.	Shinfox Far East Company Pte. Ltd.	Subsidiary	70,862,383	5,833,906	5,254,390	5,254,390	-	41.52	75,923,982	Y	N	N	
0	Shinfox Energy Co., Ltd.	Changpin Wind Power Ltd.	Joint Venture	70,862,383	120,000	120,000	120,000	-	0.95	75,923,982	N	N	N	
1	Foxwell Energy Corporation Ltd.	Xinwei Power Corporation Ltd.	Subsidiary	16,042,497	113,200	-	-	-	-	16,042,497	N	N	N	

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

Limit on endorsements/guarantees provided for a subsidiary whose shares are 90% or above held by the Company is 600% of the Company's net asset value;
limit on endorsements/guarantees provided for a single party, apart from the aforementioned subsidiaries, is 560% of the Company's net asset value.

Limit on endorsements/guarantees provided by Foxwell Energy for a subsidiary whose shares are 90% or above held by Foxwell Energy is 150% of Foxwell Energy's net asset value;
limit on endorsements/guarantees provided for a single party, apart from the aforementioned subsidiaries, is 140% of Foxwell Energy's net asset value.

Note 2: Calculation for ceiling on total amount of endorsements/guarantees provided is as follows:

Ceiling on total amount of endorsements/guarantees provided by the Company or subsidiaries is 600% of the Company's net asset value in the latest financial statements.

Ceiling on total amount of endorsements/guarantees provided by Foxwell Energy and subsidiaries is 150% of Foxwell Energy's net asset value in the latest financial statements.

Shinfox Energy Co., Ltd.

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

December 31, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2024				Footnote
				Number of shares (share in thousands)	Book value	Ownership	Fair value	
Shinfox Energy Co., Ltd.	Corvus Energy Ltd.	An investee of the Company	Non-current financial assets at fair value through other comprehensive income	22	\$ -	0.04	\$ -	
Foxwell Energy Corporation Ltd.	Feiyue Development Limited Partnership	An investee of the Company	Non-current financial assets at fair value through other comprehensive income	-	45,780	22.17	45,780	
Foxwell Energy Corporation Ltd.	Full Entertainment Marketing Co., Ltd.	An investee of the Company	Non-current financial assets at fair value through other comprehensive income	30	-	0.30	-	
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Shin Kong Financial Holding Co., Ltd	An investee of the Company	Current financial assets at fair value through profit or loss	47	553	-	553	
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Shin Kong Financial Holding Co., Ltd. Preferred Shares B	An investee of the Company	Current financial assets at fair value through profit or loss	1	18	-	18	
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Mildef Crete Inc.	An investee of the Company	Current financial assets at fair value through profit or loss	10	862	0.02	862	
KunShan Eastern Rainbow Environmental Equipment Co., Ltd.	Wuxi EASTERN Rainbow Environmental Protection Engineering Co., Ltd.	An investee of the Company	Current financial assets at fair value through profit or loss	-	672	10	672	

Shinfox Energy 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

December 31, 2024

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2024		Addition		Disposal				Balance as at December 31, 2024		Footnote
					Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousand shares)	Amount	
Shinfox Energy Co., Ltd.	Youde Wind Power Co., Ltd.	Investment accounted for using equity method	Youde Wind Power Co., Ltd.	Note 1	-	\$ -	49,100	\$ 491,000	-	\$ -	\$ -	\$ -	49,100	\$ 491,000	Note 3
Shinfox Energy Co., Ltd.	DakPsi Investment and Develop Hydroelectric Joint Stock Company	Investment accounted for using equity method	DakPsi Investment and Develop Hydroelectric Joint Stock Company	Note 2	-	-	14,645	644,381	-	-	-	-	14,645	644,381	Note 3
Shinfox Far East Company Pte, Ltd.	SFE Hercules Company Corporation	Investment accounted for using equity method	SFE Hercules Company Corporation	Note 1	-	-	0.2	5,318,469	-	-	-	-	0.2	5,318,469	Note 3

Note 1: The entity is the Company's subsidiary.

Note 2: The entity is the Company's associate.

Note 3: The abovementioned amount is investment cost, information relating to its carrying amount is provided in Table 8.

Note 4: The Group prepaid investments to Shinfox Far East Company Pte Ltd. on December 27, 2022, and acquired 40% equity interests in the entity in January 2023, and acquired another 27% equity interests in the entity on November 6, 2023.

