

Stock Code:3323



加百裕工業股份有限公司

Celxpert Energy Corporation

2023

ANNUAL REPORT

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Annual report inquiry website: <http://mops.twse.com.tw>

Company website: <http://www.celxpert.com.tw>

Printed on April 15th, 2024

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IV. The Signing Certified Public Accountant and Accounting Firm for the Most
Recent Annual Financial Report:

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V. Exchange for trading listed overseas securities: None

Methods for accessing the information on these securities: None.

VI. Company Website: <http://www.celxpert.com.tw>

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I. Letter to Shareholders

Dear shareholders:

First of all, thank you for attending the 2024 Annual General Meeting of our company.

We would like to report on the operating results for the year 2023 and the business outlook for the year 2024 as follows:

A. Annual Business Result of 2023

1. Business plan implementation results

For 2023, our consolidated revenue was NT\$7.203 billion, compared to NT\$11.099 billion in 2022, reflecting a decline of 35.1%. It was a challenging year for us in 2023. The notebook industry saw the end of pandemic-related benefits, leading to customer inventory adjustments that continued to impact shipment momentum. Moreover, the ongoing Russia-Ukraine conflict and global economic challenges such as inflation and high interest rates have persistently subdued end-demand, affecting our overall revenue.

- (1) Notebook Battery Modules: Mainly affected by global economic weakness and a soft NB market, with slow customer inventory clearance and delayed production schedules for new models resulting in reduced revenue.
- (2) Network Communication Product Battery Modules: Due to inflation, interest rate hikes, quantitative tightening, and weak consumer markets, customers focused on inventory clearance in 2023, impacting the uptake of battery components.
- (3) Power Tools and Horticultural Product Battery Packs: With the ongoing Ukraine-Russia conflict and poor economic conditions in Europe and America, demand has decreased, and customer inventory levels remain high, with ongoing inventory consumption.
- (4) Electric-Assist Bicycles: Market demand has declined, and dealers and retailers continue to have high inventory levels, impacting revenue performance. Market recovery to pre-pandemic levels is anticipated in Q3 2024.
- (5) Energy Storage: Market demand has been less severely affected by macroeconomic factors. To meet market demand, we have been progressively fulfilling orders, resulting in gradual revenue growth.

2. Budget implementation

The Company has not announced the financial forecast for 2023.

3. Financial balance and profit analysis

- (1) The consolidated operating status of 2023 is as below:

Unit: NT thousand

Item	Year 2023	Year 2022
Net operating income	7,203,544	11,099,590
Operating cost	6,737,195	10,103,023
Operating profit	466,349	996,567
Operating expenses	664,549	809,437
Operating profit	-198,200	187,130
Total non-operating income and expenditure	-103,249	102,082
Net profit before tax	-304,449	289,212
Income tax expense	-31,637	68,667
net profit after tax	-269,812	220,545
Earnings per share (NT\$)	-3.27	2.75

- (2) Financial revenue and expenditure and profitability analysis

Item	Year 2023	Year 2022
Return on assets %	-3.61%	3.52%
Return on equity %	-10.64%	8.66%

Net operating profit as a percentage of paid-in capital %	-22.44%	23.30%
Net profit before tax as a percentage of paid-in capital %	-34.13%	36.01%
Profit rate %	-3.74%	1.98%

4. Research development status

Research and Development Expenditures and Achievements in the Last Three Years :

Year	Cost (Thousands of New Taiwan Dollars)	Successfully Developed Technology or Product
2021	239,052	1. Battery Cell Positive and Negative Terminal Automatic Optical Identification System 2. Spot Welding Servo Pressure Control System 3. Battery Pack BLE Bluetooth Communication Technology 4. K1 Lithium-Ion Battery SOC Algorithm for Normal and High Temperature Region 5. Lithium-Ion Battery Buck and Boost Charging Technology 6. Battery Pack Structural Shock and Vibration Simulation Technology
2022	232,941	1. BBU ORing Short Circuit Protection Technology 2. BBU ORV3 System Technology 3. MOLDEX Mold Flow Analysis Technology 4. E-Bike Dual Battery System Technology 5. K1 Lithium-Ion Battery SOC Algorithm for Low Temperature Region 6. Battery Pack Remote Firmware Update Technology 7. Lithium-ion Battery 2-Pulse SOH Algorithm
2023	205,235	1. Upgrade of Battery Pack Diagnostic Tools 2. Implementation of Time-Stamped Event Log Functionality 3. Development of EMS System for Energy Storage Containers 4. BV Safety Certification for Energy Storage Containers 5. RSOC Smooth Mechanism 6. ESS APP Monitor Software 7. ESS Web Based Monitor Software 8. BBU Battery with Charger and Discharger

B. Summary of 2024 business plan

Looking forward to year 2024, the team will continue to cooperate with the existing customer base to carry out various product applications. In addition to development, we are also actively expanding battery pack products in other fields such as electric tools, electric vehicles, and energy storage applications.

The summary of the 2024 business plan is as follows:

- (1) Business and important production and marketing policies
 1. In addition to strengthening existing customer service, strive for product diversification to increase non-3C product portfolio items and increase the proportion of niche products.
 2. Continue to invest in the research and development of new technologies and new products. Expand new customers.
 3. Improve the intensity of the automated process and the efficiency of production capacity to reduce the impact of manpower demand and shortage.
 4. Strengthen inventory and quality control, strengthen cooperation with development suppliers, and ensure cost-effective management.
 5. The ongoing trade friction between China and the United States has caused geopolitics to heat up, we will continue to adjust production bases to meet customer needs.

(2) Expected sales volume and its basis

Looking back on 2023, due to the impact of the Russo-Ukrainian war, inflation has remained high, resulting in the overall economic weaken and end market demand was sluggish.

Looking forward to 2024, as the pandemic-related benefits wane, product demand is becoming more conservative due to ongoing customer inventory adjustments, impacting shipment momentum. Given the decline in NB-related product performance last year, the Company has revamped our NB business strategy. Besides aggressively pursuing major NB brand manufacturers, we have also ventured into the industrial notebook sector to broaden our NB customer base, expecting a gradual revenue rebound in NB-related products this year.

Despite operating at a trough in 2023, the Company has reaped significant rewards in non-NB products that have been strategically planned for years. In the networking business segment, our new security battery products have obtained certification from a prominent American security brand. Shipments of high-end security battery products commenced in the fourth quarter of 2023, with opportunities this year to penetrate lower-tier products of this brand. Additionally, we have secured orders for 5G base station battery packs from telecommunications companies in Taiwan and Vietnam. Regarding the server BBU, the Company is actively pursuing customer certifications. With contributions from new customers and products, we anticipate growth in revenue from networking-related battery products compared to last year. In the electric bicycle sector, market conditions were unfavorable last year, resulting in lower-than-expected overall shipments. After more than a year of market adjustments, we expect inventory levels to gradually normalize this year. Furthermore, we have secured an order from another leading American electric bicycle brand, and significant shipments of electric bicycle battery modules are expected to commence in the latter half of this year. In the energy storage sector, leveraging our core battery management system technology and extensive experience in lithium battery design and assembly, we have closely collaborated with system integrators to develop three categories of energy storage products: small-scale, residential, industrial, and grid-scale energy storage solutions (MWh~kWh). Large-scale energy storage equipment primarily targets the Taiwan market and has already secured orders from major manufacturing companies in Taiwan. We are also aggressively entering the residential energy storage market in Europe and America while expanding into the charging pile battery domain. Energy storage products are expected to be a significant driver of operational growth for the company this year.

C. Future company development strategy

1. Actively develop products and new customers in new application fields, expand business scale and profitability.
2. Implement exclusive customer services for existing customers and strengthen patent and technical cooperation levels to obtain customer trust and then increase the proportion of orders placed with the Company.
3. Strengthen the design of automated production lines and fixtures to improve production efficiency and performance.
4. In line with the development trend of the green energy industry, develop energy storage and apply related products.
5. Strengthen the research and development of power batteries and energy storage application systems.

D. Impact of the external competitive environment, regulatory environment and overall business environment

1. The technical capability of China counterparts in 3C products has improved, and the pressure of competition is high.
2. Actively strengthen the supply chain of raw materials to solve the problem of shortage of spare parts in the future.
3. The cost of direct labor in China continues to rise rapidly due to the impact of the epidemic.
4. In the face of climate change and net-zero carbon emission regulations, strengthen the countermeasures.
5. The global tax reform and the new tax system will affect the competitiveness of enterprises.
6. The smart home and Internet of Things industries are expected to bring business opportunities for Netcom.
7. The awareness of environmental protection is rising, and the demand and sales volume of the energy storage industry are increasing.

Chairman: Shih-Ming Huang

II. Company Profile

2.1 Date of Incorporation

1. Establishment date: November 20, 1997

2. Address and phone numbers of the headquarters, branches, and factories:

Headquarters: No.128, Gongwu Rd., Longtan Dist., Taoyuan City, Taiwan

Phone: (03) 489-9054

Fax: (03) 489-7320

Factory: No.128, Gongwu Rd., Longtan Dist., Taoyuan City, Taiwan

Phone: (03) 489-9054

Fax: (03) 489-7320

2.2 Company History

- | | | |
|------|-------|---|
| 1997 | Nov. | Investment established Celxpert Energy Corporation with a registered capital of NT\$13,587 thousands and a paid-in capital of NT\$13,587 thousands. |
| 1998 | May | The company began operating after obtaining its business registration certificate. |
| 1999 | Jan. | The shareholders' meeting resolved to increase the capital by NT\$27,912 thousands in cash. The registered capital was increased to NT\$52,550 thousands, and the paid-in capital was increased to NT\$41,499 thousands. |
| 2000 | Mar. | The shareholders' meeting resolved to increase the capital by NT\$11,051 thousands in cash. The registered capital was increased to NT\$52,550 thousands, and the paid-in capital was increased to NT\$52,550 thousands. |
| 2000 | Jul. | The company fully introduced e-management processes such as WorkFlowERP and Notes. The shareholders' meeting resolved to increase the capital by NT\$25,536 thousands in cash. The registered capital was increased to NT\$139,000 thousands, and the paid-in capital was increased to NT\$78,086 thousands. |
| | Sept. | The Investment Commission approved the company's investment in Celxpert Holdings Ltd. (BVI) in the British Virgin Islands, for a total of US\$1.5 million in cash and US\$0.4 million in machinery and equipment, both as capital, to indirectly invest in Mainland China's Celxpert Energy Corporation (Kunshan), which is engaged in the production and sales of parts for primary batteries and battery packs, as well as telecommunication devices. |
| | Dec. | The company was approved to be promoted to a bonded factory. |
| 2001 | Feb. | The company leased about 50 mu of land use rights for 50 years in Kunshan High-Tech Park in Mainland China. |
| | Sept. | The company obtained UL, CE, and TUV factory certifications. |
| | Oct. | The company independently developed and designed battery packs and began mass producing and shipping them to Compal Electronics, Inc.. |
| | Dec. | The shareholders' meeting resolved to increase the capital by NT\$4,626 thousands in cash. The registered capital was increased to NT\$139,000 thousands, and the paid-in capital was increased to NT\$82,712 thousands. |
| 2002 | Feb. | The company expanded its production lines to 11 in order to improve product efficiency and respond to customer orders. |
| | Mar. | The shareholders' meeting resolved to increase the capital by NT\$22,289 thousands in cash. The registered capital was increased to NT\$139,000 thousands, and the paid-in capital was increased to NT\$105,000 thousands. |
| | May | The construction of a 1,500-ping factory in Kunshan High-Tech Park in Mainland China was completed. |
| 2003 | Jan. | The company obtained BVQi and ISO9001 2000 certification. |
| | Apr. | The company obtained Nemko factory certification. |
| | Jun. | The shareholders' meeting resolved to increase the capital by NT\$95,000 thousands in cash. The registered capital was increased to NT\$200,000 thousands, and the paid-in capital was increased to NT\$200,000 thousands. |
| | Aug. | The Securities and Futures Commission approved the company to be a publicly traded company. |
| 2004 | Apr. | Celxpert Energy Corporation (Kunshan) began mass production. |
| | May | The shareholders' meeting approved the application for listing on the over-the-counter market. |
| | Jun. | Listing on the OTC market. |
| | Jul. | In the year 2003, the company handled earnings, employee, and shareholder dividends, with a paid-up capital of NT\$256,036 thousands.
The company purchased about 2810.1 square meters of land on Gongwu Road for future plant construction. |
| | Aug. | The company conducted a cash capital increase of NT\$40,000 thousands with a paid-up capital of NT\$296,036 thousands. |
| | Sept. | The Investment Commission approved the company's investment in Celxpert Holdings Ltd. (BVI) in the British Virgin Islands for USD 2 million, as indirect investment in mainland China Celxpert Energy Corporation (Kunshan) |
| 2005 | Sept. | The company conducted a capital increase through retained earnings and capital surplus of NT\$84,341 thousands, with a paid-up capital of NT\$380,377 thousands. |

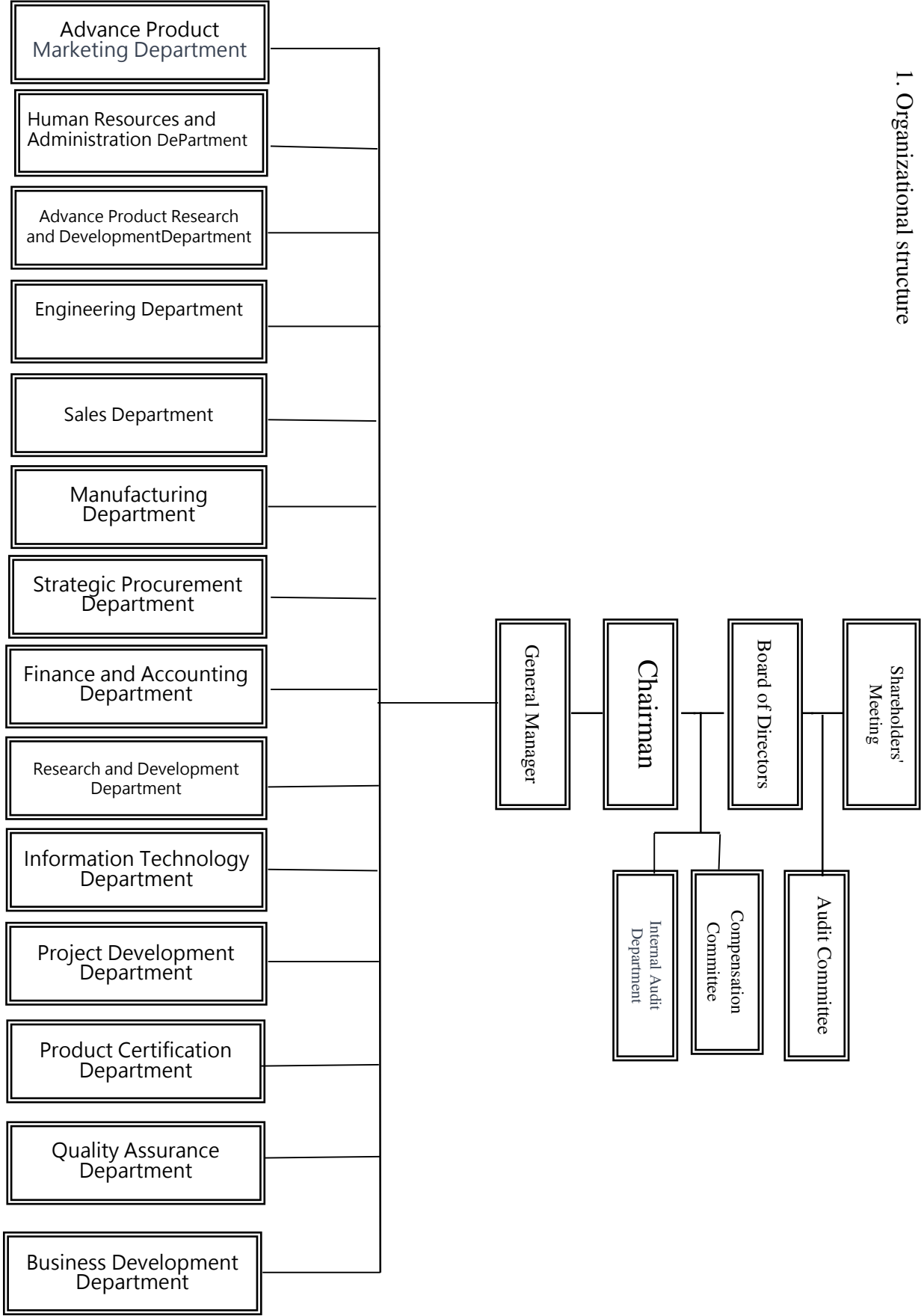
2006	Mar.	The company also conducted a cash capital increase of NT\$49,000 thousands, with a paid-up capital of NT\$429,377 thousands.
	Jun.	The construction of the new plant on Gongwu Road was completed.
	Oct.	The company conducted a capital increase through retained earnings of NT\$97,749 thousands, with a paid-up capital of NT\$527,126 thousands.
2007	May	The company was approved by the competent authority for stock trading on the OTC market.
	Jun.	The company's stock was officially listed for trading on the OTC market.
	Jul.	The company conducted a cash capital increase of NT\$100,000 thousands, with a total paid-up capital of NT\$627,125 thousands.
	Aug.	The company also conducted a capital increase through retained earnings of NT\$115,559 thousands, with a total paid-up capital of NT\$742,685 thousands.
2008	May	The company issued NT\$1 billion of unsecured convertible bonds domestically.
	Aug.	The investment structure of the indirect investment in mainland China's Celxpert Energy Corporation (Kunshan), was changed from direct investment to indirect investment through Celxpert Holdings Ltd. in the British Virgin Islands and further investment in Celxpert Energy (H.K.) Corporation in Hong Kong, and then indirect investment in mainland China's Celxpert Energy Corporation (Kunshan).
	Aug.	The company conducted a capital increase through retained earnings of NT\$103,868 thousands, with a total paid-up capital of NT\$846,553 thousands.
	Sept.	The SAP system project was implemented.
	Dec.	The company passed the CG6004 corporate governance system certification.
2009	Apr.	The SAP system was fully launched.
	Jul.	The company conducted a capital increase through retained earnings of NT\$50,480 thousands, with a total paid-up capital of NT\$897,033 thousands.
	Oct.	The Ministry of Economic Affairs has approved the conversion of convertible corporate bonds into 11,981 thousand shares with a total paid-in capital of NT\$909,014 thousands.
	Nov.	The Investment Commission has approved an indirect investment of US\$9,000 thousands in Kunshan, Jiangsu Province, mainland China, through Celxpert Energy Corporation (Kunshan)
2010	Jan.	The Ministry of Economic Affairs has approved the conversion of convertible corporate bonds into 44,127 thousand shares with a total paid-in capital of NT\$953,141 thousands.
	Apr.	The Ministry of Economic Affairs has approved the conversion of convertible corporate bonds into 25,000 thousand shares with a total paid-in capital of NT\$978,141 thousands.
	Jul.	The Investment Commission has approved an indirect capital increase of US\$9,000 thousands in Kunshan, Jiangsu Province, mainland China, through Celxpert Energy Corporation (Kunshan)
	Jul.	The Ministry of Economic Affairs has approved the conversion of convertible corporate bonds into 1,415 thousand shares with a total paid-in capital of NT\$979,556 thousands.
	Aug.	The retained earnings will be converted into capital increase of 48,136 thousand with a total paid-in capital of NT\$1,027,692 thousands.
	Oct.	The Ministry of Economic Affairs has approved the conversion of convertible corporate bonds into 45,857 thousand shares with a total paid-in capital of NT\$1,073,548 thousands.
2011	Jan.	The Ministry of Economic Affairs has approved the conversion of convertible corporate bonds into 11,381 thousand shares with a total paid-in capital of NT\$1,084,929 thousands.
	Apr.	The Ministry of Economic Affairs has approved the cancellation of 5,420 thousand treasury shares with a total paid-in capital of NT\$1,079,509 thousands.
2011	Sept.	The Ministry of Economic Affairs has approved the cancellation of 10,000 thousand treasury shares with a total paid-in capital of NT\$1,069,509 thousands.
2011	Nov.	The Ministry of Economic Affairs has approved the cancellation of 50,000 thousand treasury shares with a total paid-in capital of NT\$1,019,509 thousands.
2012	Mar.	The Ministry of Economic Affairs has approved the cancellation of 29,610 thousand treasury shares with a total paid-in capital of NT\$989,899 thousands.
2012	Sept.	The Investment Commission has approved the revocation of the investment in Celxpert Energy Corporation (Kunshan) in mainland China, with a liquidation capital of US\$9,000 thousands.
2013	May	The first unsecured convertible corporate bonds to mature in the domestic market will be delisted.
2014	Sept.	The Ministry of Economic Affairs has approved the cancellation of 40,000 thousand treasury shares with a total paid-in capital of NT\$949,899 thousands.
2015	Nov.	The Ministry of Economic Affairs has approved the cancellation of 46,900 thousand treasury shares with a total paid-in capital of NT\$902,999 thousands.
2016	Jul.	The second unsecured convertible corporate bonds to mature in the domestic market will be delisted.
	Aug.	The Ministry of Economic Affairs has approved the cancellation of 35,000 thousand treasury shares with a total paid-in capital of NT\$867,999 thousands.
2017	Nov.	The board of directors has approved an investment of US\$1,215 thousands in Indonesia.
2018	Mar.	The Indonesian subsidiary held a pre-production opening ceremony at the Subang plant.
2018	Nov.	The board of directors has approved the acquisition of 100% equity of KEELGOAL ENERGY CO., LTD.
2019	Mar.	The Ministry of Economic Affairs has approved the cancellation of 10,970 thousand treasury shares with a total paid-in capital of NT\$857,029 thousands.
2019	Aug.	The Ministry of Economic Affairs approved the cancellation of treasury stocks worth NT\$23,970 thousands, bringing the total paid-in capital to NT\$833,059 thousands.

2020 Sept.	The Ministry of Economic Affairs approved the cancellation of treasury stocks worth NT\$30,000 thousands, bringing the total paid-in capital to NT\$803,059 thousands.
2020 Nov.	The board of directors approved an investment of US\$10,000 thousands in Nantong, Jiangsu Province.
2020 Dec.	The Investment Commission approved an indirect investment in Jiangsu Province, mainland China, through an overseas company in Celxpert Energy Corporation (Nantong), with an investment amount of US\$10,000 thousands.
2021 Nov.	The board of directors approved a cash capital increase of NT\$20,000 thousands for its subsidiary Reten Energy Co., Ltd.
Nov.	Application was made to join the Science-Based Targets initiative (SBTi) and signed a commitment letter.
2022 Mar.	The board of directors approved the subsidiary KEELGOAL ENERGY CO., LTD. to change its corporate organization to KEELGOAL ENERGY CO., LTD.
May	The board of directors approved a capital reduction of NT\$69,500 thousands and a cash capital increase of NT\$100,000 thousands to make up for losses for its subsidiary KEELGOAL ENERGY CO., LTD.
Jul.	The Longtan factory passed the organization-based greenhouse gas verification of ISO 14064-1.
Sept.	The Kunshan factory passed the organization-based greenhouse gas verification of ISO 14064-1.
2023 Feb.	In the CDP 2022 assessment by the international non-profit organization, the company was awarded a "B" rating in the "Climate Change" category.
Mar.	The electric-assisted bicycle battery module is the first in Taiwan to be verified by the German TÜV Rheinland Carbon Footprint ISO14067.
Mar.	In the CDP 2022 assessment by the international non-profit organization, the company's "Supplier Engagement Rating (SER) score" was assessed as "A-".
Nov.	Celxpert has obtained SBTi (Science Based Target Initiative) verification, taking an important step toward sustainable net zero.

III. Corporate Governance Report

3.1 Organization

1. Organizational structure



2. Business of Each Major Department

Department	Main Responsibilities
General Manager	1. The general manager carries out the resolutions of the board of directors under the direction of the chairman and supervises the business operations of each department of the company. 2. In charge of evaluating the company's operational goals and performance.
Internal Audit Department	1. Establishment, revision, and review of the company's internal control and internal audit systems. 2. Promotion of audits and follow-up improvement in each department, as well as execution of the company's self-assessment operations.
Sales Department	1. Develop annual sales and gross profit targets for products. 2. Grasp market, competitor, and market information, and review sales and business results. 3. Develop the optimal sales price, cost, and profit for the product models. 4. Responsible for tracking issues between volume production and EOL for products. 5. Manage quotation information and coordinate after-sales service. 6. Supervise and maintain quality objectives and customer satisfaction. 7. Manage inventory and A/R numbers to reduce risk and minimize losses. 8. Manage orders and shipments. 9. Maintain good relationships with existing customers and develop promotion strategies for new customers.
Advance Product Marketing Department	1. Identify target markets based on market information, secure key customers, develop business, and assist in planning the company's future business plans and development directions. 2. Grasp market, competitor, and market information, review sales and business results, and achieve sales and gross profit goals. 3. Responsible for developing sales strategies and gross profit targets for new products. 4. Supervise and track the maintenance of new product quality objectives, continuously improve customer satisfaction, and maintain good customer relationships. 5. Plan and execute exhibitions. 6. Responsible for new product project evaluation and management.
Project Development Department	1. Review and coordinate the design of new projects (internally and with clients). 2. Plan, schedule, and coordinate the development of new products from prototype to mass production. 3. Control and manage changes during the new product development stage. 4. Organize and archive project files. 5. Handle customer requests for design changes after production. 6. Manage product development schedules and processes. 7. RFQ technical and cost evaluation. 8. Coordinate with customer RFQ/QTR/QBR related departments. 9. Manage product costs and cost reduction. 10. Observe and analyze market and technology trends. 11. Integrate cross-functional issues and topics.
Product Certification Department	1. Battery safety evaluation, application, and certification procedures. 2. Evaluate and apply for product safety project costs. 3. Assist clients with safety regulations and problem response. 4. Evaluate laboratory equipment energy and testing capabilities. 5. Conduct internal safety testing. 6. Evaluate new battery factory development. 7. Evaluate and certify power cell specifications. 8. Establish and maintain battery inspection standards. 9. Conduct reverse engineering and structural analysis of batteries. 10. Coordinate UL, ETL, and TISI factory inspections. 11. Organize the HSF promotion team structure and responsibilities.
Strategic Procurement Department	1. Manage procurement plans and execution operations. 2. Select and manage suppliers, expand second source development and search. 3. Effectively control procurement costs. 4. Control incoming material delivery dates. 5. Control material obsolescence risk and disposal mechanism.
Quality Assurance Department	1. Plan and maintain the internal audit of quality/environmental/HSPM (ISO 9001/14001/QC 080000) systems. 2. Participate in new product projects and kickoff meetings. 3. Organize RMA return quantity and data analysis, issue feedback design, and process improvement. 4. Develop and revise various quality inspection standards and procedural documents. 5. Evaluate and manage new suppliers.

Department	Main Responsibilities
	6. Implement and certify the company's ISO quality system. 7. Investigate and report on new battery cell technology. 8. Certify and evaluate battery cell technology. 9. Manage green products (GP) and conflict mineral management. 10. Statistically analyze external failure costs of customer complaints. 11. Handle customer complaints and conduct risk assessment.
Research and Development Department	1. Responsible for the design, development, validation, and production of new product molds. 2. Responsible for the trial production and improvement of various products, and assisting in the production of customer approval documents for new products. 3. Responsible for creating and issuing material combination tables, technical documents, and customer approval documents for new products. 4. Responsible for the design, development, validation, and creation of test standards for new product electronic circuits.
Manufacturing Department	1. Responsible for the manufacturing and management of products, as well as the control and handling of non-conforming products during the production process. 2. Planning and optimizing production costs and capacity efficiency. 3. Ensuring arrangements for the transportation, storage, packaging, and delivery of finished and semi-finished products. 4. Supervising production progress, efficiency, and defect rates. 5. Arranging production plans and controlling and managing production progress. 6. Handling inventory management, packaging, shipping, and inventory counting. 7. Handling defective and scrapped products. 8. Annual customs inventory and scrap procedures. 9. Managing bonded warehouse accounting.
Engineering Department	1. Optimizing Taiwan production lines, improving yield rates, and enhancing process capabilities. 2. Conducting EP testing and preparing jigs for 3C products. 3. Developing, testing, and introducing various related work for power products. 4. Evaluating, testing, and improving various welding processes. 5. Assisting in supporting and resolving technical problems related to plant processes. 6. Evaluating, planning, and introducing new process technologies and equipment. 7. Confirming whether auxiliary materials required for procurement meet HSF requirements.
Advance Product Research and Development Department	1. Conducting technical research and development for power battery and energy storage battery modules. 2. Evaluating new product project technology, manpower, equipment, development platforms, and MCU selection. 3. Responsible for the design, development, validation, and creation of test standards for new product electronic circuits. 4. Conducting technical research and reporting on new product function validation and test standards.
Finance and Accounting Department	1. Utilization and management of short- and long-term funds. 2. Establishment of investment processing and financial systems. 3. Execution of financing and loan operations, as well as payment operations. 4. Establishment, implementation, and revision of accounting systems. 5. Summary, control, and analysis of results of annual budget execution. 6. Review of various original vouchers, compilation of management reports, and management of tax operations. 7. Processing of matters related to the board of directors, shareholders' meetings, and share operations. 8. Maintenance of investor relations.
Information Technology Department	1. Responsible for developing or implementing plans related to the development of various information systems, education and training, and maintenance work for the company. 2. Management of customized program development and maintenance for systems. 3. Planning of office automation and communication system operations. 4. Evaluating the company's need for information technology and proposing improvement plans. 5. Constructing computer information systems to ensure data security and perform damage repair. 6. Ensuring the smooth operation of information equipment in each department, analyzing workflow, and scheduling operations. 7. Ensuring the company's system information security and compliance with relevant intellectual property laws and regulations. 8. Handling IT department-related work items/significant matters/exception handling.

Department	Main Responsibilities
Human Resources and Administration Department	1. Management of general affairs and miscellaneous affairs. 2. Management and formulation of operating procedures related to fixed assets. 3. Employee recruitment, insurance, salary management, and personnel education and training. 4. Management, design, and revision of various personnel management regulations and reward and punishment systems. 5. Coordination and implementation of ESG-related projects/compilation of corporate sustainability reports/tracking of energy-saving and emission reduction/planning and implementation of social public welfare activities. 6. Formulation of corporate human resources policies, assistance in the development of company talents, and enhancement of corporate image. 7. Planning and execution of greenhouse gas carbon inventory projects.
Business Development Department	1. Developing new customers in target industries and grasping sustainable new projects with future development potential. 2. Grasping competitor information and collecting market intelligence. 3. Quoting, developing, mass producing, and managing the entire lifecycle of design changes until EOL (end-of-life) and grasping project information. 4. Planning and coordinating target market exhibitions.

