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**FUSHENG PRECISION CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
FOR THE THREE-MONTH PERIODS ENDED
MARCH 31, 2024 AND 2023**

**Address: 3F., No. 172, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)
Telephone: 886-2-2507-2211**

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

English Translation of Review Report Originally Issued in Chinese

Independent Auditors' Review Report

To Fusheng Precision Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Fusheng Precision Co., Ltd. (the “Company”) and its subsidiaries as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in stockholders’ equity and cash flows for the three-month periods ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including the summary of material accounting policies (collectively “the consolidated financial statements”). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Unqualified Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as at March 31, 2024 and 2023, and their consolidated financial performance and cash flows for the three-month periods ended March 31, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Yang, Chih-Huei
Chang, Chiao-Ying
Ernst & Young, Taiwan
May 7th, 2024

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young 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.

English Translation of Consolidated Financial Statement Originally Issued in Chinese
FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
March 31, 2024, December 31, 2023 and March 31, 2023
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of		
		March 31, 2024	December 31, 2023	March 31, 2023
Current assets				
Cash and cash equivalents	6	\$6,385,625	\$4,854,475	\$5,902,074
Current financial assets at fair value through profit or loss	6	169,454	169,404	170,520
Current financial assets at amortised cost	6, 8	72,582	70,332	66,765
Notes receivable, net	6	10,624	10,626	9,099
Accounts receivable, net	6, 7	3,700,432	4,459,195	4,665,499
Other receivables		303,401	288,569	247,316
Current tax assets		17,871	15,291	18,221
Current inventories	6	2,618,800	3,072,437	2,935,821
Prepayments		184,023	160,620	191,570
Other current assets		2,450	6,940	1,104
Total current assets		<u>13,465,262</u>	<u>13,107,889</u>	<u>14,207,989</u>
Non-current assets				
Non-current financial assets at fair value through profit or loss	6	44,421	44,165	2,595
Non-current financial assets at amortised cost	6	515	524	520
Property, plant and equipment	6, 7, 8	5,080,491	5,047,846	4,963,374
Right-of-use assets	6, 7	567,517	563,175	647,287
Investment property, net		9,416	9,238	9,429
Intangible assets	6	643,576	652,336	678,449
Deferred tax assets	6	53,796	49,090	97,340
Prepayments for business facilities		68,679	32,555	120,127
Guarantee deposits paid		144,402	142,339	54,592
Other non-current assets, others		323,017	353,697	437,047
Total non-current assets		<u>6,935,830</u>	<u>6,894,965</u>	<u>7,010,760</u>
Total assets		<u><u>\$20,401,092</u></u>	<u><u>\$20,002,854</u></u>	<u><u>\$21,218,749</u></u>

English Translation of Consolidated Financial Statement Originally Issued in Chinese
FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)
March 31, 2024, December 31, 2023 and March 31, 2023
(Expressed in Thousands of New Taiwan Dollars)

Liability and Equity	Notes	As of		
		March 31, 2024	December 31, 2023	March 31, 2023
Current liabilities				
Current borrowings	6, 8	\$670,330	\$680,793	\$1,192,124
Current contract liabilities	6	29,517	20,070	142,463
Notes payable		256	5	-
Accounts payable	7	2,084,957	2,701,529	2,121,375
Other payables	6	1,269,797	1,621,678	1,178,778
Current tax liabilities		667,921	508,505	1,056,731
Current provisions	6	27,197	32,826	34,632
Current lease liabilities	6, 7	57,393	62,566	66,651
Long-term borrowings, current portion	6	8,160	8,160	18,577
Other current liabilities, others		71,848	26,888	16,686
Total current liabilities		4,887,376	5,663,020	5,828,017
Non-current liabilities				
Bonds Payable	6	1,080,442	1,174,183	1,162,340
Non-current portion of non-current borrowings	6	30,600	32,640	-
Non-current provisions	6	10,135	10,052	11,919
Deferred tax liabilities	6	100,064	81,484	81,722
Non-current lease liabilities	6, 7	242,010	234,420	284,388
Net defined benefit liability, non-current		60,562	60,677	83,542
Guarantee deposits received		3,220	3,159	5,734
Other non-current liabilities, others		324,102	311,821	3,782
Total non-current liabilities		1,851,135	1,908,436	1,633,427
Total liabilities		6,738,511	7,571,456	7,461,444
Equity	6			
Ordinary share		1,325,735	1,325,735	1,310,614
Certificate of entitlement of new shares		5,570	-	15,111
from convertible bond				
Total capital surplus		2,305,848	2,211,537	2,211,931
Total retained earnings				
Legal reserve		2,013,994	2,013,994	1,530,772
Special reserve		421,540	421,540	630,454
Unappropriated retained earnings		6,688,660	5,758,438	7,273,569
Total retained earnings		9,124,194	8,193,972	9,434,795
Total other equity interest				
Exchange differences on translation of foreign financial statements		(438,049)	(582,078)	(444,443)
Total equity attributable to owners of parent		12,323,298	11,149,166	12,528,008
Non-controlling interests	6	1,339,283	1,282,232	1,229,297
Total equity		13,662,581	12,431,398	13,757,305
Total liabilities and equity		\$20,401,092	\$20,002,854	\$21,218,749

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

English Translation of Consolidated Financial Statement Originally Issued in Chinese
FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three-month periods ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Accounting Items	Notes	For the three-month periods ended March 31,	
		2024	2023
Total operating revenue	6, 7	\$6,369,633	\$7,086,785
Total operating costs	6, 7	(4,702,711)	(5,470,090)
Gross profit from operations		<u>1,666,922</u>	<u>1,616,695</u>
Operating expenses	6, 7		
Selling expenses		(118,339)	(133,882)
Administrative expenses		(328,236)	(353,470)
Research and development expenses		(176,684)	(155,157)
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		(455)	4,816
Total operating expenses		<u>(623,714)</u>	<u>(637,693)</u>
Net operating income		<u>1,043,208</u>	<u>979,002</u>
Non-operating income and expenses	6, 7		
Total interest income		38,984	21,671
Total other income		19,185	27,725
Other gains and losses, net		148,512	(63,383)
Finance costs, net		(11,879)	(20,992)
Total non-operating income and expenses		<u>194,802</u>	<u>(34,979)</u>
Profit from continuing operations before tax		1,238,010	944,023
Total tax expense	6	(263,667)	(215,652)
Profit		<u>974,343</u>	<u>728,371</u>
Other comprehensive income, net	6		
Components of other comprehensive income that will be reclassified to profit or loss			
Exchange differences on translation		156,475	(24,405)
Other comprehensive income, net		<u>156,475</u>	<u>(24,405)</u>
Total comprehensive income		<u>\$1,130,818</u>	<u>\$703,966</u>
Profit, attributable to:			
Profit, attributable to owners of parent		\$930,222	\$710,837
Profit, attributable to non-controlling interests		44,121	17,534
		<u>\$974,343</u>	<u>\$728,371</u>
Comprehensive income attributable to:			
Comprehensive income, attributable to owners of parent		\$1,074,251	\$687,934
Comprehensive income, attributable to non-controlling interests		56,567	16,032
		<u>\$1,130,818</u>	<u>\$703,966</u>
Earnings per share(NT\$):	6		
Basic earnings per share		\$7.01	\$5.42
Diluted earnings per share		<u>\$6.76</u>	<u>\$5.27</u>

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

English Translation of Consolidated Financial Statement Originally Issued in Chinese
FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGE IN STOCKHOLDERS' EQUITY
For the three-month periods ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Total equity attributable to owners of parent									
	Capital		Total retained earnings			Total other equity interest		Non-controlling interests	Total equity
	Ordinary share	Certificate of entitlement of new shares from convertible bond	Total capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements		
Balance as of January 1, 2023	\$1,310,300	\$314	\$1,932,929	\$1,530,772	\$630,454	\$6,562,732	\$(421,540)	\$11,545,961	\$12,758,336
Due to recognition of equity component of convertible bonds issued	-	-	(44,999)	-	-	-	-	(44,999)	(44,999)
Profit for the three-month period ended March 31, 2023	-	-	-	-	-	710,837	-	710,837	728,371
Other comprehensive income for the three-month period ended March 31, 2023	-	-	-	-	-	-	(22,903)	(22,903)	(24,405)
Total comprehensive income	-	-	-	-	-	710,837	(22,903)	687,934	703,966
Conversion of convertible bonds	-	15,111	319,707	-	-	-	-	334,818	334,818
Conversion of certificates of bonds-to-share	314	(314)	-	-	-	-	-	-	-
Changes in subsidiariys' ownership interest	-	-	4,294	-	-	-	-	4,294	5,184
Balance as of March 31, 2023	<u>\$1,310,614</u>	<u>\$15,111</u>	<u>\$2,211,931</u>	<u>\$1,530,772</u>	<u>\$630,454</u>	<u>\$7,273,569</u>	<u>\$(444,443)</u>	<u>\$12,528,008</u>	<u>\$13,757,305</u>
Balance as of January 1, 2024	\$1,325,735	\$-	\$2,211,537	\$2,013,994	\$421,540	\$5,758,438	\$(582,078)	\$11,149,166	\$12,431,398
Due to recognition of equity component of convertible bonds issued	-	-	(15,789)	-	-	-	-	(15,789)	(15,789)
Profit for the three-month period ended March 31, 2024	-	-	-	-	-	930,222	-	930,222	974,343
Other comprehensive income for the three-month period ended March 31, 2024	-	-	-	-	-	-	144,029	144,029	156,475
Total comprehensive income	-	-	-	-	-	930,222	144,029	1,074,251	1,130,818
Conversion of convertible bonds	-	5,570	107,900	-	-	-	-	113,470	113,470
Changes in subsidiariys' ownership interest	-	-	2,200	-	-	-	-	2,200	2,684
Balance as of March 31, 2024	<u>\$1,325,735</u>	<u>\$5,570</u>	<u>\$2,305,848</u>	<u>\$2,013,994</u>	<u>\$421,540</u>	<u>\$6,688,660</u>	<u>\$(438,049)</u>	<u>\$12,323,298</u>	<u>\$13,662,581</u>

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

English Translation of Consolidated Financial Statement Originally Issued in Chinese
FUSHENG PRECISION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three-month periods ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	For the three-month periods ended March 31,	
	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$1,238,010	\$944,023
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	204,385	205,031
Amortization expense	9,752	10,136
Expected credit loss (gain) for bad debt expense	455	(4,816)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(316)	(11,780)
Interest expense	11,879	20,992
Interest income	(38,984)	(21,671)
Share-based payments	2,684	5,184
Loss (gain) on disposal of property, plan and equipment	(183)	332
Gain on lease modification	(120)	-
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	2	(3,125)
Decrease (increase) in accounts receivable	757,621	981,732
Decrease (increase) in other receivable	(14,832)	18,121
Decrease (increase) in inventories	453,637	1,402,227
Decrease (increase) in prepayments	(23,403)	100,828
Decrease (increase) in other current assets	4,490	15,081
Increase (decrease) in contract liabilities	9,447	(3,425)
Increase (decrease) in notes payable	251	(222)
Increase (decrease) in accounts payable	(616,572)	(1,332,344)
Increase (decrease) in other payable	(353,530)	(567,938)
Increase (decrease) in provisions	(6,209)	2,134
Increase (decrease) in other current liabilities	44,960	(5,474)
Increase (decrease) in net defined benefit liability	(115)	905
Cash inflow (outflow) generated from operations	1,683,309	1,755,931
Interest received	38,984	21,671
Interest paid	(5,186)	(14,680)
Income taxes paid	(92,957)	(76,142)
Net cash flows from (used in) operating activities	1,624,150	1,686,780
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortised cost	(598)	(981)
Proceeds from disposal of financial assets at amortised cost	457	145,113
Acquisition of financial assets at fair value through profit or loss	-	(156,100)
Proceeds from disposal of financial assets at fair value through profit or loss	-	156,256
Acquisition of property, plant and equipment	(204,657)	(167,631)
Proceeds from disposal of property, plant and equipment	16,518	26,085
Increase in refundable deposits	(2,063)	(6)
Acquisition of intangible assets	(596)	(194)
Decrease in other non-current assets	30,680	24,306
Increase in prepayments for business facilities	(36,124)	(41,120)
Net cash flows from (used in) investing activities	(196,383)	(14,272)
Cash flows from (used in) financing activities:		
Increase in short-term loans	419,545	283,872
Decrease in short-term loans	(442,614)	(500,175)
Repayments of long-term debt	(2,040)	(1,372)
Increase in guarantee deposits received	-	119
Decrease in guarantee deposits received	(59)	-
Payments of lease liabilities	(17,835)	(17,792)
Increase in other non-current liabilities	12,281	-
Decrease in other non-current liabilities	-	(650)
Net cash flows from (used in) financing activities	(30,722)	(235,998)
Effect of exchange rate changes on cash and cash equivalents	134,105	(42,530)
Net increase (decrease) in cash and cash equivalents	1,531,150	1,393,980
Cash and cash equivalents at beginning of period	4,854,475	4,508,094
Cash and cash equivalents at end of period	\$6,385,625	\$5,902,074

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
FUSHENG PRECISION CO., LTD.
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Three-Month Periods Ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

- (1) FuSheng Precision Co., Ltd. (The Company) was established by Coöperatieve Valiant APO Global U.A. on September 14, 2010.
- (2) To work in line with the parent company, Coöperatieve Valiant APO Global U.A., to engage in re-organization and specialization to enhance competitiveness and efficiency of management, the Company's board of directors ("Board of Directors") approved on September 14, 2010 the proposed deal to divide and assign the Sporting Goods Divisions (SGD) and Precision Products Divisions (PPD) of Fu Sheng Industrial CO., Ltd. under "Business Mergers and Acquisitions Act" and "Company Act", effective November 1, 2010. The assets, liabilities, all rights and obligations of SGD and PPD, including the existing factories, equipment and employees, were assigned to the Company upon completion of the division and assignment. The Company will continue to operate its business.
- (3) The Company's first public offering was approved in October 2017 and its shares were first traded on the emerging stock market on November 30, 2017. The Company's common shares were publicly listed on the Taiwan Stock Exchange (TWSE) on December 18, 2018. The Company's registered office and the main business location are at 3F., No. 172. Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.) and No. 9, Xingzhong St., Taoyuan Dist., Taoyuan City 330, Taiwan (R.O.C.).

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the three-month periods ended March 31, 2024 and 2023 were authorized for issue by the Board of Directors on May 7, 2024.