Shinfox Energy Co., Ltd.

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

December 31, 2024

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty securities	Relationship with the counterparty	Transaction				Compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales) (in thousand shares)	Credit term	Unit price (in thousand shares)	Credit term	Balance (in thousand shares)	Percentage of total notes/accounts receivable (payable)	
The Company	Cheng Uei Precision Industry Co., Ltd.	Ultimate parent	Sales	(\$ 305,591)	(1.56)	Note 1	Note 1	Note 1	\$ -	-	
Foxwell Energy Corporation Ltd.	Shinfox Far East Company Pte. Ltd.	Fellow subsidiary	Purchases	1,752,696	9.95	Note 2	Note 2	Note 2	(60,409)	(2.02)	
Foxwell Power Co., Ltd.	Cheng Shin Digital Co., Ltd.	Associate	Sales	(256,190)	(1.30)	Note 3	Note 3	Note 3	107,600	16.31	

Note 1: Refer to Note 7(3)A for details.

Note 2: For inter-company transactions, the transaction price and credit terms are the same with the market situation or the general customers.

Note 3: The project transaction price and payment terms will be determined based on the characteristics of the industry.

Shinfox Energy Co., Ltd.

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Year ended December 31, 2024

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty securities	Relationship with the counterparty	Balance as at December 31, 2024	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for Creditor Counterparty doubtful accounts
					Amount	Action taken		
Shinfox Energy Co., Ltd.	Changpin Wind Power Ltd.	Joint venture	\$ 100,000	10.31	\$ -	-	\$ 100,000	None
Foxwell Power Corporation Ltd.	Cheng Shin Digital Co., Ltd	Associate	107,600	4.62	80,700	It is expected to be recovered in 2025	80,700	None

Shinfox Energy Co., Ltd.
 Significant inter-company transactions during the reporting periods
 Year ended December 31, 2024

Table 7

Expressed in thousands of NTD
 (Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 3)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 4)
0	Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	1	Other income	\$ 19,248	Transaction prices are calculated based on actual amount incurred	0.10
0	Shinfox Energy Co., Ltd.	Foxwell Energy Corporation Ltd.	1	Sales Revenue	4,978	Transaction prices are approximate to normal clients	0.03
0	Shinfox Energy Co., Ltd.	Shinfox Far East Company Pte. Ltd.	1	Other receivables	24,055	Repay in accordance with the mutual agreement	0.05
0	Shinfox Energy Co., Ltd.	Shinfox Far East Company Pte. Ltd.	1	Interest income	83,288	Repay in accordance with the mutual agreement	0.42
0	Shinfox Energy Co., Ltd.	Jiuwei Power Co., Ltd.	1	Other income	2,063	Transaction prices are calculated based on actual amount incurred	0.01
0	Shinfox Energy Co., Ltd.	Yuanshan Forest Natural Resources Co., Ltd.	1	Other income	2,360	Transaction prices are calculated based on actual amount incurred	0.01
0	Shinfox Energy Co., Ltd.	Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	1	Other income	2,820	Transaction prices are calculated based on actual amount incurred	0.01
0	Shinfox Energy Co., Ltd.	Shinfox Natural GAS Co.,Ltd.	1	Other income	5,934	Transaction prices are calculated based on actual amount incurred	0.03
0	Shinfox Energy Co., Ltd.	Xinwei Power Co., Ltd.	1	Sales Revenue	1,898	Transaction prices are approximate to normal clients	0.01
0	Shinfox Energy Co., Ltd.	Foxwell Power Co., Ltd.	1	Other income	2,868	Transaction prices are calculated based on actual amount incurred	0.01
0	Shinfox Energy Co., Ltd.	Foxwell Power Co., Ltd.	1	Guarantee deposits received	10,943	Transaction terms are based on the mutual agreement	0.02
0	Shinfox Energy Co., Ltd.	Elegant Energy TECH Co., Ltd.	1	Other income	1,920	Transaction prices are calculated based on actual amount incurred	0.01

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 3)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 4)
1	Foxwell Energy Corporation Ltd.	Shinfox Far East Company Pte. Ltd.	3	Cost of engineering sales	1,752,696	Purchase prices are approximate to normal suppliers	8.92
1	Foxwell Energy Corporation Ltd.	Shinfox Far East Company Pte. Ltd.	3	Accounts payable	60,409	Transaction terms are based on the mutual agreement	0.12
1	Foxwell Energy Corporation Ltd.	Shinfox Far East Company Pte. Ltd.	3	Other receivables	266,686	Transaction terms are based on the mutual agreement	0.53
1	Foxwell Energy Corporation Ltd.	Shinfox Far East Company Pte. Ltd.	3	Prepaid project payment	4,790,652	Transaction terms are based on the mutual agreement	9.61

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

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

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

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Only related party transactions over \$1,000 are disclosed, and the related party transactions for the counterparty are not disclosed.