3.2 Directors, Supervisors and Management Team

1. Director Information

April 17, 2023

Title	Name	Gender/ Age	Nationality or place of registration	Date of appointment to position	Date of election (appoint- ment)	Term of office	Held shares at the time of election (appointment)		Current shareholding		Shares held by spouse and minor children		Holding of shares in the name of others		Main educational and career background	Current positions held in other companies	Manager with spouse or relatives within two degrees of relationship			Notes
							Number of shares held	Shareho- lding ratio	Number of shares held	Sharehol- ding ratio	Number of shares held	Shareh- olding ratio	Number of shares held	Sharehol- ding ratio			Title	Name	Relati- onshi- p	
Chairman of the Board	Shih-Ming Huang (Note 1)	Male 71~80	R.O.C.	1997.11	2021.07.05	3 years	3,222,194	4.01%	3,186,194	3.61%	—	—	1,289,657	1.46%	- Master of Electrical Engineering, Georgia Institute of Technology, USA - General Manager, AUDIX CORPORATION - Engineering Manager, Purchasing Manager, and Deputy Director of Business, Compal Electronics, Inc.	- General Manager, this company - Chairman, Celpert Holdings Ltd. (BVI) - Director, PT.Celpert Energy Indonesia - Chairman, Celpert Energy (H.K.) Ltd. - Chairman, Advance Smart Industrial Ltd. (BVI) - Chairman, Celpert(Kunshan)Energy Co.,Ltd - Legal Representative of KEELGOAL ENERGY CO., LTD. - Chairman, Celpert Energy Corporation (Changchun)	Director	Ching-Jung Huang	Second-degree relatives	None
Director	Yung-Tsai Chen	Male 61~70	R.O.C.	1997.11	2021.07.05	3 years	1,334,484	1.66%	1,334,484	1.51%	—	—	—	—	- Master of Business Management, College of Engineering, Tatung University - General Manager, UBP ASSET MANAGEMENT TAIWAN - Standard Chartered Bank Taiwan Ltd. and ABN AMRO Bank	Independent Director, Apex International Co., Ltd.	None	None	None	None
Director	KangHuei Investment Co., Ltd	-	R.O.C.	2018.06.14	2021.07.05	3 years	2,363,000	2.94%	2,539,549	2.88%	—	—	—	—	-	-	None	None	None	None
	Legal Representative: Ling-Ju Huang	Female 31~40		2018.06.14	2021.07.05	3 years	—	—	155,603	0.18%	—	—	—	—	- Department of Textile and Clothing, Fu Jen Catholic University - Chairman, Tien Ti Fu Advertising Co., Ltd.	- Chairman, Tien Ti Fu Advertising Co., Ltd. - Chairman, KangHuei Investment Co., Ltd	None	None	None	None
Director	Hao Bai Limited	-	R.O.C.	2021.07.05	2021.07.05	3 years	500,000	0.62%	585,857	0.66%	—	—	—	—	-	-	None	None	None	None
	Legal Representative: Jung-Chou Lee	Male 41~50		2021.07.05	2021.07.05	3 years	-	-	-	-	-	-	-	-	- Department of Mechanical Engineering, National Chung Hsing University - Mold Engineer, Optics Mold Design Department, Asia Optical Co., Inc. - General Manager, Zhong Ying Optoelectronics - General Manager, Jing Mo Optics - General Manager, Zhong Yang Optoelectronics	- General Manager, Zhong Ying Optoelectronics - General Manager, Jing Mo Optics - General Manager, Zhong Yang Optoelectronics	None	None	None	None
Director	KAISENG INVESTMENT CO.	-	R.O.C.	2021.07.05	2021.07.05	3 years	1,480,000	1.84%	1,590,577	1.80%	—	—	—	—	-	-	None	None	None	None
	Legal Representative: Ching-Jung Huang	Female 41~50		2021.07.05	2021.07.05	3 years	—	—	272,780	0.31%	355	0.0%	300,920	0.34%	- Department of Nuclear Science, National Tsing Hua University - Vice President, Celpert Energy Corporation - Chairman, KAISENG INVESTMENT CO.	- Vice General Manager of the Company - Director of PT. Celpert Energy Indonesia - Director of Celpert Energy Corporation (Changchun) - Chairperson of KEELGOAL ENERGY CO., LTD. - Independent Director of CoreMax Corporation.	Chairman of the Board and General Manager	Shih-Ming Huang	Second-degree relatives	None
Director	Chien-Ting Chen	Male 51~60	R.O.C.	2015.06.24	2021.07.05	3 years	747,000	0.93%	802,811	0.91%	—	—	—	—	- Department of Business, National Taiwan University - Senior Vice President, Lien Chuang Investment Co., Ltd.	- Legal Representative of Visual Photonics Epitaxy Co., Ltd. - Legal Representative of ASCENT DEVELOPMENT CO., LTD. - Compensation Committee member of Shih Wei Navigation Co., Ltd	None	None	None	None
Independent Director	Wei-Hung Lin	Male 61~70	R.O.C.	2006.02.22	2021.07.05	3 years	-	-	-	-	-	-	-	-	- Master's degree, Taiwan University of Science and Technology - Accountant, Kao Fu Accounting Firm	- Accountant at Kao, Fuh & Co. - Chairman of Kao, Fuh Management Consulting Co., Ltd. - Adjunct Lecturer at the Department of Industrial Management, National Taiwan University of Science and Technology - Supervisor of Asia Electronic Material Co., Ltd.	None	None	None	None

Independent Director	Chih-Wei Tsai	Male 41~50 years old	R.O.C.	2021.07.05	2021.07.05	3 years	-	-	-	-	-	-	-	-	. Master's degree, Department of Accounting, National Chengchi University . Managing Accountant, Chengye Accounting Firm . Independent Director, TAIWAN CHINSAN ELECTRONIC INDUSTRIAL CO., LTD. . Independent Director, Universal Microwave Technology, Inc. . Independent Director, Yankee Engineering Co., Ltd.	. Practicing accountant, Chengye Accounting Firm . Independent director, Yankee Engineering Co., Ltd. . Independent director, TAIWAN CHINSAN ELECTRONIC INDUSTRIAL CO., LTD. . Independent director, Universal Microwave Technology, Inc.	None	None	None	N o n e
Independent Director	Jan-Yan Lin	Male 61~70	R.O.C.	2018.06.14	2021.07.05	3 years	-	-	-	-	-	-	-	-	. Doctor of Business Administration, National Chengchi University . Professor, Department of Business Administration, Chung Yuan Christian University . Director, Global Taiwanese Business Research Center, Chung Yuan Christian University . Director at First Commercial Bank . Head of the Mainland China-Taiwan Business and Trade Network Project, Mainland Affairs Council . Deputy Dean of the College of Business, Chung Yuan Christian University	. Full-time professor at the Department of Business Administration, Chung Yuan Christian University . Director of the Global Taiwanese Business Research Center, Chung Yuan Christian University	None	None	None	N o n e
Independent Director	Ming-Xiu Cheng	Male 51~60	R.O.C.	2023.06.15	2023.06.15	3 years	-	-	-	-	-	-	-	-	. Ph.D. of Laws, University of Münster, Germany . Distinguished Professor, Department of Law, Soochow University	. Distinguished Professor, Department of Law, Soochow University	None	None	None	N o n e

Note 1: When the general manager or equivalent (the highest managerial personnel) and the chairman of the board are the same person, spouses or first-degree relatives, the relevant information should be disclosed regarding the reasons, rationality, necessity, and corresponding measures (such as increasing the number of independent directors and ensuring that more than half of the directors are not concurrently serving as employees or managerial personnel):

The chairman of the board of the company also serves as the general manager. This is to take into account the chairman's familiarity with the industry to which the company belongs, which can improve operational efficiency and decision-making execution. However, at present, more than half of the directors of the company do not concurrently serve as employees or managerial personnel of the company. The company has elected an independent director at the 2023 shareholders' meeting to enhance the functions of the board of directors and strengthen its supervisory role.

2. Main shareholders of the corporate shareholder who is a director:

April 15, 2024

Name of Corporate Shareholder	Main Shareholders of the Corporate Shareholder
KangHuei Investment Co., Ltd	Zong-Yuan Huang (30%), Qi-Song Xu (15%), Ling-Ju Huang (12%), Xiu-Mei Liao (10%), Yi-Chun Zhou (9%), Zao-Rong Huang (9%), Xiu-Zhen Lou (8%), Zheng-Yuan Huang (5%), Dai-Qi Yang (2%).
Hao Bai Limited	VAST AREA LIMITED (100%)
KAISENG INVESTMENT CO.	Shih-Ming Huang (81.08%), Ching-Jung Huang (18.92%)

3. For a corporate shareholder, the main shareholders are the owners of that corporate shareholder:

April 15, 2024

Name of Corporate Shareholder	Main Shareholders of the Corporate Shareholder
VAST AREA LIMITED	DEVE&MAZIKI HAPPY LIVING LIMITED (100%)
DEVE&MAZIKI HAPPY LIVING LIMITED	Jung-Chou Lee (100%)

4. Professional knowledge and independence of directors:

(1) Disclosure of professional qualifications and independence of directors and supervisors:

Name	Condition	Professional qualification and experience	Independence status	The number of independent directors serving other publicly traded companies.
Chairman of the Board Shih-Ming Huang		1. Leadership experience of the Board of Directors (For work experience, please refer to page 13 of the director's information). 2. Professional experience in operational judgment, management, crisis handling, industry knowledge, international market outlook, leadership decision-making, etc. 3. No circumstances listed in Article 30 of the Company Law.	(4)(5)(6)(7)(8)(9)(10)(11)(12)	0
Director Yung-Tsai Chen		1. Professional experience in operational judgment, management, crisis handling, industry knowledge, international market outlook, etc. 2. No circumstances listed in Article 30 of the Company Law.	(1)(2)(4)(5)(6)(7)(8)(9)(10)(11)(12)	1
Director KangHuei Investment Co., Ltd Representative: Ling-Ju Huang		1. Professional experience in operational judgment, management, crisis handling, industry knowledge, international market outlook, etc. 2. No circumstances listed in Article 30 of the Company Law.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	0
Director Hao Bai Limited Representative: Jung-Chou Lee		1. Professional experience in operational judgment, management, crisis handling, industry knowledge, international market outlook, etc. 2. No circumstances listed in Article 30 of the Company Law.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	0
Director KAISENG INVESTMENT CO. Representative: Ching-Jung Huang		1. Professional experience in operational judgment, management, crisis handling, industry knowledge, international market outlook, etc. 2. No circumstances listed in Article 30 of the Company Law.	(4)(5)(6)(7)(8)(9)(10)(11)(12)	0
Director Chien-Ting Chen		1. Professional experience in operational judgment, management, crisis handling, industry knowledge, international market outlook, etc. 2. No circumstances listed in Article 30 of the Company Law.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	0
Independent Director Wei-Hung Lin		1. Membership in the Compensation Committee, Audit Committee, and leadership experience of the Board of Directors (For work experience, please refer to page 13 of the director's information). 2. Professional knowledge of the industry and financial accounting. 3. No circumstances listed in Article 30 of the Company Law.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	0
Independent Director Chih-Wei Tsai		1. Membership in the Compensation Committee, Audit Committee, and leadership experience of the Board of Directors (For work experience, please refer to page 13 of the director's information). 2. Professional knowledge of the industry and financial accounting. 3. No circumstances listed in Article 30 of the Company Law.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	3
Independent Director Jan-Yan Lin		1. Membership in the Compensation Committee, Audit Committee, and leadership experience of the Board of Directors (For work experience, please refer to page 14 of the director's information). 2. Professional knowledge of the industry and financial accounting. 3. No circumstances listed in Article 30 of the Company Law.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	0

Independent Director Ming-Xiu Cheng	Membership in the Audit Committee, and leadership experience of the Board of Directors (For work experience, please refer to page 12 of the director's information). 2. Professional legal knowledge. 3. No circumstances listed in Article 30 of the Company Law.	(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)	0
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Note: The independence status of each director and supervisor during the two years before and during their term of office. (Those who meet the criteria are disclosed in the table above.)

- (1) Not an employee of the company or any of its related companies.
- (2) Not a director or supervisor of the company or any of its related companies (except for independent directors established by the company, its parent company, subsidiary, or a subsidiary of the same parent company in accordance with this law or local laws and regulations, who are mutually appointed, and are not subject to this restriction).
- (3) Neither the individual nor their spouse, minor children, or any natural person shareholder who holds more than 1% of the total issued shares of the company or is among the top ten shareholders, holding shares under another person's name.
- (4) Not a manager listed in (1), or a spouse, a relative within the second degree of kinship, or a direct blood relative within the third degree of kinship of any person listed in (2) or (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder who directly holds more than 5% of the total issued shares of the company, is among the top five shareholders, or is appointed as a representative by the company's Article 27, Paragraph 1, or Paragraph 2, (except for independent directors established by the company, its parent company, subsidiary, or a subsidiary of the same parent company in accordance with this law or local laws and regulations, who are mutually appointed, and are not subject to this restriction).
- (6) Not a director, supervisor, or employee of another company's board of directors, supervisors, or employees who control more than half of the company's issued shares or voting rights and are controlled by the same person, except for independent directors established by the company, its parent company, subsidiary, or a subsidiary of the same parent company in accordance with this law or local laws and regulations, who are mutually appointed, and are not subject to this restriction.
- (7) Directors (supervisors) or employees of other companies or organizations who are not the chairman, general manager, or equivalent positions of the company, nor are they spouses of such persons, unless they are independent directors established in accordance with this law or local laws by the company, its parent company, subsidiary, or a subsidiary of the same parent company, and are mutually concurrently serving as directors (supervisors).
- (8) Directors (supervisors), managers, or shareholders holding more than 5% of the shares of specific companies or organizations that have financial or business dealings with the company, unless they are independent directors established in accordance with this law or local laws by the company, its parent company, subsidiary, or a subsidiary of the same parent company, and are mutually concurrently serving as independent directors, provided that the specific company or organization holds more than 20% but no more than 50% of the total issued shares of the company.
- (9) Professional individuals, sole proprietors, partnerships, companies, or organizations providing relevant services such as business, legal, financial, and accounting services to the company or related enterprises, whose cumulative compensation within the last two years does not exceed NT\$500,000, and their spouses, shareholders, partners, directors (supervisors), or employees. However, this does not apply to members of the Compensation Committee, public acquisition review committee, or merger special committee who perform their duties in accordance with relevant laws such as the Securities and Exchange Act or the Company Merger and Acquisition Act.
- (10) Not having a spouse or a relative within the second degree of kinship with any other director.
- (11) Not falling under any of the circumstances specified in Article 30 of the Company Act.
- (12) Not being elected as a representative of the government, a legal entity, or its representative, as specified in Article 27 of the Company Act.

(2) Board of Directors' diversity and independence:

A. Board of Directors' diversity:

The structure of the company's Board of Directors should consider the company's scale of business development and the shareholding situation of its major shareholders, and determine an appropriate number of directors of at least six based on practical operational needs. The composition of the Board of Directors should be diversified. Except for directors who also serve as executives of the company, the number of such directors should not exceed one-third of the total number of directors. The Board should also develop an appropriate diversity policy based on its own operations, business model, and development needs.

When appointing directors, the company not only considers their professional background but also values diversity among the directors. The company has a total of ten directors, including four independent directors and two are female directors. The members' professional backgrounds cover management, science and engineering, accounting, industry practitioners, and legal professions. The Board of Directors has diversified knowledge and academic backgrounds, which can provide professional advice from different perspectives, contributing greatly to improving the company's operating performance and management efficiency.

The proportion of directors who are also employees of the company is 20%, and the proportion of independent directors is 40%. The company also attaches importance to gender equality in the composition of the Board of Directors, with a female director ratio of 20%. Currently, there are nine directors, including two female directors, with a ratio of approximately 22.22%. More details about the diversity of the Board of Directors are as follows:

Diversified Core Projects	Basic Composition											Required Abilities								
	Nationality	Gender	Concurrently serving as company employee	Age					Years of service as independent director:				Operational Judgment	Accounting and Financial Analysis	Management	Industry Knowledge	Crisis Management	International Market Observation	Leadership	Decision- Making
				31-40 years old	41-50 years old	51-60 years old	61-70 years old	Over 71 years old	0-3 years	4-6 years	7-9 years	10-12 years								
Director's Name																				
Shih-Ming Huang	R.O.C.	Male	✓					✓					✓		✓	✓	✓	✓	✓	✓
Yung-Tsai Chen		Male					✓						✓	✓	✓	✓	✓	✓	✓	✓
Ling-Ju Huang		Female	✓										✓		✓	✓	✓	✓	✓	✓
Jung-Chou Lee		Male			✓								✓		✓	✓	✓	✓	✓	✓
Ching- Jung Huang		Female	✓		✓								✓		✓	✓	✓	✓	✓	✓
Chien- Ting Chen		Male				✓								✓	✓	✓	✓	✓	✓	✓
Wei-Hung Lin		Male					✓						✓	✓	✓	✓	✓	✓	✓	✓
Chih-Wei Tsai		Male			✓						✓			✓	✓	✓	✓	✓	✓	✓
Jan-Yan Lin		Male					✓					✓		✓	✓	✓	✓	✓	✓	✓
Ming-Xiu Cheng		Male				✓				✓				✓		✓	✓	✓	✓	✓

B. Independence of the Board of Directors:

The company had a newly elected independent director in 2023. Currently, the board has a total of ten directors, with four of them serving as independent directors, accounting for 40% of the total. Apart from the fact that two directors, Huang Shiming and Huang Jingrong, are related within the second degree of consanguinity, there are no circumstances as defined by Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act between the other directors. Please refer to page 15 of the annual report for more information on the professional qualifications and independence of the directors and supervisors.

C. Succession Planning and Operation of the Board of Directors:

The company implements a diversified policy for the members of the board of directors in accordance with the Corporate Governance Best Practice Principles. Currently, the board has ten members, including four independent directors, with diverse complementary experiences in industries, finance, accounting, legal, and other professional fields. Regarding the succession plan for the board of directors, the company cultivates senior executives to enter the board of directors, enabling them to become familiar with the operation of the board and the business of various units in the group, thereby enhancing management efficiency and decision-making execution capability.

The company continues to adhere to the following standards for the director succession plan:

- ① Integrity, responsibility, innovation, and decision-making ability, with professional knowledge and skills that contribute to the company's management and are consistent with the company's core values.
- ② The overall expertise of the board of directors should include corporate strategy, accounting and taxation, finance and banking, law, administration, and production management.
- ③ In addition to the industry experience related to the company's business, the board of directors also hopes to have backgrounds in different industry fields. The addition of such members is expected to provide a board of directors that is effective, collaborative, diverse, and meets the needs of the company.

D. Succession Planning and Operation of Important Management Levels:

- ① The important management levels of the company are responsible for the related management and business operations within the organization, and each management level has a position agent. In addition to the necessary professional skills and experience, the values and management philosophy of the important management levels must be consistent with the company's business philosophy of "integrity, pragmatism, quality assurance, innovation, and excellence."
- ② To cultivate the important management levels and their position agents, the company plans and holds courses or lectures for senior executives (including the general manager) every year to understand global political and economic trends, technological industry prospects, external industry knowledge, new technology and management thinking, and the pulse of the times.
- ③ To cultivate a leadership team, we plan and organize management training for middle and senior executives every year. The training focuses on future strategic planning and includes themed courses and discussions. Course topics include how to recruit suitable talents, performance management, building high-performance teams, managing the new generation of talents, talent development and leadership succession, effective meeting management and tracking, cost analysis and control, etc.

④ The Manager Training Courses arranged in 2023

Date	Name of the Course	Course Hours
2023/02/13	Global political and economic situation and technology industry outlook in 2023	3
2023/02/23	Interviewing Skills and Practice	2
2023/03/24	New generation management, leadership upgrade, and effective management training	14
2023/06/17	Work authorization and feedback training for managers	7

5. Initiator Information: N/A..

6. General Manager, Deputy General Manager, Director of various departments and branch offices information

April 15, 2024

Title	Name	Gender	Nationality	Date of appointment	Ownership of Shares		Spouse, minor children holding shares		Holding shares in other people's names		Main educational and career background	Current positions held in other companies	Manager with spouse or relatives within two degrees of relationship			Situation of managers acquiring employee stock option certificates	Notes
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relationship		
General Manager	Shih-Ming Huang (Note 1)	Male	R.O.C.	2015.03.12	3,186,194	3.61%	—	—	1,289,657	1.46%	- Master of Electrical Engineering, Georgia Institute of Technology, USA - General Manager, AUDIX CORPORATION - Engineering Manager, Purchasing Manager, and Deputy Director of Business, Compal Electronics, Inc.	- General Manager, this company - Chairman, Celxpert Holdings Ltd. (BVI) - Director, PT.Celxpert Energy Indonesia - Chairman, Celxpert Energy (H.K.) Ltd. - Chairman, Advance Smart Industrial Ltd. (BVI) - Chairman, Celxpert(Kunshan)Energy Co.,Ltd - Legal Representative of KEELGOAL ENERGY CO., LTD. - Chairman, Celxpert Energy Corporation (Changchun)	Deputy General Manager	Ching-Jung Huang	Second-degree relatives	None	None
Chief Financial Officer	Chien-Yu Lin	Male	R.O.C.	2021.07.16	1,000	-	-	-	-	-	- Chief Financial Officer, YEM CHIO CO., LTD. - MBA, Drexel University, Pennsylvania, USA	- Supervisor of Celxpert(Kunshan)Energy Co.,Ltd - Supervisor of Celxpert Energy Corporation (Nantong) - Supervisor of KEELGOAL ENERGY CO., LTD.	None	None	None	None	None
Deputy General Manager of Advance Product R&D Department	Cheng-Yang Tsai	Male	R.O.C.	2020.03.13	-	-	-	-	-	-	- Research and Development Manager at UMAX Computer Corporation - Researcher at Industrial Technology Research Institute - Master's degree in Electronical and Control Engineering from National Yang Ming Chiao Tung University	Legal Representative of KEELGOAL ENERGY CO., LTD.	None	None	None	None	None
Deputy General Manager of General Manager Office	Ching-Jung Huang	Female	R.O.C.	2020.05.08	272,780	0.31%	355	0.0%	300,920	0.34%	- Deputy General Manager, Celxpert Energy Corporation - Chairman of KAISENG INVESTMENT CO. - Department of Nuclear Science, National Tsing Hua University	- Deputy General Manager of this company - Director of PT.Celxpert Energy Indonesia - Director of Celxpert Energy Corporation (Changchun) - Chairperson of KEELGOAL ENERGY CO., LTD. - Independent Director of CoreMax Corporation.	General Manager	Shih-Ming Huang	Second-degree relatives	None	None
Manager of Project Development Department	Chun-Che Hsu	Male	R.O.C.	2023.03.10	-	-	-	-	-	-	- Manager of Project Development Department, Celxpert Energy Corporation Technology Co., Ltd. - Director of Product Development Department, LuxNet Corp. - Product Development Manager, AUO Corporation - Master of Department of Chemistry, National Taiwan University	- Legal Representative of KEELGOAL ENERGY CO., LTD. - Director of Celxpert (Kunshan) Energy Co.,Ltd	None	None	None	None	None

Note 1: When the General Manager or equivalent (the highest executive officer) and the Chairman of the Board are the same person, are spouses, or are first-degree relatives, the reason, rationality, necessity, and corresponding measures (such as increasing the number of independent directors, and ensuring that more than half of the directors are not employees or executive officers) should be disclosed:

The chairman of the board of the company also serves as the general manager. This is to take into account the chairman's familiarity with the industry to which the company belongs, which can improve operational efficiency and decision-making execution. However, at present, more than half of the directors of the company do not concurrently serve as employees or managerial personnel of the company. The company has elected an independent director at the 2023 shareholders' meeting to enhance the functions of the board of directors and strengthen its supervisory role.

7. Compensation for directors, supervisors, general managers, and deputy general managers

(1) Remuneration of Directors (including Independent Directors)

NTD (thousand)/ Shares (thousand)

Title	Name	Remuneration of Directors								Director's Remuneration: The total amount of A, B, C, and D as a percentage of the net income after tax (Note 7)		Remuneration Received as an Employee								The total amount of A, B, C, D, E, F, and G as a percentage of the net income after tax (Note 10)		Whether or not received remuneration from subsidiaries or investee companies outside the company (Note 11)	
		Compensation (A) (Note 2)		Retirement pay (B)		Director's remuneration (C) (Note 3)		Business execution expenses (D) (Note 4)				Salary, bonuses, and special allowances, etc. (E) (Note 5)		Retirement pay (F)		Employee compensation (G) (Note 6)							
		The company	All companies listed in financial reports	The company	All companies listed in financial reports	The company	All companies listed in financial reports	The company	All companies listed in financial reports	The company	All companies listed in financial reports	The company	All companies listed in financial reports	The company	All companies listed in financial reports	Cash amount	Stock amount	Cash amount	Stock amount	The company	All companies listed in financial reports		
Chairman of the Board	Shih-Ming Huang	-	-	-	-	-	-	63	63	63 0%	63 0%	5,093	5,909	108	108	-	-	-	-	5,264 -1.94%	6,080 -2.25%	None	
Director	Yung-Tsai Chen																						
Director	Chien-Ting Chen																						
Director	KangHuei Investment Co., Ltd Ling-Ju Huang																						
Director	KAISENG INVESTMENT CO. Ching-Jung Huang																						
Director	Hao Bai Limited Jung-Chou Lee																						
Independent Director	Wei-Hung Lin	360	360	-	-	-	-	57	57	417 -0.15 %	417 -0.15%	-	-	-	-	-	-	-	-	417 -0.15%	417 -0.15%	None	
Independent Director	Chih-Wei Tsai																						
Independent Director	Jan-Yan Lin																						
Independent Director	Ming-Xiu Cheng																						
1. Please specify the policy, system, standards, and structure for the remuneration of independent directors, and describe the correlation between their duties, risks, time commitment, and the amount of remuneration to be paid. The remuneration for independent directors in our company is determined in accordance with Article 28 of our company's bylaws. If there are accumulated losses from previous years, they should be compensated first in the year when profits are generated, before any allocation is made for directors' remuneration and employee compensation. The remaining balance is then allocated based on the aforementioned proportion. The determination of remuneration for independent directors is linked to the evaluation results of director performance, which include their level of involvement and contribution to the company's operations, consideration of the company's performance and industry standards. These results are submitted to the Compensation Committee for review and approved by the Board of Directors. 2. In addition to the disclosure in the above table, the remuneration received by the directors of the company for their services (such as serving as consultants for the parent company/all companies in the financial report/reinvestment enterprises that are not employees, etc.) in the most recent year: None																							

Remuneration Ranges

Remuneration Ranges for directors of the company	Name of Director (including independent directors)			
	Total amount of the first four salary scales (A+B+C+D)		Total amount of the first seven salary scales (A+B+C+D+E+F+G)	
	The company(Note 8)	All companies listed in financial reports (H) (Note9)	The company(Note 8)	All companies listed in financial reports (I) (Note 9)
Below NTD 1,000,000	Shih-Ming Huang Yung-Tsai Chen Chien-Ting Chen KangHuei Investment Co., Ltd. Hao Bai Limited KAISENG INVESTMENT CO. Chih-Wei Tsai Wei-Hung Lin Jan-Yan Lin Ming-Xiu Cheng	Shih-Ming Huang Yung-Tsai Chen Chien-Ting Chen KangHuei Investment Co., Ltd. Hao Bai Limited KAISENG INVESTMENT CO. Chih-Wei Tsai Wei-Hung Lin Jan-Yan Lin Ming-Xiu Cheng	Yung-Tsai Chen Chien-Ting Chen KangHuei Investment Co., Ltd. Hao Bai Limited Chih-Wei Tsai Wei-Hung Lin Jan-Yan Lin	Yung-Tsai Chen Chien-Ting Chen KangHuei Investment Co., Ltd. Hao Bai Limited Chih-Wei Tsai Wei-Hung Lin Jan-Yan Lin
NTD 1,000,000 (inclusive) to NTD 2,000,000 (exclusive)	-	-	-	-
NTD 2,000,000 (inclusive) to NTD 3,500,000 (exclusive)	-	-	Shih-Ming Huang KAISENG INVESTMENT CO.	KAISENG INVESTMENT CO.
NTD 3,500,000 (inclusive) to NTD 5,000,000 (exclusive)	-	-	-	Shih-Ming Huang
NTD 5,000,000 (inclusive) to NTD 10,000,000 (exclusive)	-	-	-	-
NTD 10,000,000 (inclusive) to NTD 15,000,000 (exclusive)	-	-	-	-
NTD 15,000,000 (inclusive) to NTD 30,000,000 (exclusive)	-	-	-	-
NTD 30,000,000 (inclusive) to NTD 50,000,000 (exclusive)	-	-	-	-
NTD 50,000,000 (inclusive) to NTD 100,000,000 (exclusive)	-	-	-	-
Above NTD 100,000,000	-	-	-	-
Total	10 people	10 people	10 people	10 people

Note 1: The names of directors (including independent directors) should be listed separately (for corporate shareholders, the names of the corporate shareholders and their representatives should be listed separately), and the amounts of various payments should be disclosed in an aggregated manner. If a director also serves as a general manager or deputy general manager, both Table (3-1) and the following Table (3-2-1) and (3-2-2) should be completed.

Note 2: Refers to the compensation of directors in the most recent year (including director salaries, job allowances, severance pay, various bonuses, incentive payments, etc.).

Note 3: Refers to the amount of director remuneration approved by the board of directors for distribution in the most recent year.

Note 4: Refers to the expenses incurred by directors in performing related business in the most recent year (including travel expenses, special allowances, various subsidies, dormitories, company cars, etc.). If housing, cars, and other means of transportation or personal expenses are provided, the nature and cost of the assets provided, the actual or fair market rental fees, fuel costs, and other payments should be disclosed. If a driver is provided, please specify the relevant compensation paid by the company to the driver, but it is not included in the director's remuneration.

Note 5: Refers to the remuneration received by directors and employees who also serve as directors (including the general manager, deputy general manager, other managers, and employees) in the most recent fiscal year, including salaries, job allowances, severance pay, various bonuses, incentive payments, travel expenses, special expenses, various subsidies, dormitories, and car allowances, etc. When providing assets such as houses, cars, and other means of transportation or expenses exclusive to individuals, the nature and cost of the provided assets, actual or fair market rent, fuel costs, and other payments should be disclosed. If there is a driver included, please note the relevant compensation paid by the company to the driver, but it is not included in the remuneration. In addition, the salary expenses recognized in accordance with IFRS 2 "Share-based Payments", including the issuance of employee stock certificates, restricted employee rights to new shares, and participation in cash increases to subscribe for shares, should also be included in the remuneration.

Note 6: Refers to the disclosure of the remuneration (including stocks and cash) received by directors and employees who also serve as directors (including the general manager, deputy general manager, other managers, and employees) in the most recent fiscal year. The amount of employee remuneration approved by the board of directors in the most recent fiscal year should be disclosed, and if it cannot be estimated, the proposed distribution amount for this year should be calculated based on the actual distribution amount ratio of last year, and also listed in Attachment 1-3.

Note 7: The total amount of remuneration paid to all directors of all companies (including the company itself) should be disclosed in the consolidated report.

Note 8: The total amount of remuneration paid to each director of the company should be disclosed under the corresponding level of attribution, and the name of the director should be disclosed.

Note 9: The total amount of remuneration paid to each director of the company by all companies (including the company itself) should be disclosed under the corresponding level of attribution, and the name of the director should be disclosed.

Note 10: Net profit after tax refers to the net profit after tax in the most recent fiscal year in the individual or separate financial statements.

Note 11: a. This column should clearly state the amount of remuneration received by the company's directors from investments outside of subsidiaries or related to the parent company (if none, please indicate "none").

b. If the company's directors receive remuneration from investments outside of subsidiaries or related to the parent company, the remuneration received by the company's directors from outside of subsidiaries or related to the parent company should be included in column I of the remuneration level table, and the column name should be changed to "parent company and all investment companies."

c. Remuneration refers to the compensation, remuneration (including employee, director, and supervisor remuneration), and business execution expenses received by the company's directors in their capacity as directors, supervisors, or managers of investments outside of subsidiaries or related to the parent company.

Note 12: The net loss after tax for 2023 individual financial statements and consolidated financial statements of the company was NT\$270,647 thousand attributable to the parent company. In 2023, no director's remuneration and employee remuneration were proposed, which was approved by the board of directors.

(2) Remuneration of supervisors: The audit committee has been established, N/A.

(3) Remuneration of the general manager and deputy general manager:

NTD (thousand)/ Shares (thousand)														
Title	Name	Salary (A) (Note 2)		Retirement Pension (B)		Bonuses and special allowances (C) (Note 3)		Employee remuneration amount (D) (Note 4)				The proportion of the total of A, B, C, and D to the after-tax net income (%) (Note 8)		Whether to receive remuneration from investment businesses outside of subsidiaries (Note 9)
		The Company	All companies in the financial reports	The Company	All companies in the financial reports	The Company	All companies in the financial reports	The Company (Note 3)		All companies in the financial reports (Note 3)		The Company	All companies in the financial reports	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Shih-Ming Huang	9,881	10,922	432	432	2,250	2,250	4,494	0	4,494	0	17,057 -6.30%	18,098 -6.69%	None
Senior Deputy General Manager	Cheng-Yang Tsai													
Deputy General Manager	Yao-Qing Chen (Note 12)													
Deputy General Manager	Chin-Te Chen													
Deputy General Manager	Ching-Jung Huang													
Chief Financial Officer	Chien-Yu Lin													

Remuneration Ranges

Remuneration Ranges for General Manager and Deputy General Manager of the Company	Names of General Manager and Deputy General Manager	
	The Company (Note 6)	All companies in the financial reports (Note 7)
Below NTD 1,000,000	—	-
NTD 1,000,000 (inclusive) to NTD 2,000,000 (exclusive)	-	-
NTD 2,000,000 (inclusive) to NTD 3,500,000 (exclusive)	Shih-Ming Huang, Ching-Jung Huang, Chien-Yu Lin	Yao-Qing Chen, Ching-Jung Huang, Chien-Yu Lin
NTD 3,500,000 (inclusive) to NTD 5,000,000 (exclusive)	-	Shih-Ming Huang
NTD 5,000,000 (inclusive) to NTD 10,000,000 (exclusive)	Cheng-Yang Tsai	Cheng-Yang Tsai
NTD 10,000,000 (inclusive) to NTD 15,000,000 (exclusive)	-	-
NTD 15,000,000 (inclusive) to NTD 30,000,000 (exclusive)	-	-
NTD 30,000,000 (inclusive) to NTD 50,000,000 (exclusive)	-	-
NTD 50,000,000 (inclusive) to NTD 100,000,000 (exclusive)	-	-
Above NTD 100,000,000	-	-
Total	5 people	5 people

Note 1: The names of the general manager and deputy general manager should be separately listed to disclose the amount of each payment in summary. If a director concurrently serves as a general manager or deputy general manager, this form and the form (1-1) or (1-2-1) and (1-2-2) should be filled out.

