

**Voltronic Power Technology Corp. and  
Subsidiaries**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2024 and 2023 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Voltronic Power Technology Corp.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Voltronic Power Technology Corp. and its subsidiaries (the Group) as of March 31, 2024 and 2023, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. 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 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.

### **Conclusion**

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as at March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months then 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” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Cheng-Chuan Yu and Jui-Hsuan Ho.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 9, 2024

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance 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 applied in the Republic of China.*

*For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.*

# VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 6,638,702	41	\$ 5,044,707	34	\$ 6,099,697	37
Notes receivable (Notes 8 and 20)	42,674	-	57,517	-	46,146	-
Trade receivables (Notes 8 and 20)	2,450,332	15	2,730,832	19	2,371,038	15
Trade receivables from related parties (Notes 8, 20 and 28)	107,127	1	160,519	1	272,858	2
Other receivables (Note 8)	47,666	-	58,065	-	75,622	-
Inventories (Note 9)	1,782,610	11	1,411,766	10	1,892,895	12
Prepayments (Note 14)	<u>182,102</u>	<u>1</u>	<u>193,807</u>	<u>1</u>	<u>395,449</u>	<u>2</u>
Total current assets	<u>11,251,213</u>	<u>69</u>	<u>9,657,213</u>	<u>65</u>	<u>11,153,705</u>	<u>68</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 27)	42,496	-	42,362	-	-	-
Property, plant and equipment (Notes 11, 29 and 30)	4,443,864	27	4,419,607	30	4,454,499	27
Right-of-use assets (Note 12)	360,543	2	368,350	3	440,108	3
Other intangible assets (Note 13)	16,187	-	18,809	-	26,374	-
Deferred tax assets (Notes 3 and 4)	109,972	1	182,989	1	133,931	1
Other non-current assets (Notes 14 and 27)	<u>69,906</u>	<u>1</u>	<u>66,769</u>	<u>1</u>	<u>166,013</u>	<u>1</u>
Total non-current assets	<u>5,042,968</u>	<u>31</u>	<u>5,098,886</u>	<u>35</u>	<u>5,220,925</u>	<u>32</u>
<b>TOTAL</b>	<u>\$ 16,294,181</u>	<u>100</u>	<u>\$ 14,756,099</u>	<u>100</u>	<u>\$ 16,374,630</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Contract liabilities - current (Note 20)	\$ 379,716	2	\$ 347,813	2	\$ 467,250	3
Notes payable (Note 16)	61	-	44	-	9	-
Trade payables (Note 16)	4,145,800	26	3,682,983	25	3,689,509	22
Trade payables to related parties (Note 28)	22,801	-	4,185	-	8,432	-
Other payables (Note 17)	973,532	6	1,081,941	7	996,228	6
Current tax liabilities (Note 4)	209,616	1	170,749	1	737,163	4
Lease liabilities - current (Notes 12 and 27)	101,349	1	97,187	1	95,977	1
Current portion of long-term borrowings (Notes 15 and 29)	146,790	1	97,860	1	97,860	1
Other current liabilities (Note 17)	<u>3,002</u>	<u>-</u>	<u>2,030</u>	<u>-</u>	<u>2,039</u>	<u>-</u>
Total current liabilities	<u>5,982,667</u>	<u>37</u>	<u>5,484,792</u>	<u>37</u>	<u>6,094,467</u>	<u>37</u>
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings (Notes 15 and 29)	685,020	4	733,950	5	782,880	5
Deferred tax liabilities (Notes 3 and 4)	30,563	-	35,328	-	51,334	1
Lease liabilities - non-current (Notes 12 and 27)	127,829	1	142,259	1	213,502	1
Other non-current liabilities (Note 17)	<u>1,899</u>	<u>-</u>	<u>1,967</u>	<u>-</u>	<u>2,079</u>	<u>-</u>
Total non-current liabilities	<u>845,311</u>	<u>5</u>	<u>913,504</u>	<u>6</u>	<u>1,049,795</u>	<u>7</u>
Total liabilities	<u>6,827,978</u>	<u>42</u>	<u>6,398,296</u>	<u>43</u>	<u>7,144,262</u>	<u>44</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)</b>						
Share capital						
Ordinary shares	<u>877,306</u>	<u>5</u>	<u>877,306</u>	<u>6</u>	<u>877,626</u>	<u>5</u>
Capital surplus	<u>1,772,473</u>	<u>11</u>	<u>1,772,473</u>	<u>12</u>	<u>1,824,953</u>	<u>11</u>
Retained earnings						
Legal reserve	1,979,226	12	1,979,226	14	1,535,937	9
Special reserve	200,346	1	200,346	1	293,428	2
Unappropriated earnings	<u>4,931,507</u>	<u>31</u>	<u>4,217,639</u>	<u>29</u>	<u>5,508,179</u>	<u>34</u>
Total retained earnings	<u>7,111,079</u>	<u>44</u>	<u>6,397,211</u>	<u>44</u>	<u>7,337,544</u>	<u>45</u>
Other equity (Notes 19 and 24)	<u>(294,655)</u>	<u>(2)</u>	<u>(689,187)</u>	<u>(5)</u>	<u>(809,755)</u>	<u>(5)</u>
Total equity	<u>9,466,203</u>	<u>58</u>	<u>8,357,803</u>	<u>57</u>	<u>9,230,368</u>	<u>56</u>
<b>TOTAL</b>	<u>\$ 16,294,181</u>	<u>100</u>	<u>\$ 14,756,099</u>	<u>100</u>	<u>\$ 16,374,630</u>	<u>100</u>

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

# VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Notes 20 and 28)	\$ 4,598,698	100	\$ 4,695,501	100
OPERATING COSTS				
Cost of goods sold (Notes 9, 21 and 28)	<u>(3,170,859)</u>	<u>(69)</u>	<u>(3,186,233)</u>	<u>(68)</u>
GROSS PROFIT	<u>1,427,839</u>	<u>31</u>	<u>1,509,268</u>	<u>32</u>
OPERATING EXPENSES (Note 21)				
Selling and marketing expenses	(90,279)	(2)	(99,005)	(2)
General and administrative expenses	(120,882)	(2)	(133,940)	(3)
Research and development expenses	(227,717)	(5)	(239,724)	(5)
Expected credit loss reversed (Notes 5 and 8)	<u>1,857</u>	<u>-</u>	<u>3,562</u>	<u>-</u>
Total operating expenses	<u>(437,021)</u>	<u>(9)</u>	<u>(469,107)</u>	<u>(10)</u>
PROFIT FROM OPERATIONS	<u>990,818</u>	<u>22</u>	<u>1,040,161</u>	<u>22</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 21)	51,774	1	32,360	1
Other income (Note 21)	3,313	-	5,477	-
Other gains and losses (Note 21)	(153,294)	(3)	(111,094)	(3)
Finance costs (Note 21)	<u>(15,936)</u>	<u>(1)</u>	<u>(16,359)</u>	<u>-</u>
Total non-operating income and expenses	<u>(114,143)</u>	<u>(3)</u>	<u>(89,616)</u>	<u>(2)</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	876,675	19	950,545	20
INCOME TAX EXPENSE (Notes 4 and 22)	<u>(162,807)</u>	<u>(3)</u>	<u>(204,632)</u>	<u>(4)</u>
NET PROFIT FOR THE PERIOD	<u>713,868</u>	<u>16</u>	<u>745,913</u>	<u>16</u>

(Continued)

# VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating of the financial statements of foreign operations (Note 19)	\$ 415,167	9	\$ 39,224	1
Income tax relating to items that may be reclassified subsequently to profit (Notes 19 and 22)	<u>(83,034)</u>	<u>(2)</u>	<u>(7,845)</u>	<u>-</u>
Other comprehensive income for the period, net of income tax	<u>332,133</u>	<u>7</u>	<u>31,379</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 1,046,001</u>	<u>23</u>	<u>\$ 777,292</u>	<u>17</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 8.17</u>		<u>\$ 8.55</u>	
Diluted	<u>\$ 8.14</u>		<u>\$ 8.51</u>	

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

(Concluded)

# VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Other Equity		
	Ordinary Shares	Capital Surplus	Retained Earnings			Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Others	Total Equity
			Legal Reserve	Special Reserve					
BALANCE AT JANUARY 1, 2023	\$ 877,626	\$ 1,824,953	\$ 1,535,937	\$ 293,428	\$ 4,762,266	\$ (200,346)	\$ (750,637)	\$ 8,343,227	
Share-based payment transactions (Notes 19, 21 and 24)	-	-	-	-	-	-	109,849	109,849	
Net profit for the three months ended March 31, 2023	-	-	-	-	745,913	-	-	745,913	
Other comprehensive income for the three months ended March 31, 2023, net of income tax (Note 19)	-	-	-	-	-	31,379	-	31,379	
Total comprehensive income for the three months ended March 31, 2023	-	-	-	-	745,913	31,379	-	777,292	
BALANCE AT MARCH 31, 2023	<u>\$ 877,626</u>	<u>\$ 1,824,953</u>	<u>\$ 1,535,937</u>	<u>\$ 293,428</u>	<u>\$ 5,508,179</u>	<u>\$ (168,967)</u>	<u>\$ (640,788)</u>	<u>\$ 9,230,368</u>	
BALANCE AT JANUARY 1, 2024	\$ 877,306	\$ 1,772,473	\$ 1,979,226	\$ 200,346	\$ 4,217,639	\$ (349,767)	\$ (339,420)	\$ 8,357,803	
Share-based payment transactions (Notes 19, 21 and 24)	-	-	-	-	-	-	62,399	62,399	
Net profit for the three months ended March 31, 2024	-	-	-	-	713,868	-	-	713,868	
Other comprehensive income for the three months ended March 31, 2024, net of income tax (Note 19)	-	-	-	-	-	332,133	-	332,133	
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	713,868	332,133	-	1,046,001	
BALANCE AT MARCH 31, 2024	<u>\$ 877,306</u>	<u>\$ 1,772,473</u>	<u>\$ 1,979,226</u>	<u>\$ 200,346</u>	<u>\$ 4,931,507</u>	<u>\$ (17,634)</u>	<u>\$ (277,021)</u>	<u>\$ 9,466,203</u>	

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

# VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 876,675	\$ 950,545
Adjustments for:		
Depreciation expenses	83,745	87,708
Amortization expenses	4,125	4,445
Expected credit loss reversed	(1,857)	(3,562)
Net gain on financial assets at fair value through profit or loss	(134)	-
Finance costs	15,936	16,359
Interest income	(51,774)	(32,360)
Share-based compensation	62,399	109,849
Loss on disposal of property, plant and equipment	158	1,732
Write-downs of inventories	4,511	789
Net loss (gain) on foreign currency exchange	(43,751)	51,007
Changes in operating assets and liabilities		
Notes receivable	14,843	38,501
Trade receivables	321,096	421,548
Trade receivables - related parties	54,566	(33,756)
Other receivables	945	(11,821)
Inventories	(377,309)	124,697
Prepayments	11,705	(124,064)
Contract liabilities	31,903	33,801
Notes payable	17	(31)
Trade payables	462,817	(471,505)
Trade payables - related parties	18,616	(3,610)
Other payables	(108,601)	(144,122)
Other current liabilities	972	(1,187)
Cash generated from operations	1,381,603	1,014,963
Interest received	61,228	25,202
Interest paid	(15,936)	(16,359)
Income tax paid	(138,722)	(120,668)
Net cash generated from operating activities	<u>1,288,173</u>	<u>903,138</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(6,534)	(63,034)
Proceeds from the disposal of property, plant and equipment	106	132
Decrease in refundable deposits	948	1,856
Payments for intangible assets	(1,290)	(6,115)
Increase in prepayments for equipment	(3,856)	(4,176)
Net cash used in investing activities	<u>(10,626)</u>	<u>(71,337)</u>

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# **VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES**

## **CONSOLIDATED STATEMENTS OF CASH FLOWS** **(In Thousands of New Taiwan Dollars)**

	<b>For the Three Months Ended</b>	
	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of long-term borrowing	\$ -	\$ (48,930)
Repayment of the principal portion of lease liabilities	(21,806)	(19,864)
(Refund of) proceeds from guarantee deposits received	<u>(133)</u>	<u>385</u>
Net cash used in financing activities	<u>(21,939)</u>	<u>(68,409)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE</b>		
<b>OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN</b>		
<b>CURRENCIES</b>	<u>338,387</u>	<u>(16,709)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,593,995	746,683
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE</b>		
<b>PERIOD</b>	<u>5,044,707</u>	<u>5,353,014</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 6,638,702</u>	<u>\$ 6,099,697</u>

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

(Concluded)

# VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

Voltronic Power Technology Corp. (the “Company”) was incorporated in the Republic of China (ROC) in May 2008. The Company mainly manufactures and sells uninterruptible power systems (UPS) and inverters.