Note 4: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Shinfox Energy Co., Ltd.
Information on investees
Year ended December 31, 2024

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net profit (loss) of investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares (share in thousands)	Ownership (%)	Book value			
The Company	Foxwell Energy Corporation Ltd.	Taiwan	Energy service management	\$ 8,233,000	\$ 8,233,000	935,500	100	\$ 10,666,465	\$ 1,209,295	\$ 1,211,292	
The Company	Shinfox Natural Gas Co., Ltd.	Taiwan	Energy service management	360,000	360,000	36,000	80	276,663	3,153	2,523	
The Company	Foxwell Power Co., Ltd.	Taiwan	Energy service management	656,590	656,590	46,539	77.57	796,922	84,930	65,863	
The Company	Jiuwei Power Co., Ltd.	Taiwan	NG-fueled Power Generation Business	1,100,000	1,100,000	110,000	100	1,080,235	(5,940)	(5,940)	
The Company	Yuanshan Forest Natural Resources Co., Ltd.	Taiwan	Afforestation	100,000	100,000	10,000	100	85,054	(14,628)	(14,628)	
The Company	Elegant Energy TECH Co., Ltd.	Taiwan	Energy technical services	200,000	200,000	500	100	53,908	(1,964)	(92,964)	
The Company	Changpin Wind Power Ltd.	Taiwan	Electric power generation	270,000	120,000	27,000	50	222,818	(1,437)	(33,162)	
The Company	Guanwei Power Co., Ltd.	Taiwan	Electric power generation	35,700	35,700	3,570	51	35,228	(773)	(394)	
The Company	Shinfox Far East Company Pte., Ltd.	Singapore	Maritime engineering related business	1,757,276	1,757,276	53,600	67	1,448,392	(1,787,156)	(216,864)	
The Company	Junwei Power Co., Ltd.	Taiwan	Electric power generation	22,000	12,000	2,200	100	18,369	(3,586)	(3,586)	
The Company	Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Taiwan	Electric power generation	218,020	218,020	19,820	56.63	153,087	(104,026)	(58,909)	
The Company	Ubilink.AI CO., Ltd.	Taiwan	Computer software services	10,000	-	1,000	10	9,055	(9,449)	(945)	
The Company	Youde Wind Power Co., Ltd.	Taiwan	Electric power generation	491,000	-	49,100	70	490,837	(232)	(162)	
The Company	Fox Nam Energy Co., Ltd.	Vietnam	Electric power generation	114,748	-	-	100	114,738	196	196	

Shinfox Energy Co., Ltd.
Information on investees
Year ended December 31, 2024

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net profit (loss) of investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares (share in thousands)	Ownership (%)	Book value			
The Company	DakPsi Investment and Develop Hydroelectric Joint Stock Company	Vietnam	Electric power generation	658,336	-	14,645	35	662,914	29,722	10,403	
Foxwell Energy Corporation Ltd.	Xinwei Power Co., Ltd.	Taiwan	Electric power generation	37,300	37,300	3,730	100	36,981	3,012	4,983	
Foxwell Energy Corporation Ltd.	Youde Wind Power Co., Ltd.	Taiwan	Electric power generation	210,000	-	21,000	30	209,930	(232)	(69)	
Foxwell Power Corporation Ltd.	Foxwell Certification Co., Ltd.	Taiwan	Energy technical services	28,650	10,000	2,865	95.5	14,195	(11,361)	(10,984)	
Foxwell Power Corporation Ltd.	Cheng Shin Digital Co., Ltd.	Taiwan	Energy technical services	48,436	490	4,844	49	33,959	1,485	(15,669)	
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	Eastern Rainbow Environmental Technology Co., Ltd.	Taiwan	Energy technical services	2,500	2,500	250	100	811	103	103	
Shinfox Far East Company Pte Ltd	SFE Hercules Company Corporation	Panama	Maritime engineering related business	5,509,195	-	0.2	100	5,963,815	445,288	445,288	
Shinfox Far East Company Pte Ltd	Shinfox Far East Company Pte. Ltd.	Taiwan	Maritime engineering related business	30,000	-	3,000	100	30,012	(550)	(550)	
Shinfox Far East Company Pte Ltd	SFE Developer Company Corporation	Taiwan	Maritime engineering related business	3	-	0.1	100	3	-	-	