Note 2: This form is used to fill in the salary, position allowance, and severance pay of the general manager and deputy general manager for the most recent year.

Note 3: This form is used to fill in various bonuses, incentives, transportation and entertainment expenses, special support fees, various allowances, dormitories, car allowances, and other compensation amounts provided in kind to the general manager and deputy general manager for the most recent year. If housing, cars, and other transportation or personal expenses are provided, the nature and cost of the assets provided, the actual or fair market rental, fuel costs, and other benefits should be disclosed. In addition, if there is a driver provided, please provide a note explaining the relevant compensation paid by the company to the driver, but it is not included in the remuneration. In addition, the salary expenses recognized in accordance with IFRS 2 "Share-based Payments", including the acquisition of employee share certificates, restricted employee rights to new shares, and participation in cash capital increase subscription shares, should also be included in the remuneration.

Note 4: This form is used to fill in the employee compensation (including stocks and cash) distributed to the general manager and deputy general manager approved by the board of directors in the most recent year. If it cannot be estimated, the proposed distribution amount for this year should be calculated based on the actual distribution amount ratio of last year, and schedule 1-3 should also be filled out.

Note 5: The total amount of all companies (including this company) that provide various compensation to the general manager and deputy general manager of this company should be disclosed in the consolidated report.

Note 6: The total amount of various compensation paid by this company to each general manager and deputy general manager should be disclosed in the corresponding income bracket with the names of the general manager and deputy general manager.

Note 7: The total amount of remuneration paid to each general manager and deputy general manager of all companies (including this company) should be disclosed in the relevant level and the names of the general manager and deputy general manager should be disclosed.

Note 8: Net profit after tax refers to the net profit after tax in the most recent individual or separate financial reports.

Note 9: a. This column should clearly list the amount of remuneration received by the company's general manager and deputy general manager from non-subsidiary related investment businesses or parent companies (if none, please fill in "none").

b. If the company's general manager and deputy general manager receive remuneration from non-subsidiary related investment businesses or parent companies, the remuneration received by the general manager and deputy general manager from the non-subsidiary related investment business or parent company should be included in column E of the remuneration level table, and the column name should be changed to "parent company and all non-subsidiary related investment businesses".

c. Remuneration refers to the compensation, remuneration (including employee, director and supervisor remuneration) and business execution expenses received by the general manager and deputy general manager of this company in their capacity as directors, supervisors or managers of non-subsidiary related investment businesses or parent companies.

Note10: The net loss after tax for 2023 individual financial statements and consolidated financial statements of the company was NT\$270,647 thousand attributable to the parent company. In 2023, no director's remuneration and employee remuneration were proposed, which was approved by the board of directors.

Note11: Vice President Chin-Te Chen has retired as of March 27th, 2024.

(4) Allocation of Employee Remuneration to Managerial Personnel and Their Names
Unit: New Taiwan Dollars (Thousand)

	Title	Name	Stock Amount	Cash Amount	Total	Percentage of Total after-tax net income
Managerial Personnel	General Manager	Shih-Ming Huang	0	0	0	0%
	Senior Vice General Manager	Cheng-Yang Tsai				
	Vice General Manager (Note3)	Chin-Te Chen				
	Vice General Manager	Ching-Jung Huang				
	Chief Financial Officer	Chien-Yu Lin				

Note 1: 2023 employee remuneration of the Company is NTD 32,908 thousands according to the Articles of Incorporation and has been approved by the Board of Directors.

Note 2: The net loss after tax for 2023 individual financial statements and consolidated financial statements of the company was NT\$270,647 thousand attributable to the parent company. In 2023, no director's remuneration and employee remuneration were proposed, which was approved by the board of directors.

Note 3: Vice President Chin-Te Chen has retired as of March 27th, 2024.

(5) If any of the following circumstances occur in a company, the remuneration of individual directors and supervisors should be disclosed:

- A. If there has been a post-tax loss in individual or separate financial reports in any of the last three years, the remuneration of individual directors and supervisors shall be disclosed. However, if there has been a post-tax net profit in the most recent year's individual or separate financial reports, and it is sufficient to make up for accumulated losses: None.
- B. If the percentage of shares held by a director is insufficient for three consecutive months in the most recent year, the remuneration of the individual director shall be disclosed. If the percentage of shares held by a supervisor is insufficient for three consecutive months in the most recent year, the remuneration of the individual supervisor shall be disclosed: None
- C. If the average pledge ratio of directors and supervisors in any three months of the most recent year is greater than 50%, the remuneration of individual directors and supervisors whose pledge ratio exceeds 50% in each of those months shall be disclosed: None
- D. If all directors and supervisors receive director and supervisor remuneration from all companies in the financial report, and it exceeds 2% of the after-tax net profit, and the remuneration received by individual directors or supervisors exceeds NT\$15 million, the remuneration of the individual director or supervisor shall be disclosed: None
- E. Listed and OTC companies are at the last level in the corporate governance evaluation results in the most recent year, or have changed trading methods, suspended trading, delisted from the market, or have been approved by the Corporate Governance Evaluation Committee as not subject to evaluation until the publication date of the annual report: None.
- F. If the average annual salary of full-time employees who do not hold executive positions in the most recent year of a listed or OTC company is less than NT\$500,000: None.

(6) The company and all the companies in the consolidated financial statements shall analyze and explain the total amount of remuneration paid to the directors, supervisors, general managers, and deputy general managers of the company in the latest two years as a percentage of the tax net profit of individual or separate financial reports. It shall also explain the policy, standards and combination of remuneration, the procedure for determining remuneration, and the relationship with business performance and future risks:

- A. The total amount of remuneration paid to directors, supervisors, general managers, and deputy general managers as a percentage of the tax net profit of individual or separate financial reports.

Unit: NTD thousand; %

Item	Proportion of total remuneration to after-tax net income			
	2022		2023	
	This company	Consolidated financial statements of this company	This company	Consolidated financial statements of this company
Director	2.19%	2.19%	-1.94%	-2.25%
Independent Director	1.78%	1.78%	-0.15%	-0.15%
Supervisor	Establishing an audit committee, N/A.			
General Manager and Deputy General Manager	7.44%	8.11%	-6.30%	-6.69%

B. Policies, standards, and combinations for remuneration benefits, procedures for setting remuneration, and the relationship between operational performance and future risks.

(1) Policies, standards, and combinations for remuneration benefits

- i. As provided in Article 22 of the Company's Articles of Association, Directors shall be appropriated with the remuneration which is authorized and determined by the Board of Directors based on their contribution to the company's operations, and by taking into account the common level of payment in the industry; if there is a profit in the annual final account, up to 3% of the profit shall be allocated to the Directors for that year in accordance with Article 28 of the Company's Articles of Association. The company regularly evaluates the performances of the directors based on the "Rules for Performance Evaluation of Board of Directors" The evaluation references indicators such as the grasp of the company's goals and missions, the understanding of the directors' responsibilities, participation in the company's operations, internal relationship management and communication, and personal professionalism and continuing education, among others. The remuneration for the directors is approved according to the "Rules for Director's Remuneration Distribution" of the company, and the related performance evaluation and remuneration reasonableness are reviewed by the Compensation Committee and the Board of Directors.
- ii. The remuneration for the company's managers is evaluated according to the Rules for Salary Management of the company and clearly defines various work allowances and bonuses to reward employees for their hard work. Relevant bonuses are also given based on the company's annual operating performance, financial status, operating conditions and individual work performance. If there is a profit in the annual final account, 3% to 12% of the profit shall be allocated to the remuneration for the managers for that year in accordance with Article 28 of the company's articles of association. The performance evaluation results carried out by the company in accordance with the "Performance Appraisal Management Measures" are used as a reference for the issuance of manager bonuses. Manager performance evaluation indicators are divided into:
 1. Financial indicators: It is evaluated according to each business group department's contribution to the company's profits in the company's profit and loss statement for management, and taking into account the manager's goal achievement rate;
 2. Non-financial indicators: The implementation of the company's core values and operational management capabilities, and participation in sustainable operations are the two major parts used to calculate remuneration for the remuneration for operating performance, and the remuneration system will be reviewed at any time based on the actual operating conditions and relevant laws and regulations.
- iii. The combination of remuneration paid by the company is determined in accordance with the Compensation Committee Charter, including cash remuneration, stock options, dividends, retirement benefits or severance

benefits, various allowances, and other measures with substantial incentives; its scope is consistent with the relevant standards for remuneration of directors and managers in the standards for matters that should be listed in the annual report of publicly issued companies.

(2) Procedures for setting remuneration

- i. To regularly evaluate the remuneration of directors and managers, the evaluation results are based on the company's "Rules for Performance Evaluation of Board of Directors and Functional Committees " and the "Performance Appraisal Management Measures " applicable to managers and employees. In addition, the remuneration of the chairman and general manager is determined with reference to industry remuneration standards and the company's operating performance indicators and is reviewed by the Compensation Committee and submitted to the board of directors for approval. To fully demonstrate the achievement of operating performance indicators, the chairman's performance measurement indicators are formulated based on the company's annual operating indicator results related to operations, governance, and financial results. The evaluation scope includes pre-tax net profit, credit rating, customer satisfaction, corporate governance evaluation, and other indicators; The performance measurement and evaluation scope of the general manager includes operational safety management, supervising the execution of financial plans, revenue management, promoting the autonomy of maintenance capabilities, strengthening internal control, implementing quality assurance and management and other performance goals related to major work responsibilities.
- ii. The performance appraisal and reasonableness of remuneration of the company's directors and managers are regularly evaluated and reviewed by the Compensation Committee and the Board of Directors every year. In addition to referring to the individual's performance achievement rate and contribution to the company, as well as the company's overall operating performance, future industry risks and development trends, and timely review of the remuneration system at any time based on actual operating conditions and relevant laws, the company also comprehensively considers the current corporate governance trends, reasonable remuneration will be given to balance the company's sustainable operation and risk control. The actual amount of remuneration paid to directors and managers in 2023 was reviewed by the Compensation Committee and approved by the Board of Directors.

(3) Relationship between operational performance and future risks

- i. The review of payment standards and systems related to the company's remuneration policy primarily considers the company's overall operating conditions. Payment standards are determined based on performance achievement rates and contributions to enhance the effectiveness of the board of directors and management departments. The company also benchmarks industry standards to ensure that its management remuneration remains competitive, thereby retaining exceptional management talent.
- ii. The performance goals for the company's managers are integrated with "risk control" to ensure that potential risks within their scope of responsibility are managed and mitigated effectively. Ratings are based on actual performance and are linked to relevant human resources policies and salary remuneration structures. Significant decisions by the company's management are made after balancing various risk factors. The effectiveness of these decisions is reflected in the company's profitability, thus aligning management remuneration with risk control performance.

- iii. The remuneration paid to directors, general managers and deputy general managers by the company and its subsidiaries includes long-term rewards. The payment is in the form of cash capital increase and employee stock subscription. Its actual value is related to the future stock price, which means that they share future operating risks together with the company.

3.3 The Status of Corporate Governance

1. Board of Directors Operations:

As of the date of the annual report publication, the Board of Directors has held 5 meetings

(A) from January 1, 2023 to April 15, 2024, with the attendance of directors as follows:

Title	Name (Note1)	Actual attendance frequency B	Proxy attendance frequency	Actual attendance rate [B/A]	Notes (Note 2)
Chairman	Shih-Ming Huang	5	0	100.00%	
Director	Yung-Tsai Chen	5	0	100.00%	
Director	Chien-Ting Chen	4	1	80.00%	
Director	KangHuei Investment Co., Ltd Representative: Ling-Ju Huang	5	0	100.00%	
Director	KAISENG INVESTMENT CO. Representative: Ching-Jung Huang	5	0	100.00%	
Director	Hao Bai Limited Representative: Jung-Chou Lee	4	0	80.00%	
Independent Director	Wei-Hung Lin	5	0	100.00%	
Independent Director	Jan-Yan Lin	5	0	100.00%	
Independent Director	Chih-Wei Tsai	5	0	100.00%	
Independent Director	Ming-Xiu Cheng	1	2	33.33%	Newly elected on 2023/6/15
Note 1: For directors and supervisors who are legal persons, the names of the shareholders of the legal person and the names of their representatives shall be disclosed. Note 2:(1) If a director or supervisor resigns before the end of the year, the date of resignation should be noted in the remarks column, and the actual attendance rate (%) should be calculated based on the number of board meetings held during their tenure and their actual attendance rate. (2) If a director or supervisor is re-elected before the end of the year, both the new and old directors or supervisors should be listed, and the remarks column should indicate whether the director or supervisor is newly appointed, re-elected, or continued, as well as the date of the election. The actual attendance rate (%) should be calculated based on the number of board meetings held during their tenure and their actual attendance rate. Other matters to be recorded: 1. If the operation of the board of directors meets any of the following circumstances, the date, session, content of the motion, opinions of all independent directors, and the company's handling of the opinions of independent directors should be stated: (1) Items listed in Article 14-3 of the Securities Exchange Act: (2) Other board resolutions opposed or reserved by independent directors and recorded or in written statements, in addition to the above items.					
Board Meeting	Agenda and Follow-up Processing		Items Listed in Securities and Exchange Act §14-3	Independent Director's Objections or Reservations	
9th Board Meeting, 9th Session, March 10, 2023	(1) 2022 Business Report and Financial Reports for the Company.			None	
	(2) 2022 Profit Distribution for the Company.			None	
	(3) 2022 Cash Dividend Distribution for the Company.			None	
	(4) 2023 Business Plan of the Company.			None	
	(5) 2022 Internal Control System Declaration Statement of the Company.		V	None	
	(6) Ratification of the Annual Bonus Distribution for the Managers of the Company.			None	
	(7) Discussion of 2022 Performance Appraisal Evaluation and 2023 Performance Indicator and Remuneration for the Managers of the Company.			None	
	(8) Discussion of the Managers' Promotions of the Company.			None	
	(9) Discussion of the Salary Adjustment for the Managers of the			None	

	Company.		
	(10) Discussion of 2022 Remuneration Distribution for the Employees and Directors of the Company.		None
	(11) The Appointment of the CPA of the Financial Reports of the Company.	V	None
	(12) Establishment of the General Principle of the Non-Assurance Service Pre-Approval Policy for the Company.	V	None
	(13) Matters related to the 2023 Shareholders' Meeting of the Company and Acceptance of Shareholder Proposals for the Company.		None
	(14) Approval of the Independent Director Candidate Nominated by the Board of Directors and Resolve for the Candidate Qualifications.		None
	(15) The Nomination Period, Number of Seats to be Elected, and Nomination Acceptance Place for the Election of the Independent Directors of the Company.		None
	(16) Renewal of Credit Line with Banks for the Company.		None
	(17) Proposal of 2023 Cash Capital Increase and Issuance of Domestic Third Unsecured Convertible Bonds by the Company.	V	None
Independent Director's Opinion: None.			
Company's Handling of Independent Director's Opinion: None.			
Resolution Result: All attending directors had no objections and the proposal was passed.			
9th Board Meeting, 10th Session, May 3, 2024	(1) 2023Q1 Financial Report of the Company.		None
	(2) Renewal of Credit Line with Banks for the Company.		None
	(3) Provision of the Endorsement Guarantee for Celxpert Energy Corporation (Kunshan) by the Company.	V	None
	(4) Lift of the Non-Compete Restriction for the Directors of the Company.	V	None
	(5) Lift of the Non-Compete Restriction for the Managers of the Company.		None
	(6) Release of the Shares of the Subsidiary and Abandonment of the Participation in the Cash Capital Increase Plan in Stages by the Company in Response to the Subsidiary Keelgoalal Energy Co., Ltd.'s Future Application for the Stock Listing Plan.	V	None
Independent director's opinion: None.			
Company's handling of independent director's opinion: None.			
Resolution result: All attending directors have no objections and the case is passed.			
9th Board Meeting, 11th Session, August 4, 2024	(1) 2023Q2 Financial Report of the Company.		None
	(2) Discussion of Stock Option Methods for Employees in 2023 Capital Increase for the Company.		None
	(3) Discussion of the Number of Shares Subscribed by the Managers for the Company in 2023 Capital Increase.		None
	(4) Discussion of the Remuneration Distribution for Managers and Employees.		None
	(5) Discussion of the Remuneration Distribution for Directors.	V	None
	(6) Renewal of Credit Line with Banks for the Company.		None
	(7) Provision of the Endorsement Guarantee for Keelgoalal Energy Co., Ltd.	V	None
	(8) Review of Accounts Receivable for More Than Three Months Complying with the Requirements of the Newly Amended Regulations by the Company.	V	None
	(9) Proposal to Authorize the Chairman to set the Price Range for 2023 Cash Capital Increase by Issuance of the Shares for the Company.		None
Independent director's opinion: None.			
Company's handling of independent director's opinion: None.			
Resolution result: All attending directors have no objections and the case is passed.			
9th Board Meeting, 12th Session, November 3, 2024	(1) 2023Q3 Financial Report of the Company.		None
	(2) Renewal of Credit Line with Banks for the Company.		None
	(3) Provision of the Endorsement Guarantee for Celxpert Energy Corporation (Kunshan) by the Company.	V	None
	(4) 2024 Audit Plan of the Company.		None
	(5) The Amendment of the "Operation Procedures for Handling Material Inside Information and Insider Trading Prevention Management" of the Company.		None
	(6) The Establishment of the "Practice of the Corporate Governance" of the Company.		None
	(7) Amendment of the "Rules for Performance Appraisal for the Board of Directors and Functional Committees" of the Company		None

	(8) Establishment of the “Sustainability Development Committee” of the Company.		None
	(9) The Establishment of the “Policy and Procedures of Risk Management”.		None
	(10) The Amendment of the “Ethical Corporate Management Practice Principles” of the Company .		None
Independent Director's opinion: None.			
Company's handling of the independent director's opinion: None.			
Resolution result: All attending directors have no objection and the motion is passed.			
9th Board Meeting, 13th Session, March 15, 2024	(1) 2023 Business Report and Financial Reports for the Company.		None
	(2) 2023 Loss Off-Setting Proposals of the Company.		None
	(3) 2023 Cash Dividend Distribution for the Company.		None
	(4) Discussion of 2023 Remuneration Distribution for the Employees and Directors of the Company.		None
	(5) Discussion of the Annual Bonus Distribution for the Managers of the Company.		None
	(6) Discussion of 2023 Performance Appraisal Evaluation and 2024 Performance Indicator and Remuneration for the Managers of the Company.		None
	(7) 2024 Business Plan of the Company.		None
	(8) 2023 Internal Control System Declaration Statement of the Company.	V	None
	(9) Matters related to the 2024 Shareholders' Meeting of the Company and Acceptance of Shareholder Proposals for the Company.		None
	(10) The Nomination Period, Number of Seats to be Elected, and Nomination Acceptance Place for the Election of the 10 th Board of Directors of the Company.		None
	(11) Approval of the Director (Including Independent Directors) Candidate List Nominated by the Board of Directors and Resolve for the Candidate Qualifications.		None
	(12) Lift of the Non-Compete Restriction for the Directors of the Company.	V	None
	(13) Lift of the Non-Compete Restriction for the Managers of the Company.		None
	(14) Renewal of Credit Line with Banks for the Company.		None
	(15) The Appointment of the CPA and Accounting Fee	V	None
	(16) Amendment of the “Audit Committee Charter” of the Company.		None
	(17) Amendment of the “Rules for Board of Directors Meetings” of the Company.		None
	(18) Amendment of the “Operation Procedures for Trading with Stakeholders Management” and rename to “Rules Governing Financial and Business Matters Between the Company and its Related Parties”		None
	(19) Abandonment of the Participation in 2024 First Cash Capital Increase Plan by the Company’s Subsidiary Keelgoalal Energy Co., Ltd. in Response to Keelgoalal Energy’s Future Application for the Stock Listing Plan and Relevant Equity Dispersion Operations. The Number of Shares Abandoned has Been Offered to the Company's Shareholders for Preferential Subscription Based on Their Shareholding Ratio.		None
Independent Director's opinion: None.			
Company's handling of the independent director's opinion: None.			
Resolution result: All attending directors have no objection and the motion is passed.			
2. The implementation status of directors' recusal from interested party transactions shall specify the name of the director, the content of the resolution, the reason for recusal, and the participation in the vote:			
9th Board Meeting, 9th Session, March 10, 2023	Case for retrospectively recognizing the year-end bonuses of the company's management personnel.	Shih-Ming Huang, Chairman of the Board of Directors Ching-Jung Huang, Director	Concurrently serving as General Manager of the Company. Concurrently serving as Deputy General Manager of the Company.
Proceedings: [Shih-Ming Huang, Chairman of the Board of Directors] who also serves as General Manager of the Company, recused himself from the discussion and vote due to his conflict of interest. Lin Weihong, an independent director, temporarily acted as a proxy to discuss and vote on the case. [Ching-Jung Huang, Director] who also serves as Deputy General Manager of the Company, recused herself from the discussion and vote due to her conflict of interest.			

Independent Director Opinion: Independent directors Wei-Hung Lin, Chih-Wei Tsai, and Jan-Yan Lin all expressed agreement.			
Resolution Result: Except for the directors with conflicts of interest who recused themselves from the vote, after the acting chairman consulted with the other attending directors, the resolution was passed with no objections.			
9th Board Meeting, 11th Session, August 4, 2024	Discussion of the Number of Shares Subscribed by the Managers for the Company in 2023 Capital Increase.	Shih-Ming Huang, Chairman of the Board of Directors Ching-Jung Huang, Director	Concurrently serving as General Manager of the Company. Concurrently serving as Deputy General Manager of the Company.
Proceedings: 【Shih-Ming Huang, Chairman of the Board of Directors】who also serves as General Manager of the Company, recused himself from the discussion and vote due to his conflict of interest. Wei-Hung Lin, an independent director, temporarily acted as a proxy to discuss and vote on the case. 【Ching-Jung Huang, Director】who also serves as Deputy General Manager of the Company, recused herself from the discussion and vote due to her conflict of interest.			
Independent Director Opinion: Independent directors Wei-Hung Lin, Chih-Wei Tsai, Jan-Yan Lin and Ming-Xiu Cheng all expressed agreement.			
Resolution Result: Except for the directors with conflicts of interest who recused themselves from the vote, after the acting chairman consulted with the other attending directors, the resolution was passed with no objections.			
9th Board Meeting, 11th Session, August 4, 2024	Discussion of the Remuneration Distribution for Managers and Employees.	Directors of the company (including independent directors)	Directors of the company (including independent directors)
Proceedings: 【Shih-Ming Huang, Chairman of the Board of Directors】who also serves as General Manager of the Company, recused himself from the discussion and vote due to his conflict of interest. Wei-Hung Lin, an independent director, temporarily acted as a proxy to discuss and vote on the case. 【Ching-Jung Huang, Director】who also serves as Deputy General Manager of the Company, recused herself from the discussion and vote due to her conflict of interest.			
Independent Director Opinion: Independent directors Wei-Hung Lin, Chih-Wei Tsai, Jan-Yan Lin and Ming-Xiu Cheng all expressed agreement.			
Resolution Result: Except for the directors with conflicts of interest who recused themselves from the vote, after the acting chairman consulted with the other attending directors, the resolution was passed with no objections.			
9th Board Meeting, 11th Session, August 4, 2024	Discussion of the Remuneration Distribution for Directors.	Directors of the company (including independent directors)	Directors of the company (including independent directors)
Meeting proceedings: 【Chairman Shih-Ming Huang】As the Chairman of this company, I have a conflict of interest with this case and will recuse myself from the discussion and voting. Lin Weihong, the independent director, will temporarily act as the proxy to conduct the discussion and voting. 【Director Ching-Jung Huang】As a second-degree relative of the Chairman, I have a conflict of interest with this case and will recuse myself from the discussion and voting. 【Director Yung-Tsai Chen】As a director of this company, I have a conflict of interest with this case and will recuse myself from the discussion and voting. 【Director Chien-Ting Chen】As a director of this company, I have a conflict of interest with this case and will recuse myself from the discussion and voting. 【Director Ling-Ju Huang】As the legal representative of a corporate director of this company, I have a conflict of interest with this case and will recuse myself from the discussion and voting. 【Independent Director Wei-Hung Lin】As an independent director of this company, I have a conflict of interest with this case and will recuse myself from the discussion and voting. 【Independent Director Jan-Yan Lin】As an independent director of this company, I have a conflict of interest with this case and will recuse myself from the discussion and voting. 【Independent Director Chih-Wei Tsai】As an independent director of this company, I have a conflict of interest with this case and will recuse myself from the discussion and voting.			
Independent Director Opinion: Independent directors Wei-Hung Lin, Chih-Wei Tsai Jan-Yan Lin and Ming-Xiu Cheng all expressed agreement.			
Resolution Result: Except for directors and independent directors with conflicts of interest who recused themselves from the discussion and vote, after the chairman consulted with the other attending directors and independent directors and received no objections, the resolution was passed.			

9th Board Meeting, 13th Session, March 15, 2024	Case for retrospectively recognizing the year-end bonuses of the company's management personnel.	Shih-Ming Huang, Chairman of the Board of Directors Ching-Jung Huang, Director	Concurrently serving as General Manager of the Company. Concurrently serving as Deputy General Manager of the Company.	
Proceedings: 【Shih-Ming Huang, Chairman of the Board of Directors】who also serves as General Manager of the Company, recused himself from the discussion and vote due to his conflict of interest. Wei-Hung Lin, an independent director, temporarily acted as a proxy to discuss and vote on the case. 【Ching-Jung Huang, Director】who also serves as Deputy General Manager of the Company, recused herself from the discussion and vote due to her conflict of interest.				
Independent Director Opinion: Independent directors Wei-Hung Lin, Chih-Wei Tsai, and Jan-Yan Lin all expressed agreement.				
Resolution Result: Except for the directors with conflicts of interest who recused themselves from the vote, after the acting chairman consulted with the other attending directors, the resolution was passed with no objections.				
3. Listed and OTC companies shall disclose information on the evaluation cycle, period, scope, method, and evaluation content of their self-evaluation (or peer evaluation) of the board of directors, and fill in the Appendix 2 "Implementation of Board Evaluation". Implementation of Board Evaluation: The Company conducted an internal board evaluation for the year 2023 in the first quarter of 2024 in accordance with the "Board of Directors Performance Evaluation Measures". In accordance with the measures, an external organization will be commissioned to conduct a board evaluation every three years. The evaluation results have been submitted to the 9th Meeting of the 13th board of directors of the Company and recorded on March 15, 2024.				
Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Annually	January 1, 2023 to December 31, 2023	Conducted for the Board of Directors, individual board members, the Audit Committee, and the Compensation Committee	This evaluation is conducted internally, using an internal questionnaire method, and the results are collected and statistically evaluated.	●The performance evaluation of the board of directors includes the following five aspects: ① Level of participation in company operations. ② Improving the quality of the board's decision-making. ③ Composition and structure of the board of directors. ④ Selection and ongoing education of directors. ⑤ Internal control. ●The performance evaluation of individual board members includes the following six aspects: ① Understanding of company goals and tasks. ② Awareness of board responsibilities. ③ Level of participation in company operations. ④ Management and communication of internal relationships. ⑤ Professional expertise and ongoing education of directors. ⑥ Internal control. ●The performance evaluation of functional committees includes the following five aspects: ① Level of participation in company operations. ② Understanding of functional committee responsibilities. ③ Improving the quality of functional committee decision-making. ④ Composition and selection of functional committee members. ⑤ Internal control.
Assessment Results: ●Self-assessment of the Board's Operation Performance The Board's performance evaluation includes five dimensions with a total of 45 indicators. The average score is 90.89 points, and the evaluation result is "Excellent," indicating that the overall operation of the Board is still perfect, fulfilling its responsibilities to supervise and manage the company and meeting the requirements of corporate governance.				

- Performance Evaluation of Board Members

The indicators include six dimensions with a total of 23 indicators. The average score is 90.98 points, and the evaluation result is "Excellent," indicating that the Board members have a good understanding of their participation in the Board and overall operation, possess the ability to perform their duties and contribute to enhancing the Board's effectiveness.

- Performance Evaluation of the Audit Committee

The indicators include five dimensions with a total of 22 indicators. The average score is 90.91 points, and the evaluation result is "Excellent," indicating that the overall operation of the Audit Committee is in good condition and contributes to enhancing the Board's effectiveness.

- Self-assessment of the Compensation Committee's Operation Performance

The indicators include five dimensions with a total of 22 indicators. The average score is 90.53 points, and the evaluation result is "Excellent," indicating that the overall operation of the Compensation Committee is in good condition and contributes to enhancing the Board's effectiveness.

4. Goals for strengthening the functions of the board of directors in the current year and the most recent year (such as establishing an audit committee, improving information transparency, etc.) and their implementation Evaluate

- (1) In order to strengthen the functions of the board of directors, in addition to the Compensation Committee already established, the company also voluntarily set up an audit committee on 107.06.14 to assist the Board of Directors in performing its supervisory duties.
- (2) In order to promote good corporate governance, the board of directors voluntarily appointed a corporate governance supervisor on 108.03.15 to assist directors in performing their duties.business and enhance the effectiveness of the board of directors.
- (3) In order to strengthen the functions of the board of directors, the company re-elected directors at the general meeting of shareholders on 2021.07.05, and added two directors with professional backgrounds in science and engineering, so that the members of the board of directors are more diverse; additionally, one seat of independent director with a professional legal background was elected at the general meeting of shareholders on 2023.06.15. This Board shall be able to give professional advice from different perspectives, which is helpful for improving the company's operating performance and management efficiency It is of great help.
- (4) The Company established the Sustainability Development Committee on 2023.11.03. Under this Committee, three functional teams including the "Sustainability Development Promotion Team", "Ethical Operation Promotion Team", and "Risk Management Promotion Team" have been formed, and are responsible for promoting corporate governance and ensuring the promotion and implementation of work related to the sustainable development of enterprises.
- (5) The company will continue to strengthen corporate governance and fulfill corporate social responsibilities in the future to achieve the goal of sustainable development.

2. Audit Committee Operations:

- (1) The company set up an audit committee in June 2018 in accordance with the Securities and Exchange Act and elected one additional seat of independent director at the general meeting of shareholders on 15th June 2023. The audit committee is now composed of four independent directors and is chaired by independent director Wei-Hung Lin. The committee operates in accordance with the "Audit Committee Charter" of the Company and holds at least one meeting per quarter.
- (2) The main responsibilities and annual work focus of the company's audit committee are to assist the board of directors in overseeing the quality and integrity of the company's accounting, audit, financial reporting processes, and financial controls. Its deliberations cover financial reports, the effectiveness of internal control systems, matters involving conflicts of interest for directors themselves, procedures for modifying the acquisition or disposition of assets, and the review of significant endorsements for others.
 - A. Evaluation of the effectiveness of the internal control system: The company's internal control system is self-evaluated, and each unit of the company completes the internal control cycle operation annually. The Audit Committee confirms that the company's internal control system, including financial, operational, risk management, information security, outsourcing, and compliance controls, is effective, and the company has taken necessary control measures to supervise and correct non-compliant behavior.
 - B. Review of financial reports: The company's annual operating report, annual financial report, and profit distribution proposal have all been reviewed and approved by the audit committee, and after being submitted to the board of directors for resolution, they are sent to the shareholders' meeting for approval.
- (3) As of the date of the annual report, the audit committee has held 5 meetings (from January 1, 2023 to March 15, 2024), and the attendance of the committee members is as follows:

Ttile	Name	Actual Attendance (B)	Number of Attendance by Proxy	Actual Attendance Rate【 B / A 】	Notes
Independent Director	Wei-Hung Lin	5	0	100.00%	
Independent Director	Jan-Yan Lin	5	0	100.00%	
Independent Director	Chih-Wei Tsai	5	0	100.00%	
Independent Director	Ming-Xiu Cheng	1	2	33.33%	Elected on 2023.06.15, actual attendance is 3 times.
Other Matters to be Disclosed:					
1. If the Audit Committee operates under any of the following circumstances, the date, period, agenda content, Audit Committee resolution results, and the Company's handling of the Audit Committee's opinions should be described:					
(1) Matters listed in Article 14-5 of the Securities and Exchange Act:					
Board of Directors	Agenda Content and Subsequent Handling				Matters listed in Section 14-5 of the Securities and Exchange Act
The 9th meeting of the 9th session on March 10, 2023	(1) 2022 Business Report and Financial Reports for the Company.				
	(2) 2022 Profit Distribution for the Company.				
	(3) 2022 Cash Dividend Distribution for the Company.				
	(4) 2023 Business Plan of the Company.				
	(5) 2022 Internal Control System Declaration Statement of the Company.				