The Company’s shares have been listed on the Taiwan Stock Exchange since March 31, 2014.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on May 9, 2024.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

#### IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as ‘other’ only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language financial statements shall prevail.

##### **a. Statement of compliance**

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

See Note 10 and Tables 6 and 7 for more information on subsidiaries (including the percentages of ownership and main businesses).

d. Other material accounting policies

Except for the explanations below, other explanations of significant accounting policies are described in the significant accounting policies section of the consolidated financial statement for the year ended December 31, 2023.

Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents, unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

#### Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

#### Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. If a temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences, the resulting deferred tax asset or liability is not recognized. In addition, a deferred tax liability is not recognized on taxable temporary differences arising from the initial recognition of goodwill.

### **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

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

#### **Key Sources of Estimation Uncertainty**

The Group considers inflation and interest rate fluctuations when making its critical accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Group's management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgements, estimates and assumptions uncertainty.

### **6. CASH AND CASH EQUIVALENTS**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Cash on hand	\$ 1,137	\$ 1,005	\$ 987
Demand deposits	1,536,118	1,502,603	2,992,482
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	<u>5,101,447</u>	<u>3,541,099</u>	<u>3,106,228</u>
	<u>\$ 6,638,702</u>	<u>\$ 5,044,707</u>	<u>\$ 6,099,697</u>

The market interest rates for cash in bank at the end of the reporting period were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Demand deposits	0.001%-1.450%	0.001%-1.450%	0.001%-1.250%
Time deposits	1.250%-5.540%	1.150%-5.600%	1.250%-5.010%

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Financial assets at fair value through profit or loss <u>(FVTPL) - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Fund beneficiary certificate	<u>\$ 42,496</u>	<u>\$ 42,362</u>	<u>\$ -</u>

## 8. NOTES RECEIVABLE, TRADE RECEIVABLES (INCLUDING RELATED PARTIES) AND OTHER RECEIVABLES

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 42,674	\$ 57,517	\$ 46,146
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 42,674</u>	<u>\$ 57,517</u>	<u>\$ 46,146</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 2,422,136	\$ 2,705,686	\$ 2,340,642
Less: Allowance for impairment loss	<u>(21,313)</u>	<u>(23,068)</u>	<u>(13,389)</u>
	2,400,823	2,682,618	2,327,253
At FVTOCI	<u>49,509</u>	<u>48,214</u>	<u>43,785</u>
	<u>\$ 2,450,332</u>	<u>\$ 2,730,832</u>	<u>\$ 2,371,038</u>

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Trade receivables from related parties</u>			
At amortized cost			
Gross carrying amount	\$ 93,923	\$ 123,585	\$ 253,397
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	93,923	123,585	253,397
At FVTOCI	<u>13,204</u>	<u>36,934</u>	<u>19,461</u>
	<u>\$ 107,127</u>	<u>\$ 160,519</u>	<u>\$ 272,858</u>
<u>Other receivables</u>			
Tax refund receivables	\$ 18,989	\$ 14,928	\$ 39,197
Interest receivables	3,640	13,094	12,011
Others	<u>25,037</u>	<u>30,043</u>	<u>24,414</u>
	<u>\$ 47,666</u>	<u>\$ 58,065</u>	<u>\$ 75,622</u>
			(Concluded)

## Notes Receivable

### At amortized cost

The average credit period of notes receivable was 60 to 120 days.

The Group measures the loss allowance for notes receivables at an amount equal to lifetime ECLs. The expected credit losses on notes receivable are estimated by reference to past default experience of the debtor and adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group evaluated that no allowance for impairment loss was needed for notes receivable.

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group did not hold any collateral for the balance of notes receivable.

The following table details the aging analysis of notes receivable:

	March 31, 2024	December 31, 2023	March 31, 2023
1 to 60 days	\$ 32,909	\$ 42,658	\$ 41,376
61 to 90 days	7,646	7,194	4,770
91 to 120 days	2,119	4,330	-
over 121 days	<u>-</u>	<u>3,335</u>	<u>-</u>
	<u>\$ 42,674</u>	<u>\$ 57,517</u>	<u>\$ 46,146</u>

The above aging analysis of notes receivable is based on the journal date.

## Trade Receivables

### a. At amortized cost

The average credit period of sales of goods was 0 to 180 days.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the customer, the customer's current financial position, economic conditions of the industry in which the customer operates, as well as the GDP forecast and industry outlook. The provision for expected credit losses is based on the number of past due days from the end of the credit term.

The Group writes off a trade receivable when there is information indicating that the customer is experiencing severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

Since the Group purchased insurance individually and the credit rating is evaluated by the insurance company, no impairment loss was needed for those trade receivables. As of March 31, 2024, December 31, 2023 and March 31, 2023 the carrying amount of the trade receivables covered by insurance was \$1,691,919 thousand, \$1,985,508 thousand and \$1,639,777 thousand, respectively.

The following table details the loss allowance of trade receivables (including trade receivables from related parties) based on the Group's provision matrix.

#### March 31, 2024

	Not Past Due	Up to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.42%	3.77%	44.03%	100%	100%	100%	
Gross carrying amount	\$ 721,215	\$ 87,090	\$ 1,440	\$ 1,259	\$ 7,985	\$ 5,151	\$ 824,140
Loss allowance (Lifetime ECLs)	<u>(3,003)</u>	<u>(3,281)</u>	<u>(634)</u>	<u>(1,259)</u>	<u>(7,985)</u>	<u>(5,151)</u>	<u>(21,313)</u>
Amortized cost	<u>\$ 718,212</u>	<u>\$ 83,809</u>	<u>\$ 806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 802,827</u>

#### December 31, 2023

	Not Past Due	Up to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.63%	3.99%	48.95%	100%	100%	100%	
Gross carrying amount	\$ 783,514	\$ 40,351	\$ 6,660	\$ 7,721	\$ 301	\$ 5,216	\$ 843,763
Loss allowance (Lifetime ECLs)	<u>(4,962)</u>	<u>(1,608)</u>	<u>(3,260)</u>	<u>(7,721)</u>	<u>(301)</u>	<u>(5,216)</u>	<u>(23,068)</u>
Amortized cost	<u>\$ 778,552</u>	<u>\$ 38,743</u>	<u>\$ 3,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 820,695</u>



### March 31, 2023

	Not Past Due	Up to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.49%	5.00%	43.56%	100%	100%	100%	
Gross carrying amount	\$ 872,744	\$ 68,609	\$ 12,866	\$ 29	\$ 9	\$ 5	\$ 954,262
Loss allowance (Lifetime ECLs)	<u>(4,313)</u>	<u>(3,428)</u>	<u>(5,605)</u>	<u>(29)</u>	<u>(9)</u>	<u>(5)</u>	<u>(13,389)</u>
Amortized cost	<u>\$ 868,431</u>	<u>\$ 65,181</u>	<u>\$ 7,261</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 940,873</u>

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

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 23,068	\$ 16,934
Less: Net remeasurement of loss allowance reversed	(1,857)	(3,562)
Foreign exchange losses	<u>102</u>	<u>17</u>
Balance at March 31	<u>\$ 21,313</u>	<u>\$ 13,389</u>

#### b. At FVTOCI

For trade receivables from a specific customer, the Group will decide whether to sell these trade receivables to banks without recourse based on its level of working capital. These trade receivables are classified as at FVTOCI because they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Since the Group purchased insurance individually and the credit rating is evaluated by the insurance company, no impairment loss was needed for the trade receivables at FVTOCI. As of March 31, 2024, December 31, 2023 and March 31, 2023 the carrying amount of the trade receivables was \$6,380 thousand, \$4,303 thousand and \$1,035 thousand, respectively.

The following table details the loss allowance of trade receivables (including trade receivables from related parties) at FVTOCI based on the Group's provision matrix.

### March 31, 2024

	Not Past Due	Up to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	-	-	-	100%	100%	100%	
Gross carrying amount	\$ 56,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,333
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 56,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,333</u>

### December 31, 2023

	Not Past Due	Up to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	-	-	-	100%	100%	100%	
Gross carrying amount	\$ 80,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,845
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 80,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,845</u>

### March 31, 2023

	Not Past Due	Up to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	-	-	-	100%	100%	100%	
Gross carrying amount	\$ 62,211	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,211
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 62,211</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,211</u>

### Other Receivables

The Group's other receivables included interest receivables and refundable tax. The Group follows the policy of trading only with customers who maintains good credit standing. The Group estimates whether the credit risk is significantly increased by monitoring the business situation and measures the loss allowance for other receivables by reference to past default experience of the debtor and analyze of the debtor's current financial position. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group evaluated no allowance for impairment loss was needed for other receivables.

## 9. INVENTORIES

	March 31, 2024	December 31, 2023	March 31, 2023
Raw materials	\$ 795,702	\$ 644,955	\$ 834,171
Supplies	3,476	3,343	4,185
Semi-finished goods	138,677	124,148	166,482
Work in progress	462,684	268,435	284,707
Finished goods	<u>382,071</u>	<u>370,885</u>	<u>603,350</u>
	<u>\$ 1,782,610</u>	<u>\$ 1,411,766</u>	<u>\$ 1,892,895</u>

The nature of the cost of goods sold is as follows:

	For the Three Months Ended March 31	
	2024	2023
Cost of inventories sold	\$ 3,166,348	\$ 3,185,444
Inventory write-downs	<u>4,511</u>	<u>789</u>
	<u>\$ 3,170,859</u>	<u>\$ 3,186,233</u>

## 10. SUBSIDIARIES

### Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			March 31, 2024	December 31, 2023	March 31, 2023	
Voltronic Power Technology Corp.	Voltronic International Corp.	Investment activities	100%	100%	100%	a
	Voltronic Power Technology (Vietnam) Company Limited	Design, manufacture and sale of UPS and inverters	100%	100%	100%	b
Voltronic International Corp.	Voltronic International H.K. Corp. Limited	Investment activities	100%	100%	100%	a
	Potentia Technology Inc. Limited	Sale of uninterruptible power systems (UPS) and inverters	100%	100%	100%	a
Voltronic International H.K. Corp. Limited	Voltronic Power Technology (Shen Zhen) Corp.	Design, manufacture and sale of UPS and inverters	100%	100%	100%	c
	Orchid Power (Shen Zhen) Manufacturing Company	Design, manufacture and sale of UPS and inverters	100%	100%	100%	c
	Zhongshan Voltronic Power Electronics Limited	Design, manufacture and sale of UPS and inverters	27.03%	100%	100%	c and d
Orchid Power (Shen Zhen) Manufacturing Company	Zhongshan Voltronic Power Electronics Limited	Design, manufacture and sale of UPS and inverters	72.97%	-	-	c and d
Zhongshan Voltronic Power Electronics Limited	Zhongshan Voltronic Precision Inc.	Design, manufacture and sale of UPS and inverters related components	100%	100%	100%	c

- The main operating risk is the foreign exchange rate risks.
- The main operating risks are foreign exchange rate risks and government decrees.
- The main operating risks are foreign exchange rate risks, government decrees and political risk arising from the uncertainty in relationship between China and Taiwan.
- In February 2024, Orchid Power (Shen Zhen) Manufacturing Company subscribed to an increase in capital of Zhongshan Voltronic Power Electronics Limited with 450 million RMB. Following the capital increase, Orchid Power (Shen Zhen) Manufacturing Company holds a 72.97% equity stake in Zhongshan Voltronic Power Electronics Limited, while the equity stake of Voltronic International H.K. Corp. Limited in Zhongshan Voltronic Power Electronics Limited decreased from 100% to 27.03%.