Shinfox Energy Co., Ltd.
Information on investments in Mainland China
Year ended December 31, 2024

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, 2024	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee as of December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Book value of investments in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Kunshan Jiuwei Info Tech Co., Ltd.	Supply chain finance energy service management	\$ 1,639	Direct investment	\$ 1,639	\$ -	\$ -	\$ 1,639	\$ 2,282	100	\$ 2,282	\$ 34,048	\$ -	
KunShan Eastern Rainbow Environmental Equipment Co., Ltd.	Energy technical services	22,390	Direct investment	22,390	-	-	22,390	(9,373)	100	(9,373)	22,988	-	
Chengdu Xinfuwei Energy Co., Ltd.	Electric power supply	131,140	Direct investment	-	131,140	-	131,140	(503)	100	(503)	127,187	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	
		Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Shinfox Energy Co., Ltd.	\$ 132,779	\$ 132,779	\$ 7,592,398
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	22,390	22,390	152,114

Shinfox Energy Co., Ltd.
Major shareholders information
December 31, 2024

Table 10

Name of major shareholders	Shares	
	Name of shares held	Ownership
Power Quotient International Co., Ltd.	102,951,145	45.82%
Fu Uei International Investment Ltd.	18,673,000	8.31%

Note: The above information is provided by the Taiwan Depository & Clearing Corporation.

SHINFOX ENERGY CO., LTD.
PARENT COMPANY ONLY STATEMENT OF CASH AND BANK DEPOSITS
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 1

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Cash on hand and petty cash		
NTD		\$ 80
Demand deposits		
NTD deposits		697,364
RMB deposits	RMB 2 thousand; conversion rate was 4.478	10
USD deposits	USD 174 thousand; conversion rate was 32.785	5,710
Time deposits		
USD deposits	USD 20,000 thousand; conversion rate was 32.785	655,700
		<u>\$ 1,358,864</u>

SHINFOX ENERGY CO., LTD.
PARENT COMPANY ONLY STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 2

<u>Client Name</u>	<u>Amount</u>	<u>Note</u>
<u>Non-related parties</u>		
Shinfox Power Co., Ltd.	\$ 57,319	
Chern Feng Engineering Tech Co., Ltd.	12,072	
Changyuan Wind Power Ltd.	4,608	
Beiyuan Wind Power Ltd.	4,608	
Others	1,374	The balance of each client has not exceeded 5% of total account balance.
	79,981	
Less: Allowance for bad debts	(10)	
	<u>\$ 79,971</u>	
<u>Related parties</u>		
Changpin Wind Power Ltd.	100,000	
Hon Hai Precision Industry Co., Ltd.	4,225	
	<u>\$ 104,225</u>	
	<u>\$ 184,196</u>	