	(6) Ratification of the Annual Bonus Distribution for the Managers of the Company.	
	(7) Discussion of 2022 Performance Appraisal Evaluation and 2023 Performance Indicator and Remuneration for the Managers of the Company.	
	(8) Discussion of the Managers' Promotions of the Company.	
	(9) Discussion of the Salary Adjustment for the Managers of the Company.	
	(10) Discussion of 2022 Remuneration Distribution for the Employees and Directors of the Company.	
	(11) The Appointment of the CPA of the Financial Reports of the Company.	V
	(12) Establishment of the General Principle of the Non-Assurance Service Pre-Approval Policy for the Company.	V
	(13) Matters related to the 2023 Shareholders' Meeting of the Company and Acceptance of Shareholder Proposals for the Company.	
	(14) Approval of the Independent Director Candidate Nominated by the Board of Directors and Resolve for the Candidate Qualifications.	
	(15) The Nomination Period, Number of Seats to be Elected, and Nomination Acceptance Place for the Election of the Independent Directors of the Company.	
	(16) Renewal of Credit Line with Banks for the Company.	
	(17) Proposal of 2023 Cash Capital Increase and Issuance of Domestic Third Unsecured Convertible Bonds by the Company.	V
	Audit committee resolution (March 10th, 2023): All members of the committee were present and approved the above matters without objection..	
	Company's response to the audit committee: None.	
The 10th meeting of the 9th session on May 3, 2023	(1) 2023Q1 Financial Report of the Company.	
	(2) Renewal of Credit Line with Banks for the Company.	
	(3) Provision of the Endorsement Guarantee for Celxpert Energy Corporation (Kunshan) by the Company.	V
	(4) Lift of the Non-Compete Restriction for the Directors of the Company.	V
	(5) Lift of the Non-Compete Restriction for the Managers of the Company.	
	(6) Release of the Shares of the Subsidiary and Abandonment of the Participation in the Cash Capital Increase Plan in Stages by the Company in Response to the Subsidiary Keelgoalal Energy Co., Ltd.'s Future Application for the Stock Listing Plan.	V
	Audit committee resolution (May 3rd, 2023): All members of the committee were present and approved the above matters without objection..	
	Company's response to the audit committee: None.	
The 11th meeting of the 9th session on August 4, 2023	(1) 2023Q2 Financial Report of the Company.	
	(2) Discussion of Stock Option Methods for Employees in 2023 Capital Increase for the Company.	
	(3) Discussion of the Number of Shares Subscribed by the Managers for the Company in 2023 Capital Increase.	
	(4) Discussion of the Remuneration Distribution for Managers and Employees.	
	(5) Discussion of the Remuneration Distribution for Directors.	V
	(6) Renewal of Credit Line with Banks for the Company.	
	(7) Provision of the Endorsement Guarantee for Keelgoalal Energy Co., Ltd.	V
	(8) Review of Accounts Receivable for More Than Three Months Complying with the Requirements of the Newly Amended Regulations by the Company.	V
	(9) Proposal to Authorize the Chairman to set the Price Range for 2023 Cash Capital Increase by Issuance of the Shares for the Company.	
	Audit committee resolution (August 4th, 2023): All members of the committee were present and approved the above matters without objection..	
	Company's response to the audit committee: None.	
The 12th meeting of the 9th session on November 3, 2023	(1) 2023Q3 Financial Report of the Company.	
	(2) Renewal of Credit Line with Banks for the Company.	
	(3) Provision of the Endorsement Guarantee for Celxpert Energy Corporation (Kunshan) by the Company.	V
	(4) 2024 Audit Plan of the Company.	
	(5) The Amendment of the "Operation Procedures for Handling Material Inside Information and Insider Trading Prevention Management" of the Company.	
	(6) The Establishment of the "Practice of the Corporate Governance" of the Company.	

	(7) Amendment of the “Rules for Performance Appraisal for the Board of Directors and Functional Committees” of the Company		
	(8) Establishment of the “Sustainability Development Committee” of the Company.		
	(9) The Establishment of the “Policy and Procedures of Risk Management”.		
	(10) The Amendment of the “Ethical Corporate Management Practice Principles” of the Company .		
	Audit committee resolution (November 3rd, 2023): All members of the committee were present and approved the above matters without objection..		
	Company's response to the audit committee: None.		
The 13th meeting of the 9th session on March 15, 2024	(1) 2023 Business Report and Financial Reports for the Company.		
	(2) 2023 Loss Off-Setting Proposals of the Company.		
	(3) 2023 Cash Dividend Distribution for the Company.		
	(4) Discussion of 2023 Remuneration Distribution for the Employees and Directors of the Company.		
	(5) Discussion of the Annual Bonus Distribution for the Managers of the Company.		
	(6) Discussion of 2023 Performance Appraisal Evaluation and 2024 Performance Indicator and Remuneration for the Managers of the Company.		
	(7) 2024 Business Plan of the Company.		
	(8) 2023 Internal Control System Declaration Statement of the Company.	V	
	(9) Matters related to the 2024 Shareholders' Meeting of the Company and Acceptance of Shareholder Proposals for the Company.		
	(10) The Nomination Period, Number of Seats to be Elected, and Nomination Acceptance Place for the Election of the 10 th Board of Directors of the Company.		
	(11) Approval of the Director (Including Independent Directors) Candidate List Nominated by the Board of Directors and Resolve for the Candidate Qualifications.		
	(12) Lift of the Non-Compete Restriction for the Directors of the Company.	V	
	(13) Lift of the Non-Compete Restriction for the Managers of the Company.		
	(14) Renewal of Credit Line with Banks for the Company.		
	(15) The Appointment of the CPA and Accounting Fee	V	
	(16) Amendment of the “Audit Committee Charter” of the Company.		
	(17) Amendment of the “Rules for Board of Directors Meetings” of the Company.		
	(18) Amendment of the “Operation Procedures for Trading with Stakeholders Management” and rename to “Rules Governing Financial and Business Matters Between the Company and its Related Parties”		
	(19) Abandonment of the Participation in 2024 First Cash Capital Increase Plan by the Company’s Subsidiary Keelgoalal Energy Co., Ltd. in Response to Keelgoalal Energy’s Future Application for the Stock Listing Plan and Relevant Equity Dispersion Operations. The Number of Shares Abandoned has Been Offered to the Company's Shareholders for Preferential Subscription Based on Their Shareholding Ratio.		
	Audit committee resolution (March 15th, 2024): All members of the committee were present and approved the above matters without objection..		
Company's response to the audit committee: None.			
(2) Other matters that have not been approved by the Audit Committee but have been passed by a resolution of more than two-thirds of the entire Board of Directors: None.			
2. The implementation status of recusal by independent directors in cases involving conflicts of interest shall state the names of the directors, the contents of the proposal, the reasons for recusal, and their voting participation:			
9th Board Meeting, 11th Session, August 4, 2023	Discussion of the Remuneration Distribution for Directors.	Directors of the company (including independent directors)	Directors of the company (including independent directors)
Meeting proceedings:			
【Independent Director Wei-Hung Lin】As an independent director of this company, I have a conflict of interest with this case and will recuse myself from the discussion and voting.			
【Independent Director Jan-Yan Lin】As an independent director of this company, I have a conflict of interest with this case and will recuse myself from the discussion and voting.			
【Independent Director Chih-Wei Tsai】As an independent director of this company, I have a conflict of interest with this case and will recuse myself from the discussion and voting.			
Independent Director Opinion: Independent directors Wei-Hung Lin, Chih-Wei Tsai Jan-Yan Lin and Ming-Xiu Cheng all expressed			

agreement.

Resolution Result: Except for directors and independent directors with conflicts of interest who recused themselves from the discussion and vote, after the chairman consulted with the other attending directors and independent directors and received no objections, the resolution was passed.

3. The communication between independent directors and the internal audit director and accountant (including major matters, methods, and results of communication on the company's finances and business conditions):

(1) The internal audit director of the company, in addition to contacting the independent directors as needed, submits audit reports to the independent directors on a regular basis and reports on the handling of relevant audit matters to the Audit Committee every quarter.

The communication between independent directors and the internal audit director of the company in the 2022 fiscal year and up to the date of publication of the annual report is summarized in the table below:

Date	Communication Focus	Communication Results
March 10, 2023	1. Audit report for the fourth quarter of 2022 2. Report on the handling of opinion box	No objections.
May 3, 2023	1. Audit report for the first quarter of 2023 2. Report on the handling of opinion box	No objections.
August 4, 2023	1. Audit report for the second quarter of 2023 2. Report on the handling of opinion box	No objections.
November 3, 2023	1. Audit report for the third quarter of 2023 2. Report on the handling of opinion box	No objections.
March 15, 2024	1. Audit report for the fourth quarter of 2023 2. Report on the handling of opinion box	No objections.

(2) The company's accountants may contact the independent directors as needed and report to the independent directors on the results of financial report audits and discoveries at least once a year at the Audit Committee meeting, as well as share updates on recent legal changes.

The communication between independent directors and the signing accountants of the company in the 2022 fiscal year and up to the date of publication of the annual report is summarized in the table below:

Audit Committee Report Date	Attendees	Communication Focus	Communication Results
March 10, 2023	Independent Director Wei-Hung Lin Independent Director Chih-Wei Tsai Independent Director Jan-Yan Lin CPA Guo Guan-Ying	1. The accountant explained the audit status of the 110-year financial report and consolidated financial report. 2. The accountant communicated with the internal control audit and governance unit. 3. Recent updates on laws and regulations were shared. 4. The accountant discussed and communicated with the attendees regarding questions raised.	No objections.
May 3, 2023	Independent Director Wei-Hung Lin Independent Director Chih-Wei Tsai Independent Director Jan-Yan Lin CPA Serena Hsin	1. Explanation of the CPA's audit of the Q1 2023 consolidated financial statements. 2. Communication with the internal control audit and governance unit by the CPA. 3. Recent legal updates shared. 4. Discussion and communication with attendees on questions raised by the CPA.	No objections.
August 4, 2023	Independent Director Wei-Hung Lin Independent Director Chih-Wei Tsai Independent Director Jan-Yan Lin CPA Serena Hsin	1. Explanation of the CPA's audit of the Q2 2023 consolidated financial statements. 2. Communication with the internal control audit and governance unit by the CPA. 3. Recent legal updates shared. 4. Discussion and communication with attendees on questions raised by the CPA.	No objections.
November 3, 2023	Independent Director Wei-Hung Lin Independent Director Chih-Wei Tsai Independent Director Jan-Yan Lin	1. Explanation of the CPA's audit of the Q3 2023 consolidated financial statements. 2. Communication with the internal control audit and governance unit by the CPA.	No objections.

		Independent Director Ming-Xiu Cheng CPA Serena Hsin	3. Recent legal updates shared. 4. Discussion and communication with attendees on questions raised by the CPA.	
	March 15, 2024	Independent Director Wei-Hung Lin Independent Director Chih-Wei Tsai Independent Director Jan-Yan Lin Independent Director Ming-Xiu Cheng CPA Serena Hsin	1. Explanation of the CPA's audit of the Q4 2023 consolidated financial statements. 2. Communication with the internal control audit and governance unit by the CPA. 3. Recent legal updates shared. 4. Discussion and communication with attendees on questions raised by the CPA.	No objections.

Note:

- * If there are independent directors who resign before the end of the fiscal year, the date of resignation should be indicated in the remarks column, and the actual attendance rate (%) should be calculated based on the number of audit committee meetings attended during their tenure.
- * If there are independent directors who are newly elected or re-elected before the end of the fiscal year, both the new and old independent directors should be listed, and it should be indicated in the remarks column whether the independent director is a new, old, or re-elected member and the date of the election. The actual attendance rate (%) should be calculated based on the number of audit committee meetings attended during their tenure.

3. Participation of supervisors in the operation of the board of directors: An audit committee has been established, N/A.

(4) Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company established the Corporate Governance Best Practice Principles which was approved by the board of directors on 2023/11/3.	None.
2. Shareholding Structure and Shareholders' Rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes, and litigation matters? If yes, have these procedures been implemented accordingly?		V	(1) The Company has established a spokesperson and deputy spokesperson system to be responsible for the handling of investor relationships. The Company has built up a channel between the company and shareholders for positive communications. By far, it has properly responded to all suggestions from the shareholders, and resolved the doubts of shareholders and there was no dispute found.	None.
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		(2) The Company has the list of its major shareholders and their final controlling parties to ensure operational stability.	None.
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		(3) Assets and financial accounting of the affiliates are handled independently, and the company's relevant departments conduct regular and ad-hoc audits of affiliates with control rights. This is done to prevent any potential drawbacks arising from affiliates' transactions and to mitigate risks to the company.	None.
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		(4) The management of the Company places a strong emphasis on ethical operations. In the design of our internal management systems, we have implemented measures to prevent misconduct and regularly educate our internal stakeholders on securities trading laws and regulations, including insider trading prohibitions. It is strictly prohibited for insiders to engage in insider trading activities. Furthermore, on November 4th, 2022, the Board of Directors approved the revision of the Procedures for Handling Material Inside Information and Preventing Insider Trading. These procedures stipulate that directors are prohibited from trading the company's stock during a closed period of thirty days prior to the announcement of annual financial reports and fifteen days prior to the announcement of quarterly financial reports.	None.
3. Composition and responsibilities of the board of directors (1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		(1) The Company is committed to promoting the effective operation, organizational structure, and development needs of the Board of Directors through the formulation of appropriate diversity policies. The nomination and selection of board members follow the provisions outlined in the Company's Article of Incorporation, utilizing a candidate nomination system. In addition to evaluating the qualifications and experiences of each candidate, we adhere to the guidelines set forth in the "Corporate Governance Best Practice Principles for TWSE/TPEX Companies.", particularly Article 20, to ensure the diversity and independence of our board members. 1. The current Board of Directors consists of ten members, with two female members that represent 20% of the total board composition, with an average age of 42 years old. Male members constitute 80% of the Board, with an average age of 59 years old. The average age of all board members is 55 years old. 2. General Board Members: These board members hold professional backgrounds in management, engineering, and industrial operations. They have obtained a	None.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
(2) Has the Company voluntarily established other functional committees in addition to the Compensation Committee and the audit committee? (3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms? (4) Does the Company regularly evaluate its external auditors' independence?	V		Master's degree in Electrical Engineering from the Georgia Institute of Technology, a MBA degree from Tatung Polytech, a degree in International Business from National Taiwan University, an EMBA degree from National Taiwan University, and have also studied Mechanical Manufacturing Engineering Master program at National Chung Hsing University and Atomic Science at Tsinghua University. 3. Independent Directors: Their backgrounds include an accountant at Gao Fu Accounting Firm, a practicing accountant at Chainye Accounting Firm, a full-time professor in the Department of Business Administration at Chung Yuan Christian University, and a full-time professor in the Department of Law, Soochow University. 4. These Board Members withhold various professional backgrounds, skills, and industrial experiences, etc. (2) In addition to establishing a Compensation Committee in compliance with the law, the Company has voluntarily established an Audit Committee. In addition, a "Sustainability Development Committee" was established on 2023.11.03. Under this Committee, three functional teams including the "Sustainability Development Promotion Team", "Ethical Operation Promotion Team", and "Risk Management Promotion Team" have been formed, and are responsible for promoting corporate governance and ensuring the promotion and implementation of work related to the sustainable development of enterprises. We may consider establishing other functional committees in the future based on operational needs. (3) The Company has implemented the "Rules for Performance Evaluation of Board of Directors and Functional Committee," which were approved by the Board of Directors. Internal evaluations of the Board and functional committees were conducted in 2024Q1. The evaluation results are compiled into a report, which was reported to the Board of Directors on March 15, 2024. (4) The Finance and Accounting Department has developed relevant evaluation criteria in accordance with Article 47 of the Certified Public Accountant Act and Bulletin No. 10 of the Code of Professional Ethics for Certified Public Accountants. In addition to conducting regular assessments of the independence and capabilities of the CPAs, we also require them to provide "Audit Quality Indicators (AQIs)" and evaluate them based on the standards outlined in Note 1 and the 13 AQI indicators. After confirming that the CPAs have no other financial interests or business relationships with the Company other than the fees for auditing and taxation cases, and considering the AQI indicators, it has been determined that the CPAs and their firms have superior audit experience and on-the-job training hours compared to industry averages. The most recent evaluation results were submitted to the Audit Committee for review and subsequently reported to the Board of Directors on March 15, 2024. The evaluation results showed that all CPAs of the Company meet the criteria of independence and capabilities (Note 1).	None. None. None.
4.Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices	V		The Board of Directors approved on 2021.07.16 the appointment of the Corporate Governance Officer to safeguard shareholder rights and enhance the effectiveness of the Board of Directors. Corporate Governance Officer possesses over three years of experience in a senior financial management role in a publicly traded company. The Corporate Governance Officer's primary	None.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons																																				
	Yes	No	Summary description																																					
(including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?			responsibilities include handling matters related to the Board Meetings and Shareholders' Meetings in accordance with the law, preparing minutes of the Board Meetings and Shareholders' Meetings, assisting directors in their appointments and continuous education, providing necessary information for directors to carry out their duties, and assisting directors in compliance with laws and regulations. The Corporate Governance Officer adheres to the principle of prompt and effective assistance in the execution of duties, ensuring that all directors can obtain the support of the Corporate Governance Officer, receive appropriate and timely information, make informed decisions, and fulfill their responsibilities as directors.																																					
The Corporate Governance Officer of the Company carried out the following business for 2023 and the current year as of the printing date of the prospectus:																																								
(1) Assist in arranging the content and procedures of Board Meetings and Shareholders' Meetings, ensuring that meeting summonses and notifications are completed within the legally required timeframes.																																								
(2) Provide assistance and reminders to directors regarding compliance with applicable regulations in the execution of their duties, including pre-notification of recusal in cases where directors may have conflicts of interest in the meeting.																																								
(3) Provide directors with the latest updates and revisions on laws and regulations related to corporate governance and ensure their understanding and compliance.																																								
(4) Conduct a post-review of important resolutions made by the Board of Directors to ensure compliance with regulations regarding the disclosure of material information, thereby safeguarding the equal rights of investors to access accurate and lawful trading information.																																								
(5) Report to the Board of Directors on the examination results regarding the qualifications of independent directors during the nomination, appointment, and tenure periods, in accordance with relevant laws and regulations.																																								
The training records of the Corporate Governance Officer of the Company in 2023 and the current year as of the printing date of the prospectus:																																								
<table><tr><th>Training Date</th><th colspan="3">Host By</th><th>Course</th><th>Training HR</th></tr><tr><td>2023.08.11</td><td>Taiwan Association</td><td>Corporate</td><td>Governance</td><td>The roles and responsibilities of the board of directors/senior managers in ESG governance</td><td>3</td></tr><tr><td>2023.07.18</td><td>Taiwan Association</td><td>Corporate</td><td>Governance</td><td>Corporate Governance 3.0 "Sustainability Report" Practical Analysis</td><td>3</td></tr><tr><td>2023.09.15</td><td>Taiwan Association</td><td>Corporate</td><td>Governance</td><td>How to discuss in board meetings? Practical sharing on common deficiencies in the board meeting operations of listed companies</td><td>3</td></tr><tr><td>2023.09.26</td><td>Taiwan Association</td><td>Corporate</td><td>Governance</td><td>Business secret risk and management under digital transformation</td><td>3</td></tr><tr><td>2023.11.29</td><td>Association of Professionals</td><td>Corporate</td><td>Governance</td><td>2023 Civil Liability and Damage Compensation for False Financial Reports Seminar</td><td>3</td></tr></table>					Training Date	Host By			Course	Training HR	2023.08.11	Taiwan Association	Corporate	Governance	The roles and responsibilities of the board of directors/senior managers in ESG governance	3	2023.07.18	Taiwan Association	Corporate	Governance	Corporate Governance 3.0 "Sustainability Report" Practical Analysis	3	2023.09.15	Taiwan Association	Corporate	Governance	How to discuss in board meetings? Practical sharing on common deficiencies in the board meeting operations of listed companies	3	2023.09.26	Taiwan Association	Corporate	Governance	Business secret risk and management under digital transformation	3	2023.11.29	Association of Professionals	Corporate	Governance	2023 Civil Liability and Damage Compensation for False Financial Reports Seminar	3
Training Date	Host By			Course	Training HR																																			
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2023.11.29	Association of Professionals	Corporate	Governance	2023 Civil Liability and Damage Compensation for False Financial Reports Seminar	3																																			
5.Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		The Company has set up a dedicated section for stakeholders on its website, disclosing the contact information of the spokesperson and the deputy spokesperson. ● Customer Section (1) Meaning to the Company Product support and attention to product quality (2) Topics concerned ●Customer services ●Product responsibility ●Ethics and honesty ●Quality management ●Innovative R&D (3) Communication Channels, Frequency, and Responding Methods ●Customer satisfaction survey ●Cooperate with customers for sales-related review meetings. ●Customer audits and replies to the survey feedback from the customers. ● Shareholder section (1) Meaning to the Company Sustainable operations bring positive benefits and decide the operation direction of the company. (2) Topics concerned ●Operating performance ●Corporate governance ●Information security ●Risk management ●Energy management ●Water resource management ●Anti-corruption ●Occupational health and safety (3) Communication Channels, Frequency, and Responding Methods ●Regularly announce monthly revenue in accordance with laws and regulations	None.																																				

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			•Board resolutions and various financial reports •Announce material information at MOPS •Hold a shareholders' meeting every year to report the company's operating status •Spokesperson system to respond to investors via phone calls and emails •Communication channel Spokesperson CFO: Chien-Yu Lin Tel: 886-3-489-9054 ext. 1200 E-mail: investor@celxpert.com.tw • Supplier section (1) Meaning to the Company Provide materials and other things, ensuring the quality meets the requirement. (2) Topics concerned •Company image in the market •Legal compliance with environmental regulations •Legal compliance with product responsibility regulation •Anti-corruption (3) Communication Channels, Frequency, and Responding Methods •Supplier evaluations •Ad hoc education and training •Communication meetings and survey feedback • Employee section (1) Meaning to the Company An important and necessary asset to the operation of the company. (2) Topics concerned •Human rights policy •Corporate governance •Legal compliance •Employee benefits •Talent development •Workplace health and safety (3) Communication Channels, Frequency, and Responding Methods •Employee care survey: Regular quarterly and annual employee care, including organization atmosphere, work satisfaction, leadership management, learning and growth, salary and welfare measures, education and training, and overall satisfaction. •Labor-to-Management meeting: Regular quarterly labor-to-management meetings with active participation from both sides •Welfare Committee: Ad hoc birthday parties, employee traveling, family day events, etc. •Communication and compliant mechanism: 1) Announcement in the internal website of the company 2) Internal opinion e-mail box of the company. 3) Sexual harassment prevention and complaint e-mail: Rachel_Chuang@celxpert.com.tw • Government section (1) Meaning to the Company Comply with various regulations of the government agencies and cooperate with irregular inspections. (2) Topics concerned •Legal compliance •Anti-corruption (3) Communication Channels, Frequency, and Responding Methods •Maintain good interactions with the competent authorities, actively participate in regulation briefings, seminars, and projects held by various competent authorities. •Official announcements and letters, survey investigations from competent authorities. •Participate in external associations and provide suggestions promptly to various issues. • Society and public section (1) Meaning to the Company Improve the living quality of the public and grow together with the society.	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			(2) Topics concerned •Social participation •Social welfare •Environment management (3) Communication Channels, Frequency, and Responding Methods •Ad hoc support community events. •Celxpert websites and survey feedback. •Communications via phones and e-mails.	
6.Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V		The company has engaged the professional share registrar agency CTBC Bank to assist with the handling of shareholders' meetings and related share registry matters.	None.
7.Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status? (2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conferences, etc.)? (3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	V V	 V	(1) The Company discloses financial and business related information on its website as well as on the MOPS according to the law and regulations. (2) The Company has appointed dedicated personnel responsible for the company's information disclosure and has implemented the spokesperson system, and established a stakeholder section on its website to disclose the contact information of related personnel at the following URL: https://zh-tw.celxpert.com.tw/data_5939 (3) Even though the Company does not currently report its annual financial reports within two months after the end of the fiscal year, it announces its quarterly and annual financial reports on the same day of the Board approval. In addition, the monthly operating statement has been announced and submitted in advance of the specified deadlines.	None. None. None.
8.Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		(1) Employee rights: The Company has always placed great importance on maintaining harmonious labor-management relations. We regularly hold labor-management meetings to establish a two-way communication channel. Furthermore, we adhere to labor laws and regulations to ensure the protection of employee rights. (2) Employee wellness: The Company has established Employee Welfare Committee which allocates welfare funds to promote various benefit measures according to laws and regulations. Benefits include annual travelling, employee insurance, regular health examinations, and various courses and training. (3) Investor relations: The Company has appointed dedicated personnel responsible for handling shareholders' affairs, and also established a spokesperson mailbox and online contacts to provide investors with a smooth communication platform. (4) Supplier relations: Celxpert shall build up the core value of cooperation with customers and suppliers through "Trust." We aim to communicate this through our supplier conferences, where we emphasize the importance of establishing a sustainable supply chain for battery modules based on shared values. We encourage our suppliers to collaborate with us in building a strong and long-lasting partnership. (5) Right of stakeholders: The Company's website has established a stakeholders' section to provide a smooth communication channel where stakeholders may provide advice and suggestions at any time. (6) Directors' continuing education: The directors (including independent directors) of the Company possess relevant expertise and practical knowledge in their respective fields. They are committed to continuously improving their skills	None.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons												
	Yes	No	Summary description													
			and staying updated with the latest relevant training and courses. (7) The implementation of risk management policies and risk evaluation standards: The Company has formulated various systems and regulations to conduct various risk management and evaluations. (8) The implementation of customer relations policies: The Company maintains good relationships with its customers to make the maximum profit. (9) The Company has purchased liability insurance for all directors from the insurance company each year and regularly reports to the Board. <table><tr><th>Insured Period</th><th>Insured amount</th><th>Reporting date to the board</th></tr><tr><td>2023.06.01-2024.06.01</td><td>US\$ 5M</td><td>2023.08.04</td></tr><tr><td>2022.06.01~111.06.01</td><td>US\$ 5M</td><td>2021.08.05</td></tr><tr><td>2021.06.01~111.06.01</td><td>US\$ 5M</td><td>2021.07.16</td></tr></table>	Insured Period	Insured amount	Reporting date to the board	2023.06.01-2024.06.01	US\$ 5M	2023.08.04	2022.06.01~111.06.01	US\$ 5M	2021.08.05	2021.06.01~111.06.01	US\$ 5M	2021.07.16	
Insured Period	Insured amount	Reporting date to the board														
2023.06.01-2024.06.01	US\$ 5M	2023.08.04														
2022.06.01~111.06.01	US\$ 5M	2021.08.05														
2021.06.01~111.06.01	US\$ 5M	2021.07.16														
9.Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.): The Company dedicated to promoting the corporate governance image in recent years, and remains committed to addressing these areas of improvement one by one. (1) The Company has been dedicated to enhancing corporate governance practices, and shall improve the items that have not yet been improved one by one. <table><tr><th>Year</th><th>Evaluation Result</th></tr><tr><td>2022</td><td>OTC Company ranking group: 51%~65%</td></tr><tr><td>2021</td><td>OTC Company ranking group: 51%~65%</td></tr><tr><td>2020</td><td>OTC Company ranking group: 36%~50%</td></tr></table> (2) In 2024, the Company aims to improve two major aspects of information transparency and corporate social responsibilities.					Year	Evaluation Result	2022	OTC Company ranking group: 51%~65%	2021	OTC Company ranking group: 51%~65%	2020	OTC Company ranking group: 36%~50%				
Year	Evaluation Result															
2022	OTC Company ranking group: 51%~65%															
2021	OTC Company ranking group: 51%~65%															
2020	OTC Company ranking group: 36%~50%															

Note 1: The independence and capabilities evaluations of the CPA in 2023

Name of CPA	Serena Hsin	Accounting Firm: KPMG Taiwan
Education and experience	Education: - Department of Business Administration, National Sun Yat-sen University Professional service experience - Financial Statement Certification and Profit Enterprise Income Tax Certification Declaration - Counseling on applications for public offering and listing cases - Evaluation of the internal control system - Counseling for listing cases of foreign companies in Taiwan - Counseling on the introduction of International Financial Reporting Standards (IFRS)	
Name of CPA	Wang, Yi-Wen	Accounting Firm: KPMG Taiwan
Education and experience	Education: - Department of Accounting, Soochow University Professional service experience - Counseling on applications for public offerings and listing cases - Suggestions on equity and tax structure before the public offering - Counseling for listing cases of foreign companies in Taiwan - Counseling on the introduction of International Financial Reporting Standards (IFRS) - Evaluation of the internal control system - Financial Statement Certification and Profit Enterprise Income Tax Certification Declaration - Counseling for innovative business - Counseling for social enterprises	

Item	Evaluation item	Result	Independence
1.	As of the most recent audit engagement, there have been no instances of a seven-year tenure without rotation.	Yes	Yes
2.	There are no significant financial interests or conflicts of interest with the client.	Yes	Yes
3.	Efforts are made to avoid any inappropriate relationships with the client.	Yes	Yes
4.	The CPAs ensure that their assistants adhere to principles of honesty, fairness, and independence.	Yes	Yes
5.	Within the first two years of practice, CPAs are prohibited from auditing the financial statements of previous employers.	Yes	Yes
6.	The CPAs are not allowed to use their name on behalf of others.	Yes	Yes
7.	The CPAs do not hold any shares of the company or its related entities.	Yes	Yes
8.	There are no monetary loans or borrowings between the CPAs and the company or its related entities.	Yes	Yes
9.	There is no shared investment or profit-sharing relationship between the CPAs and the Company or its related entities.	Yes	Yes
10.	The CPAs do not hold any concurrent positions with fixed remuneration from the Company or its related entities.	Yes	Yes
11.	The CPAs are not involved in the decision-making process or management functions.	Yes	Yes
12.	The CPAs do not engage in any other business that could compromise their independence.	Yes	Yes
13.	There is no spousal or within two degrees of kinship relationship with the Company's management personnel.	Yes	Yes
14.	No commissions related to the business have been received.	Yes	Yes
15.	To date, there have been no penalties or incidents that could compromise the principle of independence.	Yes	Yes

Evaluation result: The independence and capabilities of the CPAs comply with the relevant laws and regulations.

(5) If the company has established a Compensation Committee or Nomination Committee, it shall disclose its composition, responsibilities, and operating status:

1. Compensation Committee Member Information

Title	Qualification Name	Professional Qualifications and Experience	Independence Analysis	Number of Other Public Companies at Which the Person Concurrently Serves as Compensation Remuneration Committee Member
Convenor/ Independent Director	Wei-Hung Lin	1. Leadership experience in the Compensation Compensation Committee, Audit Committee, and Board of Directors (for work experience, please refer to Director information on page 13). 2. Professional knowledge of the industry and financial accounting. 3. No circumstances listed in Article 30 of the Company Law.	(1)(2)(3)(4)(5) (6)(7)(8)(9)(10)	0
Independent Director	Jan-Yan Lin	1. Leadership experience in the Compensation Compensation Committee, Audit Committee, and Board of Directors (for work experience, please refer to Director information on page 14). 2. Professional knowledge of the industry and financial accounting. 3. No circumstances listed in Article 30 of the Company Law.	(1)(2)(3)(4)(5) (6)(7)(8)(9)(10)	0
Member	Wen-Yuan Kuo	1. Leadership experience in the Compensation Compensation Committee, 2. Professional knowledge of the industry and financial accounting. 3. No circumstances listed in Article 30 of the Company Law.	(1)(2)(3)(4)(5) (6)(7)(8)(9)(10)	0

Note 1: The company has established a Compensation Compensation Committee consisting of three members in accordance with legal regulations.

Note 2: Please tick "✓" the corresponding boxes that apply to all members during the two years prior to being elected or during the term of office.

- (1) Not an employee of the company or any of its affiliates.
- (2) Not a director or supervisor of the company or any of its affiliates (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph (1) or any of the persons in the preceding (2).(3) subparagraphs.
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company (Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20% or more and no more than 50% of the total number of issued shares of the public company).
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the compensation Compensation Committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not been a person of any conditions defined in Article 30 of the Company Law Act.

2. Information on the Compensation Compensation Committee Operation Status

(1)The Compensation Compensation Committee of the company consists of three members, who are elected and appointed in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange". The committee operates in accordance with the "Organization Regulations of the Compensation Committee" of the company. It convenes meetings at least twice a year, the main responsibilities and annual focus of the committee include formulating and periodically reviewing policies and systems for performance evaluation, remuneration for directors and executives, as well as conducting relevant reviews of employee compensation and bonus distribution policies.