3. Newly issued or revised standards and interpretations

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2024. There are no newly adopted or revised standards and interpretations that have material impact on the Group.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
B	IFRS 17 “Insurance Contracts”	January 1, 2023
C	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025
D	IFRS18“Presentation and Disclosure in Financial Statements”	January 1, 2027

A. IFRS 10“Consolidated Financial Statements” and IAS 28“Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

B. IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

C. Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

D. IFRS18“Presentation and Disclosure in Financial Statements”

The main changes in the new standard are as below:

(a) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(b) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(c) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

IFRS 18 replaces IAS 1 Presentation of Financial Statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the standards and interpretations listed under A and D, it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of material accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the three-month periods ended March 31, 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS 34 *Interim Financial Reporting* as endorsed and became effective by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT\$") unless otherwise stated.

(3) Basis of consolidation

The principles of the preparation of the Group's consolidated financial statements are the same as those of the 2023 consolidated financial report, refer to the Group's 2023 consolidated financial report.

The consolidated entities are listed as follows:

Name of the investors	Name of subsidiaries	Nature of Business	Percentage of ownership (%)		
			March 31, 2024	December 31, 2023	March 31, 2023
The Company	Sharphope Company Ltd.	Investment holding	100%	100%	100%
The Company	Vision International Co., Ltd. (Note 1)	Manufacture and sale of golf club head	62.31%	62.31%	100%
The Company	Gainsmart Group Ltd.	Investment holding	100%	100%	100%
The Company	World Gate Holdings Ltd.	Investment holding	100%	100%	100%
The Company	NFT Technology Co., Ltd.	Manufacture and sale of medical equipment and automotive parts	69.74%	69.74%	69.74%
The Company	Crosspace Co., Ltd.	Selling pure titanium tableware and kitchenware	100%	100%	100%

Name of the investors	Name of subsidiaries	Nature of Business	Percentage of ownership (%)		
			March 31, 2024	December 31, 2023	March 31, 2023
The Company	Minson Integration, Inc. (Note 4)	R&D and sales of shoes, helmets and protective gear for ice hockey, cross-country motorcycles, baseball, skiing and other sports	81.96%	81.96%	82.81%
Sharphope Company Ltd.	Extensor World Trading Ltd. (Hong Kong)	International trade	100%	100%	100%
Sharphope Company Ltd.	Vision International Co., Ltd. (Note 1)	Manufacture and sale of golf club head	37.69%	37.69%	-%
Gainsmart Group Ltd.	FS-North America, Inc.	Investment holding	100%	100%	100%
FS-North America, Inc.	FS-Precision Tech Co., LLC. (Note 3)	Manufacture and sale of medical equipment and automotive parts	100%	100%	100%
World Gate Holdings Ltd.	Zhong Shan Worldmark Sporting Goods Ltd.	Manufacture and sale of golf club head	100%	100%	100%
World Gate Holdings Ltd.	Zhong Shan LongXing Precision Machinery Co., Ltd.	Manufacture and sale of sports equipment, automotive parts, molds and other products	100%	100%	100%
World Gate Holdings Ltd.	Zhong Shan Aubo Precision Technology Co., Ltd.	Researching and developing and manufacturing of hardware, plastics and printing of packaging	52.5%	52.5%	52.5%
Zhong Shan Aubo Precision Technology Co., Ltd.	Zhong Shan Aubo Metal Surface Treatment Co., Ltd.	Anodizing process	100%	100%	100%
Zhong Shan Aubo Precision Technology Co., Ltd.	AUBO (VIETNAM) PRECISION TECHNOLOGY COMPANY LIMITED	Manufacture hardware and plastics	100%	100%	100%
Zhong Shan Aubo Precision Technology Co., Ltd.	AUBO PRECISION (HONG KONG) CO., LIMITED	International trade	100%	100%	100%
Zhong Shan Worldmark Sporting Goods Ltd.	Zhong Shan Dingxing Vacuum Technology Co., Ltd.	Research, development and manufacturing of vacuum technology products, vacuum coating processing and sports equipment, metal products import and export business	100%	100%	100%

Name of the investors	Name of subsidiaries	Nature of Business	Percentage of ownership (%)		
			March 31, 2024	December 31, 2023	March 31, 2023
Minson Integration, Inc.	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	Manufacture and sale of ice hockey shoes	100%	100%	100%
Minson Integration, Inc.	MINONE ENTERPRISES COMPANY LIMITED	Manufacture and sale of sports protective gear	100%	100%	100%
Minson Integration, Inc.	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	Manufacture and sale of motocross boots	100%	100%	100%
Minson Integration, Inc.	MINTECH ENTERPRISES COMPANY LIMITED	Manufacture and sale of plastic injection parts and sports helmets	100%	100%	100%
MINTECH ENTERPRISES COMPANY LIMITED	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED (Note 2)	Manufacture and sale of ice hockey shoes	0%	0%	-%
MINTECH ENTERPRISES COMPANY LIMITED	MINONE ENTERPRISES COMPANY LIMITED (Note 2)	Manufacture and sale of sports protective gear	0%	0%	-%
MINTECH ENTERPRISES COMPANY LIMITED	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED (Note 2)	Manufacture and sale of motocross boots	0%	0%	-%
MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	MINTECH ENTERPRISES COMPANY LIMITED (Note 2)	Manufacture and sale of plastic injection parts and sports helmets	0%	0%	-%

(Note 1) Given the rapid revenue growth of Vision International Co., Ltd. (“Vision”), the Company’s board of directors approved Vision to execute seasoned equity offering for US\$15,000 thousand. The Company and Sharpope Co. Ltd. will invest for US\$5,200 thousand and US\$9,800 thousand respectively. After the performing issuance of stock, Vision’s total amount capital will be up to US\$26,000 thousand. As of the financial report date, the Company and Sharpope Co. Ltd. paid US\$5,200 thousand and US\$9,800 thousand to invest in Vision and the registration of change was completed. The shareholding ratio of the Company and Sharpope Co. Ltd. in Vision after the investment amounted to 62.31% and 37.69%, respectively.

- (Note 2) To adjust the investment structure in response to the Group's long-term development plan, MINTECH ENTERPRISES COMPANY LIMITED acquired 2 shares each of MENXON ENTERPRISES(THAILAND) COMPANY LIMITED, MINONE ENTERPRISES COMPANY LIMITED and MINSON ENTERPRISES(THAILAND) COMPANY LIMITED from their Thai individual shareholders, and MINSON ENTERPRISES(THAILAND) COMPANY LIMITED acquired 2 shares of MINTECH ENTERPRISES COMPANY LIMITED from the Thai individual shareholder.
- (Note 3) In response to the Group's long-term development plan and improve the business structure and performance, the Company approved the liquidation of FS-Precision Tech Co., LLC., a subsidiary of Gainsmart Group Ltd., by a board meeting resolution held on January 26, 2024, and planned to suspend production and enter the liquidation and dissolution procedures in the fourth quarter of 2024. The subsidiary has prepared its financial statements on a liquidation value basis from December 31, 2023.
- (Note 4) The change in the percentage of equity held by Minson Integration, Inc. ("Minson Integration") in each financial statement period is due to the change caused by exercising the employee stock options issued by Minson Integration in each period. Refer to Note 6(16) for the relevant share base payment plan.
- (4) The same accounting policies applied in the Group's consolidated financial statements for the three-month period ended March 31, 2024 as those applied in the Group's consolidated financial statements for the year ended December 31, 2023 except for the accounting policies below. For summary of other significant policies, please refer to Note 4 to the Group's consolidated financial statements for the year ended December 31, 2023.
- (a) Current liabilities do not have the right to defer the settlement of such liabilities until at least 12 months after the end of the reporting period.
 - (b) Pension cost for an interim period is calculated on a year-to-date by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlement, or other significant one-off events.
 - (c) Income tax expense for the interim period is accrued and disclosed at the rate applicable to the expected gross surplus of the current year, the estimated annual average effective tax rate includes only current income tax expense, while deferred income tax is consistent with the annual financial report and is recognized and measured in accordance with IAS 12 Income Taxes. When there is a change in the tax rate in the current period, the impact of the change in the tax rate on the deferred income tax will be recognized in profit or loss, other comprehensive income or loss or directly recognized in equity.

5. Significant accounting judgments, estimates and assumptions

The same significant accounting judgments, estimates and assumptions have been applied in the Group's consolidated financial statements for the three-month period ended March 31, 2023 as those applied in the Group's consolidated financial statements for the year ended December 31, 2023. For significant accounting judgments, estimates and assumptions, please refer to Note 5 to the Group's consolidated financial statements for the year ended December 31, 2023.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$2,623	\$2,370	\$3,252
Checking and savings accounts	5,251,329	3,730,185	5,708,868
Time deposits	1,131,673	1,121,920	189,954
Total	<u>\$6,385,625</u>	<u>\$4,854,475</u>	<u>\$5,902,074</u>

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

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets mandatorily measured at fair value through profit or loss:			
Preferred stocks	\$169,454	\$169,404	\$170,520
Unlisted stocks	1,400	1,400	1,400
Convertible bond redemption	109	-	842
US dollar aggressive funds	416	403	353
Private-placement Fund	42,496	42,362	-
Total	<u>\$213,875</u>	<u>\$213,569</u>	<u>\$173,115</u>
Current	\$169,454	\$169,404	\$170,520
Non-current	44,421	44,165	2,595
Total	<u>\$213,875</u>	<u>\$213,569</u>	<u>\$173,115</u>

Financial assets at fair value through profit or loss were not pledged.

(3) Financial assets at amortised cost

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Time deposits	\$73,097	\$70,856	\$67,285
Less: loss allowance	-	-	-
Total	<u>\$73,097</u>	<u>\$70,856</u>	<u>\$67,285</u>
Current	\$72,582	\$70,332	\$66,765
Non-current	515	524	520
Total	<u>\$73,097</u>	<u>\$70,856</u>	<u>\$67,285</u>

The Group classified certain financial assets as financial assets at amortised cost. Please refer to Note 6(18) for more details on loss allowance and Note 8 for more details on financial assets at amortised cost under pledge. Please refer to Note 12 for more details on credit risk.

(4) Notes receivables

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivables arising from operating activities (total carrying amount)	\$10,624	\$10,626	\$9,099
Less: loss allowance	-	-	-
Total	<u>\$10,624</u>	<u>\$10,626</u>	<u>\$9,099</u>

Notes receivables were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(18) for more details on loss allowance and Note 12 for details on credit risk.

(5) Accounts receivable, net

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable (total carrying amount)	\$3,724,135	\$4,480,390	\$4,682,578
Less: loss allowance	(24,216)	(23,074)	(17,557)
Subtotal	<u>3,699,919</u>	<u>4,457,316</u>	<u>4,665,021</u>
Accounts receivable—related parties (total carrying amount)	513	1,879	478
Less: loss allowance	-	-	-
Subtotal	<u>513</u>	<u>1,879</u>	<u>478</u>
Total	<u>\$3,700,432</u>	<u>\$4,459,195</u>	<u>\$4,665,499</u>

Accounts receivable were not pledged.

Accounts receivable are generally on 30-90 day terms. The total carrying amount as of March 31, 2024, December 31, 2023 and March 31, 2023 were \$3,735,272 thousand, \$4,492,895 thousand and \$4,692,155 thousand, respectively. Please refer to Note 6(18) for more details on loss allowance of accounts receivable for the three-month periods ended March 31, 2024 and 2023. Please refer to Note 12 for more details on credit risk management.

(6) Current inventories

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Raw materials	\$763,226	\$824,265	\$909,852
Work in progress	773,618	799,319	995,417
Finished goods	744,068	945,660	552,778
Goods	10,992	12,609	19,739
Inventories in transit	326,896	490,584	458,035
Total	<u>\$2,618,800</u>	<u>\$3,072,437</u>	<u>\$2,935,821</u>

For the three-month periods ended March 31, 2024 and 2023, the Group recognized \$4,702,711 thousand and \$5,470,090 thousand, respectively, in operating cost, including the write-down /(reversal of) of inventories of \$(40,019) thousand and \$31,927 thousand, respectively. The reversal is due to disposal of slow-moving inventories.

No inventories were pledged.

(7) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Others	Construction in progress and equipment awaiting examination	Total
Cost:						
As of January 1, 2024	\$1,448,379	\$2,393,753	\$4,991,647	\$866,424	\$213,804	\$9,914,007
Additions	-	-	30,466	11,921	162,270	204,657
Disposals	-	-	(21,379)	(23,169)	-	(44,548)
Transfers	-	-	25,401	14,295	(39,696)	-
Exchange differences	(2,812)	21,357	59,568	5,038	407	83,558
As of March 31, 2024	<u>\$1,445,567</u>	<u>\$2,415,110</u>	<u>\$5,085,703</u>	<u>\$874,509</u>	<u>\$336,785</u>	<u>\$10,157,674</u>
As of January 1, 2023	\$1,279,482	\$2,369,272	\$4,788,441	\$797,157	\$51,512	\$9,285,864
Additions	-	842	66,618	11,585	88,586	167,631
Disposals	-	-	(61,207)	(4,453)	-	(65,660)
Transfers	-	1,308	-	1,303	(10,107)	(7,496)
Exchange differences	777	(2,527)	(5,527)	(996)	(11)	(8,284)
As of March 31, 2023	<u>\$1,280,259</u>	<u>\$2,368,895</u>	<u>\$4,788,325</u>	<u>\$804,596</u>	<u>\$129,980</u>	<u>\$9,372,055</u>

	Land	Buildings	Machinery and equipment	Others	Construction in progress and equipment awaiting examination	Total
Depreciation and impairment:						
As of January 1, 2024	\$-	\$1,319,568	\$2,963,746	\$582,847	\$-	\$4,866,161
Depreciation	-	20,059	133,456	32,920	-	186,435
Impairments	-	-	(18,444)	(9,769)	-	(28,213)
Disposals	-	-	(4,550)	4,550	-	-
Exchange differences	-	13,337	34,702	4,761	-	52,800
As of March 31, 2024	<u>\$-</u>	<u>\$1,352,964</u>	<u>\$3,108,910</u>	<u>\$615,309</u>	<u>\$-</u>	<u>\$5,077,183</u>
As of January 1, 2023	\$-	\$1,254,684	\$2,514,087	\$502,329	\$-	\$4,271,100
Depreciation	-	22,301	136,665	23,991	-	182,957
Disposals	-	-	(34,973)	(4,270)	-	(39,243)
Exchange differences	-	(1,702)	(3,482)	(949)	-	(6,133)
As of March 31, 2023	<u>\$-</u>	<u>\$1,275,283</u>	<u>\$2,612,297</u>	<u>\$521,101</u>	<u>\$-</u>	<u>\$4,408,681</u>
Net carrying amount as of:						
March 31, 2024	<u>\$1,445,567</u>	<u>\$1,062,146</u>	<u>\$1,976,793</u>	<u>\$259,200</u>	<u>\$336,785</u>	<u>\$5,080,491</u>
December 31, 2023	<u>\$1,448,379</u>	<u>\$1,074,185</u>	<u>\$2,027,901</u>	<u>\$283,577</u>	<u>\$213,804</u>	<u>\$5,047,846</u>
March 31, 2023	<u>\$1,280,259</u>	<u>\$1,093,612</u>	<u>\$2,176,028</u>	<u>\$283,495</u>	<u>\$129,980</u>	<u>\$4,963,374</u>

Components of building that have different useful lives are main building structure, fire protection engineering, air conditioning units and elevators, which are depreciated respectively.