SHINFOX ENERGY CO., LTD.
PARENT COMPANY ONLY STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 3

Investee	Beginning Balance		Addition		Decrease		Ending Balance		Valuation Basis	Collateral	
	Number of shares (In thousands)	Amount	Number of shares (In thousands)	Amount (Note 1)	Number of shares (In thousands)	Amount (Note 2)	Number of shares (In thousands)	Percentage of Ownership			Amount
Foxwell Energy Corporation Ltd.	867,000	\$ 9,454,493	68,500	\$ 1,211,972	-	\$ -	935,500	100%	\$ 10,666,465	Equity method	None
Shinfox Natural Gas Co., Ltd.	36,000	273,993	-	2,670	-	-	36,000	80%	276,663	Equity method	None
Kunshan Jiuwei Info	1,536	31,272	-	2,776	-	-	1,536	100%	34,048	Equity method	None
Foxwell Power Co., Ltd.	46,539	753,148	-	67,054	-	(23,280)	46,539	77.57%	796,922	Equity method	None
Jiuwei Power Co., Ltd.	110,000	1,086,175	-	-	-	(5,940)	110,000	100%	1,080,235	Equity method	None
Yuanshan Forest Natural Resources Co., Ltd.	10,000	99,682	-	-	-	(14,628)	10,000	100%	85,054	Equity method	None
Elegant Energy TECH Co., Ltd.	500	146,872	-	-	-	(92,964)	500	100%	53,908	Equity method	None
Changpin Wind Power Ltd.	12,000	105,979	15,000	150,000	-	(33,161)	27,000	50%	222,818	Equity method	None
Guanwei Power Co., Ltd.	3,570	35,622	-	-	-	(394)	3,570	51%	35,228	Equity method	None
Junwei Power Co., Ltd.	1,200	11,955	1,000	10,000	-	(3,586)	2,200	100%	18,369	Equity method	None
Eastern Rainbow Green Energy Environmental Technology Co., Ltd.	19,820	211,405	-	591	-	(58,909)	19,820	56.63%	153,087	Equity method	None
Shinfox Far East Company Pte Ltd.	53,600	1,571,897	-	92,900	-	(216,405)	53,600	67%	1,448,392	Equity method	None
Ubilink.AI CO., Ltd.	-	-	1,000	10,000	-	(945)	1,000	10%	9,055	Equity method	None
Chengdu Xinfuwei Energy Co., Ltd.	-	-	2,852	130,512	-	(3,325)	2,852	100%	127,187	Equity method	None
Youde Wind Power Co., Ltd.	-	-	49,100	491,000	-	(163)	49,100	70.04%	490,837	Equity method	None
Fox Nam Energy Co.,Ltd.	-	-	-	114,738	-	-	-	100%	114,738	Equity method	None
DakPsi Investment and Develop Hydroelectric Joint Stock Company	-	-	14,645	662,914	-	-	14,645	35%	662,914	Equity method	None
		<u>\$ 13,782,493</u>		<u>\$ 2,947,127</u>		<u>(\$ 453,700)</u>			<u>\$ 16,275,920</u>		

Note 1: Addition in the year includes gain on investment, changes in net asset value of investees' equity, accumulated translation adjustment, unrealised gain or loss of financial instrument and amount of investment increase.

Note 2: Decrease in the year includes loss from investment, accumulated translation adjustment, distribution of cash dividends, changes in net asset value of investees' equity, disposal of investment and share returned from capital decrease of investee.

SHINFOX ENERGY CO., LTD.
PARENT COMPANY ONLY STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 4

Item	<u>Beginning Balance</u>	<u>Addition</u>	<u>Decrease</u>	<u>Transfers</u>	<u>Ending Balance</u>	<u>Collateral</u>	<u>Note</u>
Machinery and equipment	\$ 43,708	\$ 342	\$ -	\$ 21,386	\$ 65,436	None	
Office equipment	13,328	1,903	(2,384)	-	12,847	"	
Other equipment	2,720	-	(912)	-	1,808	"	
Unfinished construction	28,930	71,185	-	(21,386)	78,729	"	
	<u>\$ 88,686</u>	<u>\$ 73,430</u>	<u>(\$ 3,296)</u>	<u>\$ -</u>	<u>\$ 158,820</u>		

SHINFOX ENERGY CO., LTD.
PARENT COMPANY ONLY STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION
AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

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

Statement 5

<u>Item</u>	<u>Beginning Balance</u>	<u>Addition</u>	<u>Decrease</u>	<u>Transfers</u>	<u>Ending Balance</u>	<u>Note</u>
Machinery and equipment	\$ 20,572	\$ 3,118	\$ -	\$ -	\$ 23,690	
Office equipment	5,964	2,136	(2,364)	-	5,736	
Other equipment	1,490	565	(847)	-	1,208	
	<u>\$ 28,026</u>	<u>\$ 5,819</u>	<u>(\$ 3,211)</u>	<u>\$ -</u>	<u>\$ 30,634</u>	