## 11. PROPERTY, PLANT AND EQUIPMENT

### Assets Used by the Group

	Freehold Land	Buildings	Machinery and Equipment	Transportation	Office Equipment	Leasehold Improvements	Other Equipment	Property under Construction	Total
<u>Cost</u>									
Balance at January 1, 2024	\$ 1,307,921	\$ 2,572,065	\$ 906,322	\$ 18,045	\$ 95,411	\$ 32,901	\$ 405,372	\$ 51,112	\$ 5,389,149
Additions	-	-	5,588	-	483	-	2,940	-	9,011
Disposals	-	(413)	(1,339)	-	(459)	(5,052)	(803)	-	(8,066)
Reclassified (Note 1)	-	-	700	-	-	-	-	-	700
Effect of foreign currency exchange differences	-	55,250	28,347	652	3,354	1,241	13,107	-	101,951
Balance at March 31, 2024	<u>\$ 1,307,921</u>	<u>\$ 2,626,902</u>	<u>\$ 939,618</u>	<u>\$ 18,697</u>	<u>\$ 98,789</u>	<u>\$ 29,090</u>	<u>\$ 420,616</u>	<u>\$ 51,112</u>	<u>\$ 5,492,745</u>

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Transportation	Office Equipment	Leasehold Improvements	Other Equipment	Property under Construction	Total
<b>Accumulated depreciation and impairment</b>									
Balance at January 1, 2024	\$ -	\$ 216,254	\$ 442,037	\$ 9,092	\$ 55,962	\$ 23,156	\$ 223,041	\$ -	\$ 969,542
Depreciation expense	-	18,207	21,068	573	2,720	1,846	14,951	-	59,365
Disposals	-	(413)	(1,222)	-	(406)	(5,052)	(709)	-	(7,802)
Effect of foreign currency exchange differences	-	4,752	12,960	329	1,895	878	6,962	-	27,776
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 238,800</u>	<u>\$ 474,843</u>	<u>\$ 9,994</u>	<u>\$ 60,171</u>	<u>\$ 20,828</u>	<u>\$ 244,245</u>	<u>\$ -</u>	<u>\$ 1,048,881</u>
<b>Carrying amounts at</b>									
December 31, 2023 and January 1, 2024	<u>\$ 1,307,921</u>	<u>\$ 2,355,811</u>	<u>\$ 464,285</u>	<u>\$ 8,953</u>	<u>\$ 39,449</u>	<u>\$ 9,745</u>	<u>\$ 182,331</u>	<u>\$ 51,112</u>	<u>\$ 4,419,607</u>
Carrying amounts at March 31, 2024	<u>\$ 1,307,921</u>	<u>\$ 2,388,102</u>	<u>\$ 464,775</u>	<u>\$ 8,703</u>	<u>\$ 38,618</u>	<u>\$ 8,262</u>	<u>\$ 176,371</u>	<u>\$ 51,112</u>	<u>\$ 4,443,864</u>
<b>Cost</b>									
Balance at January 1, 2023	\$ 1,307,921	\$ 2,645,808	\$ 767,539	\$ 17,110	\$ 89,480	\$ 40,103	\$ 372,299	\$ 62,825	\$ 5,303,085
Additions	-	149	6,265	17	4,758	-	17,855	-	29,044
Disposals	-	(1,298)	(571)	(170)	(193)	-	(5,562)	-	(7,794)
Reclassified (Note 2)	-	11,842	8,244	-	2,182	-	88	(14,024)	8,332
Effect of foreign currency exchange differences	-	6,863	2,385	61	378	187	898	24	10,796
Balance at March 31, 2023	<u>\$ 1,307,921</u>	<u>\$ 2,663,364</u>	<u>\$ 783,862</u>	<u>\$ 17,018</u>	<u>\$ 96,605</u>	<u>\$ 40,290</u>	<u>\$ 385,578</u>	<u>\$ 48,825</u>	<u>\$ 5,343,463</u>
<b>Accumulated depreciation and impairment</b>									
Balance at January 1, 2023	\$ -	\$ 198,837	\$ 376,811	\$ 8,830	\$ 47,942	\$ 19,370	\$ 176,985	\$ -	\$ 828,775
Depreciation expense	-	22,208	20,695	453	2,662	3,005	14,565	-	63,588
Disposals	-	(1,298)	(513)	(153)	(142)	-	(3,824)	-	(5,930)
Effect of foreign currency exchange differences	-	643	1,150	35	184	99	420	-	2,531
Balance at March 31, 2023	<u>\$ -</u>	<u>\$ 220,390</u>	<u>\$ 398,143</u>	<u>\$ 9,165</u>	<u>\$ 50,646</u>	<u>\$ 22,474</u>	<u>\$ 188,146</u>	<u>\$ -</u>	<u>\$ 888,964</u>
<b>Carrying amounts at</b>									
December 31, 2022 and January 1, 2023	<u>\$ 1,307,921</u>	<u>\$ 2,442,974</u>	<u>\$ 385,719</u>	<u>\$ 7,853</u>	<u>\$ 45,959</u>	<u>\$ 17,816</u>	<u>\$ 197,432</u>	<u>\$ 48,825</u>	<u>\$ 4,454,499</u>

(Concluded)

Note 1: Reclassified from prepayments for equipment to property, plant and equipment \$700 thousand.

Note 2: Reclassified from prepayments for equipment to property, plant and equipment \$8,332 thousand.

For the three months ended March 31, 2024 and 2023, no impairment assessment was performed as there was no indication of impairment.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	50 years
Draining and air-conditioning units	5-15 years
Machinery and equipment	2-10 years
Transportation	3-10 years
Office equipment	2-10 years
Leasehold improvements	3-5 years
Other equipment	2-10 years

Refer to Note 29 for the carrying amount of property, plant and equipment pledged by the Group to secure borrowings.

The amounts of commitment liability for acquisition of property, plant and equipment were set out in Note 30.

## 12. LEASE ARRANGEMENTS

### a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amount</u>			
Land	\$ 149,636	\$ 144,780	\$ 150,575
Buildings	209,679	222,148	287,530
Transportation equipment	<u>1,228</u>	<u>1,422</u>	<u>2,003</u>
	<u>\$ 360,543</u>	<u>\$ 368,350</u>	<u>\$ 440,108</u>
		<b>For the Three Months Ended March 31</b>	
		<b>2024</b>	<b>2023</b>
Additions to right-of-use assets		<u>\$ 3,315</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets			
Land		\$ 871	\$ 865
Buildings		23,315	23,061
Transportation equipment		<u>194</u>	<u>194</u>
		<u>\$ 24,380</u>	<u>\$ 24,120</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2024 and 2023.

### b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amount</u>			
Current	<u>\$ 101,349</u>	<u>\$ 97,187</u>	<u>\$ 95,977</u>
Non-current	<u>\$ 127,829</u>	<u>\$ 142,259</u>	<u>\$ 213,502</u>

Range of discount rate for lease liabilities was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Buildings	4.75%-6.00%	4.75%-6.00%	4.75%-6.00%
Transportation equipment	5.58%	5.58%	5.58%

### c. Material lease activities and terms (the Group is the lessee)

The Group leases land for use in operations with a lease term of 50 years. The Group does not have bargain purchase options to acquire the leased land at the end of the lease term.

The Group also leases buildings and vehicles used as offices, plants, dormitories and operations with lease terms of 2 to 8 years. The Group does not have bargain purchase options to acquire buildings at the end of the lease terms.

d. Other lease information

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Expenses relating to short-term leases	<u>\$ 1,111</u>	<u>\$ 4,129</u>
Expenses relating to low-value asset leases	<u>\$ 299</u>	<u>\$ 392</u>
Total cash outflow for leases	<u>\$ (26,110)</u>	<u>\$ (28,303)</u>

The Group leases certain plants and transportation equipment which qualify as short-term leases and certain office equipment qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

### 13. OTHER INTANGIBLE ASSETS

	<b>Computer Software</b>
<u>Cost</u>	
Balance at January 1, 2024	\$ 58,691
Additions	1,290
Disposals	(8,788)
Effect of foreign currency exchange differences	<u>911</u>
Balance at March 31, 2024	<u>\$ 52,104</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2024	\$ 39,882
Amortization expense	4,125
Disposals	(8,788)
Effect of foreign currency exchange differences	<u>698</u>
Balance at March 31, 2024	<u>\$ 35,917</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 18,809</u>
Carrying amount at March 31, 2024	<u>\$ 16,187</u>
<u>Cost</u>	
Balance at January 1, 2023	\$ 52,326
Additions	6,115
Disposals	(4,315)
Effect of foreign currency exchange differences	<u>118</u>
Balance at March 31, 2023	<u>\$ 54,244</u>

(Continued)

**Computer  
Software**

Accumulated amortization

Balance at January 1, 2023	\$ 27,673
Amortization expense	4,445
Disposals	(4,315)
Effect of foreign currency exchange differences	<u>67</u>
Balance at March 31, 2023	<u>\$ 27,870</u>
Carrying amount at March 31, 2023	<u>\$ 26,374</u>
	(Concluded)

The computer software are amortized on a straight-line basis over their estimated useful lives of 3 to 5 years.

Amortization expenses by function are as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
An analysis of amortization by function		
Operating costs	\$ 378	\$ 419
Selling and marketing expenses	240	295
General and administrative expenses	1,516	1,588
Research and development expenses	<u>1,991</u>	<u>2,143</u>
	<u>\$ 4,125</u>	<u>\$ 4,445</u>

**14. OTHER ASSETS**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<u>Current</u>			
Prepayments for purchases	\$ 14,362	\$ 12,594	\$ 8,483
Overpaid sales tax	148,566	158,808	357,423
Other prepayments	<u>19,174</u>	<u>22,405</u>	<u>29,543</u>
	<u>\$ 182,102</u>	<u>\$ 193,807</u>	<u>\$ 395,449</u>
<u>Non-current</u>			
Refundable deposits	\$ 30,720	\$ 30,739	\$ 33,328
Prepayments for equipment	<u>39,186</u>	<u>36,030</u>	<u>132,685</u>
	<u>\$ 69,906</u>	<u>\$ 66,769</u>	<u>\$ 166,013</u>

Note: Restricted deposits for issuing a performance guarantee.