There were no capitalized borrowing costs of construction in progress for the three-month periods ended March 31, 2024 and 2023.

Please refer to Note 8 for more details on property, plant and equipment under pledge.

(8) Intangible assets

	Relationship of customer	Technology and Know-how	Goodwill	Computer software	Total
Cost:					
As of January 1, 2024	\$136,000	\$103,000	\$500,078	\$85,473	\$824,551
Additions	-	-	-	596	596
Exchange differences	-	-	177	676	853
As of March 31, 2024	<u>\$136,000</u>	<u>\$103,000</u>	<u>\$500,255</u>	<u>\$86,745</u>	<u>\$826,000</u>
As of January 1, 2023	\$136,000	\$103,000	\$500,066	\$91,820	\$830,886
Additions	-	-	-	194	194
Disposals	-	-	-	(4,528)	(4,528)
Transfers	-	-	-	760	760
Exchange differences	-	-	(59)	(55)	(114)
As of March 31, 2023	<u>\$136,000</u>	<u>\$103,000</u>	<u>\$500,007</u>	<u>\$88,191</u>	<u>\$827,198</u>

	Relationship of customer	Technology and Know-how	Goodwill	Computer software	Total
Amortization and impairment:					
As of January 1, 2024	\$55,300	\$51,929	\$-	\$64,986	\$172,215
Amortization	3,700	3,679	-	2,373	9,752
Exchange differences	-	-	-	457	457
As of March 31, 2024	<u>\$59,000</u>	<u>\$55,608</u>	<u>\$-</u>	<u>\$67,816</u>	<u>\$182,424</u>
As of January 1, 2023	\$40,500	\$37,214	\$-	\$65,466	\$143,180
Amortization	3,700	3,679	-	2,757	10,136
Disposals	-	-	-	(4,528)	(4,528)
Exchange differences	-	-	-	(39)	(39)
As of March 31, 2023	<u>\$44,200</u>	<u>\$40,893</u>	<u>\$-</u>	<u>\$63,656</u>	<u>\$148,749</u>
Net carrying amount as of:					
March 31, 2024	<u>\$77,000</u>	<u>\$47,392</u>	<u>\$500,255</u>	<u>\$18,929</u>	<u>\$643,576</u>
December 31, 2023	<u>\$80,700</u>	<u>\$51,071</u>	<u>\$500,078</u>	<u>\$20,487</u>	<u>\$652,336</u>
March 31, 2023	<u>\$91,800</u>	<u>\$62,107</u>	<u>\$500,007</u>	<u>\$24,535</u>	<u>\$678,449</u>

Amortization expense of intangible assets under the statement of comprehensive income:

	For the three-month periods ended March 31,	
	2024	2023
Operating costs	\$225	\$26
Operating expenses		
Selling expenses	119	-
Administrative expenses	9,009	9,521
Research and development expenses	399	589
Subtotal	<u>9,527</u>	<u>10,110</u>
Total	<u>\$9,752</u>	<u>\$10,136</u>

(10) Current borrowings

		As of		
	Interest Rates (%)	March 31, 2024	December 31, 2023	March 31, 2023
Secured bank loans	1.85% ~ 2.80%	\$-	\$52,793	\$96,284
Unsecured bank loans	1.00% ~ 6.95%	670,330	628,000	1,095,840
Total		<u>\$670,330</u>	<u>\$680,793</u>	<u>\$1,192,124</u>

(1) The Group's unused short-term lines of credits amount to \$12,755,497 thousand, \$12,511,957 thousand and \$10,463,256 thousand, as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

(2) Please refer to Note 8 for more details on assets pledged as security for current borrowings.

(10) Other payables

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Salaries payable	\$620,516	\$925,841	\$630,019
Accrued expenses	486,194	535,053	411,177
Bonuses payable	61,777	67,248	56,537
Other payable — other (Note)	100,905	93,480	80,150
Other payable — related parties	405	56	895
Total	<u>\$1,269,797</u>	<u>\$1,621,678</u>	<u>\$1,178,778</u>

Note: Individual items amount not exceeded \$50,000 thousand were aggregated as others.

(11) Bonds payable

Domestic convertible bonds payable

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Liability component:			
Principal amount	\$1,096,400	\$1,195,600	\$1,195,800
Discounts on bonds payable	(15,958)	(21,417)	(33,460)
Subtotal	1,080,442	1,174,183	1,162,340
Less: current portion	-	-	-
Net	<u>\$1,080,442</u>	<u>\$1,174,183</u>	<u>\$1,162,340</u>
Embedded derivative (Recognized in “Financial assets at fair value through profit or loss - non-current”)	<u>\$109</u>	<u>\$-</u>	<u>\$842</u>
Equity component (Recognized in “Equity - Additional paid-in capital”)	<u>\$174,510</u>	<u>\$190,299</u>	<u>\$190,331</u>

On April 11, 2022, the Company issued zero coupon unsecured convertible bonds. The actual fund raised amounted to a total of \$1,680,102 thousand. The terms of the convertible bonds were evaluated to include a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer's ordinary shares). The terms of the bonds are as follows:

Issue amount: NT\$1,500,000 thousand with issue price at par value of \$100 thousand per bond.

Coupon rate: 0%

Period: April 11, 2022 ~ April 11, 2025

Important redemption clauses:

- A. The Company may redeem the bonds at par value, in whole or in part, after 3 months of the issuance and prior to 40th day before maturity date, if the closing price of the Company's ordinary shares on the Taiwan Stock Exchange (TWSE) for 30 consecutive trading days is at least 130% of the conversion price.
- B. The Company may redeem the bonds, in whole, at the early redemption conversion price if the amount of the company's outstanding shares is lower than the conversion price by 10% of the original total issuance amount during the period from the date after 3 months of the issuance and prior to 40th day before maturity date.

Terms of Exchange:

- A. Underlying Securities: Common shares of the Company.
- B. Exchange Period: The bonds are exchangeable at any time on or after July 12, 2022 and prior to April 11, 2025 into common shares of the Company.
- C. Exchange Price and Adjustment: The exchange price was set at NT\$210 per share when the shares were issued. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture. As of March 31, 2024, the exchange price was adjusted to NT\$178.1 per share as dividends were issued for the year in accordance with the terms of the offering.
- D. Redemption on the Maturity Date: On the maturity date, the Company will redeem the bonds that remain outstanding at the principal amount.

The bonds already exchanged amount to \$403,600 thousand, \$304,400 thousand and \$304,200 thousand, as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

(12) Non-current borrowings

Details of non-current borrowings as of March 31, 2024 are as follows:

Lenders	As of March 31, 2024	Interest Rate (%)	Maturity date and terms of repayment
CTBC bank. — Unsecured bank loan	\$38,760	1.98%	The terms of repayment are from December 14, 2024 to December 14, 2028, repayment of 5% of the principal is repayable quarterly, and interest is paid monthly, from March 14, 2024.
Subtotal	38,760		
Less: current portion	(8,160)		
Total	<u>\$30,600</u>		

Details of non-current borrowings as of December 31, 2023 are as follows:

Lenders	As of December 31, 2023	Interest Rate (%)	Maturity date and terms of repayment
CTBC bank. — Unsecured bank loan	\$40,800	1.98%	The terms of repayment are from December 14, 2023 to December 14, 2028, repayment of 5% of the principal is repayable quarterly, and interest is paid monthly, from March 14, 2024.
Subtotal	40,800		
Less: current portion	(8,160)		
Total	<u>\$32,640</u>		

Details of non-current borrowings as of March 31, 2023 are as follows:

Lenders	As of March 31, 2023	Interest Rate (%)	Maturity date and terms of repayment
Bank of China secured bank loans	\$18,577	4.00%	The terms of repayment are from May 29, 2020 to May 28, 2023, repayment of 5% of the principal and interest are paid quarterly from May 29, 2021.
Subtotal	18,577		
Less: current portion	(18,577)		
Total	<u>\$-</u>		

(13) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month periods ended March 31, 2024 and 2023 were \$56,256 thousand and \$55,730 thousand, respectively.

Defined benefits plan

Expenses under the defined benefits plan for the three-month periods ended March 31, 2024 and 2023 were \$1,772 thousand and \$1,368 thousand, respectively.

(14) Provisions

	Decommissioning, restoration and rehabilitation	Other provision	Total
As of January 1, 2024	\$10,052	\$32,826	\$42,878
Utilized	-	(12,782)	(12,782)
Additions	-	6,573	6,573
Discount rate adjustment and unwinding of discount from the passage of time	83	-	83
Exchange differences	-	580	580
As of March 31, 2024	<u>\$10,135</u>	<u>\$27,197</u>	<u>\$37,332</u>
As of January 1, 2023	\$9,724	\$34,770	\$44,494
Utilized	-	(11,252)	(11,252)
Additions	-	13,386	13,386
Discount rate adjustment and unwinding of discount from the passage of time	80	-	80
Exchange differences	-	(157)	(157)
As of March 31, 2023	<u>\$9,804</u>	<u>\$36,747</u>	<u>\$46,551</u>
Current — March 31, 2024	\$-	\$27,197	\$27,197
Non-current — March 31, 2024	10,135	-	10,135
As of March 31, 2024	<u>\$10,135</u>	<u>\$27,197</u>	<u>\$37,332</u>
Current — December 31, 2023	\$-	\$32,826	\$32,826
Non-current — December 31, 2023	10,052	-	10,052
As of December 31, 2023	<u>\$10,052</u>	<u>\$32,826</u>	<u>\$42,878</u>
Current — March 31, 2023	\$-	\$34,632	\$34,632
Non-current — March 31, 2023	9,804	2,115	11,919
As of March 31, 2023	<u>\$9,804</u>	<u>\$36,747</u>	<u>\$46,551</u>

Decommissioning, restoration and rehabilitation

A provision has been recognized for decommissioning costs associated with a factory owned by subsidiary. The Group is committed to restore the site as was when decommissioning the site.

Other provision

According to the management's judgement and other known reasons, the expected employee occupational injury expenses were recognized as miscellaneous expense and estimated related provisions.

(15) Equities

A. Ordinary share

The Company's authorized capital and issued capital was \$3,000,000 thousand and \$1,310,300 thousand as of January 1, 2023. Each share at a par value of \$10 and has one voting right and a right to receive dividends.

The Company issued domestic unsecured convertible corporate bonds on April 11, 2022. For the three-month periods ended March 31, 2024 and 2023 and for the year period ended December 31, 2023, 557 thousand, 1,512 thousand and 1,512 thousand shares with a nominal value of \$10 per share were successively requested by bondholders, respectively. As of March 31, 2024, December 31, 2023 and March 31, 2023, 557 thousand, 0 thousand and 1,512 thousand shares had not been completed and registered yet. The bond conversion entitlement certificates of January 1, 2024 and 2023 were amended in the first quarter of 2024 and 2023 with 0 shares and 32 thousand shares respectively.

As of March 31, 2024, the accumulated shares been successively requested by bondholders were 2,101 thousand shares with a nominal value of \$10 per share.

The Company's authorized capital were both \$3,000,000 thousand as of March 31, 2024, December 31, 2023 and March 31, 2023. The Company's issued capital were \$1,325,735 thousand, \$1,325,735 thousand and \$1,310,614 thousand as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively. Each share at a par value of \$10 and has one voting right and a right to receive dividends.

B. Capital surplus

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Additional paid-in capital	\$2,022,975	\$1,915,075	\$1,914,857
Difference between consideration given/ received and carrying amount of interests in subsidiaries acquired/disposed of	75,872	75,872	75,872
Share options	174,510	190,299	190,331
Changes in ownership interest in subsidiaries	32,491	30,291	30,871
Total	<u>\$2,305,848</u>	<u>\$2,211,537</u>	<u>\$2,211,931</u>

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- (a) Payment of all taxes and dues;
- (b) Offset prior years' operation losses;
- (c) Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
- (d) Set aside or reverse special reserve in accordance with law and regulations; and
- (e) The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The policy of dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and capital budgets; as well as the interest of the shareholders, share bonus equilibrium and long-term financial planning etc. The Board of Directors shall make the distribution proposal annually and present it at the shareholders' meeting. The Company's Articles of Incorporation further provide at least 10% of the dividends must be paid in the form of cash.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

When the Company distributes distributable earnings, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity, provided that the Company has already set aside special reserve according to the requirements for the adoption of IFRS. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

On March 31, 2021, the FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the TIFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside an equal amount of special reserve. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.

On first-time adoption of the TIFRS, the Company's special reserve amounted to \$112,383 thousand. The Company did not reverse special reserve to retained earnings for the three-month periods ended March 31, 2024 and 2023 as a result of the use, disposal of or reclassification of related assets. Following the Company's adoption of the TIFRS for the preparation of its financial reports, when distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to other net deductions from shareholders' equity for both \$0 thousand as of March 31, 2024 and March 31, 2023.

Details of the year of 2024 and 2023 earnings distribution and dividends per share as approved by Board of Directors' meeting on March 12, 2024 and resolved by the stockholders' meeting on June 21, 2023, respectively, are as follows:

	Appropriation of earnings		Dividend per share (\$)	
	2023	2022	2023	2022
Legal reserve	\$238,651	\$483,222		
Special reserve	160,539	(208,914)		
Common stock -cash dividend	1,659,703	2,916,496	\$12.5 (Note)	\$22.0

Note: Calculation was based on the number of ordinary shares outstanding as of February 29, 2024, plus 132,766 thousand shares that were applied for conversion. The actual dividend paid to each share will be determined by the number of ordinary shares outstanding on ex-dividend date.

Please refer to Note 6(20) for details on employees' compensation and remuneration to directors and supervisors.