(2)Current Term of Committee Members: From July 16, 2021 to July 5, 2024, for the most recent fiscal year (2023) and up until the annual report printing date of the 2024 fiscal year, the Compensation Committee held four meetings (A), the qualifications and attendance of the committee members are as follows:

Job Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate(%) (B/A) (Note)	Remarks
Convenor/ Independent Director	Wei-Hung Lin	4	0	100%	
Independent Director	Jan-Yan Lin	4	0	100%	
Member	Wen-Yuan Kuo	4	0	100%	
Other mentionable items::					
1. If the Board of Directors declines to adopt or modifies a recommendation of the Compensation Compensation Committee, it should specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the Compensation Compensation Committee's opinion (eg. the remuneration passed by the Board of Directors exceeds the recommendation of the Compensation Compensation Committee, the circumstances and cause for the difference shall be specified): None.					
2. If there are dissenting or reserved opinions from members of the Compensation Compensation Committee on the matters to be resolved, and there are records or written statements, the following information should be disclosed: the date of the Compensation Committee meeting, the session, content of the motion, the opinions of all members, and how the opinions of the members were handled:					

Compensation Committee	Content of the Motion	Resolution	Company's Handling of the Compensation Committee's Opinions
The 4th Meeting of the 5th Session February 23, 2023	1. Discussion on 2022 annual remuneration payment method for employees and directors. 2. Discussion on 2022 year-end bonus distribution for managers. 3. Discussion on 2022 performance index evaluation of the company's managers and 2023 performance index compensation discussion. 4. Discussion on the salary adjustment of the company's managers. 5. Discussion on the promotion of the company's managers.	All committee members agreed and approved.	It was submitted to the Board of Directors and approved accordingly.
The 5th Meeting of the 5th Session June 29, 2023	1. Discussion on Stock Option Methods for Employees in 2023 Capital Increase for the Company. 2. Discussion on the Number of Shares Subscribed by the Managers for the Company in 2023 Capital Increase.	All committee members agreed and approved.	It was submitted to the Board of Directors and approved accordingly.
The 6th Meeting of the 5th Session July, 20, 2023	1. Discussion on 2022 annual remuneration payment method for directors. 2. Proposal on 2022 managerial staff compensation distribution discussion.	All committee members agreed and approved.	It was submitted to the Board of Directors and approved accordingly.
The 7th Meeting of the 5th Session January 25, 2024	1. Discussion on 2023 annual remuneration payment method for employees and directors. 2. Discussion on 2023 year-end bonus distribution for managers. 3. Discussion on 2023 performance index evaluation of the company's managers and 2024 performance index compensation discussion.	All committee members agreed and approved.	It was submitted to the Board of Directors and approved accordingly.

Note: (1) If a member of the Compensation Compensation Committee resigns before the end of the fiscal year, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) should be calculated based on the number of Compensation Committee meetings held during their tenure and their actual attendance at those meetings.

(2) Before the end of the fiscal year, if there is a re-election of the Compensation Compensation Committee members, both the outgoing and incoming committee members should be listed in. The remarks column shall mark The member of outgoing, incoming, reappointed, along with the date of the re-election. The actual attendance rate (%) should be calculated based on the number of Compensation Compensation Committee meetings held during their tenure and their actual attendance at those meetings.

3.Nomination Committee Member Information: The company has not yet established a Nomination Committee.

(6)The Implementation Status of Sustainable Development and Deviations from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons:

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Abstract Explanation	
1.Does the company establish a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, and the senior management authorized by the Board of Directors to be in charge of handling the sustainable development, and being supervised by the Board of Directors?	V		The company established the Sustainability Committee on 2023.11.03 and the board of directors appointed three committee members, two of whom are the independent directors of the company, and one member is appointed as the convenor and the meeting chair. Under this Committee, three functional teams including the "Sustainability Development Promotion Team", "Ethical Operation Promotion Team", and "Risk Management Promotion Team" have been formed, and are responsible for promoting corporate governance and ensuring the promotion and implementation of work related to the sustainable development of enterprises. One executive secretary is appointed to the Committee to be responsible for the affairs related to this committee's meetings and implementations of the tasks appointed by the committee. The powers of the Sustainability Committee include: 1. Formulate the company's sustainable development direction, strategies and goals, and formulate relevant management policies and specific promotion plans. 2. Formulate enterprise sustainable development planning, strategies and execution actions including the formulation of sustainable governance, ethical operation management, and environmental and social goals. 3. Promote and implement the company's work on ethical operation management and risk management. 4. Review the implementation and effectiveness of the company's sustainable development, revise its strategic goals and relevant rules and regulations, and submit reports to the board of directors on a regular basis. 5. Other matters handled by this committee upon resolution of the board of directors. This committee held a total of 1 meeting from its establishment on 2023.11.03 to the publication date of this annual report, with an attendance rate of 100%. The meeting agenda includes the company's greenhouse gas inventory and verification implementation report and the report regarding the company's adoption of SBTi, and was reported to the board of directors on 2024.03.15.	None
2.Does the company assess ESG risks evaluation associated with its operations based on the principle of materiality, and establish related risk management policies or strategies? (Note 1)	V		1) This disclosure scope covers the important operating locations and corporate sustainability management and performance of Celxpert from January 2023 to December 2023. The content includes economic, environmental and social aspects. The operating locations include the Taiwan headquarters (Taoyuan	None

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons																															
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			Longtan Factory) and Kunshan Factory in Jiangsu, Mainland China, and presented information on important issues in the past two years. 2) The Company's Sustainability Committee conducts analysis based on the materiality principle of the sustainability report, communicates with internal and external stakeholders. The Committee determined the material ESG issues of the company after reviewing domestic and foreign research reports, documents, and integrated data of various departments and subsidiaries. It then formulated risk management policies to effectively identify, measure, supervise, and control, and take specific action plans to reduce the impact of relevant risks. 3) Based on the assessed risks, formulate relevant risk management policies or strategies as follows: <table><tr><th>Category</th><th>Risk issues</th><th>Impact on the Company</th><th>Coping strategies and benefits</th></tr><tr><td rowspan="4">governance</td><td>New Statute or Regulatory Requirements</td><td>Changes in laws and regulations affect the mode of operation</td><td>Review the existing operating model and make adjustments to ensure that the company complies with laws and regulations, which will help promote corporate governance and enhance the company's image.</td></tr><tr><td>In-plant disasters (power outages, fires)</td><td>Cause property loss of the company, or damage to customer products.</td><td>Regular inspection of fire safety and production equipment, emergency response drills, in order to mitigate the impact in the event of a disaster.</td></tr><tr><td>Increased demand for production</td><td>Insufficient manpower and increased production costs</td><td>Adjust manpower response, and continue to conduct market research and understand industry trends to flexibly respond to production needs.</td></tr><tr><td>Supplier unable to ship</td><td>Affect product shipments, resulting in reduced production capacity and also affect the company's operations.</td><td>Maintain the cooperative relationship with suppliers, strengthen the supply chain and inventory management, in order to maintain the company's operations and financial operations.</td></tr><tr><td rowspan="2">Social</td><td>Loss of key talents</td><td>Brain drain will affect morale and increase the cost of training and training.</td><td>Analyzing the reasons for brain drain, strengthening labor-management communication, discovering high-potential talents and cultivating successor plans will help enterprises develop.</td></tr><tr><td>workplace safety risks</td><td>If a major accident occurs, it will not only cause injury to employees, but also affect the image of the company.</td><td>Strengthen environmental safety and health functional training, continue to promote the environmental safety and health management system, build employees' awareness of equipment and work safety, and reduce the incidence of accidents.</td></tr><tr><td rowspan="2">Environmental</td><td>The impacts caused by climate change</td><td>To minimize harm to the environment and ensure compliance with environmental regulations</td><td>Continue to promote the concepts of energy saving, carbon reduction and environmental protection.</td></tr><tr><td>Rising awareness of environmental protection and stricter regulations</td><td>Replace old equipment with new ones to reduce energy consumption.</td><td>Mandatory identification, collection, and regular updating of relevant laws and regulations. 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Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons															
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environmental management systems based on the characteristics of their industries?			(1) Celxpert Energy Corp. is committed to producing high-quality battery module products while adhering to our business philosophy of responding to the green environmental movement. We pledge to follow the following environmental policies as a guiding principle for all our actions and strive to: 1.:Environmental Protection is of Utmost Importance Comply with national environmental regulations and other requirements, and enhance the environmental awareness of all employees. 2.:Market Comes First Persist in continuous improvement of environmental performance, strengthen environmental substance control and pollution prevention, and expand the company's service market. 3.:Profitability is the Top Priority Make full and reasonable use of resources and energy, gradually achieve the environmental goals of energy conservation and waste reduction, and reduce production costs 4.:People are the Fundamental Priority Improve the working and living environment of employees and ensure the effective operation of the system. To sum up the above environmental policies, the company will continue to publicize and educate employees, so that they understand and maintain this policy as the highest guiding principle of the company's environmental management.																
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		(2) Celxpert Energy Corp. starts from an environmentally friendly perspective, the production sites have obtained ISO 9001 & 14001 certification for quality and environmental management systems, OHSAS 18001 certification for occupational health and safety management system, and IECQ QC080000 verification for hazardous substance management process system. We actively comply with the prohibition of hazardous substances, enhance product environmental protection, and uphold green and sustainable development. We take concrete actions for environmental protection and effectively implement the Electronic Industry Code of Conduct, promoting corporate social responsibility. We are committed to improving and balancing the economy, environment, and society.	None															
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		(3) In response to the impact of climate change and the concerns of various stakeholders on sustainability issues, the company voluntarily implements climate actions and adopts a more scientific approach to set goals that will help control global warming to no more than 2°C (in response to the Paris Agreement) and even to the carbon reduction target of 1.5°C (in response to the IPCC's "Special Report on Global Warming of 1.5°C"). The company adopted the Science Based Target initiative (SBTi) near-term target in November 2023 to demonstrate its determination to respond to climate change and energy saving and carbon reduction.	None															
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	V		(4) In response to the requirement of reducing carbon emissions to protect the Earth, the company strives to monitor and implement carbon footprint reduction programs at our operational sites. We are progressively improving and enhancing energy efficiency in various power systems areas, such as lighting, and encouraging our colleagues to continuously innovate and strive for energy savings, cost reduction, improved production efficiency, per capita output, and waste utilization in various fields. We also promote effective energy-saving measures with the aim of reducing our environmental impact. Scope of Data Coverage: (Longtan Park Branch, Taiwan and Kunshan factory, Mainland China) ★Greenhouse Gas Emissions Unit: Metric Ton <table border="1"> <thead> <tr> <th>Item Year</th><th>Scope 1</th><th>Scope 2</th><th>Scope 3</th><th>Total</th></tr> </thead> <tbody> <tr> <td>2022</td><td>360.59</td><td>3,767.80</td><td>7,565.80</td><td>11,694.19</td></tr> <tr> <td>2023</td><td>506.77</td><td>2,854.55</td><td>4,769.35</td><td>8,130.67</td></tr> </tbody> </table> External Verification Year: 2022 Verification Agency: TÜV Rheinland Taiwan Ltd., TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch Verification Standards: ISO 14064-1:2018 Verification Result: Passed	Item Year	Scope 1	Scope 2	Scope 3	Total	2022	360.59	3,767.80	7,565.80	11,694.19	2023	506.77	2,854.55	4,769.35	8,130.67	None
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			★ Water Resource Management Unit: Metric Ton <table><tr><th>Item \ Year</th><th>Water Consumption</th></tr><tr><td>2022</td><td>69,104</td></tr><tr><td>2023</td><td>89,138</td></tr></table> In response to the rapid changes in the water environment caused by climate change in recent years, Celxpert Energy Corp. has implemented various water conservation projects despite the increase in manpower and production volume. In addition to promoting water conservation during the summer, we have also installed water-saving faucets to improve water efficiency. The company also closely monitors the external water supply and internal water demand to ensure sustainable water management. ★ Total Weight of Waste Unit: Metric Ton <table><tr><th>Item \ Year</th><th>Hazardous Waste</th><th>Non-Hazardous Waste</th><th>Total</th></tr><tr><td>2022</td><td>10.04</td><td>149.94</td><td>159.98</td></tr><tr><td>2023</td><td>7.72</td><td>134.88</td><td>142.60</td></tr></table> Celxpert Energy Corp. takes the initiative to implement the prohibition of hazardous substances, improve product environmental protection and maintain Corporate Green Sustainable Development. It takes concrete actions to contribute to environmental protection and ensures compliance with relevant regulations throughout its operations. To effectively manage waste at its facilities, the company is dedicated to promoting diversified waste treatment policies and establishing control documents. Through practical actions, it achieves effective waste management and disposal. From 2022 to 2023, there were no incidents of environmental pollution causing losses for the company. The Company's Waste Management Process: ① Compliance with relevant laws and regulations: Formulate waste management policies. ② Formulate relevant regulatory documents: waste management procedures. ③ Concrete actions for waste reduction: product design adjustment and process change, promotions related to environmental protection in the factory, waste and paper reduction and classification. ④ Waste disposal: industrial waste disposal, general waste disposal, resources recycling.	Item \ Year	Water Consumption	2022	69,104	2023	89,138	Item \ Year	Hazardous Waste	Non-Hazardous Waste	Total	2022	10.04	149.94	159.98	2023	7.72	134.88	142.60	
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4. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		(1) Celxpert Energy Corp. adheres to the policy of respecting employees and sustainable operation, regards employees as extremely important resources. To demonstrate and protect employees’ rights, the company strictly abides by the United Nations Global Compact (UNGC), Responsible Business Code of Conduct (RBA), local laws and regulations, and others in order to protect the rights and interests of employees. According to relevant government regulations, various personnel rules and regulations are established in accordance with the law to ensure that the labor rights and interests of employees are protected. We are committed to creating an inclusive and friendly working environment that promotes equality and does not discriminate against employees based on their race, social class, language, beliefs, religion, political affiliation, birthplace, gender, sexual orientation, age, marital status, appearance, physical or mental disabilities, or membership in a labor union. We strive to enhance equal opportunities and foster a diverse workforce by establishing effective communication mechanisms, providing comprehensive compensation and benefits, and offering training and development opportunities. Our main goal is to retain talent and promote the holistic development of our employees. (1) Human Resource Management Policy: ① Protection of employee/labor rights and rights ② Enhance the quality of enterprise/caring ③ Prioritize staff/training and development ④ Comply with national/labor laws and regulations ⑤ Create a warm / friendly workplace (2) Implementation Policy: ① Prohibition of forced labor and child labor. ② Support the prohibition of human trafficking. ③ Comply with all applicable wage and working hours regulations. ④ Provide a safe, healthy and harassment-free working environment. ⑤ Eliminate discrimination and bullying and ensure equal job opportunities. ⑥ Respect employees’ freedom of association, implement peaceful assembly	None																		

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(2)Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries appropriately?	V		and collective coordination business rights. ⑦Respect Privacy and Ensuring Compliance with Legal Requirements for the Collection and Use of Personal Data (3) Specific Actions: ① Implement a leave system with equal rights for males and females, and implement childcare leave without pay. Regardless of gender, everyone can apply according to the relevant procedures. ② By convening a personnel review committee to review relevant promotions of employees, the company treats each employee in a fair, open, and impartial manner to enhance the harmonious relationship between labor and management. ③Implement the leave system and encourage employees to pay attention to work-life balance. ④ The company performs operating environment monitoring twice a year to protect workers from harmful substances in the workplace. (2)The company has formulated relevant salary and remuneration measures such as "Welfare Granting Operation Measures", "Performance Appraisal Management Measures", and "Reward and Punishment Management Measures". The salary and compensation system is based on the employee's academic background and experiences, professional knowledge and technology, professional seniority, personal performance and contribution to the company, and then combined with the company's operating performance. We firmly believe that employees are the company's greatest asset. The company does not treat management, direct and indirect personnel differently due to factors such as gender, race, religion, and politics. The company regularly obtains credible salary level surveys through professional organizations, and reviews the company's remuneration system, hopes that the company's compensation system is fairly competitive in the market, and looks forward to attracting and retaining outstanding talents through competitive remuneration conditions. The main rewards for employees include: 1. Employee Remuneration: If there is a surplus in the company's annual general financial statement, according to Article 28 of the company's Articles of Association, 3% to 12% of employee remuneration will be allocated before tax, and it will be distributed according to individual performance and contribution to the company . 2. Year-end Bonus: Issuance according to the company's operating performance and the employee's individual performance. 3. Annual Promotion and Salary Adjustment: Promotion and salary adjustment are carried out every year according to the individual performance of employees and the company's operating performance. 4. Employee Shareholding Trust: In order to improve employee welfare and encourage employees to save, the company has planned an "Employee Shareholding Trust" system in September 2021, and has established the Shareholding Trust Committee.	None																
(3)Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		(3) Employees are the most important assets of the company. It is necessary for the company to provide a complete safe and healthy environment. Therefore, the company, which is superior to 【Occupational Safety and Health Act】 and 【Regulations of the Labor Health Protection】 and other laws and regulations, conducts a health check-up once a year for all employees to safeguard their physical and mental health, prevent occupational diseases, and serve as a reference for work arrangements and improvement of the working environment. <table border="1"><tr><th colspan="3">【Regulations of the Labor Health Protection】Provisions</th><th>Celxpert Energy Corp. Provisions</th></tr><tr><th>Age</th><th>Health Check Frequency</th><th>Age</th><th>Health check Frequency</th></tr><tr><td>Over 65 years old</td><td>Once a year</td><td rowspan="3">Regard less of age</td><td rowspan="3">Once a year</td></tr><tr><td>Over 40 years old, but under 65 years old</td><td>Once every three years</td></tr><tr><td>Under 40 years old</td><td>Once every five years</td></tr></table> The company has established on-site medical and nursing personnels to provide occupational disease advice, health management, and related	【Regulations of the Labor Health Protection】Provisions			Celxpert Energy Corp. Provisions	Age	Health Check Frequency	Age	Health check Frequency	Over 65 years old	Once a year	Regard less of age	Once a year	Over 40 years old, but under 65 years old	Once every three years	Under 40 years old	Once every five years	None
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(4) Does the company provide its employees with efficient career development and training sessions?	V		health consultations for employees. In addition to providing on-site medical services and arranging health check-ups, the company has planned corresponding hardware facilities (medical room/nursing room) and installed Automated External Defibrillators (AEDs) in the company lobby in compliance with the Emergency Medical Services Act., as well as has conducted health seminars to ensure employees work contentedly in a healthy workplace. To protect employees from the hazards of harmful substances in the workplace and provide a healthy and comfortable working environment, the company conducts environmental monitoring twice a year. The results of the monitoring all are all qualified and in line with the standards. The company is committed to building a comprehensive occupational health and safety management system, promoting prevention and response measures for occupational accidents, and implementing specific safety and health management procedures for machinery, chemicals, and fire protection facilities within the factory. Standard specifications and educational training are completed, and various inspection measures are implemented for personnel, equipment, and working environment to ensure employee health and safety, equipment safety, safe operation of processes, and a high-quality and safe working environment. In terms of occupational accident statistics, there were no occupational accidents within the factory in 2022-2023. (4) Celxpert Energy Corp. recognizes that talents are the assets of the company, and cultivating talents is an important factor for the continuous expansion of the company. Regardless of gender and age, a systematic cultivation system has been established, and a comprehensive internal education and training system has been formulated to meet the needs of various departments. Investigate and plan various training courses to ensure that employees and supervisors not only have the skills to execute business, improve work quality and efficiency, but also take root in work and strengthen functional development. In addition to the internal training, employees can also arrange external training courses, obtain certificates, participate in practical and academic seminars, absorb external information and communicate with each other. Therefore, the rich, diverse and professional courses are the ways to support employees for improving their professional functions and development. In order to encourage the self-growth of employees and in accordance with the company's promotion system, employees who intend to be promoted must complete the required training hours to ensure that they can meet the basic threshold of the functions of the position. In order to allow employees to have multiple learning channels, E-learning online has been launched since August 2019, so that staff can study independently after busy work to meet the learning needs of employees. In addition, in 2023, the company organized a reading competition with CWLC specializing in training for professional and manager positions, and the number of internal training hours was significantly doubled. In 2023, the number of internal training courses offered by Celxpert was 240, with a total of 2,631 participants; there were 71 external training courses with a total of 161 participants; the number of professional and management training hours was 8,960.1 hours, and the total hours were 14,761 hours.	None
(5) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	V		(5) The company complies with customer and international environmental regulations, as well as the HSF (Hazardous Substance Free) regulations, we have established the "Green Product Management Guidelines" to ensure that all our products meet the environmental requirements of relevant international regulations and customer specifications. This includes adherence to environmental standards in the company's product design and development, procurement, and supplier collaboration to minimize harms to the Earth environment and human health. Furthermore, we prioritize information security and customer privacy, we are committed to protecting the confidentiality of customer information to safeguard the rights of both the company and our customers. To ensure the effective implementation of our information management systems and maintain the confidentiality, integrity, and availability of critical information systems, it is vital to ensure the secure operation of our information systems and achieve sustainable business operation.	None
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational safety and health, or labor rights? And how is the implementation status?	V		(6) The company has established "Supplier Management and Evaluation Operating Procedures" to establish screening criteria for suppliers to protect the environment, human rights, safety, health and sustainable development, as well as the requirements and expectations to the suppliers in terms of environmental, safety and health risks, prohibition of child labor, and labor management, non-jeopardy of basic rights of workers, ethical standards and	None

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			management. The company communicates and visits suppliers irregularly to ensure the delivery quality of raw materials and on-time delivery, foreign suppliers also visit Taiwan for exchanges, establishing close interactions and obtaining direct feedback which enables us to establish stable supply chains and stay informed about market dynamics and trends. To further enhance our commitment to sustainability, we have developed the "Green Product Management (GPM)" for suppliers. This system requires suppliers to comply with relevant regulations such as RoHS and REACH. Suppliers are expected to uphold the ecological balance between economic and environment. In order to comply with supplier sustainability policies and effectively manage suppliers, the company has established Supplier Management Procedures. In addition to evaluating suppliers based on the three major criteria of quality, delivery time, and price, we identify and list high-risk suppliers, provide assistance in improvement and training, and continuously monitor and manage them. Our goal is to enhance product quality and technology, improve yield-related issues, and ensure that suppliers align with the principles of sustainability of the company. This approach aims to enhance the overall competitiveness of the supply chain.																									
5.Does the company reference internationally regonized reporting standards or guidelines, and prepare sustainability reports that disclose non-financial information of the company? Has the aforementioned reports obtained assurance or assurance opinions from a third party verification unit?	V		The company promotes and practices Corporate Social Responsibility (CSR) proactivity, and we currently publish a CSR report every two years, which summarizes the efforts and achievements in three main areas: corporate governance, green environment, and social care in the previous two years, and demonstrates to stakeholders the company's efforts and performance in the three sustainability indicators of governance, environment and society. The report complies with the GRI Standards issued by the Global Reporting Initiative (GRI): Core Options as the basis for writing, and also refers to relevant international standards in order to strengthen information disclosure, including Task Force on Climate-related Financial Disclosures regulations which are released by the working group of Task Force on Climate-related Financial Disclosures (TCFD), and the standards of Sustainability Accounting Standards Board (SASB) to set up domestic disclosure standards to strengthen sustainability reports disclosure information, and in accordance with the code of practice for corporate social responsibility of TWSE/GTSM Listed Companies, and the operation method of preparing and declaring Corporate Social Responsibility report by TWSE/GTSM Listed Companies to conduct preparation and disclosure. Current issue date: Issued in October 2022, which has been published on the official website of the company (https://zh-tw.celxpert.com.tw/pdf/84036/2021) The company's CSR report has not been certified by relevant institutions. The next publication: It is expected to be published after the Board’s approval in August 2024.	None																								
6. If the company formulates its own sustainable development code in accordance with the "Code of Practice for Sustainable Development of Listed OTC Companies", please describe the differences between its operation and the stipulated code: The company has formulated the "Code of Practice for Sustainable Development", which was implemented after being approved by the board of directors on November 3, 2016, and placed on the company's website (website: https://zh-tw.celxpert.com.tw/data_5936) HOME>Investor Area>Stock Affairs Information, the relevant operations are all in accordance with the rules and there is no difference.																												
7. Other important information that is helpful to understand the implementation of sustainable development: Take it from the society and give back to the society. While gaining economic benefits, Celxpert also expects to be able to give back the value of the enterprise to the community and society. Celxpert cultivates the relationship between local communities and schools, and supports the activities of non-profit organizations and associations, so that the company's investment in community feedback and social participation can have far-reaching impact and significance, and enhance the role of civic enterprises. The main objects of our company's social care are schools and non-governmental organizations. In addition to providing resource-based care and assistance, we also expand the society's awareness of our company through the planning and design of activities. Celxpert believes that community feedback and social participation are not just about investing money , but to practice the role of a corporate citizen and expect to bring positive changes to society.																												
<table><tr><th colspan="3">List of community feedback and social participation</th></tr><tr><th>Service object</th><th>Sponsorship amount</th><th>Main content</th></tr><tr><td>Wuhan Elementary School</td><td>NT\$160,000</td><td>Establishment of Celxpert Scholarship (Targets are mainly impoverished students and those with disabilities)</td></tr><tr><td>Taoyuan Private Lohas Nursery</td><td>NT\$60,000</td><td>Donate to Operating Fund</td></tr><tr><td>Happiness Foundation</td><td>NT\$60,000</td><td>Donate to Operating Fund</td></tr><tr><td>Taoyuan Private Kangfu Intelligent Development Center</td><td>NT\$220,000</td><td>Donate to Operating Fund</td></tr><tr><td>1919 Food Bank</td><td>NT\$40,000</td><td>Donate to Operating Fund</td></tr><tr><td>Chinese Christian Relief Association</td><td>NT\$40,000</td><td>Donate to Operating Fund</td></tr></table>					List of community feedback and social participation			Service object	Sponsorship amount	Main content	Wuhan Elementary School	NT\$160,000	Establishment of Celxpert Scholarship (Targets are mainly impoverished students and those with disabilities)	Taoyuan Private Lohas Nursery	NT\$60,000	Donate to Operating Fund	Happiness Foundation	NT\$60,000	Donate to Operating Fund	Taoyuan Private Kangfu Intelligent Development Center	NT\$220,000	Donate to Operating Fund	1919 Food Bank	NT\$40,000	Donate to Operating Fund	Chinese Christian Relief Association	NT\$40,000	Donate to Operating Fund
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Service object	Sponsorship amount	Main content																										
Wuhan Elementary School	NT\$160,000	Establishment of Celxpert Scholarship (Targets are mainly impoverished students and those with disabilities)																										
Taoyuan Private Lohas Nursery	NT\$60,000	Donate to Operating Fund																										
Happiness Foundation	NT\$60,000	Donate to Operating Fund																										
Taoyuan Private Kangfu Intelligent Development Center	NT\$220,000	Donate to Operating Fund																										
1919 Food Bank	NT\$40,000	Donate to Operating Fund																										
Chinese Christian Relief Association	NT\$40,000	Donate to Operating Fund																										

Note 1: The principle of materiality refers to issues related to environment, society and corporate governance that have a significant impact on company investors and other stakeholders.

(7) The climate related information and implementation status.

Item	Implementation Status															
1. Describe the board and management’s oversight and governance of climate-related risks and opportunities.	The company’s board of directors serves as the highest governance unit for climate change management and is responsible for the company’s response to climate change and related decisions. The “Sustainability Committee” under the board of director was established. Under this Committee, three functional teams including the “Sustainability Development Promotion Team”, “Ethical Operation Promotion Team”, and “Risk Management Promotion Team” have been formed, and are responsible for promoting corporate governance and ensuring the promotion and implementation of work related to the sustainable development of enterprises. Among them, the Sustainability Development Promotion Team regularly reports to the board of directors every year for the implementation results relating to the sustainable development committee such as climate change, to ensure the promotion and implementation of corporate sustainable development-related work. From the establishment of the Sustainability Committee in November 2023 to the publication date of this annual report, the company’s greenhouse gas inventory and verification implementation status and the company’s adoption of SBTi have been reported to the board of directors.															
2. Describe how the identified climate risks and opportunities will affect the company’s business, strategy and finance (short-term, medium-term, long-term).	The company is actively developing solutions in the hope of reducing the operational and financial impacts of climate change and improving organizational climate resilience. The potential operational and financial impacts of relevant climate risks and opportunities on the company in the short-term (0-3 years), medium-term (3-5 years), and long-term (5 years and more) are assessed to plan various actions to respond to climate-related risks and opportunities. Celxpert regards net-zero emission policies as its first priority to comply with regulations and avoid violating regulations. Current regulations include reporting of Celxpert’s greenhouse gas (GHG) emissions and legal requirements, including Greenhouse Gas Emission Reporting and Management Regulations in Jiangsu Province, China, and Climate Change Response Act and Corporate Governance Blueprint in Taiwan, all of which require accurate reporting on greenhouse GHG emissions to investors. Taiwan Government officially announced the "2050 Net-Zero Emission Policy Pathway Blueprint" in March 2022, providing a trajectory and action path to net-zero by 2050 to promote technology, research and innovation in key areas and guide the green transformation of the industry.															
3. Describe the financial impact of extreme climate incidents and transition actions.	To meet the requirements of achieving net-zero emissions, Celxpert must increase its investment in advanced equipment to implement negative carbon emissions technology. The company will offset residual emissions through carbon trading to further reduce emissions beyond the supply chain. Additionally, Celxpert has invested in various activities aimed at achieving the net-zero goal, including energy conservation and carbon reduction projects, as well as investments in renewable electricity. These initiatives have enabled Celxpert to uncover new business opportunities through the adoption of innovative technologies.															
4. Describe how identification, assessment and management processes of climate risk are integrated into the overall risk management system.	In order to conduct climate risk assessment, the company’s Risk Management Promotion Team refers to the TCFD framework to formulate risk management policies and assessment procedures and operational procedures, which are the main standards for the management of issues related to climate risks and opportunities by Celxpert. The Sustainability Development Promotion Team considers the impact of climate change factors, thinks about how to reduce and mitigate risks, and identifies and responds to risks and opportunities.															
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.	The Company has not yet performed TCFD scenario analysis.															
6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and goals used to identify and manage physical risks and transformation risks.	In response to the climate risks caused by carbon emissions, Celxpert implements annual organizational greenhouse gas (GHG) inventories in accordance with ISO 14064-1 starting from 2022, disclosing emissions in scopes 1, 2, and 3, and the report has obtained third-party verification. Celxpert has passed the Science Based Targets initiative (SBTi) GHG near-term reduction target verification in November 2023. The goals are set as follows: By 2030, GHG scope 1 plus scope 2 will reduce carbon emissions by 42% compared with the base year of 2021, and emissions from purchased goods and services in scope 3 will be reduced by 25%, echoing the emission reduction path of 1.5°C set by the United Nations IPCC and achieve the global common climate goal. The company shall achieve the goal of using 100% renewable energy in the Taiwan sites by 2035; and by 2040, it shall achieve the goal of using 100% renewable energy in the global sites.															
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company does not adopt internal carbon pricing.															
8. If climate-related goals are set, information such as the activities covered, greenhouse gas emission scope, schedule, annual achievement progress, etc. should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, information such as Explain the source and quantity of carbon reduction credits or the quantity of RECs being redeemed.	In response to the climate risks caused by carbon emissions, Celxpert implements annual organizational greenhouse gas (GHG) inventories in accordance with ISO 14064-1 starting from 2022, disclosing emissions in scopes 1, 2, and 3, and the report has obtained third-party verification. Celxpert has passed the Science Based Targets initiative (SBTi) GHG near-term reduction target verification in November 2023. The goals are set as follows: By 2030, GHG scope 1 plus scope 2 will reduce carbon emissions by 42% compared with the base year of 2021, and emissions from purchased goods and services in scope 3 will be reduced by 25%, echoing the emission reduction path of 1.5°C set by the United Nations IPCC and achieve the global common climate goal. The company shall achieve the goal of using 100% renewable energy in the Taiwan sites by 2035; and by 2040, it shall achieve the goal of using 100% renewable energy in the global sites.															
9. Greenhouse gas inventory and assurance status, reduction targets, strategies and specific action plans																
(1) Greenhouse gas inventory and assurance status for the past two years																
(1-1) Greenhouse gas inventory information																
Data scope: (Longtan factory in Taiwan and Kunshan factory in Mainland China)																
★Greenhouse gas emission Unit: Metric Ton																
<table><tr><th>Item Year</th><th>Scope 1</th><th>Scope 2</th><th>Scope 3</th><th>Total</th></tr><tr><td>2022</td><td>360.59</td><td>3,767.80</td><td>7,565.80</td><td>11,694.19</td></tr><tr><td>2023</td><td>506.77</td><td>2,854.55</td><td>4,769.35</td><td>8,130.67</td></tr></table>	Item Year	Scope 1	Scope 2	Scope 3	Total	2022	360.59	3,767.80	7,565.80	11,694.19	2023	506.77	2,854.55	4,769.35	8,130.67	
Item Year	Scope 1	Scope 2	Scope 3	Total												
2022	360.59	3,767.80	7,565.80	11,694.19												
2023	506.77	2,854.55	4,769.35	8,130.67												

★Intensity Unit: Metric Ton / Million NTD

Item Year	Scope 1	Scope 2	Scope 3	Total
2022	0.03	0.34	0.68	1.05
2023	0.07	0.40	0.66	1.13

(1-2) Greenhouse gas assurance information

★External verification institute

Item Year	Verification Institute	Verification Standard	Verification Result
2022	TÜV Rheinland Taiwan Ltd. Ti Certification (Shanghai) Ltd.	ISO 14064-1:2018	Pass
2023	TÜV Rheinland Taiwan Ltd. Ti Certification (Shanghai) Ltd.	ISO 14064-1:2018	Verification is scheduled at 2024/5

(2) Greenhouse gas reduction goals, strategies and specific action plans:

Celxpert remains steadfast in its business philosophy of "ethics and pragmatism, innovation and excellence, and quality assurance." to implementing actions in environmental sustainability, social care, and corporate governance. It is committed to achieving the United Nations Sustainable Development Goals (SDGs) and supporting international initiatives such as RE100 and SBTi. Through its environmental policies, Celxpert promotes sustainable development, demonstrating a strong commitment to addressing climate change, energy conservation, and carbon reduction, ultimately striving for carbon neutrality. Looking ahead, Celxpert aims to actively tackle climate change challenges by collaborating with upstream and downstream value chain partners, working progressively towards achieving the 2050 net-zero goal.