## 15. BORROWINGS

Long-term borrowings/current portion of long-term borrowings:

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Secured borrowings (Note 29)</u>			
Bank loans	\$ 831,810	\$ 831,810	\$ 880,740
Less: Current portion	<u>(146,790)</u>	<u>(97,860)</u>	<u>(97,860)</u>
	<u>\$ 685,020</u>	<u>\$ 733,950</u>	<u>\$ 782,880</u>

The weighted average effective interest rate on bank loans listed above was 1.8139%, 1.8134% and 1.6853% as of March 31, 2024, December 31, 2023 and March 31, 2023.

In March 2022, the Group secured a loan of \$978,600 thousand with its own land and buildings as collateral. The principal is amortized equally over 10 years, and the maturity date of the loan will be in March 2032.

## 16. NOTES PAYABLE AND TRADE PAYABLES

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Notes payable</u>			
Operating	<u>\$ 61</u>	<u>\$ 44</u>	<u>\$ 9</u>
<u>Trade payables</u>			
Operating	<u>\$ 4,145,800</u>	<u>\$ 3,682,983</u>	<u>\$ 3,689,509</u>

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

## 17. OTHER LIABILITIES

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 391,622	\$ 459,819	\$ 420,462
Payables for compensation of employee	265,196	315,447	260,956
Payables for commission	67,425	59,458	62,474
Payables for sales tax	54,743	63,411	46,341
Payables for purchases of equipment (include building)	31,083	28,606	45,856

(Continued)



	March 31, 2024	December 31, 2023	March 31, 2023
Payables for insurance	\$ 41,563	\$ 38,077	\$ 41,035
Payables for remuneration of directors and supervisors	18,000	14,400	18,000
Payables for freight	13,816	13,863	14,201
Others	<u>90,084</u>	<u>88,860</u>	<u>86,903</u>
	<u>\$ 973,532</u>	<u>\$ 1,081,941</u>	<u>\$ 996,228</u>
Other liabilities			
Receipts under custody	<u>\$ 3,002</u>	<u>\$ 2,030</u>	<u>\$ 2,039</u>
<u>Non-current</u>			
Other liabilities			
Guarantee deposits	<u>\$ 1,899</u>	<u>\$ 1,967</u>	<u>\$ 2,079</u>

(Concluded)

## 18. RETIREMENT BENEFIT PLANS

### Defined Contribution Plans

The Company has a pension plan under the Labor Pension Act (LPA), a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The employees of the Group in China and Vietnam are members of state-managed retirement benefit plans operated by their local governments. The subsidiaries in China are required to contribute amounts calculated at a certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

## 19. EQUITY

### a. Share capital

#### Ordinary shares

	March 31, 2024	December 31, 2023	March 31, 2023
Number of shares authorized (in thousands)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Shares authorized	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>87,730</u>	<u>87,730</u>	<u>87,762</u>
Shares issued	<u>\$ 877,300</u>	<u>\$ 877,306</u>	<u>\$ 877,626</u>

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

Shares authorized include \$20,000 thousand for the issuance of employee share options.

A reconciliation of the number of shares outstanding was as follows:

	<b>Number of Shares (In Thousands of Shares)</b>	<b>Share Capital</b>
Balance at January 1, 2023	<u>87,762</u>	<u>\$ 877,626</u>
Balance at March 31, 2023	<u>87,762</u>	<u>\$ 877,626</u>
Balance at January 1, 2024	<u>87,730</u>	<u>\$ 877,306</u>
Balance at March 31, 2024	<u>87,730</u>	<u>\$ 877,306</u>

b. Capital surplus

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Premium from issuance ordinary shares	\$ 253,288	\$ 253,288	\$ 253,288
Premium from employee restricted shares	854,001	854,001	686,065
<u>May not be used for any purpose</u>			
Employee restricted shares	<u>665,184</u>	<u>665,184</u>	<u>885,600</u>
	<u>\$ 1,772,473</u>	<u>\$ 1,772,473</u>	<u>\$ 1,824,953</u>

Note: Capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends, or transferred to share capital limited to a certain percentage of the Company's capital surplus and only once a year.

A reconciliation of the capital surplus was as follows:

	<b>Premium from Ordinary Shares</b>	<b>Premium from Employee Restricted Shares</b>	<b>Employee Restricted Shares</b>
Balance at January 1, 2024	<u>\$ 253,288</u>	<u>\$ 854,001</u>	<u>\$ 665,184</u>
Balance at March 31, 2024	<u>\$ 253,288</u>	<u>\$ 854,001</u>	<u>\$ 665,184</u>
Balance at January 1, 2023	<u>\$ 253,288</u>	<u>\$ 686,065</u>	<u>\$ 885,600</u>
Balance at March 31, 2023	<u>\$ 253,288</u>	<u>\$ 686,065</u>	<u>\$ 885,600</u>

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for offsetting losses of previous years, (including adjusting the undistributed retained earnings), setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors and supervisors in Note 21g.

Distribution of the compensation may be made by way of cash dividends or share dividends, where the ratio of the cash dividends distributed shall not be less than 10% of the total bonuses distributed. However, in the case where the bonus per share is less than NT\$0.3, the board of directors may cancel the bonus distribution by submitting such cancellation for resolution at the shareholders' meeting.

The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1090150022 should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2023 and 2022 were proposed by the board of directors on February 26, 2024 and approved in the shareholders' meetings on June 9, 2023, respectively, were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Legal reserve	\$ 362,256	\$ 443,289
Recognition of special reserve (reversed)	\$ 149,421	\$ (93,082)
Cash dividends	\$ 3,114,435	\$ 3,817,672
Cash dividends per share (NT\$)	\$ 35.5	\$ 43.5

The appropriation of earnings for 2023 is to be resolved by the shareholders in the shareholders' meeting on June 14, 2024.

d. Special reserve

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 200,346	\$ 293,428
Balance at March 31	\$ 200,346	\$ 293,428

e. Other equity items

Exchange differences on translating the financial statements of foreign operations

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ (349,767)	\$ (200,346)
Recognized for the period		
Exchange differences on translating foreign operations	415,167	39,224
Income tax related to exchange differences arising on translating to the presentation currency	<u>(83,034)</u>	<u>(7,845)</u>
Other comprehensive income from the period	<u>332,133</u>	<u>31,379</u>
Balance at March 31	<u>\$ (17,634)</u>	<u>\$ (168,967)</u>

Unearned employee benefits

In the meetings of shareholders on June 17, 2022, the shareholders approved a restricted shares plan for employees (refer to Note 24).

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ (339,420)	\$ (750,637)
Share-based payment expenses recognized	<u>62,399</u>	<u>109,849</u>
Balance at March 31	<u>\$ (277,021)</u>	<u>\$ (640,788)</u>

## 20. REVENUE

	<b>For the Three Months Ended March 31</b>			
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Revenue from contracts with customers				
Revenue from sale of goods			<u>\$ 4,598,698</u>	<u>\$ 4,695,501</u>
	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>	<b>January 1, 2023</b>
Contract balances				
Notes receivable (Note 8)	<u>\$ 42,674</u>	<u>\$ 57,517</u>	<u>\$ 46,146</u>	<u>\$ 84,647</u>
Trade receivables (Notes 8 and 28)	<u>\$ 2,577,459</u>	<u>\$ 2,891,351</u>	<u>\$ 2,643,896</u>	<u>\$ 3,031,869</u>
Contract liabilities - current				
Sale of goods	<u>\$ 379,716</u>	<u>\$ 347,813</u>	<u>\$ 467,250</u>	<u>\$ 433,449</u>

## 21. NET PROFIT (LOSS) FROM OPERATIONS

### a. Interest income

	For the Three Months Ended March 31	
	2024	2023
Bank deposits	<u>\$ 51,774</u>	<u>\$ 32,360</u>

### b. Other income

	For the Three Months Ended March 31	
	2024	2023
Government grants	\$ 877	\$ 3,387
Others	<u>2,436</u>	<u>2,090</u>
	<u>\$ 3,313</u>	<u>\$ 5,477</u>

### c. Other gains and (losses)

	For the Three Months Ended March 31	
	2024	2023
Loss on disposal of property, plant and equipment	\$ (158)	\$ (1,732)
Net foreign exchange losses	(153,231)	(109,104)
Net gain on financial assets at fair value through profit or loss	134	-
Others	<u>(39)</u>	<u>(258)</u>
	<u>\$ (153,294)</u>	<u>\$ (111,094)</u>

### d. Finance costs

	For the Three Months Ended March 31	
	2024	2023
Interest on bank loans	\$ 3,761	\$ 3,847
Interest on lease liabilities	2,894	3,918
Other interest expense	<u>9,281</u>	<u>8,594</u>
	<u>\$ 15,936</u>	<u>\$ 16,359</u>

e. Depreciation and amortization

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
An analysis of depreciation by function		
Operating costs	\$ 57,898	\$ 57,259
Operating expenses	<u>25,847</u>	<u>30,449</u>
	<u>\$ 83,745</u>	<u>\$ 87,708</u>
An analysis of amortization by function		
Operating costs	\$ 378	\$ 419
Operating expenses	<u>3,747</u>	<u>4,026</u>
	<u>\$ 4,125</u>	<u>\$ 4,445</u>

f. Employee benefits expense

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Salary expenses	\$ 539,548	\$ 517,258
Other employee benefits		
Labor and health insurance	11,012	11,084
Other employee benefits	24,813	22,587
Equity-settled share-based payments (Note 24)	62,399	109,849
Post-employment benefits		
Defined contribution plans	<u>31,581</u>	<u>26,408</u>
Total employee benefits expense	<u>\$ 669,353</u>	<u>\$ 687,186</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 384,085	\$ 372,355
Operating expenses	<u>285,268</u>	<u>314,831</u>
	<u>\$ 669,353</u>	<u>\$ 687,186</u>

g. Employees compensation and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued employees' compensation and remuneration of directors at the rates between 3.75% and 11.5% and no higher than 3.75%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the three months ended March 31, 2024 and 2023 are as follows:

Accrual rate

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Employees' compensation	4.28%	3.80%
Remuneration of directors	0.44%	0.42%

Amount

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Employees' compensation	\$ 35,000	\$ 32,500
Remuneration of directors	\$ 3,600	\$ 3,600

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The appropriations of employees' compensation and remuneration of directors for 2023 and 2022 that were resolved by the board of directors on February 26, 2024 and February 23, 2023, respectively, are as shown below:

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
	<b>Cash</b>	<b>Cash</b>
Employees' compensation	\$ 180,000	\$ 210,000
Remuneration of directors	14,400	14,400

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	For the Three Months Ended March 31	
	2024	2023
Foreign exchange gains	\$ 245,400	\$ 201,720
Foreign exchange losses	<u>(398,631)</u>	<u>(310,824)</u>
Net losses	<u>\$ (153,231)</u>	<u>\$ (109,104)</u>

## 22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense recognized in profit are as follows:

	For the Three Months Ended March 31	
	2024	2023
Current tax		
In respect of the current period	\$ (176,178)	\$ (204,927)
Adjustments for prior periods	-	(1,670)
Deferred tax		
In respect of the current period	<u>13,371</u>	<u>1,965</u>
Income tax expense recognized in profit or loss	<u>\$ (162,807)</u>	<u>\$ (204,632)</u>

The applicable tax rate used by the entity in ROC for the years ended December 31, 2024 and 2023 was 20%. Voltronic Power Technology (Shen Zhen) Corp. used the tax rate of 15% in the three months ended March 31, 2024 and 2023 due to owning the high-tech enterprise certificate. Zhongshan Voltronic Power Electronics Limited also used the same tax rate of 15% in the three months ended March 31, 2024 due to owning the high-tech enterprise certificate. Voltronic Power Technology (Vietnam) Company Limited is entitled to income tax incentives based on the Law on Foreign Investment in Vietnam and is entitled to income tax exemption for six years beginning from the first profit-earning year - full exemption in the first two years and half exemption in the next four years (10% tax rate) in the three months ended March 31, 2024 and 2023.