D. Non-controlling interests

	For the three-month periods ended March 31,	
	2024	2023
Beginning balance	\$1,282,232	\$1,212,375
Net gains attributable to non-controlling interests	44,121	17,534
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences on translation of foreign operations	12,446	(1,502)
Share-based payment	484	890
Ending balance	<u>\$1,339,283</u>	<u>\$1,229,297</u>

(16) Share-based payment plans

- A. The relevant details of share-based payment plan of the subsidiary Minson Integration, Inc. were as follows:

Type of agreement	Grant date	Total number of share options granted	Contract period	Vesting condition
		(in thousands)		
The first employee stock option plan in 2021	December 1, 2021	327	2.04 years	The certificate holder can exercise a certain percentage of the granted stock option within two years after the issuance expires.
The first employee stock option plan in 2022	December 1, 2022	274	2.04 years	The certificate holder can exercise a certain percentage of the granted stock option within two years after the issuance expires.

The share-based payment agreement mentioned above was accounted for equity-based settlement.

- B. The following table contains further details on the aforementioned share-based payment plan of the subsidiary Minson Integration, Inc.:

	For the three-month periods ended March 31,			
	2024		2023	
	Number of share options outstanding (in thousands)	Weighted average exercise price of share options (NT\$)	Number of share options outstanding (in thousands)	Weighted average exercise price of share options (NT\$)
Outstanding at beginning of period	274	\$10	601	\$10
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding at end of period	274	\$10	601	\$10
Exercisable at end of period	-	\$-	-	\$-

The information of the subsidiary Minson Integration, Inc. on the outstanding share options is as follows:

	Range of exercise price (\$)	Weighted average remaining contractual life (years)
As of March 31, 2024		
share options outstanding at the end of the period	\$10	0.68
As of December 31, 2023		
share options outstanding at the end of the period	\$10	0.93
As of March 31, 2023		
share options outstanding at the end of the period	\$10	0.68~1.68

- C. The Black-Scholes option pricing model was used by the subsidiary, Minson Integration, Inc. to estimate the fair value of the share options on the grant date. The information on each factor is as follows:

	Grant date	
	December 1, 2022	December 1, 2021
Expected volatility (%)	38.48	39.17
Risk-free interest rate (%)	1.09	0.31
Expected option life (Years)	2.04	2.13
Weighted average share price (\$)	78.36	61.18

- D. The Group's equity-settled share-based payment transactions generated fees for the three-month periods ended March 31, 2024 and 2023 were \$2,684 thousand and \$5,184 thousand respectively.

(17) Operating revenue

A. Disaggregation of revenue

	For the three-month periods ended March 31,	
	2024	2023
Revenue from contracts with customers		
Sale of goods	\$6,295,407	\$7,029,139
Other revenue	74,226	57,646
Total	\$6,369,633	\$7,086,785

B. The Group recognizes contract revenue which is at a point in time.

C. Contract balances

Contract liabilities-Current

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Sales of goods	<u>\$29,517</u>	<u>\$20,070</u>	<u>\$142,463</u>	<u>\$145,888</u>

The significant changes in the Group's balances of contract liabilities for the three-month periods ended March 31, 2024 and 2023 were as follows:

	For the three-month periods ended March 31,	
	2024	2023
The opening balance transferred to revenue	\$(4,542)	\$(21,564)
Increase in unearned receipted during the period (excluding the amount incurred and transferred to revenue during the period)	13,901	18,825
Effect of changes in foreign exchange rates and others	88	(686)

(18) Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9

	For the three-month periods ended March 31,	
	2024	2023
Operating expenses –impairment loss (reversal of impairment loss) determined in accordance with IFRS 9		
Accounts receivables	<u>\$(455)</u>	<u>\$4,816</u>

Please refer to Note 12 for more details on credit risk.

The credit risk for the Group's financial assets at amortised cost are assessed as low as of March 31, 2024, December 31, 2023 and March 31, 2023 (the same as the assessment result in the beginning of the period). Since the transaction objects of the company are all financial institutions such as banks with good credit, all of them are calculated based on the expected credit loss rate of 0% and the allowance loss amount is \$0 thousand.

The Group measures the loss allowance of its accounts receivable (including notes receivables and accounts receivable) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of March 31, 2024, December 31, 2023 and March 31, 2023 are as follows:

Considering counterparties credit rating, industry characteristics and past experiences, the loss allowance of accounts receivable is measured as a single group by using a provision matrix. In addition, the provision matrix is expressed aggregately since overdue days interval between each entities in the Group is equivalent. Details for provision matrix are as follows:

As of March 31, 2024

	Not yet due	Overdue			Total
	(Note)	Under 60 days	61~180 days	Over 181 days	
Gross carrying amount	\$3,505,282	\$200,309	\$28,174	\$1,507	\$3,735,272
Loss ratio					0.6483%
Lifetime expected credit losses	-	-	(22,709)	(1,507)	(24,216)
Net carrying amount	\$3,505,282	\$200,309	\$5,465	\$-	\$3,711,056

As of December 31, 2023

	Not yet due	Overdue			Total
	(Note)	Under 60 days	61~180 days	Over 181 days	
Gross carrying amount	\$4,217,224	\$248,487	\$9,483	\$17,701	\$4,492,895
Loss ratio					0.5136%
Lifetime expected credit losses	-	(422)	(4,951)	(17,701)	(23,074)
Net carrying amount	\$4,217,224	\$248,065	\$4,532	\$-	\$4,469,821

As of March 31, 2023

	Not yet due	Overdue			Total
	(Note)	Under 60 days	61~180 days	Over 181 days	
Gross carrying amount	\$4,492,130	\$178,025	\$5,317	\$16,683	\$4,692,155
Loss ratio					0.3742%
Lifetime expected credit losses	-	-	(874)	(16,683)	(17,557)
Net carrying amount	\$4,492,130	\$178,025	\$4,443	\$-	\$4,674,598

Note: The Group's note receivables are not overdue.

The movement in the provision for impairment of notes receivables and accounts receivable during the three-month periods ended March 31, 2024 and 2023 is as follows:

	Notes receivables	Accounts receivable	Total
As of January 1, 2024	\$-	\$23,074	\$23,074
Addition for the current period	-	455	455
Exchange differences	-	687	687
As of March 31, 2024	\$-	\$24,216	\$24,216

	Notes receivables	Accounts receivable	Total
As of January 1, 2023	\$-	\$22,504	\$22,504
Addition for the current period	-	(4,816)	(4,816)
Exchange differences	-	(131)	(131)
As of March 31, 2023	<u>\$-</u>	<u>\$17,557</u>	<u>\$17,557</u>

(19) Leases

A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings, machinery and equipment and other equipment. The lease terms range from 1 to 13 years. The Group is not subject to any special restrictions.

The Group's leases effect on the financial position, financial performance and cash flows are as follows:

(a) Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Land	\$504,640	\$490,987	\$523,507
Buildings	62,877	72,188	123,780
Total	<u>\$567,517</u>	<u>\$563,175</u>	<u>\$647,287</u>

During the three-month periods ended March 31, 2024 and 2023, the Group's additions to right-of-use assets amounting to \$18,934 thousand and \$473 thousand, respectively.

ii. Lease liabilities

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Lease liabilities	<u>\$299,403</u>	<u>\$296,986</u>	<u>\$351,039</u>
Current	\$57,393	\$62,566	\$66,651
Non-current	242,010	234,420	284,388
Total	<u>\$299,403</u>	<u>\$296,986</u>	<u>\$351,039</u>

Please refer to Note 6(21) for the interest on lease liabilities recognized during the three-month periods ended March 31, 2024 and 2023 and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities.

(b) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the three-month periods ended March 31,	
	2024	2023
Land	\$6,568	\$7,405
Buildings	11,382	14,669
Total	<u>\$17,950</u>	<u>\$22,074</u>

(c) Income and costs relating to leasing activities

	For the three-month periods ended March 31,	
	2024	2023
The expenses relating to leases of low-value assets (Including the expenses relating to short-term leases of low-value assets)	<u>\$3,965</u>	<u>\$4,303</u>

(d) Cash outflow relating to leasing activities

During the three-month periods ended March 31, 2024 and 2023, the Group's total cash outflows for leases amounting to \$21,800 thousand and \$22,095 thousand, respectively.

(e) Other information relating to leasing activities

Some of the Group's agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group.

After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

B. Group as a lessor

The Group's leases of self-own investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the three-month periods ended March 31,	
	2024	2023
Lease income for operating leases		
Income relating to fixed lease payments	\$3,201	\$3,263

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of March 31, 2024, December 31, 2023 and March 31, 2023 are as follows:

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Not later than one year	\$4,268	\$7,539	\$6,526

(20) Summary statement of employee benefits, depreciation and amortization expenses by function:

	For the three-month periods ended March 31,					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	\$846,577	\$305,399	\$1,151,976	\$950,208	\$288,595	\$1,238,803
Labor and health insurance	12,832	12,447	25,279	14,043	12,305	26,348
Pension	45,564	12,464	58,028	45,895	11,203	57,098
Other employee benefits expense	102,758	31,094	133,852	117,043	35,362	152,405
Depreciation	167,747	36,638	204,385	147,977	57,054	205,031
Amortization	225	9,527	9,752	26	10,110	10,136

According to the Articles of Incorporation, 2% of profit of the current year is distributable as employees' compensation and no higher than 0.5% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition there to a report of such distribution is submitted to the shareholders' meeting. If the Board of Directors subsequently modifies the estimates significantly, the company will recognize the change as an adjustment in the profit or loss in the subsequent period.

Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit for the three-month period ended March 31, 2024, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the three-month period ended March 31, 2024 to be 2% and 0.03%, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors for the year ended March 31, 2024 amounted to \$22,749 thousand and \$375 thousand, respectively and recognized as salaries expense.

Based on profit of the three-month period ended March 31, 2023, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the three-month period ended March 31, 2023 to be 2% of profit of the current three-month period and 0.05% of profit of the current three-month period, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors for the three-month period ended March 31, 2023 amount to \$17,442 thousand and \$450 thousand, respectively and recognized as salaries expense.

A resolution was resolved at a board meeting held on March 12, 2024 to distribute \$60,000 thousand and \$1,650 thousand in cash as employees' compensation and remuneration to directors of 2023, respectively.

No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2022.

(21) Non-operating income and expenses

A. Interest income

	For the three-month periods ended March 31,	
	2024	2023
Interest income		
Financial assets at amortised cost	\$38,626	\$21,263
Financing provided to others (Note)	358	408
Total	<u>\$38,984</u>	<u>\$21,671</u>

Note: Please refer to attachment 1 for financing provided to others.

B. Other income

	For the three-month periods ended March 31,	
	2024	2023
Rent income	\$4,147	\$4,210
Other income - others	15,038	23,515
Total	<u>\$19,185</u>	<u>\$27,725</u>

C. Other gains and losses, net

	For the three-month periods ended March 31,	
	2024	2023
Gains/(Losses) on disposal of property, plant and equipment	\$183	\$(332)
Gains/(Losses) on financial assets at fair value through profit or loss (Note)	316	11,780
Foreign exchange gains/(losses), net	159,650	(70,226)
Miscellaneous disbursements	(11,757)	(4,605)
Gains on lease modification	120	-
Total	<u>\$148,512</u>	<u>\$(63,383)</u>

Note: Balances were arising from financial assets mandatorily measured at fair value through profit or loss.

D. Finance costs, net

	For the three-month periods ended March 31,	
	2024	2023
Interest on bank loan	\$6,835	\$14,685
Interest on provisions	83	80
Interest on lease liabilities	1,011	1,486
Interest on bonds payable	3,950	4,741
Total	<u>\$11,879</u>	<u>\$20,992</u>

(22) Components of other comprehensive income

For the three-month period ended March 31, 2024

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive	Other comprehensive income, net of tax
Will be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation	<u>\$156,475</u>	<u>\$-</u>	<u>\$156,475</u>	<u>\$-</u>	<u>\$156,475</u>

For the three-month period ended March 31, 2023

		Reclassification	Other	Income tax	
		adjustments	comprehensive	relating to	Other
	Arising during	during the	income, before	components of	comprehensive
	the period	period	tax	other	income, net of
				comprehensive	tax
Will be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation	<u>\$(24,405)</u>	<u>\$-</u>	<u>\$(24,405)</u>	<u>\$-</u>	<u>\$(24,405)</u>

(23) Income tax

A. The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	For the three-month periods ended March 31,	
	2024	2023
Current income tax expense:		
Current income tax charge	\$247,534	\$174,674
Adjustments in respect of current income tax of prior periods	1,616	109
Deferred tax expense:		
Deferred tax expense relating to origination and reversal of temporary differences	14,517	40,869
Total income tax expense	<u>\$263,667</u>	<u>\$215,652</u>

B. The assessment of income tax returns

As of the reporting date, the assessment of the income tax returns of the Company and its domestic subsidiaries are as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2021
Subsidiary- NFT Technology Co., Ltd	Assessed and approved up to 2020
Subsidiary- Crosspace Co., LTD	Assessed and approved up to 2021
Subsidiary- Minson Integration, Inc.	Assessed and approved up to 2022

- C. Vision International Co., Ltd., a subsidiary of the Company, is located in a tax jurisdiction where the Pillar 2 Act has been enacted or substantially enacted, but the consolidated revenue did not reach EUR 750 million(within the 4 tested years, not reaching -EUR 750 million for at least 3 years) and therefore did not fall under the scope of Pillar 2. The “International Tax Reform- Model Pillar 2 Rules(Amendment to IAS 12)” had no impact on these individuals, and the relevant impact is not required to be disclosed in the financial statements.

(24) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the three-month periods ended March 31,	
	2024	2023
A. Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand)	\$930,222	\$710,837
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	132,689	131,228
Basic earnings per share (NT\$)	\$7.01	\$5.42
B. Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand)	\$930,222	\$710,837
Interest expense from convertible bonds (in thousand)	12,747	15,640
Profit attributable to ordinary equity holders of the Company after dilution	\$942,969	\$726,477
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	132,689	131,228
Effect of dilution:		
Employee compensation — stock (in thousands)	305	518
Convertible bonds(in thousands)	6,597	6,064
Weighted average number of ordinary shares outstanding after dilution (in thousands)	139,591	137,810
Diluted earnings per share (NT\$)	\$6.76	\$5.27

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(25) Subsidiaries that have material non-controlling interests

Financial information of subsidiaries that have material non-controlling interests was provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of Incorporation and operation	As of		
		March 31, 2024	December 31, 2023	March 31, 2023
Zhong Shan Aubo Precision Technology Co., Ltd.	China	47.50%	47.50%	47.50%
Minson Integration, Inc.	Taiwan	18.04%	18.04%	17.19%

A. Accumulated balances of material non-controlling interest:

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Zhong Shan Aubo Precision Technology Co., Ltd.	\$797,263	\$752,645	\$708,366
Minson Integration, Inc.	459,354	447,726	437,162
Total	<u>\$1,256,617</u>	<u>\$1,200,371</u>	<u>\$1,145,528</u>

B. Profit(loss) allocated to material non-controlling interest:

	For the three-month periods ended March 31,	
	2024	2023
Zhong Shan Aubo Precision Technology Co., Ltd.	\$29,187	\$13,568
Minson Integration, Inc.	14,127	4,706
Total	<u>\$43,314</u>	<u>\$18,274</u>

C. Dividends paid to material non-controlling interests

Zhong Shan Aubo Precision Technology Co., Ltd. and Minson Integration, Inc. did not have such occurrences as of the three-month period ended March 31, 2024 and 2023.