★Net-Zero action strategy

2021	2022	2023	2023	2050
Commitment	ISO 14064-1 Verification completed	Passed SBTi 1.5°C Target verification	Near-term goal	Long-term goal
	·2021 base year	·Obtain ISO-14067 Product Carbon Footprint Verification	·Scope 1、2 ↓42% ·Scope 3: Purchase products and services ↓25% ·RE100 : Taiwan factory	·Scope 1、2 ↓95% ·Scope 3 ↓90% ·RE100: All sites

(7) The situation and reasons for the performance of integrity management and the differences from the code of integrity management of listed OTC companies.

Evaluation items	Operation status (note)			The situation and reasons for the differences with the Code of Integrity Management of listed OTC companies
	Yes	No	Summary description	
1. Formulate integrity management policies and options				
(1) Does the company formulate an honest management policy approved by the board of directors, and clearly state the policy and practices of honest management in regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement the business policy?	V		(1) The company has formulated the "Code of Integrity Management", which was revised and approved by the board of directors on March 8, 2018. It requires directors, managers and employees to follow integrity standards and establish a good corporate governance and risk control mechanism. The method has been disclosed on the company's website for compliance.	None.
(2) Whether the company has established a risk assessment mechanism for dishonesty, regularly analyzes and evaluates business activities with relatively high risks of dishonesty within the scope of business, and formulates a plan to prevent dishonesty based on this, and at least covers "listing on the OTC market" What are the preventive measures for the behaviors in the second paragraph of Article 7 of the company's code of integrity management?	V		(2) The management of the company attaches great importance to integrity management, and focuses on preventing fraud in the design of the internal management system, and uses system planning to prevent dishonesty and reduce the risk of dishonesty.	None.
(3) Does the company clearly define operating procedures, behavior guidelines, punishment and appeal system for violations in the plan for preventing dishonesty, and implement it, and regularly review and revise the previous disclosure plan?	V		(3) The company has formulated the "Code of Integrity Management", which includes the prohibition of dishonest behavior and the reporting system, and must promote the company's core values through employee education and training, emphasizing the	None.

Evaluation items	Operation status (note)			The situation and reasons for the differences with the Code of Integrity Management of listed OTC companies
	Yes	No	Summary description	
			company's policy based on integrity. The most recent revision of the "Code of Integrity Management" was approved by the board of directors on 2023.11.03.	
2. Implement integrity management				
(1) Does the company evaluate the integrity records of its counterparties, and specify the terms of honest behavior in the contracts it signs with its counterparties?	V		(1) The company upholds the principle of treating customers and suppliers fairly, and suppliers formulate confidentiality and integrity clauses in the contracts in accordance with the company's "Supplier Management Measures" to ensure that both parties engage in fair and transparent transactions. If the manufacturer violates the terms of confidentiality and integrity and causes damage to the company, it will demand compensation and take necessary legal actions.	None.
(2) Has the company set up a unit responsible for promoting corporate integrity management under the board of directors, and regularly (at least once a year) report to the board of directors its integrity management policies, plans for preventing dishonest behavior, and supervision and implementation?	V		(2) The company established the Sustainability Development Committee on 2023.11.03. A "Ethical Operation Promotion Team" was formed under the Committee. It is in charge by the administrative department of the company to be responsible for the revision and promotion of relevant operating procedures and behavioral guidelines and reports its implementation result to the board of directors at the end of each year. Operation status: The company established the "Ethical Operation Promotion Team" on 2023.11.03, which is a functional team of the Sustainability Committee under the Board of Directors. It regularly reports to the Board of Directors on the responsibilities and future plans of the promotion team members every year. Main tasks in charge: 1. Revision of relevant rules and regulations to prevent unethical behavior. 2. Promotion and coordination of ethical policy publicity and training. 3. Plan the reporting system to ensure the effectiveness of implementation. 4. Handle and investigate the reported case and make a report.	None.
(3) Does the company formulate policies to prevent conflicts of interest, provide appropriate channels for statements, and implement them?	V		(3) The company has formulated the "Code of Integrity Management", which was revised and approved by the board of directors on November 3, 2023, requiring directors, managers and employees to follow integrity standards and establish a good corporate governance and risk control mechanism. The rule has been disclosed on the company's website for compliance. In addition, the company has set up a special area for stakeholders on the company website as the appropriate communication channel. Please refer to page 39 of the annual report for relevant contact information.	None.
(4) Whether the company has established an effective accounting system and internal control system for the implementation of integrity management, and the internal audit unit draws up relevant audit plans based on the assessment results of dishonesty risks, and checks the plan for preventing dishonesty Follow the situation, or	V		(4) The company has established an internal control system, internal audit implementation rules, accounting systems and various management regulations, and has implemented the requirements and norms of honest management in the implementation, internal audits and regular and irregular implementation of relevant auditing matters,	None.

Evaluation items	Operation status (note)			The situation and reasons for the differences with the Code of Integrity Management of listed OTC companies
	Yes	No	Summary description	
commission an accountant to perform the check? (5) Does the company hold regular internal and external education and training on integrity management?	V		and Report its results to the Board of Directors. (5) In order to establish a corporate culture of integrity management, the company not only promotes and implements the company's integrity policy through guidance and training for new recruits, but also urges all colleagues to establish a good corporate culture based on integrity based on the business philosophy of integrity, transparency, and responsibility. Corporate governance and risk control mechanisms to ensure the implementation of honest business policies.	None.
3. The operation of the whistleblowing system of the company (1) Has the company established a specific whistleblowing and reward system, established channels to facilitate whistleblowing, and assigned appropriate specialists to handle whistleblowers?	V		(1) The company provides legitimate reporting channels and keeps the identity of the reporting person and the content of the reporting confidential. Report hotline: 00886-3-4899054 ext. 1111. Report e-mail: integrity@celxpert.com.tw	None.
(2) Has the company established a standard operating procedure for the investigation of the reported matter, the follow-up measures to be taken after the investigation is completed, and the relevant confidentiality mechanism?	V		(2)~(3) The company has stipulated in the internal rules and regulations for reporting procedures and channels.	None.
(3) Has the company adopted measures to protect the whistleblower from being improperly dealt with due to whistleblowing?	V		(1) Establish reporting channels The company provides legitimate reporting channels and keeps the identity of the reporting person and the content of the reporting confidential. Report hotline: 00886-3-4899054 ext. 1111. Report e-mail: integrity@celxpert.com.tw (2) Report a case For reporting cases, the window of the reporting unit is responsible for accepting matters related to the reporting. The window of the unit should carefully study the content of the report and consider the impact of the case, and classify the investigation and report according to the impact of the case. (3) Investigation of reports and evidence After the reporting case is accepted, the relevant facts will be ascertained. If necessary, the personal information of the reporting person can be concealed and the necessary relevant units and legal unit can be contacted for assistance. (4) Handling of reporting cases If it is confirmed that the person being reported has indeed violated relevant laws or company rules, the person being reported should be immediately required to stop relevant duties and dealt with appropriately. And if necessary, request damages through legal procedures to safeguard the company's rights and interests. Information such as the title, name, date of violation, content of the violation and handling of the violation will be immediately disclosed on the company's internal website.	

Evaluation items	Operation status (note)			The situation and reasons for the differences with the Code of Integrity Management of listed OTC companies
	Yes	No	Summary description	
4. Strengthen information disclosure Does the company disclose the content of its integrity management code and promote its effectiveness on its website and public information observation station?	V		The company has a website to disclose relevant information such as business philosophy and has a dedicated department responsible for the collection and release of various company information.	None.
5. If the company formulates its own code of integrity in accordance with the "Code of Integrity for Listed OTC Companies", please describe the difference between its operation and the established code: the company has implemented it in accordance with the established "Code of Integrity".				
6. Other important information that is helpful to understand the company's integrity management and operation: (such as the company's review and revision of its integrity management code, etc.) : The company's board of directors approved the revision of the Code of Integrity Business on November 3, 2024, and formulated the reporting process and channels.				

Note: Regardless of whether the operation status is checked "Yes" or "No", it should be stated in the summary description column.

(7) If the company has formulated corporate governance codes and related regulations, it should disclose its inquiry methods

The company was approved by the board of directors on November 3, 2023 to formulate a corporate governance code of practice for compliance. The method has been published in Our company website https://zh-tw.celxpert.com.tw/data_5936..

(8) Summary of the resignations and dismissals of the company's chairman, general manager, accounting supervisor, financial supervisor, internal audit supervisor, corporate governance supervisor, and R&D supervisor in the most recent year and as of the publication date of the prospectus

Job title	Name	Arrival date	Dismissal date	Reason for resignation or dismissal
R&D supervisor	Yao-Qing Chen	2007.03.26	2023.01.01	Retire

(9) Other important information sufficient to enhance the understanding of the operation of corporate governance may be disclosed together

2023 directors' training status:

Job title	Name	Study date	Organizer	Course Title	Training hours
Chairman	Shih-Ming Huang	2023.02.14	Taiwan Corporate Governance Association	The new look of corporate governance under the ESG trend	3
		2023.03.14	Taiwan Corporate Governance Association	Risks and opportunities of climate change trends to business operations	3
Director	Yung-Tsai Chen	2023.08.11	Taiwan Corporate Governance Association	Corporate carbon management thinking after passing of Climate Change Act	3
		2023.11.09	Taiwan Corporate Governance Association	New thinking on enterprise risk management integrating strategic development and ESG	3
Director	Chien-Ting Chen	2023.06.29	Taiwan Corporate Governance Association	Promote sustainable corporate development through risk management - Code of Practice for Risk Management of Listed Companies	3
		2023.06.29	Taiwan Corporate Governance Association	New trends in electric vehicles: business opportunities for radar and lidar sensing technology in autonomous driving	3
Director	Ling-Ju Huang	2023.02.23	Securities & Futures Institute	Third generation semiconductor power component technology and application opportunities	3
		2023.04.11	Securities & Futures Institute	Server system integration technology and application opportunities	3
		2023.09.07	Securities & Futures Institute	Technology development and business opportunities of electric vehicles and smart vehicles	3
Director	Ching-Jung Huang	2023.03.14	Taiwan Corporate Governance Association	Risks and opportunities of climate change trends to business operations	3
		2023.09.08	Taiwan Corporate Governance Association	Succession plan launched-employee reward plan and equity inheritance	3
Director	Jung-Chou Lee	2023.08.10	Taiwan Investor Relations Institute	Business cycle and industrial trends	3
		2023.11.09	Taiwan Investor Relations Institute	Sustainable transformation-Innovative technology and competitive advantage	3
Independent director	Wei-Hung Lin	2023.08.15	Taiwan Corporate Governance Association	Code of ethical operation and how to avoid misstopping on the red line of responsibilities of directors and supervisors	3
		2023.10.02	Taiwan Institute of Directors	Mindset and resilience in the new international order	3
Independent director	Chih-Wei Tsai	2023.05.10	Taiwan Corporate Governance Association	Business secret protection and fraud detection and prevention practices	3
		2023.08.09	Taiwan Corporate Governance Association	ESG trends and practical analysis	3
Independent director	Jan-Yan Lin	2023.07.07	Taiwan Corporate Governance Association	Explosion of artificial intelligence: technological development and application opportunities of chatbot ChatGPT	3
		2023.07.18	Taiwan Corporate Governance Association	Corporate Governance 3.0 "Sustainability Report" Practical Analysis	3
Independent director	Ming-Xiu Cheng	2023.09.19	Taiwan Corporate Governance Association	The new look of corporate governance under the ESG trend	3
		2023.10.17	Taiwan Corporate Governance Association	Risks and opportunities of climate change trends to business operations	3
		2023.10.24	Taiwan Corporate Governance Association	Corporate carbon management thinking after passing of Climate Change Act	3
		2023.12.01	Taiwan Corporate Governance Association	New thinking on enterprise risk management integrating strategic development and ESG	3

The learning and training situation of managers in 2023:

Job title	Name	Study date	Organizer	Course Title	Training hours
Financial Supervisor	Chien-Yu Lin	2023.10.27	Taiwan Investor Relations Institute	Analysis of unconventional transaction practice cases	3
		2023.11.28	Taiwan Investor Relations Institute	Analysis of relevant regulations and important issues in preparing IFRSs financial statements	3
		2023.12.27	Accounting Research and Development Foundation	Practical analysis of the latest "Sustainable Development Action Plan" and the impact of net-zero carbon emissions on financial reporting	6
Head of Corporate Governance	Dai-Ling Lin	2023.08.11	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3

Job title	Name	Study date	Organizer	Course Title	Training hours
		2023.07.18	Taiwan Corporate Governance Association	Corporate Governance 3.0 "Sustainability Report" Practical Analysis	3
		2023.09.15	Taiwan Corporate Governance Association	How to discuss in board meetings? Practical sharing on common deficiencies in the board meeting operations of listed companies	3
		2023.09.26	Taiwan Corporate Governance Association	Business secret risk and management under digital transformation	3
		2023.11.29	Association of Corporate Governance Professionals	2023 Civil Liability and Damage Compensation for False Financial Reports Seminar	3

Persons related to transparency of financial information, the relevant certificates and licenses specified by the competent authority: None

(10) Matters to be disclosed regarding the implementation of the internal control system:

1. Internal control statement:

CELXPRT ENERGY CORPORATION
Statement of Internal Control System

Date: March 15, 2024

Based on the results of self-assessment, the internal control system of the company in 2023 is hereby declared as follows:

1. The company knows that it is the responsibility of the board of directors and managers of the company to establish, implement and maintain an internal control system, and the company has already established such a system. Its purpose is to achieve the goals of operation effectiveness and efficiency (including profit, performance and asset security, etc.), report reliability, timeliness, transparency and compliance with relevant norms and relevant laws and regulations, provide reasonable assurance.
2. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide reasonable assurance for the achievement of the above three objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system Subject to change. However, the company's internal control system has a self-monitoring mechanism. Once a defect is identified, the company will take corrective action.
3. The company judges whether the design and implementation of the internal control system are effective based on the items for judging the effectiveness of the internal control system stipulated in the "Guidelines for the Establishment of Internal Control Systems for Publicly Issued Companies" (hereinafter referred to as "the Guidelines"). The internal control system judgment items adopted in the "Processing Criteria" are to divide the internal control system into five components according to the process of management control: 1. Control environment, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Supervise operations. Each constituent element in turn includes several items. For the aforementioned items, please refer to the provisions of the "the Guidelines".
4. The company has adopted the above-mentioned internal control system to judge projects and evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the evaluation results in the preceding paragraph, the company believes that the company's internal control system (including the supervision and management of subsidiaries) on December 31, 2023, including understanding the effectiveness of operations and the degree to which efficiency goals are achieved, and reports are reliable , Timely, transparent, and compliance with relevant norms and relevant laws and regulations, the design and implementation of the relevant internal control system are effective, which can reasonably ensure the achievement of the above goals.
6. This statement will become the main content of the company's annual report and prospectus, and will be made public. If there are falsehoods, concealment, or other illegal matters in the above-mentioned disclosed content, it will involve legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This statement was approved by the company's board of directors on March 15, 2024. The nine directors present all agreed with the content of this statement and hereby declare it.

CELXPRT ENERGY CORPORATION
Chairman
And : Shih-Ming Huang
General Manager

2. Those who entrust an accountant to review the internal control system shall disclose the accountant's review report: none.

(11) The company and its internal personnel were punished according to law in the most recent year and as of the date of publication of the annual report, the company's internal personnel violated internal control system regulations, major deficiencies and improvements: None.

(12) Important resolutions of the shareholders' meeting and the board of directors in the most recent year and up to the date of publication of the annual report:

(1) Implementation of the resolutions of the 2023 ordinary shareholders meeting (2023.06.15):

Item	Important Resolutions	Execution situation
1	Approved the company's 2022 annual business report and financial statement approval. The case was passed by vote.	It has been announced on the MOPS.
2	Approved the company's 2022 earnings distribution recognition case. The case was passed by vote.	The announced ex-dividend base date is 2023.07.30, and the cash dividend has been paid on 2023.08.17.
3	Approved the case of release of the shares of the subsidiary and abandonment of the participation in the cash capital increase plan in stages by the company in response to the subsidiary Keelgoalal Energy Co., Ltd.'s future application for the stock listing plan. The case was passed by vote.	Implementation follows the procedure after the approval of the shareholders' meeting
4	Approved electing one additional seat of independent director The case was passed by vote.	Company registration is updated
5	Approve to lift the non-compete restriction on the directors of the company. The case was passed by vote.	Implementation follows the procedure after the approval of the shareholders' meeting

Note: There are no extraordinary motions at the general meeting of shareholders of the company, and there is no change in the agenda within 7 days before the meeting.

(2) Important resolutions passed by the board of directors as of the publication date of the annual report:

Board date	Important resolution
The 9th meeting of the 9th session on March 10, 2023	(1) 2022 Business Report and Financial Reports for the Company. (2) 2022 Profit Distribution for the Company. (3) 2022 Cash Dividend Distribution for the Company. (4) 2023 Business Plan of the Company. (5) 2022 Internal Control System Declaration Statement of the Company. (6) Ratification of the Annual Bonus Distribution for the Managers of the Company. (7) Discussion of 2022 Performance Appraisal Evaluation and 2023 Performance Indicator and Remuneration for the Managers of the Company. (8) Discussion of the Managers' Promotions of the Company. (9) Discussion of the Salary Adjustment for the Managers of the Company. (10) Discussion of 2022 Remuneration Distribution for the Employees and Directors of the Company. (11) The Appointment of the CPA of the Financial Reports of the Company. (12) Establishment of the General Principle of the Non-Assurance Service Pre-Approval Policy for the Company. (13) Matters related to the 2023 Shareholders' Meeting of the Company and Acceptance of Shareholder Proposals for the Company. (14) Approval of the Independent Director Candidate Nominated by the Board of Directors and Resolve for the Candidate Qualifications. (15) The Nomination Period, Number of Seats to be Elected, and Nomination Acceptance Place for the Election of the Independent Directors of the Company. (16) Renewal of Credit Line with Banks for the Company. (17) Proposal of 2023 Cash Capital Increase and Issuance of Domestic Third Unsecured Convertible Bonds by the Company.
The 10th meeting of the 9th session on May 3, 2023	(1) 2023Q1 Financial Report of the Company. (2) Renewal of Credit Line with Banks for the Company. (3) Provision of the Endorsement Guarantee for Celxpert Energy Corporation (Kunshan) by the Company. (4) Lift of the Non-Compete Restriction for the Directors of the Company. (5) Lift of the Non-Compete Restriction for the Managers of the Company. (6) Release of the Shares of the Subsidiary and Abandonment of the Participation in the Cash Capital Increase Plan in Stages by the Company in Response to the Subsidiary Keelgoalal Energy Co., Ltd.'s Future Application for the Stock Listing Plan.

The 11th meeting of the 9th session on August 4, 2023	(1) 2023Q2 Financial Report of the Company. (2) Discussion of Stock Option Methods for Employees in 2023 Capital Increase for the Company. (3) Discussion of the Number of Shares Subscribed by the Managers for the Company in 2023 Capital Increase. (4) Discussion of the Remuneration Distribution for Managers and Employees. (5) Discussion of the Remuneration Distribution for Directors. (6) Renewal of Credit Line with Banks for the Company. (7) Provision of the Endorsement Guarantee for Keelgoalal Energy Co., Ltd. (8) Review of Accounts Receivable for More Than Three Months Complying with the Requirements of the Newly Amended Regulations by the Company. (9) Proposal to Authorize the Chairman to set the Price Range for 2023 Cash Capital Increase by Issuance of the Shares for the Company.
The 12th meeting of the 9th session on November 3, 2023	(1) 2023Q3 Financial Report of the Company. (2) Renewal of Credit Line with Banks for the Company. (3) Provision of the Endorsement Guarantee for Celxper Energy Corporation (Kunshan) by the Company. (4) 2024 Audit Plan of the Company. (5) The Amendment of the "Operation Procedures for Handling Material Inside Information and Insider Trading Prevention Management" of the Company. (6) The Establishment of the "Practice of the Corporate Governance" of the Company. (7) Amendment of the "Rules for Performance Appraisal for the Board of Directors and Functional Committees" of the Company (8) Establishment of the "Sustainability Development Committee" of the Company. (9) The Establishment of the "Policy and Procedures of Risk Management". (10) The Amendment of the "Ethical Corporate Management Practice Principles" of the Company .
The 13th meeting of the 9th session on March 15, 2024	(1) 2023 Business Report and Financial Reports for the Company. (2) 2023 Loss Off-Setting Proposals of the Company. (3) 2023 Cash Dividend Distribution for the Company. (4) Discussion of 2023 Remuneration Distribution for the Employees and Directors of the Company. (5) Discussion of the Annual Bonus Distribution for the Managers of the Company. (6) Discussion of 2023 Performance Appraisal Evaluation and 2024 Performance Indicator and Remuneration for the Managers of the Company. (7) 2024 Business Plan of the Company. (8) 2023 Internal Control System Declaration Statement of the Company. (9) Matters related to the 2024 Shareholders' Meeting of the Company and Acceptance of Shareholder Proposals for the Company. (10) The Nomination Period, Number of Seats to be Elected, and Nomination Acceptance Place for the Election of the 10th Board of Directors of the Company. (11) Approval of the Director (Including Independent Directors) Candidate List Nominated by the Board of Directors and Resolve for the Candidate Qualifications. (12) Lift of the Non-Compete Restriction for the Directors of the Company. (13) Lift of the Non-Compete Restriction for the Managers of the Company. (14) Renewal of Credit Line with Banks for the Company. (15) The Appointment of the CPA and Accounting Fee (16) Amendment of the "Audit Committee Charter" of the Company. (17) Amendment of the "Rules for Board of Directors Meetings" of the Company. (18) Amendment of the "Operation Procedures for Trading with Stakeholders Management" and rename to "Rules Governing Financial and Business Matters Between the Company and its Related Parties" (19) Abandonment of the Participation in 2024 First Cash Capital Increase Plan by the Company's Subsidiary Keelgoalal Energy Co., Ltd. in Response to Keelgoalal Energy's Future Application for the Stock Listing Plan and Relevant Equity Dispersion Operations. The Number of Shares Abandoned has Been Offered to the Company's Shareholders for Preferential Subscription Based on Their Shareholding Ratio.

- (13) If the directors or supervisors disagreed with the important resolutions of the board of directors in the most recent year and as of the date of publication of the annual report, and there are records or written statements, the main content: None.
- (14) Summary of the resignations and dismissals of the company's chairman, general manager, accounting supervisor, financial supervisor, internal audit supervisor, corporate governance supervisor, and R&D supervisor in the most recent year and as of the date of publication of the annual report:

Job title	Name	Arrival date	Dismissal date	Reason for resignation or dismissal
R&D supervisor	Yao-Qing Chen	2007.03.26	2023.01.01	Retire

3.4. Public fee information for visa accountants:

Unit: NT\$ thousand

Accounting firm name	Accountant name	Accountant review period	Audit fees	Non-audit fees	Total	Remark
KPMG (Taiwan)	Serena Hsin	2023.01.01~ 2023.12.31	3,070	1,065	4,135	Non-audit fees: 1. Tax certification NT\$ 525,000 2. TP report NT\$ 540,000
	I-Wen Wang					

Please specify the content of non-audit public service services: (such as tax visa, confirmation or other financial consulting services)

Note: If the company has changed its accountant or accounting firm this year, please list the audit period separately, explain the reason for the change in the remarks column, and disclose the audit and non-audit public fees paid in order. Non-audit public fees should be accompanied by a note explaining the service content.

(1) If the accounting firm is changed and the audit fee paid in the replacement year is less than the audit fee in the previous year, the amount of audit fees before and after the change and the reasons shall be disclosed: there is no such case.

(2) If the audit public fee has decreased by more than 10% compared with the previous year, the amount, proportion and reason of the audit public fee reduction shall be disclosed: there is no such case.

3.5. Change of accountant information: Due to the internal accounting task adjustment of KPMG Taiwan, the company's financial report CPA are planned to be changed from Accountant Guan-Ying Guo and Accountant I-Wen Wang to Accountant Serena Hsin and Accountant I-Wen Wang starting from the first quarter of 2023.

3.6. The company's chairman, general manager, and manager in charge of financial or accounting affairs have worked in the firm of the certified accountant or its affiliated companies within the last year: None.

3.7. Changes in equity transfers and equity pledges of directors, supervisors, managers, and shareholders holding more than 10% of the shares in the most recent year and as of the date of publication of the annual report:

(1) Changes in equity of directors, supervisors, managers and major shareholders:

Job title	Name	2023		2024 until April 15	
		Number of shares held increased (decreased)	Number of pledged shares increased (decreased)	Number of shares held increased (decreased)	Number of pledged shares increased (decreased)
Chairman and General Manager	Shih-Ming Huang	200,000 (159,000)	0	0	0
Director	Yung-Tsai Chen	0	0	0	0
Director	Chien-Ting Chen	55,811	0	0	0
Director	KangHuei Investment Co., Ltd. Ling-Ju Huang	176,549	0	0	0
Director	Hao Bai Limited Jung-Chou Lee	43,857 (62,000)	585,000	0	0
Director	KAISENG INVESTMENT CO. Ching-Jung Huang	110,577	0	0	0
Independent director	Wei-Hung Lin	0	0	0	0
Independent director	Jan-Yan Lin	0	0	0	0
Independent director	Chih-Wei Tsai	0	0	0	0
Independent director	Ming-Xiu Cheng (Note 1)	0	0	0	0
Deputy General Manager	Chin-Te Chen (Note 2)	15,966	0	0	0
Deputy General Manager	Yao-Qing Chen (Note 3)	0	0	0	0
Deputy General Manager	Cheng-Yang Tsai	38,000 (38,000)	0	0	0
Deputy General Manager	Ching-Jung Huang	117,000	0	75,000	0
Associate	Chun-Che Hsu (Note 4)	0	0	0	0
Treasurer and head of accounting officer	Chien-Yu Lin	0	0	0	0
Head of Corporate Governance	Dai-Ling Lin	13,000 (4,000)	0	0	0

Note 1: Independent Director Ming-Xiu Cheng took the position on June 15, 2023.

Note 2: Deputy General Manager Chin-Te Chen retired on March 27, 2024

Note 3: Deputy General Manager Yao-Qing Chen retired on January 1, 2023

Note 4: Associate Chun-Che Hsu took the position on March 10, 2024.

(1) Information on the relative of the equity transfer who is a related party:

Name	Reason for equity transfer	transaction date	Counterparty	The relationship between the counterparty of the transaction and the company, directors, supervisors, managers, and shareholders holding more than 10% of the shares	number of shares	Trading price
Shih-Ming Huang	Gifting	2023.12.28	Mei-Dan Su	Chairman and General Manager of the Company	75,000	29.00
Shih-Ming Huang	Gifting	2023.12.28	Ching-Jung Huang	Chairman and General Manager of the Company	84,000	29.00
Ching-Jung Huang	Be gifted	2024.01.04	Mei-Dan Su	Representative of the company's legal person directors and Deputy General Manager of the company	75,000	29.00

Ching-Jung Huang	Be gifted	2023.12.28	Shih-Ming Huang	Representative of the company's legal person directors and Deputy General Manager of the company	84,000	29.00
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(3) Information on the relative of the equity pledged person who is a related party:

Name	Reason for change in pledge status	Date of change	Counterparty	Relationship between the counterparty and the Company, directors, supervisors, managerial officers, and major shareholders	Shares	Shareholding ratio	Pledge ratio	Amount borrowed under pledges (or redeemed)
Haobai Co., Ltd.	Pledge	2023.12.08	Mega International Commercial Bank Co., Ltd. Taichung Branch	Representative of the company's legal person directors	585,000	0.66%	99.85%	-

3.8. Information on whether the major shareholders who hold the top ten largest shareholders are related to each other or are spouses or relatives within the second degree:
Shareholding ratio accounts for the top ten shareholders, and their relationship information

April 15, 2024

Name	Hold shares		Shares held by spouse and minor children		Holding shares in the name of others		The names and relationships of the top ten shareholders who are related to each other or who are spouses or relatives within the second degree.		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relation	
Shih-Ming Huang	3,186,194	3.61%	—	—	—	—	Ching-Jung Huang	Relatives within the second degree	—
KangHuei Investment Co., Ltd Ling-Ju Huang	2,539,549	2.88%	—	—	—	—	—	—	—
KAISENG INVESTMENT CO. Ching-Jung Huang	1,590,577	1.80%	—	—	—	—	Shih-Ming Huang	Relatives within the second degree	—
Yung-Tsai Chen	1,334,484	1.51%	—	—	—	—	—	—	—
Chien-Ting Chen	802,811	0.91%	—	—	—	—	—	—	—
President Securities Corporation Trust Account – Celxpert employee holdings	673,269	0.76%	—	—	—	—	—	—	—
Hao Bai Limited Jung-Chou Lee	585,857	0.66%	—	—	—	—	—	—	—
Chao-Hua Wu	500,000	0.57%	—	—	—	—	—	—	—
Citibank Custody Berkeley Capital Securities Co., Ltd. investment account	482,597	0.55%	—	—	—	—	—	—	—
Ying-Fu Chang	467,454	0.53%	—	—	—	—	—	—	—

3.9. The number of shares held by the company, its directors, supervisors, managers, and enterprises directly or indirectly controlled by the company in the same reinvested enterprise, and calculate the comprehensive shareholding ratio:

Comprehensive shareholding ratio

December 31, 2023; unit: share; %

Invest in business	The company invests		Investments of directors, supervisors, managers, and directly or indirectly controlled enterprises		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Celxpert Holdings Limited (BVI)	24,630,834	100%	-	-	24,630,834	100%
PT.CELXPER ENERGY INDONESIA	17,549	100%	-	-	17,549	100%
Advance Smart Industrial Limited (BVI)	-	-	50,000	100%	50,000	100%
Celxpert Energy (H.K.) Limited	-	-	14,219,520	100%	14,219,520	100%
Celxpert Energy International Limited (SAMOA) (Note 1)	-	-	-	-	-	-
Celxpert (Kunshan) Electronics Co., Ltd.	-	-	(Note 2)	100%	(Note 2)	100%
Celxpert (Nantong) Electronics Co., Ltd.	-	-	(Note 2)	100%	(Note 2)	100%
Creative Power Enterprises Inc. (SAMOA)	-	-	10,000,000	100%	10,000,000	100%
KEELGOAL ENERGY CO., LTD.	8,600,000	85.15%	-	-	8,600,000	85.15%

Note 1: Established but not yet invested.