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2024	2023
<u>Deferred tax</u>		
In respect of the current period		
Translation of foreign operations	<u>\$ (83,034)</u>	<u>\$ (7,845)</u>

c. Income tax assessments

The Company's tax returns through 2021 have been assessed by the tax authorities. As of March 31, 2024, the Group has no unsettled lawsuits related to tax.



## 23. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2024	2023
Basic earnings per share		
Basic earnings per share	<u>\$ 8.17</u>	<u>\$ 8.55</u>
Diluted earnings per share		
Diluted earnings per share	<u>\$ 8.14</u>	<u>\$ 8.51</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

	For the Three Months Ended March 31	
	2024	2023
Net profit for the year	<u>\$ 713,868</u>	<u>\$ 745,913</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share (in thousands)	87,325	87,223
Effect of potentially dilutive ordinary shares		
Employees' compensation or bonuses issued to employees	94	263
Restricted employee share options	<u>263</u>	<u>149</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share (in thousands)	<u>87,682</u>	<u>87,635</u>

The Group may settle the compensation or bonuses paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 24. SHARE-BASED PAYMENT ARRANGEMENTS - RESTRICTED SHARE PLAN FOR EMPLOYEES

### a. 2022

On June 17, 2022, the shareholders resolved a restricted share plan for employees with a total amount of \$5,400 thousand, consisting of 540 thousand shares, for free issuance. The base date of the capital increase and payment, which was September 8, 2022, was determined by the board of directors on August 25, 2022. The restrictions on the rights of the employees who acquire the restricted shares but have not met the vesting conditions are as follows:

- 1) The employees should provide the restricted shares to the Company or the agency designated by the Company acting as the trust custodian and cooperate in complying with all related procedures and preparing the required documents.

- 2) The employees shall not sell, pledge, transfer, donate or, in any other way, dispose of these shares.
- 3) Employees holding equity under the custody of the trust agency do not have the right to attend shareholders' meetings or to engage in motions, speech, and voting therein.
- 4) The employees' other rights, which are the same as those of ordinary shareholders of the Company, include but are not limited to the rights to receive dividends, bonuses and capital surplus in shares and cash increases by share.

The vesting conditions of restricted shares are when an employee received the restricted shares, and the restriction of acquiring the shares would be canceled as follows:

After one year from the grant date with achieved operational goals by individuals and companies: 20%.

After two years from the grant date with achieved operational goals by individuals and companies: 20%.

After three years from the grant date with achieved operational goals by individuals and companies: 60%.

The individual performance target is set by the Chairman for different employees of each department. The Company's operating objectives are based on four indicators: Consolidated revenue, combined gross profit margin, combined operating profit and combined operating profit ratio. Each objective contains A and B target conditions respectively, and achieving one of the target conditions is considered as achieving the objective. After each target condition is reached, 25% of the number of shares allocated in the current year can be obtained. The judgment of the achievement of the indicators and standards shall be based on the consolidated financial statements of the first year prior to the expiration of the Company's vested conditions. The target conditions are detailed in the table below.

<b>Operating Objective</b>	<b>Target Condition A</b>	<b>Target Condition B</b>	<b>The Ratio of the Number of Shares to Be Awarded in the Current Year</b>
Revenue	10% (inclusive) or more than the previous year	Higher than the Company's average for the first three years	25%
Gross profit (GM %)	Increase by 1% or more from the previous year	Higher than the Company's average for the first three years	25%
Operating profit (OPM \$)	10% (inclusive) or more than the previous year	Higher than the Company's average for the first three years	25%
Operating profit ratio (OPM %)	Increase by 1% or more from the previous year	Higher than the Company's average for the first three years	25%

If an employee fails to meet the vesting conditions, the Company will withdraw the restricted shares.

The aforementioned newly issued restricted employee shares were assessed to have a fair value of \$1,650 per share, based on the market approach. The unearned employee benefits of \$891,000 thousand were recognized on the basis of vesting conditions and expensed on a straight-line basis over the vesting period. Compensation costs of \$62,399 thousand and \$109,849 thousand were recognized within the vesting period for the three months ended March 31, 2024 and 2023.

- b. Information on the restricted share plan for employees was as follows:

	<b>For the Three Months Ended March 31 (In Thousands)</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	<u>406</u>	<u>540</u>
Balance at March 31	<u><u>406</u></u>	<u><u>540</u></u>

## 25. CASH FLOW INFORMATION

- a. Non-cash transactions

In addition to those disclosed in other notes, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statements of cash flows for the three months ended March 31, 2024 and 2023:

As of March 31, 2024, December 31, 2023 and March 31, 2023, the unsettled payments for purchases of property, plant and equipment were \$31,082 thousand, \$28,606 thousand and \$45,856 thousand, respectively, and recorded as other payables - payables for purchases of equipment in the consolidated financial statements.

- b. Changes in liabilities arising from financing activities

### For the three months ended March 31, 2024

	<b>Opening Balance</b>	<b>Cash Flows</b>	<b>Non-cash Changes</b>		<b>Closing Balance</b>
			<b>New Leases</b>	<b>Exchange Rate Impact</b>	
Long-term borrowings (including current portion of long-term liabilities)	\$ 831,810	\$ -	\$ -	\$ -	\$ 831,810
Guarantee deposits	1,967	(133)	-	65	1,899
Lease liabilities	<u>239,446</u>	<u>(21,806)</u>	<u>3,315</u>	<u>8,223</u>	<u>229,178</u>
	<u><u>\$ 1,073,223</u></u>	<u><u>\$ (21,939)</u></u>	<u><u>\$ 3,315</u></u>	<u><u>\$ 8,288</u></u>	<u><u>\$ 1,062,887</u></u>

### For the three months ended March 31, 2023

	<b>Opening Balance</b>	<b>Cash Flows</b>	<b>Non-cash Changes</b>		<b>Closing Balance</b>
			<b>New Leases</b>	<b>Exchange Rate Impact</b>	
Long-term borrowings (including current portion of long-term liabilities)	\$ 929,670	\$ (48,930)	\$ -	\$ -	\$ 880,740
Guarantee deposits	1,683	385	-	11	2,079
Lease liabilities	<u>328,579</u>	<u>(19,864)</u>	<u>(106)</u>	<u>870</u>	<u>309,479</u>
	<u><u>\$ 1,259,932</u></u>	<u><u>\$ (68,409)</u></u>	<u><u>\$ (106)</u></u>	<u><u>\$ 881</u></u>	<u><u>\$ 1,192,298</u></u>

## 26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while considering operating risks and maximizing the returns to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of equity of the Group (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

Under the recommendations of the key management, to balance the overall capital structure, the Group may adjust the number of new shares issued.

## 27. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments that are not measured at fair value

Management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements which are not measured at fair value approximate their fair values.

### b. Fair value of financial instruments measured at fair value on a recurring basis

#### 1) Fair value hierarchy

March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Fund beneficiary certificate	\$ -	\$ -	\$ 42,496	\$ 42,496
<u>Financial assets at FVTOCI</u>				
Investments in debt instruments				
Factored trade receivables to bank without recourses	\$ -	\$ -	\$ 62,713	\$ 62,713

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Fund beneficiary certificate	\$ -	\$ -	\$ 42,362	\$ 42,362
<u>Financial assets at FVTOCI</u>				
Investments in debt instruments				
Factored trade receivables to bank without recourses	\$ -	\$ -	\$ 85,148	\$ 85,148

March 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in debt instruments at FVTOCI				
Factored trade receivables to banks without recourse	\$ -	\$ -	\$ 63,246	\$ 63,246

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2024 and 2023.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended March 31, 2024

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI
	Fund Beneficiary Certificate	Debt Instrument
Balance at January 1, 2024	\$ 42,362	\$ 85,148
Purchases	-	-
Recognized in profit or loss (including other gains and losses)	134	-
Sales	-	(22,435)
Balance at March 31, 2024	\$ 42,496	\$ 62,713

For the year ended March 31, 2023

Balance at January 1, 2023	\$ 146,260
Sales	(83,014)
Balance at March 31, 2023	\$ 63,246

3) Valuation techniques and inputs applied for Level 3 fair value measurement

<u>Categories of Financial Instruments</u>	<u>Valuation Techniques and Input Values</u>
Factored trade receivables to bank without recourses	As the effect of discounting was not significant, the fair value is measured based on the original invoice amount.
Fund beneficiary certificate	Asset-based approach: Assess the net asset value, which is evaluated based on the fair value of the latest financial statements of the invested target.

c. Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 42,496	\$ 42,362	\$ -
Financial assets at amortized cost (1)	9,235,520	7,982,303	8,796,246
Financial assets at FVTOCI			
Investments in debt instruments			
Factored trade receivables to bank without recourses	62,713	85,148	63,246

Financial liabilities

Financial liabilities at amortized cost (2)	5,204,779	4,711,776	4,789,836
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- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables (excluding debt instruments), trade receivables from related parties, other receivables and refundable deposits (included in other non-current assets).
- 2) The balances include financial liabilities at amortized cost, which comprise notes payable, trade payables, trade payables to related parties, other payables, current portion of long-term borrowings, long-term borrowings and guarantee deposit received (included in other non-current liabilities) that are measured at amortized cost.

d. Financial risk management objectives and policies

The Group's major financial instruments included trade receivables, trade payables, borrowings, and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (primarily includes currency risk and interest rate risk), credit risk and liquidity risk.

The corporate treasury function reports regularly to the board of directors, who monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) are set out in Note 31.

### Sensitivity analysis

The Group was mainly exposed to the fluctuations in the USD and the RMB.

The following table shows the Group's sensitivity to a 1% increase and decrease in the functional currencies of the group entities against the relevant foreign currencies (the USD and RMB). A sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency-denominated monetary items, and their translation was adjusted at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicated an increase in pretax profit when the New Taiwan dollar weakened by 1% against the relevant foreign currency. For a 1% strengthening of the New Taiwan dollar against the relevant foreign currency, there would be an equal and opposite impact on pretax profit and the balances below would be negative.

	<b>USD Impact</b>	
	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2024</b>	<b>2023</b>
Profit or loss	\$ 57,847	\$ 69,832
	<b>RMB Impact</b>	
	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2024</b>	<b>2023</b>
Profit or loss	\$ (94,329)	\$ (75,022)

The above impact on profit and loss was mainly attributable to the exposure on USD bank deposits, USD receivables, and USD payables, RMB bank deposits and RMB payables at the end of the reporting period.

The Group's sensitivity to the USD decreased during the current period mainly because of an decrease in USD bank deposits. The Group's sensitivity to the RMB increased during the current period mainly because of a increase in RMB payables to related parties.