D. The aggregated financial information of subsidiaries that have material non-controlling interests was provided below. This information was based on amounts before inter-company eliminations.

(a) Zhong Shan Aubo Precision Technology Co., Ltd.

(i) Summarized information of profit or loss as follows:

	For the three-month periods ended March 31,	
	2024	2023
Operating revenue	\$567,231	\$410,322
Profit from continuing operations	61,447	28,565
Total comprehensive income	63,005	29,890

(ii) Summarized information of financial position as follows:

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$1,238,192	\$1,132,083	\$1,025,928
Non-current assets	782,755	740,188	733,599
Current liabilities	342,499	284,266	264,443
Non-current liabilities	-	3,489	3,789

(b) Minson Integration, Inc.

(i) Summarized information of profit or loss as follows:

	For the three-month periods ended March 31,	
	2024	2023
Operating revenue	\$502,718	\$611,303
Profit from continuing operations	84,623	27,376
Total comprehensive income	68,087	31,856

(ii) Summarized information of financial position as follows:

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$1,238,265	\$1,297,753	\$1,677,168
Non-current assets	1,335,179	1,303,135	995,297
Current liabilities	579,833	679,328	741,036
Non-current liabilities	106,039	104,131	102,401

7. Related party transactions

Information of related parties that had transactions with the Group during the financial reporting periods is as follows:

Name of the related parties	Nature of relationship of the related parties
Fu Sheng Industrial Co., Ltd.	Substantive related party
Fusheng Electronics Corporation	Substantive related party
Fu Sheng Industrial (Shanghai) Co., Ltd.	Substantive related party
Zhong Shan Fu Sheng Electromechanical Co., Ltd.	Substantive related party
Zhong Shan Fu Sheng Machinery Co., Ltd.	Substantive related party
Fu Sheng (Vietnam) Industrial Co., Ltd.	Substantive related party
Min Yang Co., Ltd.	Substantive related party
Minson Enterprises Co., Ltd.	Substantive related party
Worldmark Service Ltd.	Substantive related party
FS-Elliot Co. LLC	Substantive related party
California Air Compressor Company	Substantive related party

Significant transactions with the related parties

Transactions with related parties that are significant in amount or balance, exceeding 10% of the total amount or balance of each type of transaction for the group, should be individually listed, and all the remaining amount or balance should be aggregated and presented collectively.

(1) Sales

	For the three-month periods ended March 31,	
	2024	2023
Substantive related party		
Fu Sheng Industrial Co., Ltd.	\$281	\$292
Fu Sheng Industrial (Shanghai) Co., Ltd.	116	-
Total	<u>\$397</u>	<u>\$292</u>

The sales price to the above related parties was determined through mutual agreement based on the market rates. The collection period for domestic sales to related parties was month-end 90 days, while the terms for overseas sales were 30~120 days from FOB shipping point. The collection period for third party domestic sales was month-end 30~60 days, while the terms for overseas sales were 30~90 days from FOB shipping point. The outstanding balance on March 31, 2024 and 2023 was unsecured, non-interest bearing and must be settled in cash. The receivables from the related parties were not guaranteed.

(2) Purchases

	For the three-month periods ended March 31,	
	2024	2023
Substantive related party		
Zhong Shan Fu Sheng Machinery Co., Ltd.	\$520	\$218
Fu Sheng (Vietnam) Industrial Co., Ltd.	320	466
Total	<u>\$840</u>	<u>\$684</u>

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers and are between 30~90 days.

(3) Accounts receivable

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Substantive related party			
Fu Sheng Industrial Co., Ltd.	\$513	\$944	\$478
Fusheng Electronics Corporation	-	509	-
Zhong Shan Fu Sheng Electromechanical Co., Ltd.	-	363	-
Other	-	63	-
Total	<u>\$513</u>	<u>\$1,879</u>	<u>\$478</u>

(4) Accounts payables

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Substantive related party			
Fu Sheng Industrial Co., Ltd.	\$306	\$-	\$117
Fu Sheng (Vietnam) Industrial Co., Ltd.	10	9	100
FS-Elliott Co. LLC	-	262	-
California Air Compressor Company	-	-	179
Other	-	28	-
Total	<u>\$316</u>	<u>\$299</u>	<u>\$396</u>

(5) Lease

A. Rent Income

	For the three-month periods ended March 31,	
	2024	2023
Substantive related party		
Worldmark Service Ltd.	\$121	\$116

The rental income is generated from leasing the plant to related parties. The transaction conditions are agreed upon by both parties, and the rent is paid monthly.

B. Rent Expense

	For the three-month periods ended March 31,	
	2024	2023
Substantive related party		
Fu Sheng Industrial Co., Ltd.	\$345	\$305
Zhong Shan Fu Sheng Electromechanical Co., Ltd.	-	901
Other	-	13
Total	\$345	\$1,219

Rental expenses incurred as a result of leasing from related parties. The transaction conditions are agreed upon by both parties, and the rent is paid monthly.

C. Right-of-use assets

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Substantive related party			
Fu Sheng (Vietnam) Industrial Co., Ltd.	\$248,803	\$244,946	\$264,058
Zhong Shan Fu Sheng Electromechanical Co., Ltd.	175,914	174,477	183,813
Min Yang Co., Ltd.	-	-	3,524
Total	\$424,717	\$419,423	\$451,395

D. Lease liabilities

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Substantive related party			
Fu Sheng (Vietnam) Industrial Co., Ltd.	\$214,551	\$212,599	\$214,862
Min Yang Co., Ltd.	-	-	3,563
Total	<u>\$214,551</u>	<u>\$212,599</u>	<u>\$218,425</u>

E. Interest Expense

	For the three-month periods ended March 31,	
	2024	2023
Substantive related party		
Fu Sheng (Vietnam) Industrial Co., Ltd.	\$425	\$474
Min Yang Co., Ltd.	-	10
Total	<u>\$425</u>	<u>\$484</u>

F. Depreciation

	For the three-month periods ended March 31,	
	2024	2023
Substantive related party		
Fu Sheng (Vietnam) Industrial Co., Ltd.	\$4,645	\$4,567
Zhong Shan Fu Sheng Electromechanical Co., Ltd.	1,897	1,932
Min Yang Co., Ltd.	-	1,175
Total	<u>\$6,542</u>	<u>\$7,674</u>

(6) Property transaction

Purchase of Property, plant and equipment:

For the three-month period ended March 31, 2024

Related party	Item of asset	Purchasing price
Minson Enterprises Co., Ltd.	Prepayment of real estate purchase	\$-
Minson Enterprises Co., Ltd.	Prepayment of real estate purchase	-
Fu Sheng Industrial CO., Ltd.	Machinery and equipment	-
Total		<u>\$-</u>

For the three-month period ended March 31, 2023

Related party	Item of asset	Purchasing price
Minson Enterprises Co., Ltd.	Prepayment of real estate purchase	\$66,403
Minson Enterprises Co., Ltd.	Prepayment of real estate purchase	1,620
Fu Sheng Industrial CO., Ltd.	Machinery and equipment	111
Total		<u>\$68,134</u>

The above purchase price was negotiated by the buyer and the seller.

(7) Key management personnel compensation

	For the three-month periods ended March 31,	
	2024	2023
Short-term employee benefits	<u>\$13,547</u>	<u>\$14,711</u>

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

Items	Carrying amount			Secured liabilities
	March 31, 2024	December 31, 2023	March 31, 2023	
Financial assets at amortised cost — Current	\$15,000	\$15,000	\$15,000	Gas guarantee
Property, plant and equipment — Land	47,340	48,159	47,981	Short-term loans(Note)
Property, plant and equipment — Buildings	104,529	108,836	115,819	Short-term loans(Note)
Total	<u>\$166,869</u>	<u>\$171,995</u>	<u>\$178,800</u>	

Note: As of March 31, 2024, there were facilities available but not actually drawn.

9. Commitments and contingencies

- (1) As of March 31, 2024, the Group has unused letters of credit was amounted to JPY22,553 thousand and EUR1,161 thousand.
- (2) As of March 31, 2024, the Group provided endorsement and guarantee to subsidiaries were amounted to US\$66,000 thousand, and NT\$210,000 thousand. Please refer to Note 13 for more details.

(3) Financial institution commitments:

Financial institution	Purpose of guarantee	Amount
Bank Sinopac Co. Ltd.	Customs Duty Guarantee	\$3,000
Bangkok Bank Public Company Limited	Electricity Usage Guarantee	5,133

(4) Significant unpaid commitments:

Contract	Contract amount	Payment amount	Unpaid amount
Machinery and equipment, etc.	\$133,757	\$74,262	\$59,495

Payment amount is recognized as construction in progress and equipment awaiting examination, prepayments for equipment and prepayments.

10. Losses due to major disasters:

None.

11. Significant subsequent events:

None.

12. Others

(1) Categories of financial instruments

Financial assets

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets at fair value through profit or loss:			
Mandatorily measured at Fair value through profit or loss	\$213,875	\$213,569	\$173,115
Subtotal	213,875	213,569	173,115
Financial assets at amortised cost:			
Cash and cash equivalents (excluding cash on hand)	6,383,002	4,852,105	5,898,822
Financial assets at amortised cost	73,097	70,856	67,285
Notes and accounts receivable, net (including related parties)	3,711,056	4,469,821	4,674,598
Other receivables (including related parties)	303,401	288,569	247,316

Refundable deposits	144,402	142,339	54,592
Subtotal	10,614,958	9,823,690	10,942,613
Total	<u>\$10,828,833</u>	<u>\$10,037,259</u>	<u>\$11,115,728</u>

Financial liabilities

	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Financial liabilities at amortized cost:			
Current borrowings	\$670,330	\$680,793	\$1,192,124
Accounts payables (including related parties)	2,085,213	2,701,534	2,121,375
Other payables (including related parties)	1,269,797	1,621,678	1,178,778
Lease liabilities	299,404	296,986	351,039
Guarantee deposits	3,220	3,159	5,734
Non-current borrowings (including current portion with maturity less 1 year)	38,760	40,800	18,577
Bonds payable	1,080,442	1,174,183	1,162,340
Total	<u>\$5,447,166</u>	<u>\$6,519,133</u>	<u>\$6,029,967</u>

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency USD. Please refer to Note 12(10) for details on the information of the sensitivity analysis.

When NTD strengthens/weakens against foreign currency USD by 1%, the profit for the three-month periods ended March 31, 2024 and 2023 are decrease/increase by \$15,743 thousand and \$40,648 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the three-month periods ended March 31, 2024 and 2023 to decrease/increase by \$90 thousand and \$1,111 thousand, respectively.

Equity price risk

The fair value of the Group's listed equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed equity securities is classified under financial assets measured at fair value through profit or loss. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments.

At the reporting date, a change of 1% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Group's profit for the three-month periods ended March 31, 2024 and 2023 by \$1,695 thousand and \$1,705 thousand, respectively.

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of March 31, 2024, December 31, 2023 and March 31, 2023, amounts receivables from top ten customers represent 81%, 80% and 84% of the total accounts receivables of the Group, respectively. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for accounts and notes receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.

Financial assets are written off when there is no realistic prospect of future recovery.

When the credit risk on debt instrument investment has increased, the Group will dispose that investment in order to minimize the credit losses. When assessing the expected credit losses, the evaluation of the forward-looking information (available without undue cost and effort) is mainly based on the macroeconomic information and the credit loss ratio is further adjusted if there is significant impact from forward-looking information.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, bank borrowings and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of March 31, 2024					
Current borrowings (including interest payable)	\$677,914	\$-	\$-	\$-	\$677,914
Accounts payables (including related parties)	2,085,213	-	-	-	2,085,213
Other payables (including related parties)	1,269,797	-	-	-	1,269,797
Lease liabilities	61,070	58,513	26,601	170,984	317,168
Guarantee deposits	3,220	-	-	-	3,220
Non-current borrowings (including interest payable)	13,254	17,102	12,403	-	42,759
Convertible bonds	-	1,096,400	-	-	1,096,400
As of December 31, 2023					
Current borrowings (including interest payable)	\$689,291	\$-	\$-	\$-	\$689,291
Accounts payables (including related parties)	2,701,534	-	-	-	2,701,534
Other payables (including related parties)	1,621,678	-	-	-	1,621,678
Lease liabilities	67,366	54,867	24,992	161,863	309,088
Guarantee deposits	3,159	-	-	-	3,159
Non-current borrowings (including interest payable)	8,908	17,248	16,602	-	42,758
Convertible bonds	-	1,195,600	-	-	1,195,600
As of March 31, 2023					
Current borrowings (including interest payable)	\$1,215,475	\$-	\$-	\$-	\$1,215,475
Accounts payables (including related parties)	2,121,375	-	-	-	2,121,375
Convertible bonds	-	1,195,800	-	-	1,195,800
Lease liabilities	70,720	84,995	36,957	175,284	367,956
Other payables (including related parties)	1,178,778	-	-	-	1,178,778
Guarantee deposits	5,734	-	-	-	5,734
Non-current borrowings (including interest payable)	18,700	-	-	-	18,700

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the three-month period ended March 31, 2024:

	Current borrowings	Bonds Payable	Non-current borrowings	Guarantee deposits	Lease liabilities	Total liabilities from financing activities
As of January 1, 2024	\$680,793	\$1,174,183	\$40,800	\$3,159	\$296,986	\$2,195,921
Cash flows	(23,069)	-	(2,040)	(59)	(17,835)	(43,003)
Non-cash change	-	(93,741)	-	-	15,001	(78,740)
Exchange differences	12,606	-	-	120	5,252	17,978
As of March 31, 2024	<u>\$670,330</u>	<u>\$1,080,442</u>	<u>\$38,760</u>	<u>\$3,220</u>	<u>\$299,404</u>	<u>\$2,092,156</u>

Reconciliation of liabilities for the three-month period ended March 31, 2023:

	Current borrowings	Bonds Payable	Non-current borrowings	Guarantee deposits	Lease liabilities	Total liabilities from financing activities
As of January 1, 2023	\$1,429,139	\$1,447,614	\$20,206	\$5,663	\$367,892	\$3,270,514
Cash flows	(216,303)	-	(1,372)	119	(17,792)	(235,348)
Non-cash change	-	(285,274)	-	-	1,959	(283,315)
Exchange differences	(20,712)	-	(257)	(48)	(1,020)	(22,037)
As of March 31, 2023	<u>\$1,192,124</u>	<u>\$1,162,340</u>	<u>\$18,577</u>	<u>\$5,734</u>	<u>\$351,039</u>	<u>\$2,729,814</u>

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- (a) The carrying amount of cash and cash equivalents, notes and accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

- (c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- (d) Fair value of debt instruments without market quotations, bank loans and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)
- (e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

Other than cash and cash equivalents, trade receivables, accounts payable and other current liabilities whose carrying amount approximate their fair value, the fair value of the Group's financial assets and financial liabilities measured at amortized cost is listed in the table below:

	Carrying amount as of		
	March 31, 2024	December 31, 2023	March 31, 2023
Financial liabilities:			
Bonds payable	\$1,080,442	\$1,174,183	\$1,162,340
	Fair value as of		
	March 31, 2024	December 31, 2023	March 31, 2023
Financial liabilities:			
Bonds payable	\$1,085,217	\$1,174,079	\$1,162,676

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative financial instruments

The Group's derivative financial instruments include forward currency contracts and embedded derivatives. The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as of March 31, 2024, December 31, 2023 and March 31, 2023 is as follows:

Embedded derivatives

The embedded derivatives arising from issuing convertible bonds have been separated from the host contract and carried at fair value through profit or loss. Please refer to Note 6(11) for further information on this transaction.