SHINFOX ENERGY CO., LTD.
PARENT COMPANY ONLY STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 6

Nature	Description	Ending Balance	Contract Period	Range of Interest Rate	Credit Line	Collateral	Note
Unsecured borrowings	Mega International Commercial Bank	\$ 150,000	2024/8/4~2025/8/3	1.985%	\$ 150,000	None	
Unsecured borrowings	Mega International Commercial Bank	260,531	2024/8/11~2025/8/10	2.075%	600,000	"	
Unsecured borrowings	Hua Nan Commercial Bank, Ltd.	100,000	2024/3/25~2025/3/24	2.200%	100,000	"	
Unsecured borrowings	Bank SinoPac	150,000	2024/12/9~2025/1/24	2.090%	200,000	"	
Unsecured borrowings	Bank of Panhsin	200,000	2024/9/9~2025/9/9	2.330%	200,000	"	
Unsecured borrowings	Taishin International Bank	100,000	2024/10/31~2025/10/31	2.030%	100,000	"	
Unsecured borrowings	Bank of Taiwan	100,000	2024/7/18~2025/7/18	2.555%	100,000	"	
Unsecured borrowings	Shin Kong Commercial Bank	100,000	2024/8/21~2025/8/21	2.176%	100,000	"	
Unsecured borrowings	Taiwan Cooperative Bank	200,000	2024/10/25~2025/10/25	1.955%	200,000	"	
Unsecured borrowings	Taipei Fubon Bank	200,000	2024/5/30~2025/5/31	2.390%	200,000	"	
Unsecured borrowings	KGI Bank Co., Ltd.	500,000	2024/11/8~2025/11/8	2.292%	500,000	"	
Unsecured borrowings	Entie Commercial Bank, Ltd.	100,000	2024/8/2~2025/8/2	2.038%	200,000	"	
		<u>\$ 2,160,531</u>					

SHINFOX ENERGY CO., LTD.
PARENT COMPANY ONLY STATEMENT OF SHORT-TERM BILLS PAYABLE
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 7

Item	Guarantor or Accepting Institution	Contract Period	Range of Interest Rate	Amount			Note
				Issurance Amount	Unamortized Discounts	Carrying Amount	
Commercial Paper Guarantee	Mega Bills Finance Co., LTD.	2024/3/25~2025/3/21	2.128%	\$ 200,000	(\$ 513)	\$ 199,487	Unsecured bank loan
Commercial Paper Guarantee	Taiwan Finance Corporation	2024/3/31~2025/3/30	2.050%	150,000	(171)	149,829	"
Commercial Paper Guarantee	Grand Bills Finance Corporation	2024/4/16~2025/4/15	2.088%	100,000	(252)	99,748	"
Commercial Paper Guarantee	China Bills Finance Corporation	2024/11/4~2025/11/3	2.138%	170,000	(169)	169,831	"
Commercial Paper Guarantee	Taiwan. Cooperative Bills Finance Corporation	2024/7/23~2025/7/23	2.098%	200,000	(57)	199,943	"
Commercial Paper Guarantee	Dah Chung Bills Fianance Corporation	2024/6/25~2025/6/24	2.050%	200,000	(430)	199,570	"
Commercial Paper Guarantee	Ta Ching Bills Finance Corporation	2024/9/5~2025/9/5	2.138%	100,000	(445)	99,555	"
				<u>\$ 1,120,000</u>	<u>(\$ 2,037)</u>	<u>\$ 1,117,963</u>	

SHINFOX ENERGY CO., LTD.
PARENT COMPANY ONLY STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2024
 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 8

Creditor	Description	Amount	Contract Period	Interest Rate	Collateral
The Export-Import Bank of the Republic of China	Long-term credit guarantee loan	\$ <u>400,000</u>	2024/11/7~2026/11/9	2.0884%	None

SHINFOX ENERGY CO., LTD.
PARENT COMPANY ONLY STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2024

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

Statement 9

Bonds Name	Trustee	Issuance Date	Interest Payment Date	Coupon Rate	Amount		Ending Balance	Unamortized Premiums (Discounts)	Carrying Amount	Repayment Method	Collateral
					Total Issuance Amount	Repayment Paid					
1st Secured convertible bond	Grand Fortune Securities	2023/11/22	-	0%	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$2,031,800</u>	<u>(\$ 55,275)</u>	<u>\$1,976,525</u>	Note	Yes

Note : Unless converted into ordinary shares of the Company or redeemed in advance by the Company, they will be redeemed at face value upon maturity.