#### b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rate risks at the end of the reporting period were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Fair value interest rate risk			
Financial assets	\$ 5,101,447	\$ 3,541,099	\$ 3,106,228
Financial liabilities	229,178	239,446	309,479
Cash flow interest rate risk			
Financial assets	1,536,118	1,502,603	2,992,482
Financial liabilities	831,810	831,810	880,740

### Sensitivity analysis

The sensitivity analysis in the next paragraph was based on the exposure of the Group's non-derivative instruments to interest rate risks at the end of the reporting period. A 100 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Had interest rates been 100 basis points higher/lower and all other variables been held constant, the Group's pretax profit for the three months ended March 31, 2024 and 2023 would have increased/decreased by \$1,761 thousand and increased/decreased by \$5,279 thousand, respectively, which was mainly attributable to the Group's exposure to interest rate risks on its floating-rate bank deposits and bank borrowings.

The Group's sensitivity to interest rates decreased during the current period mainly because of the decrease in floating-rate bank deposits.

## 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Group. As of the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation pertain to financial assets recognized in the consolidated balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

To minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. Thus, management believes the Group's credit risk was significantly reduced.

The Group transacts with a large number of unrelated customers and thus, no concentration of credit risk was observed.

## 3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.



The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group had available unutilized bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk table for non-derivative financial liabilities

The following tables show the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed-upon repayment periods. The tables were been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

For interest flows pertaining to floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

March 31, 2024

	<b>Less than 3 Months</b>	<b>3 Months to 1 Year</b>	<b>Over 1 Year to 5 Years</b>	<b>More than 5 Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 2,545,716	\$ 1,825,354	\$ 1,899	\$ -
Lease liabilities	24,980	84,886	133,767	-
Variable interest rate liabilities	<u>52,473</u>	<u>108,078</u>	<u>428,744</u>	<u>302,905</u>
	<u>\$ 2,623,169</u>	<u>\$ 2,018,318</u>	<u>\$ 564,410</u>	<u>\$ 302,905</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Variable interest rate liabilities	<u>\$ 160,551</u>	<u>\$ 428,744</u>	<u>\$ 302,905</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2023

	<b>Less than 3 Months</b>	<b>3 Months to 1 Year</b>	<b>Over 1 Year to 5 Years</b>	<b>More than 5 Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 2,385,170	\$ 1,492,829	\$ 1,967	\$ -
Lease liabilities	23,835	82,644	149,452	-
Variable interest rate liabilities	<u>52,691</u>	<u>59,402</u>	<u>430,483</u>	<u>353,364</u>
	<u>\$ 2,461,696</u>	<u>\$ 1,634,875</u>	<u>\$ 581,902</u>	<u>\$ 353,364</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Variable interest rate liabilities	<u>\$ 112,093</u>	<u>\$ 430,483</u>	<u>\$ 353,364</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

March 31, 2023

	<b>Less than 3 Months</b>	<b>3 Months to 1 Year</b>	<b>Over 1 Year to 5 Years</b>	<b>More than 5 Years</b>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 2,882,444	\$ 1,024,573	\$ 2,079	\$ -
Lease liabilities	23,970	84,754	226,731	-
Variable interest rate liabilities	<u>3,701</u>	<u>108,630</u>	<u>432,695</u>	<u>406,290</u>
	<u>\$ 2,910,115</u>	<u>\$ 1,217,957</u>	<u>\$ 661,505</u>	<u>\$ 406,290</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Variable interest rate liabilities	<u>\$ 112,331</u>	<u>\$ 432,695</u>	<u>\$ 406,290</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

b) Financing facilities

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Unsecured bank loan facilities			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>3,819,900</u>	<u>4,607,050</u>	<u>4,604,550</u>
	<u>\$ 3,819,900</u>	<u>\$ 4,607,050</u>	<u>\$ 4,604,550</u>
Secured bank overdraft facilities:			
Amount used	\$ 831,810	\$ 831,810	\$ 880,740
Amount unused	<u>-</u>	<u>97,860</u>	<u>48,930</u>
	<u>\$ 831,810</u>	<u>\$ 929,670</u>	<u>\$ 929,670</u>

e. Transfers of financial assets

Factored trade receivables that are not yet overdue at the end of the period were as follows:

March 31, 2024

Counterparty	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
Mega International Commercial Bank Co., Ltd.	\$ 399,985	\$ -	\$ -	\$ 399,985	5.96%-7.57%
BNP Paribas S.A.	<u>40,528</u>	<u>-</u>	<u>-</u>	<u>40,528</u>	6.54%-6.61%
	<u>\$ 440,513</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 440,513</u>	

December 31, 2023

Counterparty	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
Mega International Commercial Bank Co., Ltd.	\$ 392,507	\$ -	\$ -	\$ 392,507	4.27%-7.79%
BNP Paribas S.A.	<u>47,238</u>	<u>-</u>	<u>-</u>	<u>47,238</u>	5.94%-6.73%
	<u>\$ 439,745</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 439,745</u>	

March 31, 2023

Counterparty	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)
Mega International Commercial Bank Co., Ltd.	\$ 426,481	\$ -	\$ -	\$ 426,481	4.25%-7.00%
BNP Paribas S.A.	<u>45,472</u>	<u>-</u>	<u>-</u>	<u>45,472</u>	5.94%-6.47%
	<u>\$ 471,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 471,953</u>	

Pursuant to the agreements, losses from commercial disputes (such as sales returns and discounts) are borne by the Group, while losses from credit risk are borne by the bank.

## 28. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

### a. Related party name and category

Related Name	Related Party Category
RPS. SpA	Essential related party (whose managing director is the key management personnel of the Group)
RIELLO UPS (SHANGHAI) Co., Ltd.	Essential related party (whose managing director is the key management personnel of the Group)
FSP Technology Inc.	Key management personnel
WUXI Zhonghan Technology Co., Ltd.	Essential related party (whose parent company is the key management personnel of the Group)

### b. Sales of goods

Line Item	Related Party Category	For the Three Months Ended March 31	
		2024	2023
Sales	Essential related parties	\$ 129,026	\$ 181,117
	Key management personnel	<u>37,295</u>	<u>175,488</u>
		<u>\$ 166,321</u>	<u>\$ 356,605</u>

The selling prices of the goods sold to the related parties in the table above are not comparable as these goods are not sold to other customers in the three months ended March 31, 2024 and 2023. Payment terms of goods sold to related parties are 60-150 days after at the end of the month, and 0-180 days for general customers.

### c. Purchases of goods

Related Party Category	For the Three Months Ended March 31	
	2024	2023
Essential related parties	<u>\$ 25,910</u>	<u>\$ 6,101</u>

The purchase prices of the goods purchased from the related parties in the table above are not comparable as these same goods are not purchased from other suppliers in the three months ended March 31, 2024 and 2023. Payment terms of goods purchased from related parties are 150 days after every month end close, and 30-90 days for general suppliers.

d. Trade receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Trade receivables from related parties	Essential related parties	\$ 21,743	\$ 70,936	\$ 63,359
	Key management personnel	<u>85,384</u>	<u>89,583</u>	<u>209,499</u>
		<u>\$ 107,127</u>	<u>\$ 160,519</u>	<u>\$ 272,858</u>

The outstanding trade receivables from related parties were unsecured. For the three months ended March 31, 2024 and 2023, no impairment loss was recognized for trade receivables from related parties.

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Trade payables to related parties	Essential related parties	<u>\$ 22,801</u>	<u>\$ 4,185</u>	<u>\$ 8,432</u>

The outstanding trade payables from related parties are unsecured.

f. Remuneration of key management personnel

	For the Three Months Ended March 31	
	2024	2023
Short-term employee benefits	\$ 40,174	\$ 43,811
Post-employee benefits	133	131
Share-based payments	<u>9,564</u>	<u>15,867</u>
	<u>\$ 49,871</u>	<u>\$ 59,809</u>

The remuneration of directors and key executives was determined by the remuneration committee on the basis of individual performance and market trends.

## 29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	Mach 31, 2024	December 31, 2023	March 31, 2023
Land	\$ 587,160	\$ 587,160	\$ 587,160
Buildings	<u>757,547</u>	<u>761,472</u>	<u>773,247</u>
	<u>\$ 1,344,707</u>	<u>\$ 1,348,632</u>	<u>\$ 1,360,407</u>

### 30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of the end of the reporting period were as follows:

Unrecognized commitments are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Acquisition of property, plant and equipment	\$ 5,600	\$ 6,270	\$ 50,793
Acquisition of service	\$ 712	\$ -	\$ -

### 31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between the foreign currencies and the New Taiwan dollar are disclosed. The significant financial assets and liabilities denominated in foreign currencies were as follows:

March 31, 2024

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 186,990	31.9900 (USD:NTD)	\$ 5,981,815
USD	16,958	7.0950 (USD:RMB)	542,464
USD	16,062	24,813 (USD:VND)	513,819
RMB	3,278	4.5088 (RMB:NTD)	14,779
RMB	2,130,637	0.1409 (RMB:USD)	9,603,614
			<u>\$ 16,656,491</u>

Financial liabilities

Monetary items			
USD	20,664	31.9900 (USD:NTD)	\$ 661,055
USD	8,473	7.0950 (USD:RMB)	271,043
USD	10,045	24,813 (USD:VND)	321,323
RMB	2,130,637	4.5088 (RMB:NTD)	9,606,617
RMB	2,095,381	0.1409 (RMB:USD)	9,444,703
			<u>\$ 20,304,741</u>

December 31, 2023

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 189,642	30.7050 (USD:NTD)	\$ 5,822,948
USD	17,061	7.0827 (USD:RMB)	523,865
USD	12,883	24,215 (USD:VND)	395,571
RMB	2,446	4.3352 (RMB:NTD)	10,602
RMB	2,038,586	0.1412 (RMB:USD)	<u>8,838,383</u>
			<u>\$ 15,591,369</u>

Financial liabilities

Monetary items			
USD	18,480	30.7050 (USD:NTD)	\$ 567,428
USD	7,533	7.0827 (USD:RMB)	231,313
USD	7,064	24,215 (USD:VND)	216,907
RMB	2,038,586	4.3352 (RMB:NTD)	8,837,678
RMB	2,003,568	0.1412 (RMB:USD)	<u>8,686,560</u>
			<u>\$ 18,539,886</u>

March 31, 2023

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 236,714	30.4550 (USD:NTD)	\$ 7,209,134
USD	10,388	6.8717 (USD:RMB)	316,368
USD	8,663	23,470 (USD:VND)	263,841
RMB	3,563	4.4319 (RMB:NTD)	15,790
RMB	1,712,626	0.1455 (RMB:USD)	<u>7,588,992</u>
			<u>\$ 15,394,125</u>

Financial liabilities

Monetary items			
USD	9,840	30.4550 (USD:NTD)	\$ 299,663
USD	7,878	6.8717 (USD:RMB)	239,929
USD	8,752	23,470 (USD:VND)	266,530
RMB	1,712,627	4.4319 (RMB:NTD)	7,590,190
RMB	1,696,323	0.1455 (RMB:USD)	<u>7,516,751</u>
			<u>\$ 15,913,063</u>

The Group is mainly exposed to the USD and the RMB. The following information was aggregated by the functional currencies of the group entities, and the exchange rates between the respective functional currencies and the presentation currency were disclosed.