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1– Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

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

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis was as follows:

As of March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss:				
Preferred stocks	\$169,454	\$-	\$-	\$169,454
Unlisted stocks	-	-	1,400	1,400
US dollar aggressive funds	-	-	416	416
Convertible bond redemption	-	-	109	109
Private-placement funds	-	-	42,496	42,496

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss:				
Preferred stocks	\$169,404	\$-	\$-	\$169,404
Unlisted stocks	-	-	1,400	1,400
US dollar aggressive funds	-	-	403	403
Private-placement funds	-	-	42,362	42,362

As of March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss:				
Preferred stocks	\$170,520	\$-	\$-	\$170,520
Unlisted stocks	-	-	1,400	1,400
US dollar aggressive funds	-	-	353	353
Convertible bond redemption	-	-	842	842

Transfers between Level 1 and Level 2 during the period

During the three-month periods ended March 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for Recurring fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets					
	at fair value through profit or loss					
	Stocks	Financial investment products	Convertible bond redemption	US dollar aggressive funds	Private-placement funds	Total
Beginning balances as of January 1, 2024	\$1,400	\$-	\$-	\$403	\$42,362	\$44,165
Settlements for the three-month period ended March 31, 2024	-	-	(10)	-	-	(10)
Amount recognized in profit (presented in “other gains and losses”)	-	-	119	13	134	266
Ending balances as of March 31, 2024	\$1,400	\$-	\$109	\$416	\$42,496	\$44,421

	Stocks	Financial investment products	Convertible bond redemption	US dollar aggressive funds	Private-placement funds	Total
Beginning balances as of January 1, 2023	\$1,400	\$-	\$446	\$382	\$-	\$2,228
Acquisition for the three-month period ended March 31, 2023	-	156,100	-	-	-	156,100
Disposal for the three-month period ended March 31, 2023	-	(156,256)	-	-	-	(156,256)
Settlements for the three-month period ended March 31, 2023	-	-	(197)	-	-	(197)
Amount recognized in profit (presented in “other gains and losses”)	-	156	593	(29)	-	720
Ending balances as of March 31, 2023	<u>\$1,400</u>	<u>\$-</u>	<u>\$842</u>	<u>\$353</u>	<u>\$-</u>	<u>\$2,595</u>

Total gains and losses recognized in profit or loss for the three-month periods ended March 31, 2024 and 2023 in the table above contain gains and losses related to assets on hand as of March 31, 2024 and March 31, 2023 in the amount of \$266 thousand and \$720 thousand, respectively.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

- (a) No quantitative information of significant unobservable inputs and sensitivity analysis were available as the fair values of structured investment products and financial products were measured by the unadjusted quotes from transaction counterparties.
- (b) The fair value of unlisted securities is estimated using the market approach valuation techniques based on parameters such as the market transaction prices of comparable companies whose business and industry are similar to the investee’s and considering the liquidity discount factor.
- (c) As the binomial tree model is used by the embedded derivatives to price the fair value, the volatility of the embedded derivatives is a significant unobservable input. A change of 1 basis points of volatility could cause the profit of the Group to decrease/increase by \$0.
- (d) The fair value of private-placement funds is estimated using the net asset value and consider the liquidity discount. A change of 1 basis points of the liquidity discount could cause the profit of the Group to decrease/increase by \$425 thousand.

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Management Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of March 31, 2024,

	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables	\$1,085,217	\$-	\$-	\$1,085,217

As of December 31, 2023,

	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables	\$1,174,079	\$-	\$-	\$1,174,079

As of March 31, 2023,

	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value but for which the fair value is disclosed:				
Bonds payables	\$1,162,676	\$-	\$-	\$1,162,676

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

As of March 31, 2024					
	Foreign currencies (thousands)	Foreign exchange rate	NTD (thousands)	Sensitivity analysis	
				Fluctuation	Effect on income
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$213,957	31.99	\$6,844,484	1%	\$68,445
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	17,104	31.99	547,157	1%	5,472
As of December 31, 2023					
	Foreign currencies (thousands)	Foreign exchange rate	NTD (thousands)	Sensitivity analysis	
				Fluctuation	Effect on income
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$227,538	30.74	\$6,994,518	1%	\$69,945
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	130,758	30.74	4,019,501	1%	40,195
As of March 31, 2023					
	Foreign currencies (thousands)	Foreign exchange rate	NTD (thousands)	Sensitivity analysis	
				Fluctuation	Effect on income
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$297,921	30.45	\$9,071,694	1%	\$90,717
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	164,430	30.45	5,006,894	1%	50,069

The above information is disclosed based on book value of foreign currency. The exchange rate is determined with reference to the spot selling exchange rate announced by Anue.

Since there were various functional currencies used within the subsidiaries of the Group, the Group was unable to disclose foreign exchange gains and losses towards each foreign currency with significant impact. The realized and unrealized foreign exchange gains was \$159,650 thousand and \$(70,226) thousand for the three-month periods ended March 31, 2024 and 2023, respectively.

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information at significant transactions

- A. Financing provided to others: Please refer to Attachment 1.
- B. Endorsement/Guarantee provided to others: Please refer to Attachment 2.
- C. Securities held at the end of the period: Please refer to Attachment 3.
- D. Individual securities acquired or disposed of with accumulated amount exceeding \$300 million or 20 percent of the capital stock or more: None.
- E. Acquisition of real estate with amount exceeding \$300 million or 20 percent of the capital stock or more: None.
- F. Disposal of real estate with amount exceeding \$300 million or 20 percent of the capital stock or more: None.
- G. Related party transactions for purchases and sales amounts exceeding \$100 million or 20 percent of the capital stock or more: Please refer to Attachment 4.
- H. Receivables from related parties with amounts exceeding \$100 million or 20 percent of capital stock or more: Please refer to Attachment 5.
- I. Financial instruments and derivative transactions: Please refer to Note 6(2) and 6(11).
- J. Others: Business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and accounts of any significant transactions between term: Please refer to Attachment 6.

(2) Information on investees

- (A) Of the investee company directly or indirectly has significant influence or control over, their investee companies' information: Please refer to Attachment 7.
- (B) For the investees in which the Company directly or indirectly has a control, should the related information from A to J of investees shall be disclosed; refer to attachment for A, C, G, H and J. The related information of the information of I, please refer to Note 6(2), B and D – F are not available.

(3) Information on investments in mainland China (written off as a result of consolidated statements):

A. The investee company name, main businesses, paid-in capital, type of the investment, capital inflow and outflow, ownership, investment gains and loss, ending balance of investment, repatriation of investment income and the mainland investment limit scenario: Please refer to Attachment 8.

B. Transactions with the investee companies directly or indirectly through and third country following the occurrence of significant transactions, prices, payment terms and unrealized gains and losses: Please refer to Attachment 9.

(4) Information on major shareholders

Shareholder	Share Number of shares	Percentage of ownership
Grateful Social Welfare Foundation	9,000,000	6.76%
Valiant APO Holdings III Limited	6,754,260	5.07%

14. Segment information

(1) General information

For management purposes, the Group divides operating units based on different products and services, and divides them into the following two reporting operating departments:

A. Golf Business Segment: This segment is responsible for the manufacturing and sales of golf club head and shafts.

B. Sports Equipment Business Segment: This segment is responsible for the manufacture and sales of boots, helmets and protective gear for ice hockey, cross-country motorcycles, baseball, skiing and other related sports.

The aforementioned reportable operating department did not summarize more than one operating department.

(2) Segment Information

The management individually monitors the operating results of its business units to formulate decisions on resource allocation and performance evaluation. The performance of the department is evaluated based on pre-tax profit and loss. The reportable department's accounting policies are the same as the general accounting policies of the Group.

(3) Reconciliation for segment revenue, income(loss), assets, liabilities and others

For the three-month period ended March 31, 2024:

	Golf Business Segment	Sports Equipment Business Segment	Subtotal	Other Operating Segments (Note1)	Adjustment and Elimination	Consolidated
External customer	\$5,630,701	\$502,618	\$6,133,319	\$236,314	\$-	\$6,369,633
Inter-segment (Note 2)	2,224	100	2,324	8,046	(10,370)	-
Total revenue	<u>\$5,632,925</u>	<u>\$502,718</u>	<u>\$6,135,643</u>	<u>\$244,360</u>	<u>\$(10,370)</u>	<u>\$6,369,633</u>
Segment profit	<u>\$907,253</u>	<u>\$86,283</u>	<u>\$993,536</u>	<u>\$(19,193)</u>	<u>\$-</u>	<u>\$974,343</u>
Segment assets	<u>\$17,221,127</u>	<u>\$2,573,443</u>	<u>\$19,794,570</u>	<u>\$611,656</u>	<u>\$(5,134)</u>	<u>\$20,401,092</u>
Segment liabilities	<u>\$5,608,593</u>	<u>\$686,651</u>	<u>\$6,295,244</u>	<u>\$448,401</u>	<u>\$(5,134)</u>	<u>\$6,738,511</u>

For the three-month period ended March 31, 2023:

	Golf Business Segment	Sports Equipment Business Segment	Subtotal	Other Operating Segments (Note1)	Adjustment and Elimination	Consolidated
External customer	\$6,219,123	\$611,303	\$6,830,426	\$256,359	\$-	\$7,086,785
Inter-segment (Note 2)	2,028	-	2,028	6,174	(8,202)	-
Total revenue	<u>\$6,221,151</u>	<u>\$611,303</u>	<u>\$6,832,454</u>	<u>\$262,533</u>	<u>\$(8,202)</u>	<u>\$7,086,785</u>
Segment profit	<u>\$713,816</u>	<u>\$25,348</u>	<u>\$739,164</u>	<u>\$(10,793)</u>	<u>\$-</u>	<u>\$728,371</u>
Segment assets	<u>\$17,709,202</u>	<u>\$2,672,465</u>	<u>\$20,381,667</u>	<u>\$838,896</u>	<u>\$(1,814)</u>	<u>\$21,218,749</u>
Segment liabilities	<u>\$6,113,921</u>	<u>\$844,147</u>	<u>\$6,958,068</u>	<u>\$505,190</u>	<u>\$(1,814)</u>	<u>\$7,461,444</u>

Note1: Revenue from other operating segments are operating segments that do not meet the quantitative thresholds for reportable segments.

Note2: Inter-segment revenues are eliminated on consolidation and recorded under the “Adjustment and Elimination” column.

ATTACHMENT 1 : Financings provided to others

(Unit : thousands of NTD)																
No. (Note 1)	Financing Company	Counterparty	Financial Statement Account (Note2)	Related Party	Maximum Balance for the period (Note3)	Ending Balance (Note8)	Actual Amount provided	Interest Rate	Nature of Financing (Note4)	Transaction Amounts (Note5)	Reason for short term financing (Note6)	Allowance for Bad Debt	Collateral		Amount for Individual Counterparty (Note 7)	Financial Amount for Financing Company (Note 7)
													Item	Value		
0	Fusheng Precision Co., Ltd.	Ming Fa Cheng Enterprise Co., Ltd.	Other receivables	No	\$50,000	\$50,000	\$50,000	2.87%	1	\$93,389	-	\$-	Cashier's check provided by third party	\$50,000	\$93,389	\$4,929,319
0	Fusheng Precision Co., Ltd.	Vision International Co.,Ltd	Other receivables- related parties	Yes	895,720	895,720	639,800	2.87%	2	-	Operating turnover	-	-	-	1,232,330	4,929,319
1	Minson Integration, Inc.	MINONE ENTERPRISES COMPANY LIMITED	Other receivables- related parties	Yes	170,000	170,000	47,985	2.87%	2	-	Operating turnover	-	-	-	188,757	755,028
1	Minson Integration, Inc.	MINTECH ENTERPRISES COMPANY LIMITED	Other receivables- related parties	Yes	170,000	170,000	79,975	2.87%	2	-	Construction of plant and acquisition of equipment	-	-	-	188,757	755,028
2	MINTECH ENTERPRISES COMPANY LIMITED	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	Other receivables- related parties	Yes	87,960	87,960	-	-	2	-	Operating turnover	-	-	-	382,285	382,285
2	MINTECH ENTERPRISES COMPANY LIMITED	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	Other receivables- related parties	Yes	87,960	87,960	-	-	2	-	Operating turnover	-	-	-	382,285	382,285
2	MINTECH ENTERPRISES COMPANY LIMITED	MINONE ENTERPRISES COMPANY LIMITED	Other receivables- related parties	Yes	87,960	87,960	-	-	2	-	Operating turnover	-	-	-	382,285	382,285
3	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	Other receivables- related parties	Yes	52,776	52,776	-	-	2	-	Operating turnover	-	-	-	230,069	230,069
3	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	MINTECH ENTERPRISES COMPANY LIMITED	Other receivables- related parties	Yes	61,572	61,572	17,592	2.85%	2	-	Operating turnover	-	-	-	230,069	230,069
3	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	MINONE ENTERPRISES COMPANY LIMITED	Other receivables- related parties	Yes	52,776	52,776	-	-	2	-	Operating turnover	-	-	-	230,069	230,069
4	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	Other receivables- related parties	Yes	43,980	43,980	-	-	2	-	Operating turnover	-	-	-	270,385	270,385
4	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	MINTECH ENTERPRISES COMPANY LIMITED	Other receivables- related parties	Yes	87,960	87,960	24,629	2.85%	2	-	Operating turnover	-	-	-	270,385	270,385
4	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	MINONE ENTERPRISES COMPANY LIMITED	Other receivables- related parties	Yes	87,960	87,960	-	-	2	-	Operating turnover	-	-	-	270,385	270,385
5	MINONE ENTERPRISES COMPANY LIMITED	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	Other receivables- related parties	Yes	17,592	17,592	-	-	2	-	Operating turnover	-	-	-	146,125	146,125
5	MINONE ENTERPRISES COMPANY LIMITED	MINTECH ENTERPRISES COMPANY LIMITED	Other receivables- related parties	Yes	43,980	43,980	-	-	2	-	Operating turnover	-	-	-	146,125	146,125
5	MINONE ENTERPRISES COMPANY LIMITED	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	Other receivables- related parties	Yes	35,184	35,184	-	-	2	-	Operating turnover	-	-	-	146,125	146,125

Note 1 : The Company and its subsidiaries are coded as follows:

(1)The Company is coded "0".