SHINFOX ENERGY CO., LTD.
PARENT COMPANY ONLY STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 10

<u>Item</u>	<u>Volume</u>	<u>Amount</u>	<u>Note</u>
Engineering business revenue		\$ 1,007,597	
Service revenue		124,693	
Electricity sales revenue		6,966	
		<u>\$ 1,139,256</u>	

SHINFOX ENERGY CO., LTD.
PARENT COMPANY ONLY STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 11

<u>Item</u>	<u>Amount</u>	<u>Note</u>
Construction cost	\$ 930,036	
Other operating costs	86,569	
Total operating costs	<u>\$ 1,016,605</u>	

SHINFOX ENERGY CO., LTD.
PARENT COMPANY ONLY STATEMENT OF ADMINISTRATIVE EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 12

Item	Amount	Note
Wages and salaries	\$ 128,476	
Taxes	20,819	
Depreciation expenses	14,736	
Service fees	57,010	
Handling expense	29,898	
Other expenses	58,918	Balance of each client has not exceeded 5% of total account balance
	<u>\$ 309,857</u>	

SHINFOX ENERGY CO., LTD. PARENT COMPANY ONLY
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 13

Nature \ Function	Year ended December 31, 2024			Year ended December 31, 2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense						
Wages and salaries	\$ 7,383	\$ 128,476	\$ 135,859	\$ 9,023	\$ 116,341	\$ 125,364
Labour and health insurance fees	813	8,799	9,612	937	7,940	8,877
Pension costs	426	4,272	4,698	480	3,984	4,464
Directors' remuneration	-	8,160	8,160	-	6,500	6,500
Other personnel expenses	204	3,372	3,576	135	2,314	2,449
Depreciation Expense	3,510	14,736	18,246	2,299	14,686	16,985
Amortisation Expense	-	2,256	2,256	-	1,753	1,753

Note1: For the years ended December 31, 2024 and 2023, the Company had 116 and 119 employees, including 6 non-employee directors, respectively.

Note2: For the years ended December 31, 2024 and 2023, the average employee benefit expense amounted to \$1,398 and \$1,249, respectively.

Note3: For the years ended December 31, 2024 and 2023, the average employee salary expenses amounted to \$1,235 and \$1,109, respectively. For the year ended December 31, 2024, the average change in adjustments on salary expenses was 11%.

SHINFOX ENERGY CO., LTD. PARENT COMPANY ONLY
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION (Cont.)
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Note4: The Company's policies on salary and remuneration (including directors, independent directors, managers and employees).

(a) For payment to directors and independent directors, the correlation between the Company's policy, standard and combination, procedures of setting remuneration, operating performance and future risk are as follows:

- i. The Company's remuneration of directors were paid based on the common standard of the Company's conference attendance fees and traveling fee approved by the Board of Directors.
- ii. According to Article 23 of the Company's Articles of Incorporation: income before tax deduct income before employees' compensation and directors' remuneration, after offsetting deficits, if any, shall be distributed as employees' compensation not lower than 6% and directors' remuneration not higher than 3% after resolving by the Board of Directors.

(b) For payment to managers, the correlation between the Company's policy, standard and combination, procedures of setting remuneration, operating performance and future risk are as follows:

- i. The Company's remuneration for managers shall based on the Company's regulation of performance assessment, individual's performance and operating contribution to the Company's operation taking into consideration the market standard within the same industry, and reported to the directors for approval after being reviewed by salary and remuneration committee.
- ii. According to Article 23 of the Company's Articles of Incorporation: income before tax deduct income before employees' compensation and directors' remuneration, after offsetting deficits, if any, shall be distributed as employees' compensation not lower than 6% and directors' remuneration not higher than 3% after resolving by the Board of Directors.

SHINFOX ENERGY CO., LTD. PARENT COMPANY ONLY
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION (Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2024

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

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(c) For payment to employees, the correlation between the Company's policy, standard and combination, procedures of setting remuneration, operating performance and future risk are as follows:

i. The Company's compensation for employees were determined based on individual ability, contribution to the company and performance which have positive correlation with operating performance.

The Company has adequately controlled the future risk, the policies of compensation also related with future risk. Whole combination of salary and compensation includes basic salary, bonus and employees' compensation and allowance.

As for the standard of compensation payment, basic salary were determined based on the market competitiveness of their positions and the Company's policy. Bonus and employees' compensation were determined through linking with employees' and segments' target or the Company's operating performance. The benefits were designed to meet employees' requirements under the related regulations in order to share the Company's operating result with employees.

ii. According to Article 23 of the Company's Articles of Incorporation: income before tax deduct income before employees' compensation and directors' remuneration, after offsetting deficits, if any, shall be distributed as employees' compensation not lower than 6% and directors' remuneration not higher than 3% after resolving by the Board of Directors.