The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Three Months Ended March 31			
	2024		2023	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1.0000 (NTD:NTD)	\$ (162,036)	1.0000 (NTD:NTD)	\$ (115,586)
USD	31.6200 (USD:NTD)	(264)	30.3250 (USD:NTD)	1,123
RMB	4.4530 (RMB:NTD)	(306)	4.4197 (RMB:NTD)	91
VND	0.0013 (VND:NTD)	<u>9,375</u>	0.0013 (VND:NTD)	<u>5,268</u>
		<u>\$ (153,231)</u>		<u>\$ (109,104)</u>

## 32. SEPARATELY DISCLOSED ITEMS

### a. Information about significant transactions and investees:

- 1) Financing provided to others: Table 1
- 2) Endorsements/guarantees provided: None
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 2
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4
- 9) Trading in derivative instruments: None
- 10) Intercompany relationships and significant intercompany transactions: Table 5

### b. Information on investees: Table 6



c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 8
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
  - c) The amount of property transactions and the amount of the resultant gains or losses
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
  - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
  - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

### 33. SEGMENT INFORMATION

#### Financial Information

The Group is a single industrial segment, mainly engaged in the manufacture and sale of uninterruptible power systems and inverters, and provides information to the chief operating decision makers for allocating resources and evaluating the performance of the segment, focusing on each type of products delivered or provided, so there is no need to disclose the operating information of the reportable segment.

TABLE 1

VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(In Thousands of New Taiwan Dollars and Foreign Currencies)

No. (Note 1)	Lender	Borrower	Financial Statement Account (Note 6)	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
1	Orchid Power (Shen Zhen) Manufacturing Company	Zhongshan Voltronic Power Electronics Limited	Other receivables from related parties	Yes	\$ 90,176 (RMB 20,000)	\$ 90,176 (RMB 20,000)	\$ - (RMB -)	3.65	2	\$ -	Operating capital financing funds	\$ -	-	\$ -	\$ 4,545,134	\$ 4,545,134
		Zhongshan Voltronic Power Electronics Limited	Other receivables from related parties	Yes	225,440 (RMB 50,000)	225,440 (RMB 50,000)	- (RMB -)	3.55	2	-	Operating capital financing funds	-	-	-	4,545,134	4,545,134
		Zhongshan Voltronic Power Electronics Limited	Other receivables from related parties	Yes	383,248 (RMB 85,000)	383,248 (RMB 85,000)	- (RMB -)	3.55	2	-	Operating capital financing funds	-	-	-	4,545,134	4,545,134
		Zhongshan Voltronic Power Electronics Limited	Other receivables from related parties	Yes	247,984 (RMB 55,000)	247,984 (RMB 55,000)	- (RMB -)	3.65	2	-	Operating capital financing funds	-	-	-	4,545,134	4,545,134
		Zhongshan Voltronic Power Electronics Limited	Other receivables from related parties	Yes	428,336 (RMB 95,000)	428,336 (RMB 95,000)	- (RMB -)	3.45	2	-	Operating capital financing funds	-	-	-	4,545,134	4,545,134
		Zhongshan Voltronic Power Electronics Limited	Other receivables from related parties	Yes	180,352 (RMB 40,000)	180,352 (RMB 40,000)	- (RMB -)	3.45	2	-	Operating capital financing funds	-	-	-	4,545,134	4,545,134
		Zhongshan Voltronic Power Electronics Limited	Other receivables from related parties	Yes												

Note 1: Number column as follows:

a. “0” for the issuer.

b. Investees are numbered from “1”.

Note 2: Number 1 represents business relationship between companies or firms.  
Number 2 represents short-term financing is necessary between companies or firms.

Note 3: The aggregate financing limit shall not exceed 40% which were audited and attested by certified public accountants.

Note 4: a. The aggregate financing limit shall not exceed 40% of the net asset value of Voltronic Power Technology.

b. Financing limit for each borrower for the business relationship, the financing amount on each individual loan shall not exceed 30% of total business transaction amount or 10% of net assets value was in accordance with currently audited or reviewed financial statements by accountant; the lower value is final. The business transaction amount referred to the one with higher purchase or sales amount in the current year starting from one month before application date, for the necessary of short-term financing, the financing amount on each individual loan should not exceed 10% of net asset value in accordance with currently audited or reviewed financial statements by accountant but the restriction shall not apply to inter-company loans of funds between overseas subsidiaries in which the Company holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the Company by any overseas subsidiary in which the Company holds, directly or indirectly, 100% of the voting shares.

Note 5: The highest balance for the period and ending balance present in NT\$. Foreign currencies are converted into NT\$; the exchange rate was, RMB1=NT\$4.5088 as of March 31, 2024.

Note 6: The amount was eliminated upon consolidation.

**TABLE 2**

**VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD  
FOR THE YEAR ENDED MARCH 31, 2024  
(In Thousands of New Taiwan Dollars and Foreign Currencies)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company (Note)	Financial Statement Account	December 31, 2023				Note
				Number of Stock/Unit	Carrying Value	Percentage of Ownership (%)	Fair Value	
Voltronic Power Technology	Hoshun Hing Intelligent Mobile Limited Partnership	-	Financial assets at FVTPL	-	\$ 42,496	1.11	\$ 42,496	-

Note: If the issuer of the securities is not a related party, this field is not required to be filled.

TABLE 3

VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Voltronic Power Technology	RPS. SpA	Essential related parties	(Sales)	\$ (126,928)	(3)	Net 150 days from the end of the month of when invoice is issued	No identical item	0-180 days	\$ 17,085	1	-
	Potentia Technology Inc. Limited	Subsidiary	Purchase	3,154,988	96	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	(9,957,857)	(98)	Note 3
Potentia Technology Inc. Limited	Voltronic Power Technology	Parent company	(Sales)	(3,154,988)	(82)	Net 270 days from the end of the month of when invoice is issued	Note 2	Note 2	9,957,857	94	"
	Voltronic Power Technology (Shen Zhen) Corp.	The same parent company	(Sales)	(162,030)	(4)	Net 270 days from the end of the month of when invoice is issued	Note 2	Note 2	99,419	1	"
	Voltronic Power Technology (Shen Zhen) Corp.	The same parent company	Purchase	938,223	24	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	(5,031,925)	(47)	"
	Zhongshan Voltronic Power Electronics Limited	The same parent company	(Sales)	(215,752)	(6)	Net 270 days from the end of the month of when invoice is issued	Note 2	Note 2	145,540	1	"
	Zhongshan Voltronic Power Electronics Limited	The same parent company	Purchase	2,156,544	56	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	(4,609,301)	(43)	"
	Voltronic Power Technology (Vietnam) Company Limited	The same parent company	(Sales)	(206,437)	(5)	Net 270 days from the end of the month of when invoice is issued	Note 2	Note 2	317,859	3	"
	Voltronic Power Technology (Vietnam) Company Limited	The same parent company	Purchase	344,263	9	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	(513,717)	(5)	"
Voltronic Power Technology (Shen Zhen) Corp.	Potentia Technology Inc. Limited	The same parent company	(Sales)	(938,223)	(87)	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	5,031,925	96	"
	Potentia Technology Inc. Limited	The same parent company	Purchase	162,030	21	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	(99,419)	(9)	"
	Zhongshan Voltronic Precision Inc.	The same parent company	Purchase	163,437	21	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	(132,106)	(12)	"
Zhongshan Voltronic Power Electronics Limited	Potentia Technology Inc. Limited	The same parent company	(Sales)	(2,156,544)	(94)	Net 270 days from the end of the month of when invoice is issued	Note 2	Note 2	4,609,301	93	"
	Potentia Technology Inc. Limited	The same parent company	Purchase	215,752	11	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	(145,540)	(6)	"
	Zhongshan Voltronic Precision Inc.	The same parent company	Purchase	268,482	14	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	(418,877)	(17)	"
Zhongshan Voltronic Precision Inc.	Voltronic Power Technology (Shen Zhen) Corp.	The same parent company	(Sales)	(163,437)	(33)	Net 270 days from the end of the month of when invoice is issued	Note 2	Note 2	132,106	21	"
	Zhongshan Voltronic Power Electronics Limited	The same parent company	(Sales)	(268,482)	(54)	Net 270 days from the end of the month of when invoice is issued	Note 2	Note 2	418,877	67	"
Voltronic Power Technology (Vietnam) Company Limited	Potentia Technology Inc. Limited	The same parent company	(Sales)	(344,263)	(100)	Net 270 days from the end of the month of when invoice is issued	Note 2	Note 2	513,717	100	"
	Potentia Technology Inc. Limited	The same parent company	Purchase	206,437	98	Net 270 days from the end of the month of when invoice is issued	No identical item	30-90 days	(317,859)	(91)	"

Note 1: Above amounts present in New Taiwan dollars (NT\$). Foreign currency is converted into NT\$ as of March 31, 2024; the amount of income accounts are converted by average exchange rate into New Taiwan dollars (NT\$) as of 2024.

Note 2: There is no sales to unrelated parties.

Note 3: The amounts have been eliminated in the consolidated financial statements.

**TABLE 4**

**VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
MARCH 31, 2024  
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 2)	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
<u>Trade receivables</u> Potentia Technology Inc. Limited	Voltronic Power Technology	Parent company	\$ 9,957,897	1.32	\$ -	-	\$ 766,694	\$ -	Note 3
	Zhongshan Voltronic Power Electronics Limited	The same parent company	145,540	6.38	-	-	59,346	-	"
	Voltronic Power Technology (Vietnam) Company Limited	The same parent company	317,859	3.09	-	-	63,980	-	"
Voltronic Power Technology (Shen Zhen) Corp.	Voltronic Power Technology	Parent company	153,781	2.31	-	-	32,880	-	"
	Potentia Technology Inc. Limited	The same parent company	5,031,925	0.78	-	-	170,380	-	"
Zhongshan Voltronic Power Electronics Limited	Potentia Technology Inc. Limited	The same parent company	4,609,301	1.95	-	-	524,360	-	"
	Orchid Power (Shen Zhen) Manufacturing Company	The same parent company	229,037	1.61	-	-	40,538	-	"
Orchid Power (Shen Zhen) Manufacturing Company	Voltronic Power Technology (Shen Zhen) Corp.	The same parent company	105,889	1.68	-	-	6,439	-	"
Zhongshan Voltronic Precision Inc.	Zhongshan Voltronic Power Electronics Limited	The same parent company	418,877	2.57	-	-	111,758	-	"
	Voltronic Power Technology (Shen Zhen) Corp.		132,106	6.83	-	-	31,902	-	"
Voltronic Power Technology (Vietnam) Company Limited	Potentia Technology Inc. Limited	The same parent company	513,717	3.03	-	-	97,841	-	"

Note 1: Above amounts present in New Taiwan dollar (NT\$). Foreign currency is converted into NT\$; the exchange rate was US\$1=NT\$31.99, RMB1=NT\$4.5088 as of March 31, 2024.

Note 2: As of April 30, 2024.

Note 3: The amount was eliminated upon consolidation.