(2)The subsidiaries are coded starting from "1" in the order.

Note 2 : If the economic substance of transactions are financing to others, regardless of which component they recognized as in the financial statements, certain transactions are included herein.

Note 3 : Maximum balance of the Company and its subsidiaries' financing to others for the period.

Note 4 : Nature of financing is coded as follows:

(1)The financing occurred due to business transactions is coded "1".

(2)The financing occurred due to short-term financing is coded "2".

Note 5 : Total amount of the financing is disclosed herein if the financing was related to business transactions. The amount shall mean the transaction amount between the lending entity and the borrower within the most recent year.

Note 6 : The reasons and counterparties of the financing are addressed herein as the financing associated with short-term capital needs.

Note 7 : (1) Financing to an individual entity is limited to the amount of the business transaction between the two parties. The transaction amount is the higher of purchase or sale amount between the two parties in the most recent year and is limited to 10% of the Company's net value.

The accumulated total financing provided to others is limited to 40% of the Company's net value.

(2) Financing to an individual entity which has short-term funding needs is limited to 10% of the Company's net worth. Those subsidiaries of the Company in which the Company directly or indirectly holds 100% voting rights shall not be subject to the preceding limit in case of short-term funding needs.

(3) Minson Integration, Inc.: Financing to an individual entity is limited to the amount of the business transaction between the two parties. The transaction amount is the higher of purchase or sale amount between the two parties in the most recent year and is limited to 10% of the Company's net value.

The short-term financing shall not exceed 10% of the loan and the net value of the company, and those subsidiaries of the Company that directly or indirectly holds 100% the voting rights shall not be subject to the preceding limit. The accumulated total financing provided to others is limited to 40% of the Company's net value.

(4) MINTECH ENTERPRISES COMPANY LIMITED: Companies or businesses engaged in transactions with our company are prohibited from engaging in lending activities. The short-term financing shall not exceed 10% of the loan and the net value of the company, and those subsidiaries of the Company that directly or indirectly holds 100% the voting rights shall not be subject to the preceding limit. The accumulated total financing provided to others is limited to 40% of the Company's net value.

(5) MENXON ENTERPRISES (THAILAND) COMPANY LIMITED: Companies or businesses engaged in transactions with our company are prohibited from engaging in lending activities. The short-term financing shall not exceed 10% of the loan and the net value of the company, and those subsidiaries of the Company that directly or indirectly holds 100% the voting rights shall not be subject to the preceding limit. The accumulated total financing provided to others is limited to 40% of the Company's net value.

(6) MINSON ENTERPRISES (THAILAND) COMPANY LIMITED: Companies or businesses engaged in transactions with our company are prohibited from engaging in lending activities. The short-term financing shall not exceed 10% of the loan and the net value of the company, and those subsidiaries of the Company that directly or indirectly holds 100% the voting rights shall not be subject to the preceding limit. The accumulated total financing provided to others is limited to 40% of the Company's net value.

(7) MINONE ENTERPRISES COMPANY LIMITED: Companies or businesses engaged in transactions with our company are prohibited from engaging in lending activities. The short-term financing shall not exceed 10% of the loan and the net value of the company, and those subsidiaries of the Company that directly or indirectly holds 100% the voting rights shall not be subject to the preceding limit. The accumulated total financing provided to others is limited to 40% of the Company's net value.

Note 8 : If a listed company brings the financing proposal to the board of directors according to Paragraph 1, Article 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the company still needs to disclose the resolution amount of the board in the balance to disclose the risk, even if the funds are not appropriated yet. With the return of the funds afterward, the company should disclose the amount returned to reflect the adjusted risk. If a listed company authorizes the chairman of the board of directors to appropriate or use certain limits of the funds several times in the period of a year according to Paragraph 2, Article 14 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the company still needs to disclose the amount approved by the board.

ATTACHMENT 2 : Endorsement/Guarantee provided to others

(Unit : thousands of NTD/thousands of USD)

No. (Note 1)	Endorsement guarantee	Receiving Party		Limited of Endorsement/ Guarantee Amount for receiving party (Note3)	Maximum Balance of the period (Note4)	Ending Balance (Note5)(Note8)	Actual Amount provided (Note6)(Note8)	Amount of Endorsement/ Guarantee collateralized	Percentage of Accumulated Endorsement/ Guarantee to Net Equity per latest Financial statements	Limit on the Endorsement/ Guarantee Amount (Note 3)	Parent Company Endorsed or Guaranteed for the Subsidiaries (Note 7)	Subsidiaries Endorsed or Guaranteed for the Parent Company (Note 7)	Endorsement or Guarantee for Entities in China (Note 7)
		Company Name	Relationship (Note2)										
0	Fusheng Precision Co., Ltd.	World Gate Holdings Ltd.	2	\$30,808,245	\$511,840 (USD16,000)	\$511,840 (USD16,000)	\$-	None	4.15%	\$30,808,245	Y	-	-
0	Fusheng Precision Co., Ltd.	FS-Precision Tech Co., LLC.	2	30,808,245	639,800 (USD20,000)	639,800 (USD20,000)	319,900 (USD10,000)	None	5.19%	30,808,245	Y	-	-
0	Fusheng Precision Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	2	30,808,245	959,700 (USD30,000)	959,700 (USD30,000)	-	None	7.79%	30,808,245	Y	-	-
0	Fusheng Precision Co., Ltd.	NFT Technology Co., Ltd.	2	14,787,958	210,000	210,000	80,800	None	1.70%	30,808,245	Y	-	-

Note 1 : The Company and its subsidiaries are coded as follows:

- (1)The Company is coded "0".
(2)The subsidiaries are coded starting from "1" in numerical order.

Note 2 : The relationship between the guarantor of the endorsement and the object to be guaranteed is as follows:

- (1)An investee that has a business relationship with the Company.
(2)A subsidiary in which the Company holds directly over 50% of equity interest.
(3)An investee in which the Company and its subsidiaries hold over 50% of equity interest.
(4)An investee in which the Company holds directly or indirectly over 90% of equity interest.
(5)A company which needs mutual insurance basing on the construction agreement.
(6)A company in which the Company endorses or guarantees basing on the holding proportion of mutual investments.
(7)The performance guarantee of the preconstruction real estate contract between the same industry in accordance with the Consumer Protection Law is jointly guaranteed.

Note 3 : The maximum of endorsement guarantee to a single entity is capped at 120% of the Company's net value; 100% directly and indirectly owned subsidiaries are not subject to such limitation, however the maximum amount of guarantee shall not exceed 250% of the Company's net value.

The total guarantee provided externally is limited to 250% of the Company's net value; the total accumulated external guarantee the Company and subsidiaries provided shall not exceed 250% of the Company's net value.

Note 4 : The maximum amount of the Company and its subsidiaries' endorsement or guarantee to others.

Note 5 : It should be filled in the amount which approved by the Board of Directors. However, it should be filled in the amount which utilized by the chairman, whom authorized by the Board of Directors in accordance with Subparagraph 8, Article 12 of Guidelines for Lending of Capital, Endorsements and Guarantees by Public Companies.

Note 6 : Fill in the actual amount drawn from the balance.

Note 7 : Fill in "Y" if it belongs to "Parent Company Endorsed or Guaranteed for the Subsidiaries", "Subsidiaries Endorsed or Guaranteed for the Parent Company", or "Endorsement or Guarantee for Entities in China".

Note 8 : Foreign currency were exchanged by exchange rate as at balance sheet date.

ATTACHMENT 3 : Securities held as of March 31, 2024 (excluding subsidiary, associates and jointly controlled)

(Unit : thousands of NTD/thousands of foreign currency)

Company	Type and Name of the securities (Note 1)	Relationship (Note 2)	Financial Statement Account	As of March 31, 2024				Remark
				Shares/Unit	Carrying Value (Note 3)	Percentage of ownership	Fair Value	
Fusheng Precision Co., Ltd.	Preferred Shares B - Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit and losses — current	1,666 thousands shares	\$99,960	-	\$99,960	
Fusheng Precision Co., Ltd.	Preferred Stock B - Cathay Financial Holding Co., Ltd.	-	Financial assets at fair value through profit and losses — current	1,166 thousands shares	69,494	-	69,494	
Fusheng Precision Co., Ltd.	Private-placement funds - Hoshun Hing Intelligent Mobile Limited Partnership	-	Financial assets at fair value through profit and losses — non-current	NTD 44,545	42,496	1.11%	42,496	
NFT Technology Co., Ltd.	US dollar aggressive funds	-	Financial assets at fair value through profit and losses — non-current	USD 20	416	-	416	
NFT Technology Co., Ltd.	Sunny Bank stock	-	Financial assets at fair value through profit and losses — non-current	295 thousands shares	1,400	-	1,400	

Note 1 : The securities herein shall refer to stocks, bonds, beneficiary certificates and other marketable securities derived from the above items in the scope of IFRS 9-Financial Instruments.

Note 2 : Securities issued by non-related parties are not required to fill in this column.

Note 3 : For items measured at fair value, the carrying value is the balance of the book value adjusted by fair value valuation deducting accumulated impairment. For items not measured at fair value, the carrying value is the book value balance of the historical cost or amortized cost after deducting accumulated impairment.

ATTACHMENT 4: Related party transactions for purchases and sales amounts exceeding \$100 million or 20 percent of the capital stock as of March 31, 2024

(Unit : thousands of NTD)

Company Name	Related Party	Transaction Details					Details Different from Non-arm's Length Transactions		Notes and Accounts Receivable (Payable)			Remark
		Relationship	Purchases/Sales	Amount (Note2)	Percentage of Total Sales or Purchases(%)	Payment Terms	Unit Price	Payment Terms	Balance (Note 2)	Percentage of Total Receivable (Payable)		
Fusheng Precision Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	Parent - subsidiary	Purchases	\$1,879,931	44.05%	T/T 60 days	No significant difference	No significant difference	Accounts payable	\$(3,346,838)	(76.55)%	
Fusheng Precision Co., Ltd.	Vision International Co., Ltd.	Parent - subsidiary	Purchases	1,778,654	41.68%	T/T 30 days	No significant difference	No significant difference	Accounts payable	(628,448)	(14.37)%	
Extensor World Trading Ltd. (Hong Kong)	Fusheng Precision Co., Ltd.	Parent - subsidiary	Sales	(1,879,931)	(96.40)%	T/T 60 days	No significant difference	No significant difference	Accounts receivables	3,346,838	97.91%	
Extensor World Trading Ltd. (Hong Kong)	Zhong Shan Worldmark Sporting Goods Ltd	Affiliate Company	Purchases	1,492,862	79.15%	T/T 90 days	No significant difference	No significant difference	Accounts payable	(4,174,386)	(97.50)%	
Vision International Co., Ltd.	Fusheng Precision Co., Ltd.	Parent - subsidiary	Sales	(1,778,654)	(94.39)%	T/T 30 days	No significant difference	No significant difference	Accounts receivables	628,448	87.17%	
Zhong Shan Worldmark Sporting Goods Ltd	Extensor World Trading Ltd. (Hong Kong)	Affiliate Company	Sales	(1,492,862)	(68.82)%	T/T 90 days	No significant difference	No significant difference	Accounts receivables	4,174,386	81.95%	

Note 1: The above ratios are calculated based on the Company's individual financial statements.

Note 2: It has been written off as a result of consolidated statements.

ATTACHMENT 5 : Receivables from related parties with amounts exceeding \$100 million or 20 percent of capital stock as of March 31, 2024

(Unit : thousands of NTD)

Company	Counterparty	Relationship	Ending Balance(Note)	Turnover	Overdue Receivables		Amount Received in Subsequent Period	Allowance for Bad Debt
					Amount	Collection		
Extensor World Trading Ltd. (Hong Kong)	Fusheng Precision Co., Ltd.	Parent - subsidiary	\$3,346,838	0.59	\$-	-	\$1,174,033	\$-
Vision International Co., Ltd.	Fusheng Precision Co., Ltd.	Parent - subsidiary	628,448	2.42	-	-	628,448	-
Zhong Shan Worldmark Sporting Goods Ltd	Extensor World Trading Ltd. (Hong Kong)	Affiliate Company	4,174,386	0.40	-	-	351,890	-

Note : It has been written off as a result of consolidated statements.

ATTACHMENT 6 : Significant intercompany transactions for the three-month period ended March 31, 2024

(Unit : thousands of NTD)

No. (Note 1)	Related Party	Counter Party	Relationship with the Company	Transaction Details			
				Account	Amount (Note4)	Terms	Percentage of consolidated total operating revenues or total assets(Note2)
0	Fusheng Precision Co., Ltd.	Vision International Co., Ltd.	Parent company to subsidiary	Accounts payable	\$628,448	T/T 30 days	3%
0	Fusheng Precision Co., Ltd.	Vision International Co., Ltd.	Parent company to subsidiary	Purchases	1,778,654	T/T 30 days	28%
0	Fusheng Precision Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	Parent company to subsidiary	Accounts payable	3,346,838	T/T 60 days	16%
0	Fusheng Precision Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	Parent company to subsidiary	Purchases	1,879,931	T/T 60 days	30%
1	Vision International Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	Subsidiary to subsidiary	Accounts payable	70,801	T/T 120 days	0%
1	Vision International Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	Subsidiary to subsidiary	Sales	69,573	T/T 30 days	1%
1	Vision International Co., Ltd.	Extensor World Trading Ltd. (Hong Kong)	Subsidiary to subsidiary	Purchases	69,021	T/T 120 days	1%
2	Extensor World Trading Ltd. (Hong Kong)	Zhong Shan Worldmark Sporting Goods Ltd	Subsidiary to subsidiary	Accounts payable	4,174,386	T/T 90 days	20%
2	Extensor World Trading Ltd. (Hong Kong)	Zhong Shan Worldmark Sporting Goods Ltd	Subsidiary to subsidiary	Purchases	1,492,862	T/T 90 days	23%

Note1: The Company and its subsidiaries are coded as follows:

- 1.The Company is coded "0".
- 2.Subsidiaries are coded consecutively starting from "1" in the order presented in the table above.