Note 2: It is a limited company

IV. Fundraising Status

4.1 Company Capital and Shares

1. Source of Capital

(1) Formation of Capital

Year/ Month	Issue Price (NTD)	Authorized Capital		Paid-up Capital		Note		
		Number of Shares (thousands)	Amount (NTD thousands)	Number of Shares (thousands)	Amount (NTD thousands)	Source of Capital (NTD thousands)	Capital offset by non-cash assets	Others
1997.11	10	2,000	20,000	1,358.70	13,587	Establishment 13,587	None	-
1999.02	10	5,255	52,550	4,149.90	41,499	Capital increase through current issuance 27,912	None	-
2000.03	10	5,255	52,550	5,255.00	52,550	Capital increase through current issuance 11,051	None	-
2000.07	15	13,900	139,000	7,808.60	78,086	Capital increase through current issuance 25,536	None	-
2001.12	15	13,900	139,000	8,271.15	82,712	Capital increase through current issuance 4,625.5	None	-
2002.03	12	13,900	139,000	10,500.00	105,000	Capital increase through current issuance 22,288.5	None	Note 1
2003.06	15	20,000	200,000	20,000.00	200,000	Capital increase through current issuance 95,000	None	Note 2
2004.06	10	40,000	400,000	25,604	256,036	Profit transfer 56,036	None	Note 3
	18	40,000	400,000	29,604	296,036	Capital increase through current issuance 40,000	None	Note 3
2005.10	10	60,000	600,000	38,037	380,377	Profit transfer for capital increase NTD 54,738 (thousands) and capital surplus transfer for capital increase NTD 29,603 (thousands)	None	Note 4
2006.03	18	60,000	600,000	42,938	429,377	Capital increase through current issuance 49,000	None	Note 5
2006.10	10	60,000	600,000	52,713	527,126	Profit transfer 97,749	None	Note 6
2007.07	45	100,000	1,000,000	62,713	627,126	Capital increase through current issuance 100,000	None	Note 7
2007.08	10	100,000	1,000,000	74,268	742,685	Profit transfer 115,559	None	Note 8
2008.08	10	150,000	1,500,000	84,655	846,553	Profit transfer 103,868	None	Note 9
2009.07	10	150,000	1,500,000	89,703	897,034	Profit transfer 50,481	None	Note 10
2009.10	10	150,000	1,500,000	90,901	909,014	Conversion of corporate bonds 11,980	None	Note 11
2010.01	10	150,000	1,500,000	95,314	953,141	Conversion of corporate bonds 44,127	None	Note 12
2010.04	10	150,000	1,500,000	97,814	978,141	Conversion of corporate bonds 25,000	None	Note 13
2010.07	10	150,000	1,500,000	97,956	979,556	Conversion of corporate bonds 1,415	None	Note 14
2010.08	10	150,000	1,500,000	102,769	1,027,692	Profit transfer 48,136	None	Note 15
2010.10	10	150,000	1,500,000	107,355	1,073,548	Conversion of corporate bonds 45,857	None	Note 16
2011.01	10	150,000	1,500,000	107,493	1,084,929	Conversion of corporate bonds 11,381	None	Note 17
2011.04	10	150,000	1,500,000	107,951	1,079,509	Cancellation of treasury stocks 5,420	None	Note 18
2011.09	10	150,000	1,500,000	106,951	1,069,509	Cancellation of treasury stocks 10,000	None	Note 19
2011.11	10	150,000	1,500,000	101,951	1,019,509	Cancellation of treasury stocks 50,000	None	Note 20
2012.03	10	150,000	1,500,000	98,990	989,899	Cancellation of treasury stocks 29,610	None	Note 21
2014.09	10	150,000	1,500,000	94,990	949,899	Cancellation of treasury stocks 40,000	None	Note 22
2015.11	10	150,000	1,500,000	90,300	902,999	Cancellation of treasury stocks 46,900	None	Note 23
2016.08	10	150,000	1,500,000	86,800	867,999	Cancellation of treasury stocks 35,000	None	Note 24
2019.03	10	150,000	1,500,000	85,703	857,029	Cancellation of treasury stocks 10,970	None	Note 25
2019.08	10	150,000	1,500,000	83,306	833,059	Cancellation of treasury stocks 23,970	None	Note 26
2020.09	10	150,000	1,500,000	80,306	803,059	Cancellation of treasury stocks 30,000	None	Note 27
2023.10	26.4	150,000	1,500,000	8,000	883,059	Capital increase through current issuance 80,000	None	Note 28

Note 1: Approved change registration date and document number: March 21, 2002, granted under the reference number Shang Zi No. 09101093080.

Note 2: Approved change registration date and document number: July 10, 2003, granted under the reference number Zhong Zi No. 09232328000.

Note 3: Approved change registration date and document number: June 17, 2004, granted under the reference number Tai Cai Zheng Yi Zi No. 0930127107

Note 4: Approved change registration date and document number: October 13, 2005, granted under the reference number Zhong Zi No. 09432977920.

Note 5: Approved change registration date and document number: March 7, 2006, granted under the reference number Zhong Zi No. 09531797580.

Note 6: Approved change registration date and document number: October 3, 2006, granted under the reference number Shang Zi No. 09501225100.

Note 7: Approved change registration date and document number: July 11, 2007, granted under the reference number Shang Zi No. 09601160710.

Note 8: Approved change registration date and document number: August 29, 2007, granted under the reference number Shang Zi No. 09601210240.

Note 9: Approved change registration date and document number: August 22, 2008, granted under the reference number Shang Zi No. 09701208360.

Note 10: Approved change registration date and document number: July 30, 2009, granted under the reference number Shang Zi No. 09801169880.

Note 11: Approved change registration date and document number: October 15, 2009, granted under the reference number Shang Zi No. 09801237120.

Note 12: Approved change registration date and document number: January 18, 2010, granted under the reference number Shang Zi No. 09901011160.

Note 13: Approved change registration date and document number: April 20, 2010, granted under the reference number Shang Zi No. 09901078580.

Note 14: Approved change registration date and document number: July 22, 2010, granted under the reference number Shang Zi No. 09901157340.

Note 15: Approved change registration date and document number: August 13, 2010, granted under the reference number Shang Zi No. 09901185030.

Note 16: Approved change registration date and document number: October 18, 2010, granted under the reference number Shang Zi No. 09901234170.

Note 17: Approved change registration date and document number: January 19, 2011, granted under the reference number Shang Zi No. 10001010420.

Note 18: Approved change registration date and document number: April 11, 2011, granted under the reference number Shang Zi No. 10001069620.

Note 19: Approved change registration date and document number: September 1, 2011, granted under the reference number Shang Zi No. 10001203540.

Note 20: Approved change registration date and document number: November 10, 2011, granted under the reference number Shang Zi No. 10001257090.

Note 21: Approved change registration date and document number: March 26, 2012, granted under the reference number Shang Zi No. 10101051770.

Note 22: Approved change registration date and document number: September 30, 2014, granted under the reference number Shang Zi No. 10301204400.

Note 23: Approved change registration date and document number: November 13, 2015, granted under the reference number Shang Zi No. 10401242090.

Note 24: Approved change registration date and document number: August 22, 2016, granted under the reference number Shang Zi No. 10501203470.

Note 25: Approved change registration date and document number: March 27, 2019, granted under the reference number Shang Zi No. 10801033830.

Note 26: Approved change registration date and document number: August 26, 2019, granted under the reference number Shang Zi No. 10801115950.

Note 27: Approved change registration date and document number: September 1, 2020, granted under the reference number Shang Zi No. 10901157730.

Note 28: Approved change registration date and document number: October 2, 2023, granted under the reference number Shang Zi No. 11230185200.

(2) Share Types

April 15, 2024 Unit: Shares

Share Types	Approved Share Capital			Note
	Shares Outstanding	Unissued Shares	Total	
Registered Common Shares	88,305,914	61,694,086	150,000,000	OTC Stock

(3) Summary Declaration System Related Information: N/A.

2. Shareholders Structure:

April 15, 2024

Shareholders Structure	Government Institutions	Financial Institutions	Other Legal Entities	Foreign Institutions and Foreigners	Individuals	Treasury Shares	Total
Number of Shareholders (people)	0	1	254	59	50,721	0	51,035
Number of Shares Held (shares)	0	4,000	6,383,085	2,126,703	79,792,126	0	88,305,914
Shareholding Ratio (%)	0.00%	0.00%	7.23%	2.41%	90.36%	0.00%	100.00%

3. Distribution of Shareholding (Par value per share: NTD 10)

(1) Distribution of Ordinary Shareholding:

April 15, 2024

Shareholding Grade	Number of Shareholders	Number of Shares Held	Shareholding Ratio (%)
1-999	36,890	547,486	0.62%
1,000-5,000	11,175	22,360,943	25.33%
5,001-10,000	1,610	12,164,742	13.78%
10,001-15,000	520	6,324,978	7.16%
15,001-20,000	273	4,933,868	5.59%
20,001-30,000	232	5,698,584	6.45%
30,001-40,000	116	4,016,332	4.55%
40,001-50,000	60	2,762,915	3.13%
50,001-100,000	91	6,282,557	7.11%
100,001-200,000	37	5,125,912	5.80%
200,001-400,000	20	5,496,805	6.22%
400,001-600,000	5	2,463,908	2.79%
600,001-800,000	1	673,269	0.76%
800,001-1,000,000	1	802,811	0.91%
1,000,001 and more	4	8,650,804	9.80%
Total	51,035	88,305,914	100.00%

(2) Distribution of Preferred Shareholding: The company has not issued any preferred shares.

4. List of Major Shareholders: Names of shareholders with a shareholding ratio of 5% or more or among the top ten shareholders, along with the number of shares held and the corresponding ratio.

April 15, 2024

No.	Account Number	Name of Major Shareholder	Number of Shares Held	Shareholding Ratio (%)
1	1	Shih-Ming Huang	3,186,194	3.61%
2	69151	KangHuei Investment Co., Ltd	2,539,549	2.88%
3	93164	KAISENG INVESTMENT CO.	1,590,577	1.80%
4	39	Yung-Tsai Chen	1,334,484	1.51%
5	55734	Chien-Ting Chen	802,811	0.91%
6	111230	President Securities Corporation Trust Account – Celxpert employee holdings	673,269	0.76%
7	93193	Hao Bai Limited	585,857	0.66%
8	26540	Wu Chao-Hua	500,000	0.57%
9	9904	Citibank Custody Barclays Capital Securities Limited Investment Account	482,597	0.55%
10	118973	Ying-Fu Chang	467,454	0.53%

5. Recent two-year data on per-share market price, net asset value, earnings, dividends, and related information

Unit: NTD (thousand)/ shares (thousand)

Item	Year		2021	2022	Year 112 (as of March 31)
Per-share market price (Note 1)	Highest		65.40	36.70	29.80
	Lowest		33.65	28.05	24.55
	Average		50.31	32.96	27.13
Per-share net asset value (Note 2)	Before distribution		31.21	28.14	N/A
	After distribution		29.21	28.14	N/A
Earnings per share	Weighted average shares outstanding		80,306	82,739	N/A
	Earnings per share (Note 3)		3.16	-3.27	N/A
Dividends per share (NTD)	Cash dividends		2.00	0	N/A
	Stock dividends at no cost	Earnings distribution as stock dividends	—	-	N/A
		Capital surplus distribution as stock dividends	—	-	N/A
	Accumulated unpaid dividends (Note 4)		-	-	N/A
	Price-to-earnings ratio		15.92	-10.08	N/A
Investment return analysis	Price-to-earnings and yield ratio		25.16	-	N/A
	Dividend yield on cash dividends		3.98%	-	N/A

*:The profit distribution for the year 2023 has not yet been approved by the shareholders' meeting

If there is a stock dividend distribution from earnings or capital surplus, the adjusted market price and cash dividend information based on the number of shares distributed should be disclosed.

Note 1: List the highest and lowest market prices of ordinary shares for each year and calculate the average market price based on the trading volume and value for each year.

Note 2: Please use the number of shares issued at the end of the year and fill in the distribution based on the resolution of the next year's shareholders' meeting.

Note 3: If adjustments are required due to circumstances such as free stock dividends, both the pre-adjustment and post-adjustment earnings per share should be shown.

Note 4: If there are provisions in the equity securities issuance conditions that allow the accumulation of undistributed dividends until a profitable year, disclose the accumulated unpaid dividends as of the end of the current year separately.

Note 5: Price-to-earnings ratio = Average closing price per share for the year / Earnings per share.

Note 6: Price-to-earnings and yield ratio = Average closing price per share for the year / Cash dividends per share.

Note 7: Dividend yield on cash dividends = Cash dividends per share / Average closing price per share for the year..

Note 8: Per-share net asset value and earnings should be filled in based on the most recent quarter audited (reviewed) by the accountant until the date of printing the annual report.

Other fields should be filled in based on the data until the date of printing the annual report for the current year.

6. Company Dividend Policy and Implementation Status:

(1) Dividend Policy: The dividend policy of the company is as follows:

The company's industry is currently in a growth stage. The dividend distribution policy takes into account factors such as the company's current and future investment environment, capital requirements, domestic and international competition, and capital budgeting. It aims to balance shareholder interests, dividend distribution, and long-term financial planning of the company. Each year, the Board of Directors formulates a distribution proposal in accordance with the law, which is submitted to the shareholders' meeting. Depending on financial, business, and operational considerations, if the company has profits available for distribution in the current year, the principle is to allocate an amount not less than 30% of the after-tax net profit for the year, with cash dividends accounting for at least 50% of the shareholder dividends.

(2) Proposed Dividend Distribution for the Current Year:

The company proposes to not distribute a cash dividend, as decided by the Board of Directors:

Celxpert Energy Corporation Profit Allocation Statement for Year 2023	
Item	Unit: NTD Amount
Beginning Undistributed Earnings	\$603,332,440
Add: Net Loss After Tax for Year 2023	(270,647,576)
Add: Other Comprehensive Income for Year 2023 - Actuarial Loss on Defined Benefit Plans	(2,384,825)
Minus: Difference between Actual Acquisition or Disposal Price of Subsidiary Equity and Book Value	(17,597)
Minus: Legal Reserve (10%)	0
Available Distributable Earnings	330,282,442
Cash Dividends	0
Ending Undistributed Earnings	\$330,282,442

7. Impact of Proposed Stock Dividend on Company's Business Performance and Earnings per Share: N/A.

8. Employee and Director Remuneration:

(1) Percentage or range of employee and director remuneration as stated in the company's articles of incorporation:

In the annual financial statements of the company, if there is a profit, director remuneration and employee remuneration shall be allocated before tax. After the allocation is determined by the board of directors and taxes and donations are paid in accordance with the law, 10% shall be set aside as legal reserve for retained earnings. However, if the legal reserve for retained earnings has reached the total capital of the company, this limitation does not apply. Additionally, an equal amount shall be allocated to the special reserve for retained earnings for the negative balance in the shareholder's equity accounts that occurred during the year. When the negative balance in the shareholder's equity accounts is reversed, the portion of the reversal may be transferred to the current year's profit distribution.

If the company has accumulated losses from previous years, in the year when there is a profit and before allocating director remuneration and employee remuneration, the losses should be offset first, and the remaining balance should be allocated in accordance with the aforementioned ratio. Employee remuneration, when provided in the form of stocks or cash, includes eligible subordinate employees meeting certain conditions.

If there are still undistributed earnings accumulated from the previous year, a proposal for profit distribution shall be prepared by the board of directors. When issuing new shares for profit distribution, it shall be submitted to the shareholders' meeting for resolution. In accordance with Article 240, Paragraph 5 of the Company Law, the board of directors is authorized to adopt a resolution with the attendance of two-thirds or more of the directors and the approval of a majority of the attending directors to distribute dividends or legal reserves for retained earnings and capital reserves specified in Article 241, Paragraph 1 of

the Company Law, either in whole or in part, in the form of cash, and report it to the shareholders' meeting. The distribution ratios for director remuneration and employee remuneration are as follows::

A. Director remuneration: Up to a maximum of 3%.

B. Distribution of employee remuneration: 3% to 12%.

- (2) Basis for estimating the amount of employee, director, and supervisor remuneration for the current period, calculation basis for stock-based employee remuneration, and accounting treatment for the difference between the actual distribution amount and the estimated amount:

If there are still changes in the amount after the issuance of the annual financial report, they will be adjusted and recorded in the following year based on accounting estimation principles.

- (3) Distribution of remuneration by the board of directors: On March 15, 2024, the board of directors of the company made the following decisions regarding remuneration:

A. The amount of employee and director remuneration distributed in cash or stock. If there are differences between the amount recognized as expenses and the estimated amount for the year, the differences, reasons, and treatment should be disclosed:

Unit: NTD (thousand)

Distribution Items (Year 2023)	Amount Proposed for Distribution by the Board of Directors	Recognized Amount on the Books	Difference
Director Remuneration	0	0	0
Employee Remuneration	0	0	0

B. The amount of employee remuneration distributed in stock and the ratio of such amount to the current period's individual or separate financial report's after-tax net income and total employee remuneration: N/A.

- (4) Actual distribution of employee, director, and supervisor remuneration in the previous year (including the number of shares, amount, and share price), any differences with the recognition of employee, director, and supervisor remuneration should be stated, including the differences, reasons, and treatment:

Unit: NTD (thousand)

Distribution Items (Year 2022)	Payment Method	Board of Directors' Resolution Distribution Amount	Actual Distribution Amount	Difference
Director Remuneration	Cash	7,372	7,372	0
Employee Remuneration	Cash	32,908	32,908	0

9. Company's Repurchase of Company Shares:

(1) Completed Cases:

April 15, 2024

Repurchase Period	First Repurchase	Second Repurchase	Third Repurchase
Purpose of Repurchase	Transfer to Employees	Transfer to Employees	Maintaining Company Credit and Shareholders' Equity
Repurchase Duration	2008.03.03~2008.03.18	2008.08.05~2008.08.26	2011.8.24~2011.8.30
Repurchase Price Range	TWD 50~75	TWD 45~70	TWD 20~30
Planned Types and Quantity of Repurchased Shares	1,000,000 common shares	1,000,000 common shares	5,000,000 common shares
Types and Quantity of Repurchased Shares	542,000 common shares	1,000,000 common shares	5,000,000 common shares
Amount of Repurchased Shares	NTD 33,064,135	NTD 53,706,271	NTD 112,887,939
Ratio of Repurchased Quantity to Planned Repurchase Quantity (%)	54.20%	100.00%	100.00%
Number of Shares Cancelled and Transferred	542,000 shares	1,000,000 shares	5,000,000 shares
Accumulated Holding of Company Shares	0 shares	0 shares	0 shares
Ratio of Accumulated Holding of Company Shares to Total Issued Shares (%)	0%	0%	0%

Repurchase Period	Fourth Repurchase	Fifth Repurchase	Sixth Repurchase
Purpose of Repurchase	Transfer to Employees	Maintaining Company Credit and Shareholders' Equity	Maintaining Company Credit and Shareholders' Equity
Repurchase Duration	2011.09.14~2011.09.23	2011.12.09~2012.01.31	2015.08.11~2015.10.06
Repurchase Price Range	NTD 20~30	NTD 13~25.8	NTD 12.71~25
Planned Types and Quantity of Repurchased Shares	4,000,000 common shares	6,000,000 common shares	5,000,000 common shares
Types and Quantity of Repurchased Shares	4,000,000 common shares	2,961,000 common shares	4,690,000 common shares
Amount of Repurchased Shares	NTD 98,235,510	NTD 45,987,967	NTD 85,940,150
Ratio of Repurchased Quantity to Planned Repurchase Quantity (%)	100.00%	49.35%	93.80%
Number of Shares Cancelled and Transferred	4,000,000 shares	2,961,000 shares	4,690,000 shares
Accumulated Holding of Company Shares	0 shares	0 shares	0 shares
Ratio of Accumulated Holding of Company Shares to Total Issued Shares (%)	0%	0%	0%

Repurchase Period	Seventh Repurchase	Eighth Repurchase	Ninth Repurchase
Purpose of Repurchase	Maintaining Company Credit and Shareholders' Equity	Maintaining Company Credit and Shareholders' Equity	Maintaining Company Credit and Shareholders' Equity
Repurchase Duration	2016.03.07~2016.04.20	2018.11.09~2019.01.08	2019.05.13~2019.07.10
Repurchase Price Range	NTD 12.57~25	NTD 31.25~35.80	NTD 27.40~33.40
Planned Types and Quantity of Repurchased Shares	3,500,000 common shares	4,000,000 common shares	3,000,000 common shares
Types and Quantity of Repurchased Shares	3,500,000 common shares	1,097,000 common shares	2,397,000 common shares
Amount of Repurchased Shares	NTD 67,825,850	NTD 36,994,076	NTD 72,334,11
Ratio of Repurchased Quantity to Planned Repurchase Quantity (%)	100.00%	27.43%	79.90%
Number of Shares Cancelled and Transferred	3,500,000 shares	1,097,000 shares	2,397,000 shares
Accumulated Holding of Company Shares	0 shares	0 shares	0 shares
Ratio of Accumulated Holding of Company Shares to Total Issued Shares (%)	0%	0%	0%

Repurchase Period	Tenth Repurchase
Purpose of Repurchase	Maintaining Company Credit and Shareholders' Equity
Repurchase Duration	2020.03.27~2020.05.25
Repurchase Price Range	NTD 13.69~37.13
Planned Types and Quantity of Repurchased Shares	4,000,000 common shares
Types and Quantity of Repurchased Shares	3,000,000 common shares
Amount of Repurchased Shares	NTD 78,395,161
Ratio of Repurchased Quantity to Planned Repurchase Quantity (%)	75.00%
Number of Shares Cancelled and Transferred	3,000,000 shares
Accumulated Holding of Company Shares	0 shares
Ratio of Accumulated Holding of Company Shares to Total Issued Shares (%)	0%

(2) Company's Repurchase of Company Shares (Ongoing Cases): None

4.2 Company Bond Issuance Status:

(1) Issuance of Corporate Bonds

Type of corporate bonds	The third domestic unsecured convertible corporate bonds
Issue (transaction) date	June 02, 2023
Face value	NT\$ 100 thousand
Place of issue and trading (Note 1)	N/A
Issue price	Issued at 100% of face value
Issue amount	Total amount raised: NT\$400,000 thousand
Coupon rate	Coupon interest rate 0%
Term	3-year term; expiry date: June 2, 2026
Guarantor	N/A
Trustee	Mega International Commercial Bank Co., Ltd.
Underwriter	Mega Securities Co., Ltd.
Attesting lawyer	N/A
Attesting CPA	N/A
Redemption method	The issuance period is three years, unless the holder of the convertible corporate bonds converts into the company's ordinary shares in accordance with Article 10 of these Measures, or the company redeems it in advance or is bought back and canceled by the securities firm's business office in accordance with Article 18 of these Measures. The company will add interest compensation based on the face value of the bond within ten business days after the maturity date of the converted corporate bonds (the interest compensation at maturity is 1.5075% of the face amount, and the real yield is 0.5%) and the convertible corporate bonds held by bondholders will be repaid in one lump sum in cash.
Unredeemed balance	NT\$400,000 thousand
Conditions for redemption or early redemption	Refer to terms of issuance and conversion
Restrictive covenants (Note 2)	None
Name of rating agency, date and result of rating	N/A
Other rights	The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date None
	The issuance and conversion, exchange, or subscription rules Refer to terms of issuance and conversion
The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance.	The convertible corporate bonds will not dilute the company's equity before the bondholder exercises the conversion. In addition, the bondholder will exercise the conversion right according to their best interest, resulting in different timings for requesting conversion, which will effectively delay the impact on the dilution effect of the earnings per share. For existing shareholders' equity, although the issuance of convertible corporate bonds will increase the company's liabilities before conversion, when the convertible corporate bonds are converted into ordinary shares, in addition to reducing liabilities, it can also increase shareholders' equity. In the long term, it will not have a significant impact on current shareholders' equity.
Name of the custodian institution of the exchangeable underlying	N/A

Note 1: Fill in this item if the bonds are overseas corporate bonds.

Note 2: E.g., restrictions on the payment of cash dividends, investment abroad, or requirement to maintain a certain asset ratio, etc.

(2) Convertible Corporate Bonds

Type of corporate bonds	The third domestic unsecured convertible corporate bonds
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Fiscal year		2023	As of 15 th of April in the current fiscal year (Note 2)
Market price of convertible corporate bonds	Maximum	113.50	105.40
	Minimum	102.05	102.25
	Average	108.56	103.45
Conversion price		NT\$ 33.1	
Issue (transaction) date and conversion price at issuance		June 02, 2023 NT\$ 35	
Method for performance of conversion obligations		Issuance of new shares	

Note: Due to the cash capital increase with the issuance of 8,000,000 ordinary shares by the company, and the conversion price was adjusted in accordance with the company's third domestic unsecured convertible corporate bond issuance and Article 11 of the conversion measures. Starting from September 12, 2023, the conversion price is adjusted to NT\$33.1.

4.3 Special Share Issuance Status: None.

4.4 Overseas Depositary Receipts Issuance Status: None.

4.5 Status of employee stock ownership certificates: None.

4.6 Restricted Employee Share Issuance and Employee Stock Option Certificate Issuance Status: None.

4.7 Issuance of New Shares for Merger or Acquisition of Other Companies' Shares: None.

4.8 Execution Status of Fund Utilization Plan: None.

V. Operational Overview

5.1 Business Content

1. Business Scope

(1) Main business activities:

- A. Electronic component manufacturing industry
- B. Battery manufacturing industry
- C. Electrical retail industry
- D. Electronic material retail industry
- E. Electrical wholesale industry
- F. Electronic material wholesale industry
- G. International trade industry

(2) Current product (service) items and business proportion

A. Current product (service) items

Product Category	Main Product Names
Battery packs	A. Notebook computer battery packs B. Broadband communication equipment battery packs C. Tablet computer battery packs D. Industrial and agricultural electric tool battery packs E. Cloud camera and smart doorbell battery packs F. Cloud server backup power battery packs G. Energy storage and backup power battery packs H. Electric vehicle battery packs I. E-Bike battery packs

B. Business proportion of current products Unit: NTD (thousand)

Business items	2022		2023	
	Revenue	Revenue proportion	Revenue	Revenue proportion
Lithium battery packs	13,879,351	99.46%	7,142,937	99.16%
Others	74,810	0.54%	60,607	0.84%
Total	13,954,161	100.00%	7,203,544	100.00%

(3) New products (services) under development:

- A. MWh-level container-type battery stack energy storage management system (EMS)..
- B. KWh level outdoor energy storage battery cabinet system.

2. Industry Overview

(1) Current Situation and Development of the Industry

Our company is a professional manufacturer of secondary battery packs for production, sales and research. Secondary battery packs refer to power products that are packaged by designing one or more secondary battery cells in series (or parallel) with protective and safety circuits and casings. The products are widely used in portable electronic products such as notebook computers (NB), smartphones (SP), wireless network surveillance systems and smart wearables. In recent years, due to the booming development of mobile electronic products, lithium batteries and their battery packs with long cycle life, low self-discharge rate, and high capacity density have become the mainstream products with the highest market growth rate and market share.

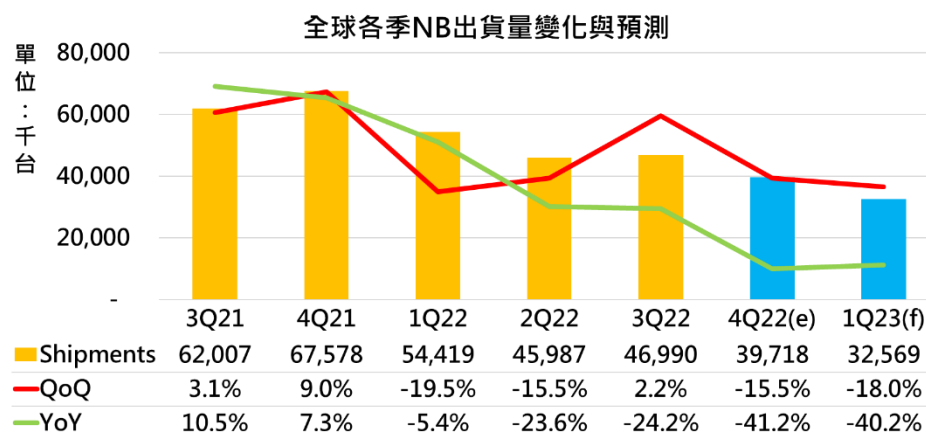
Secondary battery packs have been mainly applied in the communication and information market, accounting for about 60% of the market share. The market share for electric vehicles and machine tools is gradually increasing. Our products are mainly used in the notebook computer industry and smart home IoT applications. Here is an analysis of the current situation of the notebook computer industry, electric tool and network communication products:

1. Lithium battery pack

(1) Notebook computers

According to the research report by DIGITIMES Research, the global shipment of notebook computers has been declining quarter by quarter since 2022 due to the impact of global political and economic situations. In addition, slow inventory clearance by brand and channel vendors has also contributed to the decline in demand for consumer

electronics. Although some orders for the fourth quarter of 2021 were delayed to 2022 due to tight supply of components such as processors and ICs, the global shipment of notebook computers still decreased by 5.4% year-on-year in the first quarter of 2022. In the second and third quarters of 2022, geopolitical and inflationary pressures, as well as the US Federal Reserve's adoption of interest rate hikes and monetary tightening policies, have led to a fatigue in market demand, resulting in a decrease in global NB shipments by 23.6% and 24.2% year-on-year respectively, compared to the same period in 2021, when some countries in Europe and the United States began to adopt open policies after the pandemic, and employees gradually returned to the office to work or adopted a mixed work mode of home and office, commercial notebook models maintained strong shipment momentum, which led to a higher base period, resulting in a decrease in global NB shipments in the second and third quarters of 2022. As for the fourth quarter of 2022, due to continued geopolitical and inflationary pressures, as well as global interest rate hikes and other factors, the problem of weak terminal demand has suppressed the shipment momentum of brand manufacturers, and the high base period of the same period in 2021 also contributed to a decrease in global NB shipments. It is estimated that the global NB shipment volume in the fourth quarter of 2022 will be 39.12 million units, a year-on-year decrease of 41.2%.

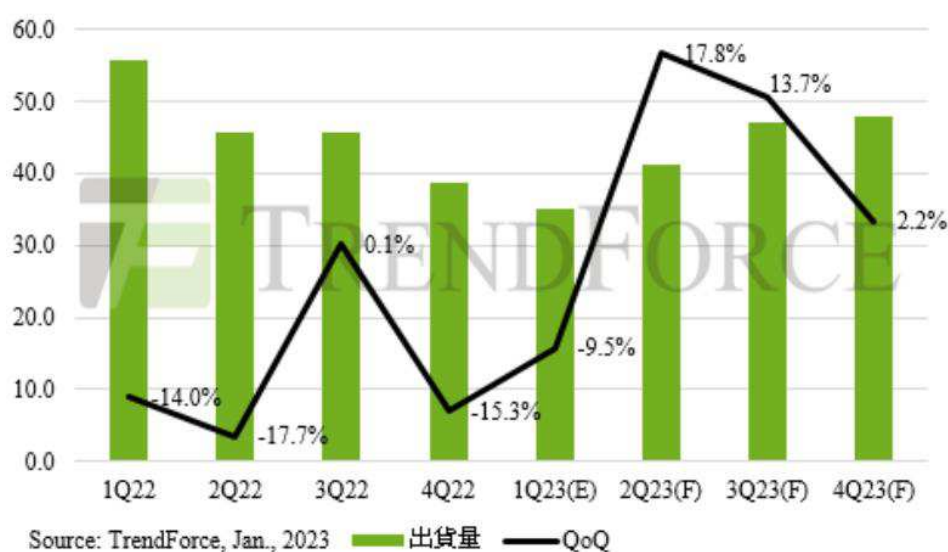


Note: DIGITIMES Research classifies detachable models as tablets, so the shipment volume of this category of products is not included in the NB statistics.

Data source: DIGITIMES, Taiwan Institute of Economic Research Industry and Economic Database (December 2021).

Looking ahead to the first half of 2023, the global epidemic situation is still unstable. As countries continue to expand vaccine coverage to reduce mortality rates, and as mutant viruses become milder with lower mortality rates, most countries are expected to lower their epidemic prevention levels, return to normal economic life, and coexist with the epidemic. It is expected that hybrid work and learning models will gradually become a norm. Under this mixed reality lifestyle, NB has become a rigid demand, with an increase in household usage, which will support the global NB market demand. In addition, the release of the new generation of processors is expected to prompt manufacturers to increase shipments starting in the second quarter of 2023, leading brand manufacturers to release NB products with new processors. Therefore, it is estimated that the NB shipment volume in 2023 will show a trend of increasing season by season.