**TABLE 5**

**VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 5)	Payment Terms	% of Total Sales or Assets (Note 3)
1	Potentia Technology Inc. Limited	Voltronic Power Technology	2	Sales	\$ 3,154,988	Net 270 days from the end of the month of when invoice is issued	69
		Voltronic Power Technology	2	Trade receivables from related parties	9,957,897	Net 270 days from the end of the month of when invoice is issued	61
		Voltronic Power Technology (Shen Zhen) Corp.	3	Sales	162,030	Net 270 days from the end of the month of when invoice is issued	4
		Voltronic Power Technology (Shen Zhen) Corp.	3	Trade receivables from related parties	99,419	Net 270 days from the end of the month of when invoice is issued	1
		Orchid Power (Shen Zhen) Manufacturing Company	3	Sales	58,487	Net 270 days from the end of the month of when invoice is issued	1
		Orchid Power (Shen Zhen) Manufacturing Company	3	Trade receivables from related parties	36,513	Net 270 days from the end of the month of when invoice is issued	1
		Zhongshan Voltronic Power Electronics Limited	3	Sales	215,752	Net 270 days from the end of the month of when invoice is issued	5
		Zhongshan Voltronic Power Electronics Limited	3	Trade receivables from related parties	145,540	Net 270 days from the end of the month of when invoice is issued	1
		Voltronic Power Technology (Vietnam) Company Limited	3	Sales	206,437	Net 270 days from the end of the month of when invoice is issued	4
		Voltronic Power Technology (Vietnam) Company Limited	3	Trade receivables from related parties	317,859	Net 270 days from the end of the month of when invoice is issued	2
2	Voltronic Power Technology (Shen Zhen) Corp.	Voltronic Power Technology	2	Sales	87,782	Net 270 days from the end of the month of when invoice is issued	2
		Voltronic Power Technology	2	Trade receivables from related parties	153,781	Net 270 days from the end of the month of when invoice is issued	1
		Potentia Technology Inc. Limited	3	Sales	938,223	Net 270 days from the end of the month of when invoice is issued	20
		Potentia Technology Inc. Limited	3	Trade receivables from related parties	5,031,925	Net 270 days from the end of the month of when invoice is issued	31
3	Orchid Power (Shen Zhen) Manufacturing Company	Voltronic Power Technology (Vietnam) Company Limited	3	Sales	37,899	Net 270 days from the end of the month of when invoice is issued	1
		Voltronic Power Technology (Vietnam) Company Limited	3	Trade receivables from related parties	105,889	Net 270 days from the end of the month of when invoice is issued	1
		Zhongshan Voltronic Power Electronics Limited	3	Investments accounted for using equity method	2,000,909	Capital increase	12

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 5)	Payment Terms	% of Total Sales or Assets (Note 3)
4	Zhongshan Voltronic Power Electronics Limited	Voltronic Power Technology	2	Sales	\$ 39,119	Net 270 days from the end of the month of when invoice is issued	1
		Voltronic Power Technology	2	Trade receivables from related parties	82,886	Net 270 days from the end of the month of when invoice is issued	1
		Potentia Technology Inc. Limited	3	Sales	2,156,544	Net 270 days from the end of the month of when invoice is issued	47
		Potentia Technology Inc. Limited	3	Trade receivables from related parties	4,609,301	Net 270 days from the end of the month of when invoice is issued	28
		Orchid Power (Shen Zhen) Manufacturing Company	3	Sales	92,696	Net 270 days from the end of the month of when invoice is issued	2
		Orchid Power (Shen Zhen) Manufacturing Company	3	Trade receivables from related parties	229,037	Net 270 days from the end of the month of when invoice is issued	1
		Orchid Power (Shen Zhen) Manufacturing Company	3	Other receivables from related parties	450,739	Net 270 days from the end of the month of when invoice is issued	3
5	Zhongshan Voltronic Precision Inc.	Voltronic Power Technology (Shen Zhen) Corp.	3	Sales	163,437	Net 270 days from the end of the month of when invoice is issued	4
		Voltronic Power Technology (Shen Zhen) Corp.	3	Trade receivables from related parties	132,106	Net 270 days from the end of the month of when invoice is issued	1
		Orchid Power (Shen Zhen) Manufacturing Company	3	Sales	66,562	Net 270 days from the end of the month of when invoice is issued	1
		Orchid Power (Shen Zhen) Manufacturing Company	3	Trade receivables from related parties	76,149	Net 270 days from the end of the month of when invoice is issued	1
		Zhongshan Voltronic Power Electronics Limited	3	Sales	268,482	Net 270 days from the end of the month of when invoice is issued	6
		Zhongshan Voltronic Power Electronics Limited	3	Trade receivables from related parties	418,877	Net 270 days from the end of the month of when invoice is issued	3
6	Voltronic Power Technology (Vietnam) Company Limited	Potentia Technology Inc. Limited	3	Sales	344,263	Net 270 days from the end of the month of when invoice is issued	7
		Potentia Technology Inc. Limited	3	Trade receivables from related parties	513,717	Net 270 days from the end of the month of when invoice is issued	3

Note 1: Intercompany transactions information between parent company and subsidiaries are noted within the number column as follows:

- “0” for the parent company.
- Subsidiaries are numbered from “1”.

Note 2: Parties involved in the transaction have a directional relationship noted by the following:

- “1” represents transactions from parent company to subsidiaries.
- “2” represents transactions from subsidiaries to parent company.
- “3” represents transactions between subsidiaries.

Note 3: The amounts of asset account and liability account are calculated as a percentage of the consolidated total assets. The amounts of income account are calculated as a percentage of the consolidated total sales.

(Continued)

Note 4: Above amounts present in New Taiwan dollar (NT\$). Foreign currency is concerted into NT\$ as of March 31, 2024, the amount of income accounts are converted by average exchange rate into New Taiwan dollar (NT\$) as of the first quarter.

Note 5: The main transaction only expense unidirectical transactions information between intercompany relationship, and the amount was eliminated upon consolidation.

(Concluded)



TABLE 6

VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(In Thousands of New Taiwan Dollars and Foreign Currencies, and Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 2)	Note
				March 31, 2024	December 31, 2023	Number of Stock (Shares)	%	Carrying Value			
Voltronic Power Technology	Voltronic International Corp.	Anguilla	Investment activities	\$ 888,285 (US\$ 28,000)	\$ 888,285 (US\$ 28,000)	28,000	100	\$ 11,004,212	\$ 377,495	\$ 377,230	Notes 1, 2 and 3
	Voltronic Power Technology (Vietnam) Company Limited	Bac Ninh Province, Vietnam	Design, manufacture and sale of UPS and inverters	30,945 (US\$ 1,000)	30,945 (US\$ 1,000)	-	100	414,609	72,853	72,853	Notes 1, 2 and 4
Voltronic International Corp.	Potentia Technology Inc. Limited	Hong Kong	Sale of uninterruptible power systems (UPS) and inverters	-	-	-	100	28,255	3,829	3,829	Notes 1 and 2
	Voltronic International H.K. Corp. Limited	Hong Kong	Investment activities	888,285 (US\$ 28,000)	888,285 (US\$ 28,000)	217,240	100	10,981,181	373,666	373,666	Notes 1 and 2

Note 1: Based on reviewed financial statements.

Note 2: The amount of subsidiary was eliminated upon consolidation.

Note 3: The gain and loss of net amount of investment which recognized in the current period is the reversal of unrealized gain of the previous upstream transaction of \$1,160 thousand and the deduction of unrealized gain of upstream transaction of the current period of \$1,683 thousand and the addition of realized disposition of property, plant and equipment benefit of \$258 thousand in the sidestream transaction.

Note 4: This company is a “limited company” without stock issuance.

Note 5: For information of investments in mainland China, refer to Table 7.

VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(In Thousands of New Taiwan Dollars and Foreign Currencies)

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period and repatriations of investment income in the mainland China area:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 3)	Carrying Amount as of March 31, 2024 (Notes 2 and 3)	Accumulated Repatriation of Investment Income as of March 31, 2024
					Outflow	Inflow						
Voltronic Power Technology (Shen Zhen) Corp.	Design, manufacture and sale of UPS and inverters	\$ 64,630 (US\$ 2,000)	b.	\$ 64,630 (US\$ 2,000)	\$ -	\$ -	\$ 64,630 (US\$ 2,000)	\$ (14,717)	100	\$ (14,717)	\$ 4,842,017	\$ -
Orchid Power (Shen Zhen) Manufacturing Company	Design, manufacture and sale of UPS and inverters	30,027 (US\$ 1,000)	b.	30,027 (US\$ 1,000)	-	-	30,027 (US\$ 1,000)	170,324	100	170,324	4,545,134	-
Zhongshan Voltronic Power Electronics Limited	Design, manufacture and sale of UPS and inverters	2,794,537 (US\$ 25,000) (RMB 450,000)	b.	793,628 (US\$ 25,000)	-	-	793,628 (US\$ 25,000)	218,059	100	218,059	5,896,607	-
Zhongshan Voltronic Precision Inc.	Design, manufacture and sale of UPS and inverters related components	250,401 (RMB 56,000)	c.	-	-	-	-	30,981	100	30,981	390,127	-

2. Limit on the amount of investment in the mainland China area:

Accumulated Outflow Remittance for Investment in Mainland China as of March 31, 2024	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 888,285 (Note 4) (US\$ 28,000)	\$ 888,285 (Note 4) (US\$ 28,000)	\$ 5,679,722

Note 1: Investment methods are classified into the following three categories:

- a. Directly invest in a company in mainland China.
- b. Through investing in the third area, which then invested in the investee in mainland China.
- c. Other methods.

Note 2: The investment gain or loss and the carrying amount as of March 31, 2024:

The Company invested Zhongshan Voltronic Power Technology (Shen Zhen) Corp., Orchid Power (Shen Zhen) Manufacturing Company and Zhongshan Voltronic Power Electronics Limited through its subsidiary, Voltronic International H.K. Corp. Limited and recognized net income and book value of investee, Zhongshan Voltronic Precision Inc. through subsidiary Zhongshan Voltronic Power Electronics Limited as of March 31, 2024.

Note 3: The amount was calculated based on the financial statements which were audited and attested by certified public accounts engaged by Taiwan’s parent company.

Note 4: The amount was calculated by the actual outflow exchange rate from the each times.

Note 5: The amount was eliminated upon consolidation.

VOLTRONIC POWER TECHNOLOGY CORP. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(In Thousands of New Taiwan Dollars)

a. There were the amounts and percentages of purchases, also the amounts and percentages displayed at the end of the period of the related payables.

Investee Company	Transaction Type	Purchase/Sale		Transaction Details			Notes/Accounts Receivable (Payable)		Unrealized Gain
		Amount	%	Price	Payment Terms	Comparison with Normal Transactions	Ending Balance	%	
Voltronic Power Technology (Shen Zhen) Corp.	Purchase	\$ 973,459	30	Set by agreement of both parties	Net 270 days from the end of the month of when invoice is issued	No identical item	\$ (2,702,913)	(26)	\$ 1,683
Zhongshan Voltronic Power Electronics Limited	Purchase	1,963,917	60	Set by agreement of both parties	Net 270 days from the end of the month of when invoice is issued	No identical item	(7,137,369)	(70)	-

b. There were the amounts and percentages of the sales, also the amounts and percentages displayed in the ending balance of the related receivables: None.

c. The amount and percentage of sales and the amount of the resultant gains or losses: None.

d. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purpose: None.

e. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None.

f. Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None.

**TABLE 9****VOLTRONIC POWER TECHNOLOGY CORP.****INFORMATION OF MAJOR SHAREHOLDERS****MARCH 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Juor-Ming Hsieh	8,372,166	9.54

Note 1: On the last business day as of quarter-end, Taiwan Depository & Clearing Company calculated the major shareholders' information, the delivered and dematerialized registration common share and preferred share more than 5 % of the Company. The share capital recorded in the Company's financial report and the actual number of the delivered and dematerialized registration securities amount may be different due to the different preparation and calculation basis.

Note 2: The above information, if the shareholder delivers the shares to the trust will be disclosed by the trustee's trust account to reveal the individual settlor. As for shareholders' declaration in accordance with the Securities and Exchange Act, shareholder holds more than 10% of insider equity holdings, includes their shareholdings and delivered to the trust which they have the power to decide how to allocate trust property. The insider equity holdings' declaration and related information, please refer to the Market Observation Post System website of the Taiwan Stock Exchange.