Note 2: The percentage is determined by the ratio of the transaction amount to the consolidated revenues or the total assets. Items on the balance sheet are calculated by the ending balance to total consolidated assets;
items on the income statement are calculated by their cumulative balance to the total consolidated income.

Note 3: We included only the intercompany transactions with amount larger than 50 millions in the attachment.

Note 4: The above important transactions have been written off as a result of consolidated statements.

Investor company	Investee company (Note1.2)	Address	Main business and products	Initial Investment		Investment as of March 31, 2024			Net income (loss) of investee company	Investment income (loss) recognized (Note 3)	Remark
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book Value (Note 3)			
Fusheng Precision Co., Ltd.	World Gate Holdings Ltd.	Unit 908, 9/F, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, HongKong.	Investment holding	\$349,750 (HKD 93,000)	\$349,750 (HKD 93,000)	93,000,000	100.00%	\$6,129,924	\$123,359	\$168,774	(Note 4)
Fusheng Precision Co., Ltd.	Sharphope Company Ltd.	Tropic Isle Building, P.O. Box 438, Road Town, Tortola, British Virgin Island.	Investment holding	1,538 (USD 50)	1,538 (USD 50)	50,000	100.00%	1,175,143	73,739	71,293	(Note 4)
Fusheng Precision Co., Ltd.	Vision International Co., Ltd.	19 Friendship Avenue, Singapore Industrial Zone, Shun Shun An County, Binh Duong Province, Vietnam	Manufacture and sale of golf club head	538,924 (USD 16,200)	538,924 (USD 16,200)	16,200,000	62.31%	788,716	95,712	58,237	(Note 4)
Fusheng Precision Co., Ltd.	Gainsmart Group Ltd.	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Island.	Investment holding	599,096 (USD 18,000)	599,096 (USD 18,000)	18,000,000	100.00%	(133,532)	(9,169)	(9,169)	(Note 4)
Fusheng Precision Co., Ltd.	NFT Technology Co., Ltd.	No. 88, Weisui W. Rd., Gangshan Dist., Kaohsiung	Manufacture and sale of aerospace precision casting parts	226,000	226,000	13,600,000	69.74%	190,562	4,129	1,859	(Note 4)
Fusheng Precision Co., Ltd.	Crosspace Co., Ltd.	3F, No. 172, Sec. 2 Nanjing E Rd., Zhongshan Dist., Taipei City	Selling pure titanium tableware and kitchenware	1,000	1,000	100,000	100.00%	2,101	894	894	(Note 4)
Fusheng Precision Co., Ltd.	Minson Integration, Inc.	6F, No. 168, Ruiguang Rd., Neihu Dist., Taipei City	R&D and sales of shoes, helmets and protective gear for ice hockey, cross-country motorcycles, baseball, skiing and other sports	1,728,900	1,728,900	24,429,000	81.96%	2,226,363	84,623	64,167	(Note 4)
Sharphope Company Ltd.	Extensor World Trading Ltd. (Hong Kong)	Unit 908, 9/F, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, HongKong.	International trade	294,166 (USD 10,000)	294,166 (USD 10,000)	10,000,000	100.00%	688,007	37,352	37,352	(Note 4)
Sharphope Company Ltd.	Vision International Co., Ltd.	19 Friendship Avenue, Singapore Industrial Zone, Shun Shun An County, Binh Duong Province, Vietnam	Manufacture and sale of golf club head	298,900 (USD 9,800)	298,900 (USD 9,800)	9,800,000	37.69%	481,653	95,712	36,074	(Note 4)
Gainsmart Group Ltd.	FS-North America, Inc.	Ste. 1B, 9 E. Lockerman Street, Dover, Kent 19901, Delaware, USA.	Investment holding	522,548 (USD 15,700)	522,548 (USD 15,700)	10,000	100.00%	(133,556)	(9,169)	(9,169)	(Note 4)
FS-North America, Inc.	FS-Precision Tech Co., LLC	3025 East Victoria Street, Rancho Dominguez, CA 90221, USA.	Manufacture and sale automotive parts and aerospace parts	522,548 (USD 15,700)	522,548 (USD 15,700)	-	100.00%	(140,045)	(12,155)	(12,155)	(Note 4)
Zhong Shan Aubo Precision Technology Co., Ltd.	AUBO (VIET NAM) PRECISION TECHNOLOGY COMPANY LIMITED	CN16, No. 12D, N2 Road, Shenlang Third Industrial Zone, Fuxinfang, Tuen Long, Vietnam	Manufacture precision hardware products, plastic products	185,635 (USD 6,000)	185,635 (USD 6,000)	300,000	100.00%	245,564	5,277	5,277	(Note 4)
Zhong Shan Aubo Precision Technology Co., Ltd.	AUBO PRECISION (HONG KONG) CO., LIMITED	Unit 908, 9/F, Lippo Sun Plaza, 28 Canton Road, TST, KLN, HongKong.	International trade	363 (USD 100)	363 (USD 100)	100,000	100.00%	74,596	3,333	3,333	(Note 4)
Minson Integration, Inc.	MINTECH ENTERPRISES COMPANY LIMITED	No.692,Moo 4, Tambol Prakkasa, Amphur Muang Samutprakarn, Samutprakarn.	Manufacture and sale of plastic injection parts and sports helmets	400,000	400,000	19,999,998	100.00%	478,843	19,647	18,574	(Note 4)
Minson Integration, Inc.	MINONE ENTERPRISES COMPANY LIMITED	No.675,Moo 4, Tambol Prakkasa, Amphur Muang Samutprakarn, Samutprakarn.	Manufacture and sale of sports protective gear	189,594	189,594	1,499,998	100.00%	197,241	5,595	5,036	(Note 4)
Minson Integration, Inc.	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	No.674,Moo 4, Tambol Prakkasa, Amphur Muang Samutprakarn, Samutprakarn.	Manufacture and sale of motocross boots	280,000	280,000	11,999,998	100.00%	390,213	6,075	4,950	(Note 4)
Minson Integration, Inc.	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	No.666,Moo 4, Tambol Prakkasa, Amphur Muang Samutprakarn, Samutprakarn.	Manufacture and sale of ice hockey shoes	230,000	230,000	9,999,998	100.00%	295,148	25,222	23,995	(Note 4)
MINTECH ENTERPRISES COMPANY LIMITED	MINONE ENTERPRISES COMPANY LIMITED	No.675,Moo 4, Tambol Prakkasa, Amphur Muang Samutprakarn, Samutprakarn.	Manufacture and sale of sports protective gear	0	0	2	0.00%	0	5,595	0	(Note 4)
MINTECH ENTERPRISES COMPANY LIMITED	MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	No.674,Moo 4, Tambol Prakkasa, Amphur Muang Samutprakarn, Samutprakarn.	Manufacture and sale of motocross boots	0	0	2	0.00%	0	6,075	0	(Note 4)
MINTECH ENTERPRISES COMPANY LIMITED	MENXON ENTERPRISES (THAILAND) COMPANY LIMITED	No.666,Moo 4, Tambol Prakkasa, Amphur Muang Samutprakarn, Samutprakarn.	Manufacture and sale of ice hockey shoes	0	0	2	0.00%	0	25,222	0	(Note 4)
MINSON ENTERPRISES (THAILAND) COMPANY LIMITED	MINTECH ENTERPRISES COMPANY LIMITED	No.692,Moo 4, Tambol Prakkasa, Amphur Muang Samutprakarn, Samutprakarn.	Manufacture and sale of plastic injection parts and sports helmets	0	0	2	0.00%	0	19,647	0	(Note 4)

Note 1: If a publicly-issued company has a foreign holding company and uses consolidated statements as its main financial statement in accordance with local laws and regulations,

the disclosure of information about foreign invested companies may only disclose relevant information to the holding company.

Note 2: Those who are not in the situation described in Note 1 should fill in according to the following regulations:

(1)The columns of "Investee company", "Address", "Main business and products", "Initial Investment", and "Investment as of March 31, 2024" should fill in information of the reinvestment of the listed company, reinvestment of every direct or indirect reinvestment of the investee, and disclose the relationship of the investees with the Company in the Remark column.

(2)The column of "Net income(loss) of investee company" should fill in the current profit and loss of the investees.

(3)The columns of "Investment income (loss) recognized" only require profit/loss of the direct investees and all investees accounted for under the equity method.

Note 3: When filling in the above items, make sure the profit/loss of direct investee subsidiaries include the profit or loss of their reinvestments that are required to be recognized.

Note 3: It includes the unrealized gross profit of the current and downstream sales.

Note 4: It has been written off as a result of consolidated statements.

ATTACHMENT 8 : Investment in Mainland China

(Unit : thousands of NTD/thousands of foreign currency)

Investee company	Main business and products	Total amount of paid-in capital	Method of investment (Note1)	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated outflow of investment from Taiwan as of March 31, 2024	Net income (loss) of investee company	Percentage of ownership	Investment income recognized (Note 9)	Carrying value as of March 31, 2024 (Note 9)	Accumulated inward remittance of earnings as of outflow March 31, 2024	Remark
					Outflow	Inflow							
Zhong Shan Worldmark Sporting Goods Ltd	Manufacture and sale of golf club head	USD 40,900	(2)	USD54,000 (Note 4)	\$-	\$-	USD54,000 (Note 4)	\$94,301 RMB 21,521	100.00%	\$94,301 RMB 21,521 (Note 2)(2)B	\$5,148,322 RMB 1,165,517 (Note 2)(2)B	\$-	
Zhong Shan LongXing Precision Machinery Co., Ltd.	Manufacture and sale of sports equipment, automotive parts, molds and other products	USD 2,000	(2)	USD 2,000	-	-	USD 2,000	(3,751) (RMB 856)	100.00%	(3,751) (RMB 856) (Note 2)(2)B	99,400 RMB 22,503 (Note 2)(2)B	-	
Zhong Shan DingXing Vacuum Technology Co., Ltd.	Researching and developing and manufacturing of vacuum technology products, vacuum coating processing and sports equipment, metal products import and export business	RMB 15,200	(3) (Note 6)	-	-	-	-	1,468 RMB 335	100.00%	1,468 RMB 335 (Note 2)(2)B	96,189 RMB 21,776 (Note 2)(2)B	-	
Zhong Shan Aubo Precision Technology Co., Ltd.	Researching and developing and manufacturing hardware, plastics and printing of packaging	RMB 60,000	(2)	USD 5,500 (Note 7)	-	-	USD 5,500 (Note 7)	61,446 RMB 14,023	52.50%	32,259 RMB 7,362 (Note 2)(2)B	886,020 RMB 200,584 (Note 2)(2)B	-	
Zhong Shan Aubo Metal Surface Treatment Co., Ltd.	Anodizing process	RMB 500	(3) (Note 8)	-	-	-	-	2,002 RMB 457	52.50%	1,051 RMB 240 (Note 2)(2)B	22,961 RMB 5,198 (Note 2)(2)B	-	

Accumulated Investment in Mainland China as of March 31, 2024 (Note1)(Note3)	Investment Amounts Authorized by Investment Commission, MOEA (Note3)	Limit on Investment Amount to Mainland China (Note5)
\$1,967,385 (USD 61,500)	\$1,967,385 (USD 61,500)	\$8,197,549

Note 1: The methods for engaging in investment in Mainland China include the following:

- (1)Direct investment in Mainland China companies.
- (2)Investment in Mainland China companies through a company invested and established in a third region
- (3)Other methods.

Note 2: In the column of profit or loss on investment:

- (1)The investment still in preparation and not generating profit or loss yet should be noted.
- (2)The gain or loss on investment were determined based on the following:
 - A. The financial report was audited by an international certified public accounting firm in cooperation with an R.O.C. accounting firm.
 - B. The financial statements were reviewed by the auditors of the parent company in Taiwan.
 - C. Others.

Note 3: The amount of this attachment are expressed in New Taiwan Dollars. The exchange rate on the financial reporting date used for translating the amount of investment in foreign currency.

Note 4: It is the indirect investment repatriation amount through the reinvestment company World Gate Holdings Ltd.

Note 5: Maximum investment in Mainland China: 60% of net or consolidated net value, whichever is higher.

Note 6: It is directly invested by Zhong Shan Worldmark Sporting Goods Ltd.

Note 7: The actual remittance amount was HK 15,000 thousand and RMB 45,000 thousand, equivalent to approximately US 5,500 thousand.

Note 8: It is directly invested by Zhong Shan Aubo Precision Technology Co., Ltd.

Note 9: It has been written off as a result of consolidated statements.

ATTACHMENT 9 : Transactions with the investee companies directly or indirectly through a third country following the occurrence of significant transactions, prices, payment terms and unrealized gains and losses were as below:

(1) Sale/Purchase:

(Unit: thousands of NTD)

Company Name	Related Party	Transaction Details				Details Different from Non-arm's Length Transactions		Notes and Accounts Receivable (Payable)		Remark
		Purchases/Sales	Amount	Percentage of Total Sales or Purchases	Payment Terms	Unit Price	Payment Terms	Balance	Percentage of Total Receivable (Payable)	
Fusheng Precision Co., Ltd.	Zhong Shan Worldmark Sporting Goods Ltd	Sales	\$(26,752)	(0.52)%	T/T 60 days	Not applicable		\$34,205	1.18%	Note 1, Note 2
Fusheng Precision Co., Ltd.	Zhong Shan Worldmark Sporting Goods Ltd	Purchases	1,879,931	44.05%	T/T 60 days	Not applicable		(3,346,838)	(76.55)%	Note 1, Note 2

Note1 : The above ratios are calculated based on the company's individual financial statements.

Note2 : The above important transactions have been written off as a result of consolidated statements.

(2) Ending balance and purpose of endorsement guarantees or collateral : None.

(3) Ending balance, maximum limit, interest rate range and current interest amount of financing : None.

(4) Other investments that have significant impact on the current profit or financial condition : None.