Global NB Shipment Volume Forecast (Unit: million units)



(2) Electric tools

According to the research report by the Industrial Technology Research Institute (ITRI) IEK, as the growth of the NB market slows down and competition in the market affects battery sales, the use of batteries for electric tools has become one of the development strategies for small battery manufacturers. For example, the lithium-ion battery technology used in electric tools has the characteristics of large current output performance and long cycle life, which used to be mostly used for nickel-cadmium batteries. However, since 2000, due to concerns about the environmental toxicity of cadmium heavy metals, some manufacturers have started to use lithium-ion batteries as alternative technologies, which has also created a growth trend for lithium-ion batteries in the application of electric tools. In the market for small wireless function handheld electric tools, the main shipment volume comes from the United States and Europe, so the international leading manufacturers mostly originate from these two countries, such as Stanley's subsidiary Black & Decker (B&D), TTI, Bosch, Hilti, etc. Other Japanese brand manufacturers include Makita, Hitachi Koki, Ryobi, Metabo, etc. As of 2021, among the international first-line brand manufacturers, the sales of lithium-ion batteries for small handheld wireless function electric tools have accounted for over 90% of Makita, Hitachi Koki, Panasonic, etc., while 70% to 90% of the tools sold by other American and European manufacturers use lithium-ion batteries. The replacement trend has been established, and it has achieved stable market performance in the field of electric tools. Since 2023, the US Federal Reserve will continue to adopt a tightening monetary policy, and under the environment of rising interest rates, the US housing market will continue to decline, while the growth of electric tools mainly comes from DIY activities, power tool products, and the demand for high-efficiency cutting-edge tool products. Affected by the decline in the housing market, the demand for electric tools will also decrease.

In summary, since the electric tool industry mainly relies on exports and the United States and China are the main sales markets, the weakening of orders from these two markets, as well as the continuous increase in sales value in recent years, are estimated to lead to a decline in the sales value of the industry in Taiwan in 2023, while the cost of steel raw materials will still remain high in a high inflation environment, which will result in a decrease in the industry's gross profit margin.

(3) Network communication products

According to a research report by the Industrial Technology Research Institute's Industrial Economics and Knowledge Center (IEK), Taiwan's overall communication industry is mainly divided into three categories by industry type: network communication products, personal mobile devices, and communication services. The

sub-industries of network communication products include wireless local area networks (WLAN), Ethernet switches, digital subscriber line (DSL) customer premise equipment (CPE), cable CPE, internet protocol set-top boxes (IP STB), Bluetooth, and mobile broadband access products. WLAN and Ethernet switch devices, which account for nearly 50% of the production value of network communication products, have a high concentration and represent the production value of the network communication equipment category. In 2022, under the continued global inflation pressure, the market demand for consumer electronics products such as smartphones and laptops was weak. However, the momentum of enterprise digital transformation continued to drive bandwidth upgrades and cloud construction, thereby increasing the market penetration rate of Wi-Fi 6/6E. Under the influence of positive and negative factors in the market, it is estimated that the production value of WLAN and Ethernet switches in Taiwan will still grow slightly to NT\$243.2 billion in 2022, with a year-on-year growth rate of 3.67%.

According to data from the Department of Statistics, Ministry of Economic Affairs, the total export value of routers and switches in Taiwan has shown a growth trend in recent years. In 2022, the total export value of the router and switch industry is estimated to be US\$8.667 billion, a growth of 25.4% from 2021. This total amount and annual growth rate have repeatedly reached new historical highs. Since 2019, the proportion of direct exports to the United States has exceeded 50%, and this trend is expected to continue in 2022. Despite the adverse effects of global inflation and rising interest rates, the increasing demand for network equipment due to digital transformation of businesses has led to this growth. According to a research report by the Industrial Technology Research Institute, the estimated total output value of Taiwan's communication industry in 2022 is NT\$1.2825 trillion, a growth of 1.9% from 2021. Looking ahead to 2023, the upgrade of communication infrastructure will boost the demand for network communication products, and Taiwan's communication industry is expected to reach NT\$1.303 trillion, a growth of 1.6% from 2022, driven mainly by the increasing acceptance of remote application services, the rise of emerging applications such as the Internet of Things and Metaverse, and the increasing demand for high-speed internet transmission. To effectively meet the needs of end consumers and solve the problem of digital divide, many countries in Europe and America have successively launched policies to upgrade broadband networks and increase the popularity of broadband networks in suburbs and rural areas, thereby expanding the coverage of broadband networks.

Overall, wireless communication has become critical in human life and interpersonal relationships. With the overall trend of home and work styles and the gradual entry of high-end Wi-Fi products into the consumer market, the overall prices are slightly decreasing, which will drive the potential demand for new devices. Therefore, the shipment volume of network communication products is expected to continue to grow, which is helpful for companies to develop in a positive direction. Thus, it is predicted that the manufacturing industry of network communication products in Taiwan will perform better in the first half of 2023 compared to the same period in 2022.

Domestic Telecommunications Industry Output Forecast



Data source: Industrial Technology Research Institute, International Division, 11/2022.

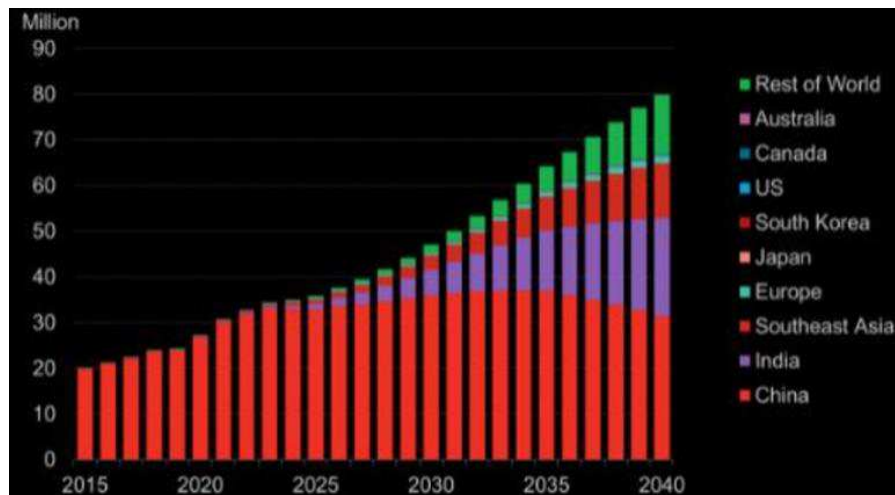
(4) Energy storage products

Energy storage products include standby power battery packs and power battery packs, with the latter consisting of electric vehicle battery packs (such as those used for electric motorcycles, electric boats, aerial work vehicles, etc.) and electric bicycle (E-Bike) battery packs. Due to the impact of extreme weather conditions, various countries have planned net-zero carbon-related policies. In December 2022, the Ministry of Economic Affairs released the draft of the "Taiwan 2050 Net-Zero Transformation Key Strategic Action Plan for Power Systems and Energy Storage," and in March 2022, it also issued the "Taiwan 2050 Net-Zero Emissions Pathway and Strategy Overview" report. These plans aim to build a zero-carbon energy system for Taiwan before 2050. The net-zero emission pathway will be achieved through four major transformations: "energy transformation," "industrial transformation," "lifestyle transformation," and "social transformation," as well as two governance foundations: "technological research and development" and "climate legislation." With the support of "twelve key strategies," action plans will be developed in the important areas of expected growth in energy, industrial, and lifestyle transformation policies to achieve the net-zero transformation goal. Therefore, promoting energy conservation, carbon reduction, and increasing the proportion of renewable energy is an important development project for all countries.

In terms of energy conservation and carbon reduction, according to data from the Environmental Protection Administration of the Executive Yuan, in 2019, the greenhouse gas emissions from the transportation sector in Taiwan were mainly from road transportation, accounting for 96.8% of the total emissions from the transportation sector. Therefore, promoting the low-carbon or zero-carbon transformation of road vehicles is the primary path towards achieving net-zero emissions in transportation. Recently, the promotion of electric motorcycles and electric bicycles to replace traditional fuel motorcycles has become the main development trend for the energy transformation of vehicles towards net-zero emissions internationally.

Regarding electric motorcycles, Taiwan's policy planning prohibits the sale of fuel vehicles starting in 2040. In addition, a budget of NTD 168.3 billion has been allocated to subsidize the transportation industry with higher carbon emissions, which will replace fuel vehicles with electric vehicles. Many countries around the world are also actively developing the electric motorcycle industry. The Netherlands, Belgium, and Germany will ban fuel vehicles from the road by 2030, while the UK, France, and Spain also plan to achieve the ban before 2040. The Netherlands, Germany, France, and Spain provide subsidies ranging from approximately NTD20,000 to NTD30,000 for electric motorcycles. Belgium offers a 15% value-added tax reduction for electric motorcycles, and Germany exempts them from taxation for ten years. The above demonstrates the strong support of various countries for the development of electric motorcycles.

Global Electric Motorcycle Market Forecast

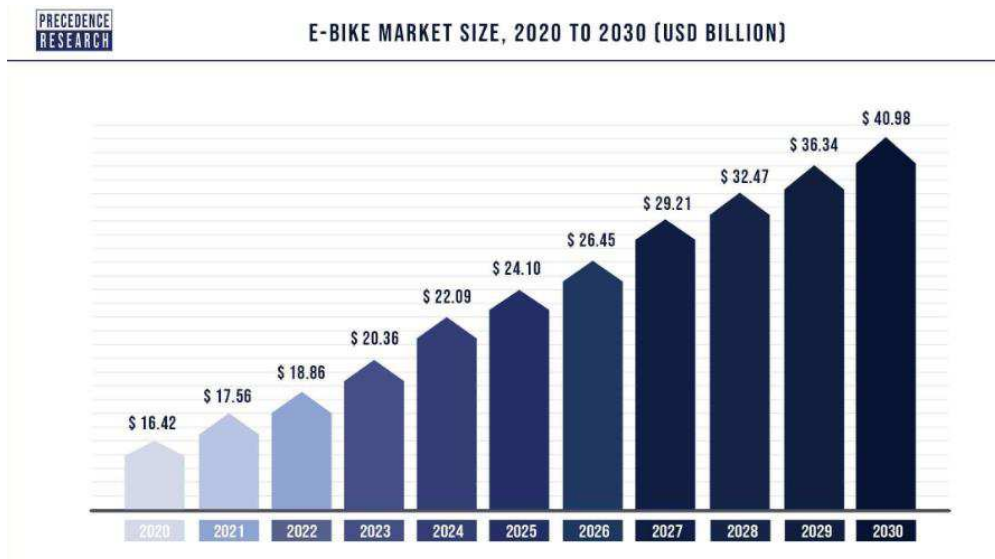


Data source: Bloomberg NEF, 2022/06.

The electric-assisted bicycle, compared to a traditional bicycle that relies on "pedal power" to move forward, uses a "rechargeable battery" as the main power source for the bike. Electric bicycles are considered a short-distance leisure mode of transportation in many countries. Initially, the demand for electric-assisted bicycles was mainly in the environmentally-friendly EU region, particularly for short commuting users. However, with changes in the market environment, the trend of soaring international oil prices and the continuous development of green energy technology to improve exhaust emissions problems, the power system of electric-assisted bicycles is developing towards miniaturization and lightweight. Battery support mileage has also significantly improved. In addition, the rise of leisure and sports in Europe and America has expanded its market from the EU region to North America, opening up new opportunities for electric-assisted bicycles.

According to statistics from the Taiwan Bicycle Exporters' Association, Taiwan's exports of electric-assisted bicycles from 2018 to 2022 were 286,400, 644,300, 760,000, 988,200, and 1,037,200 respectively, with growth rates of 57.92%, 124.97%, 17.96%, 29.89%, and 4.96%. Even in 2020 and 2021, affected by the global COVID-19 pandemic and factors such as container shortages, the export volume of electric-assisted bicycles still showed a growth trend. The EU is Taiwan's largest export market, followed by North America. Due to the recent rise in environmental awareness and the impact of the pandemic, it is estimated that the growth trend will continue in the coming years. The €200 billion European urban transportation fund promoted by the EU also foresees that the bicycle boom will continue. According to PRECEDENCE RESEARCH, the global electric-assisted bicycle market will grow year by year, with an estimated production value of \$18.86 million in 2022, increasing to \$40.98 million in 2030, with a compound annual growth rate of 10.19%.

Global Electric Bicycle Market Forecast

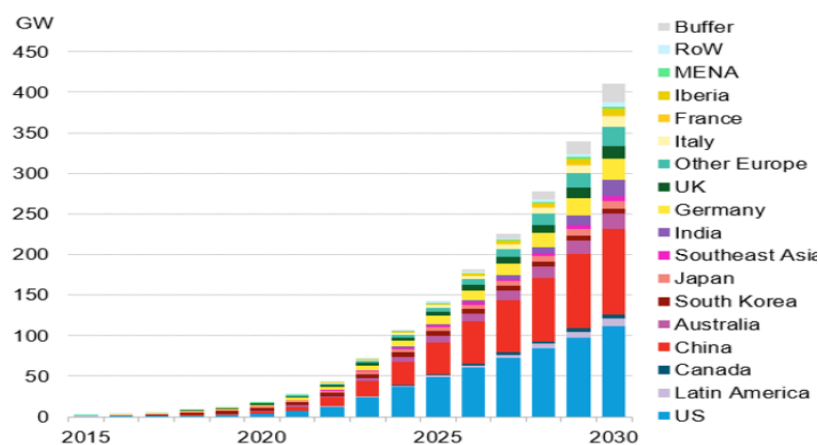


Data source: PRECEDENCE RESEARCH, 2022/08.

In recent years, global power shortages or restrictions have occurred frequently, mainly due to aging power systems, soaring coal and natural gas prices, carbon neutrality issues, and insufficient backup capacity. The best solution to solve power shortages or restrictions is to use renewable energy and energy storage in parallel. Renewable energy can not only increase new power, but also store power during normal times to supply peak power usage. Energy storage devices can store excess power for use in case of power outages or shortages, effectively reducing the occurrence of power shortages or restrictions. According to the International Renewable Energy Agency (IRENA), the proportion of global renewable energy generation will increase from less than 30% to 86% by 2050. However, intermittent and fluctuating renewable energy such as wind and solar power poses challenges to the power system when integrated on a large scale. Therefore, configuring energy storage devices can effectively ensure the stable operation of the power grid.

According to Bloomberg NEF's estimation, the global energy storage capacity will increase by 387GW from 2022 to 2030, surpassing the total annual power generation of Japan in 2020. With the active development of energy storage industries around the world, the global energy storage capacity is expected to reach 1,676GW in 2050, with a compound growth rate of 22.2%. The Taiwanese government plans to invest nearly half of its budget of 900 billion from 2020 to 2050 in the planning and construction of renewable energy, power grids, and energy storage, indicating that the demand for energy storage is expected to grow as the global energy transition trend continues.

Estimated Global Cumulative Energy Storage Capacity



Data source: Bloomberg NEF, 2022/10.

In summary, with the rapid development of renewable energy, stable energy storage systems have become a popular development target to ensure that renewable energy can be supplied steadily. Among them, lithium batteries with high stability and long cycle life have become a hot focus of attention, driving the development of energy storage industry. Lithium batteries have great flexibility in their applications, ranging from single battery cells to energy storage system containers. They can design battery systems to meet different types of requirements and have multiple types of lithium batteries and various sizes and appearances to choose from. In recent years, lithium batteries have continuously improved in safety and cycle life. In energy storage systems, lithium batteries have become an important development direction in the market and are expected to have a promising market in the future due to government policy promotion.

2. Relationship with Up-, Middle- and Downstream Companies

The main product for Celxpert and its subsidiaries is secondary battery packs, which are composed of one or more secondary battery cells connected in series or parallel, designed with protection circuits, safety wiring, and outer casings. In the industry, related battery cells manufacturers, such as electrodes, electrolytes, separators, and canisters, are upstream, while the Company and its subsidiaries are in the midstream, responsible for collaborative product design with downstream customers and assembling the secondary battery packs into finished products. Downstream customers include manufacturers of portable electronic products such as laptops, power tools, network devices, and smart wearables. The upstream, midstream, and downstream structure of the secondary battery pack industry is illustrated in the attached diagram.

Upstream		Midstream			Downstream	
Electrode	→	Battery Cell	→	Battery Pack	→	Laptop/Chromebook/FlipNB
Electrolyte						Tablet/Smartphone
Separator						Various mobile devices
Canister						ESS, EV, Cloud BBU

(3) Various Development Trends of the Product

A. Strengthening the product safety

To ensure the safety of lithium battery products, manufacturers have been strengthening safety measures. For example, in the case of batteries, in addition to the existing safety valves, manufacturers have added current interrupt devices (CID), positive temperature coefficient (PTC) fuses, and explosion-proof devices to enhance product safety. In terms of battery pack design, protection functions have been strengthened, and protective components have been designed to cover all relevant positions of the battery pack, achieving comprehensive protection goals.

B. Improving customization capability

To meet the market demand for product differentiation, the Company provides customized special designs for different customers. In addition to offering sufficient flexibility and standardized parts for battery packs, Celxpert also provides programmability for circuit functions and main components. These are all the future directions for research and development for the Company.

C. Making the battery pack has a thinner ID design for laptops

The homogenization of notebook computer functions has made differentiation difficult, and how to attract consumers through exterior design has become a challenge that tests the industrial design capabilities of each brand. The design and manufacturing of battery packs also face considerable difficulty in achieving thinness and delicacy.

D. Fast charging, large discharging rate, and increasing standby time of the battery

To meet the demand for portability, power efficiency and battery life have become one of the primary considerations for consumers when purchasing laptops and tablets.

Therefore, high-capacity and low-internal-resistance battery designs have become increasingly important.

E. Polymer lithium-ion battery modules are becoming increasingly common and have been applied in all 3C fields.

In response to the rapid growth of portable electronic products, the trend towards lighter and thinner products has become increasingly prevalent, and the use of polymer lithium battery packs has also increased rapidly.

F.The development of renewable energy is driving the energy storage market.

With the rapid development of renewable energy, energy storage systems with fast charging and discharging capabilities have become increasingly important for ensuring a stable and reliable power supply for renewable energy. High stability and long cycle life lithium-ion batteries have become a popular focus, as they are a key method for stabilizing renewable energy generation. It is expected that the development of the energy storage industry will drive demand for lithium-ion batteries.

(4) Product Competition

The Company is a professional battery module manufacturer, specializing in battery protection circuit design, precise programmable Gas-gauge design and production, and customized battery module manufacturing based on individual customer requirements.

Currently, the main suppliers in the market of laptop battery modules include Celxpert, DynaPack, Simplo, LG Chem, and some other Chinese suppliers.

3.Technology and R&D Status

(1) The technical level and R&D of the business

The market trends for electronic and information mobile products, power tools, energy storage equipment, electric bicycles, and other products have become increasingly diversified, lightweight and high-end designs. The design of battery products must comply with strict specifications and limitations on capacity, size, and appearance. The design of long-lasting battery packs has further reinforced the integration of battery technologies. In addition, as the concept of green energy gains increasing attention, various renewable energy products have emerged worldwide. However, all renewable energy sources are limited by unstable supply and require a combination of batteries to provide stable power. Long life, high reliability, and weather resistance are all key R&D objectives for such battery products.

The Company has achieved significant progress in the development of high-efficiency battery modules, including the verification of high-capacity battery cells, the design of power management and protection circuitry, and the integration of terminal product system design to enable optimal performance of the battery modules. Celxpert has also developed the necessary equipment for mass production to meet market demand for long-lasting and high-power battery packs, making our products more competitive.

(2) Education and Experiences of the R&D Personnel

Unit: person; %

Year Education	2022		2023		2024/3/31	
	Number of people	%	Number of people	%	Number of people	%
Masters	33	20.63%	41	27.52%	45	31.92%
Bachelor's Degree	83	51.88%	75	50.33%	73	51.77%
Senior High School	33	20.63%	28	18.79%	21	14.89%
Below Senior High	11	6.86%	5	3.36%	2	1.42%
Total	160	100.00%	149	100%	141	100%
Average Years of Service	3.76		4.38		4.65	

(3)R&D Expenditure for the Most Recent 5 Years

Unit: NT\$ thousands

Year	2019	2020	2021	2022	2023
R&D Expenditure	204,468	235,789	239,052	232,941	205,235
Operating Revenue	9,193,737	12,167,424	13,954,161	11,099,590	7,203,544

Year	2019	2020	2021	2022	2023
R&D Expenditure to Operating Revenue	2.22%	1.94%	1.71%	2.09%	2.85%

(4) Successfully Developed Technology or Product

Year	Successfully Developed Technology or Product
2019	1. 48V 2.7KWH energy storage standard battery pack 2. Agricultural machinery battery pack 3. 32S 10KWh lithium iron energy storage system 4. Multiple sets of battery modules can be connected in parallel 5. Battery module for the electric boat at Sun Moon Lake 6. Communication base station battery module system
2020	1. 4KWH lithium iron energy storage battery pack 2. 36V E-Bike in-tube lithium battery module 3. 25.6V lithium battery pack for boom lifts 4. Low-speed LED optical communication technology 5. Remote monitoring and data collection technology 6. C-2 ternary lithium battery SOC algorithm
2021	1. Battery cell positive and negative optical automatic identification system 2. Resistance welding servo pressure control system 3. BLE Bluetooth communication technology in the battery pack 4. Algorithm for K1 lithium-iron battery SOC in normal to high temperature region 5. Lithium battery boost and step-down charging technology 6. Battery pack structural vibration and impact simulation analysis technology
2022	1. BBU ORing short circuit protection technology 2. BBU ORV3 system technology 3. MOLDEX mold flow analysis technology 4. E-Bike dual battery system technology 5. SOC algorithm for k1 lithium-iron battery in the low temperature region 6. Battery pack remote firmware update technology 7. Lithium battery 2-pulse SOH algorithm
2023	1. Battery pack diagnostic tool upgrade 2. Time series Event Log function 3. Energy storage container EMS system development 4. Energy storage container BV safety certification 5. RSOC Smooth Mechanism 6. ESS APP Monitor Software 7. ESS Web Based Monitor Software 8. BBU Battery with Charger and Discharger

4. Long-term and Short-term Development

The Company has formulated various long and short-term plans for future business in response to sustainable management and considering industry development and overall economic trends. An overview of the plans is as follows:

(1) Short-term Business Development

A. Sales plan

- (A) Stabilize and maintain current customer relationships and sales ratios for laptop computers, broadband routers, and tablets.
- (B) Strengthen the manufacturing process capability, quality management, and yield rate to improve the competitiveness (time to volume) of the factories in mainland China.
- (C) Improve project management, and technical support teams to achieve the goal of time to market to increase profitability.

- (D) Actively seek cooperation with professional battery manufacturers to expand the power cell product line to meet customer needs.
- (E) Expand niche product development to meet the needs of the smart home, Internet of Things (IoT) market, small-scale agriculture electrification, and medical long-term care industries.

B. Design plan

- (A) Strengthen the R&D and design capabilities for the products.
- (B) Join Design Manufacturing mode (JDM): Collaborate with customers to develop new products, establish rigorous reliability testing, and accelerate sample delivery time.
- (C) Keep abreast of new materials and technologies or products with potential niche markets, and maintain a R&D leading edge in this area.
- (D) Increase and train key R&D personnel with critical technical expertise (firmware).
- (E) Production automation: strengthen production equipment and process improvement.

(2) Long-term Business Development

- A. Strategic alliances with international industry leaders or partner suppliers to strengthen cooperation and expand market share.
- B. A long-term focus will be placed on recruiting and training R&D personnel, establishing an efficient R&D team to continuously enhance R&D capabilities, and maintaining a leading position in the industry.
- C. Strengthen the ability for financial management and risk control.
- D. Market demand analysis and forecasting will be conducted to plan material requirements and progress, enabling smooth production and sales coordination and effective utilization of production capacity.
- E. Pursue diversified operation projects, with a focus on strengthening the development of power batteries and energy storage systems.

5.2 Overview of Marketing and Production/Distribution

1. Market Analysis

(1) Sales Region

Unit: NT\$ thousands ; %

Year Region	2022		2023	
	Revenue	%	Revenue	%
Domestic	420,894	3.79	485,689	6.74
Export	10,678,696	96.21	6,717,855	93.26
Total	11,099,590	100.00	7,203,544	100.00

(2) Market Share

Unit: thousand units

Year	Laptop battery packs shipments from Celxpert	Global laptop computer shipments (*)	Celxpert market share
2023	8,140	Approx. 166,100	4.90%

* Data Source: TrendForce, Jan 2024

(3) Market Supply and Demand in the Future

A. Laptop computer

Despite the uncertain global pandemic situation, many countries have adopted a co-existence with the virus lifestyle and resumed their pre-pandemic way of life. However, global inflation pressures remain high, and central banks of various countries continue to tighten their monetary policies. In addition, unfavorable factors such as the ongoing Russia-Ukraine conflict and the expanding US-China technology dispute continue to disrupt the global economy, leading to insufficient consumer confidence and reduced capital expenditures by businesses. Although the new generation of processors was launched in early 2023, which is expected to drive up demand for upgrades. However, the sluggish inventory digestion by downstream manufacturers and the fatigue in end-market demand due to global inflation have led various brands to lower their shipment targets. This will impact the performance of laptop computer shipments. According to TrendForce's forecast, demand for laptops will improve quarter by quarter in 2024, and

the global laptop market will show moderate growth, with an annual growth rate of approximately 3.6%, reaching 172 million units.

B. Power tool

Since 2022, the Federal Reserve in the United States has adopted a policy of raising interest rates and tightening monetary policy. In an environment of extremely high interest rates, the real estate market in the United States is showing signs of decline. The growth drivers for power tools come from DIY activities, power tool products, and high-performance cutting-edge tool products. According to economic forecasts released by various international research institutions, the global, US, and Chinese economic growth momentum in 2023 will slow down, especially in the United States, which is facing high inflationary pressures. This has led to an acceleration of the Federal Reserve's rate hikes, which will in turn cause a decline in the real estate market and reduce demand for the industry.

C. Network device

According to the IEK research report by ITRI, the production value of WLAN and Ethernet Switch in Taiwan in 2022 were NT\$140.3 billion and NT\$102.9 billion, respectively, representing a growth of 2.5% and 5.3% compared to the same period last year. In recent years, Taiwan has vigorously promoted industrial digital and smart transformation, and network service providers and data center operators have actively deployed and updated equipment for 5G applications. Due to factors such as the increased use of home network services by the public affected by the pandemic, the purchasing demand for both consumer and enterprise-level wireless communication devices and switches are expected to show a growth trend. The demand for wireless communication has become crucial in daily life and interpersonal relationships, affecting overall home life and work patterns. It is estimated that the overall market size of WLAN and Ethernet switches in 2023 will be NT\$143.1 billion and NT\$104.2 billion, respectively, with an annual growth rate of approximately 1.99% and 1.26%, showing a slow growth trend.

D. Energy Storage

Energy storage products include backup power battery packs and power battery packs. The power battery packs comprise battery packs for electric vehicles (such as electric motorcycles, electric boats, and boom lifts) and battery packs for electric assist bicycles (E-Bikes). Electric motorcycle and E-Bike battery packs are the main types of power battery packs. According to Taiwan's policy, all newly sold motorcycles will be electric motorcycles by 2040, and a budget of NT\$168.3 billion has been allocated for the transportation industry which has higher carbon emissions for the replacement of fuel vehicles with electric vehicles. In addition, according to PRECEDENCE RESEARCH, due to the rising awareness of environmental protection and the impact of the ID-19, the global production value of electric assist bicycles has been growing year by year. It is expected to increase from US\$18.86 million in 2022 to US\$40.98 million in 2030, with a compound annual growth rate of 10.19%. Benefiting from government subsidy policies, there is an expected increase in the demand for power battery packs.

In terms of backup power battery packs, according to an analysis by InfoLink research, the domestic energy storage market in Taiwan is expected to see significant growth from 2023 onwards, driven by government policy support and the increasing penetration of renewable energy. By 2025, the accumulated capacity is expected to reach 3 GWh, and Taiwan's share of the global electrochemical energy storage accumulated installed capacity is over 1%. The market size is expected to increase from NT\$10 billion in 2023 to NT\$20 billion in 2026, with accumulated capacity reaching 20 GWh by 2030, and the market size further reaching NT\$200 billion.

(4) Niche Advantages

A. Good customer relationships

Since its establishment in 1998, Celxpert has been committed to maintaining long-term partnerships with our ODM customers, assisting them in enhancing their competitiveness, and pursuing steady growth. In addition to our ongoing partnerships with our original customers, our goal is to continue to grow by adding 1-2 new customers per year.

B. Good supplier relationships

Celxpert maintains long-term relationships with the major suppliers to ensure a stable supply of the materials; We also expand new material suppliers for stable supplies.

C. Complete development and testing capabilities of battery packs

Celxpert has established a complete design capability from PCB assembly design, testing, and mold development, and is able to design products according to different specifications and requirements of customers. We also possess QA laboratory certification capabilities, which are synchronized with international industry standards.

D. Good production procedure quality

Standardization of processes, in-house development, and manufacturing of production and testing equipment and fixtures have effectively controlled production speed and quality, achieving the goal of automation and reducing human error. Process and quality have become more stable, facilitating the development of new customers.

E. High production efficiency, rapid delivery with high flexibility

As consumer behavior and preferences change rapidly in the information product market, product innovation and diversification have become important marketing strategies. In order to meet these demands and satisfy consumers' pursuit of novelty, the Company can quickly adapt to changes in product demand and adjust our production processes to increase efficiency and flexibility in delivery. We also work closely with our customers to provide just-in-time delivery to meet their needs.

(5) Favorable and Unfavorable Factors in the Long Term

A. Favorable factors

The Company has a professional R&D team, with over half of the members having more than 10 years of experience in the field. They possess excellent R&D and design capabilities for related components and have the ability to develop their own testing equipment. Our Shop-floor system is constructed to enable the tracing of all conditions related to the production of a product in the shortest possible time, allowing for the most immediate follow-up processing. In addition, our dedicated sales and QA teams in mainland China are always available to provide support and meet customer requirements.

B. Unfavorable factors

(A) Most of the materials depend on import:

The main raw materials of the Company, battery cells, are currently mostly supplied by manufacturers from Korea and China. Only a few manufacturers in Taiwan produce battery cells, and their production capacity is not high. Therefore, our supply chain is susceptible to factors such as exchange rates, lead times, pricing, and the availability of raw materials. If we cannot effectively control the source of our raw materials, it may pose certain risks to our operations.

Countermeasures:

- (a) Our battery cell suppliers have expanded to six companies, and Celxpert has established cooperative relationships with major battery manufacturers, ensuring a stable supply of products.
- (b) Celxpert has established strategic alliances with key customers and maintains good interactions with suppliers, ensuring stable and long-term partnerships that can guarantee a stable source of raw materials.
- (c) Celxpert collects exchange rate-related data to facilitate the company's forward foreign exchange transactions and hedging operations.
- (d) Celxpert provides suppliers with customer forecasts in advance, allowing suppliers sufficient time to prepare materials and reducing the risk of material shortages due to short lead times.

(B) The increase in the basic wage in China has resulted in an increase in production costs, which has prevented the company from achieving its maximum economic efficiency.

Countermeasures:

- (a) The Company promotes process automation, improves efficiency, controls quality, and reduces costs.
- (b) Celxpert values employee benefits and increases employee morale and reduces employee turnover with the motivation drive of profit-sharing. We also strengthen

employee professional training to solve the problem of professional inadequacy. Furthermore, regular professional courses are provided to enhance employee productivity for professional talent development.

(C) Price attacks by competitors:

The competition among peers is fierce, not only facing price pressure from existing competitors but also new entrants (e.g., China), who are willing to compete on price to win orders. Over the past 3-5 years, the average selling price (ASP) of battery modules has dropped by about 50% (for NB, Tablet, etc.), resulting in increased pressure on the price-to-volume ratio and revenue.

Countermeasures:

- (a) The Company invests in the R&D team to strengthen new product development technology, and proactively provides customers with necessary information and assistance to solve any research and development issues.
- (b) Celxpert improves the stability of product quality after mass production to gain customer trust and maintain stable growth of orders.
- (c) Celxpert enhances business management performance, reduces costs, and improves production capacity.

2. Production Procedures of Main Products

(1) Major Products and Their Main Uses: The Company's main products are laptop battery packs, ultra-thin laptop battery packs, embedded battery packs for tablets, embedded battery packs for smartphones, power tool battery packs, power drives, and backup battery packs for high-powered electronic products. These products are mainly used as power sources for laptops (including ultra-thin laptops, tablets, and smartphones) and as backup power sources for digital and powered electronic products.

(2) Major Products and Their Production Processes

Our battery pack production is primarily driven by a dedicated R&D team. Through a thorough understanding of customer needs and our insistence on high-quality materials, the battery packs are produced and shipped to system vendors or end customers. The process involves precise automated equipment such as battery sorting machines, automatic spot welding machines, (laser) welding machines, testing machines, and charging and discharging machines. Our standardized production processes, factory management, and excellent employees work together to create products that meet the demands of the new era of green energy. The following flowcharts briefly illustrate the product areas Celxpert is involved in and our production control principles.

A. Laptop battery packs (OEM)

B. Power tool battery packs (OEM)

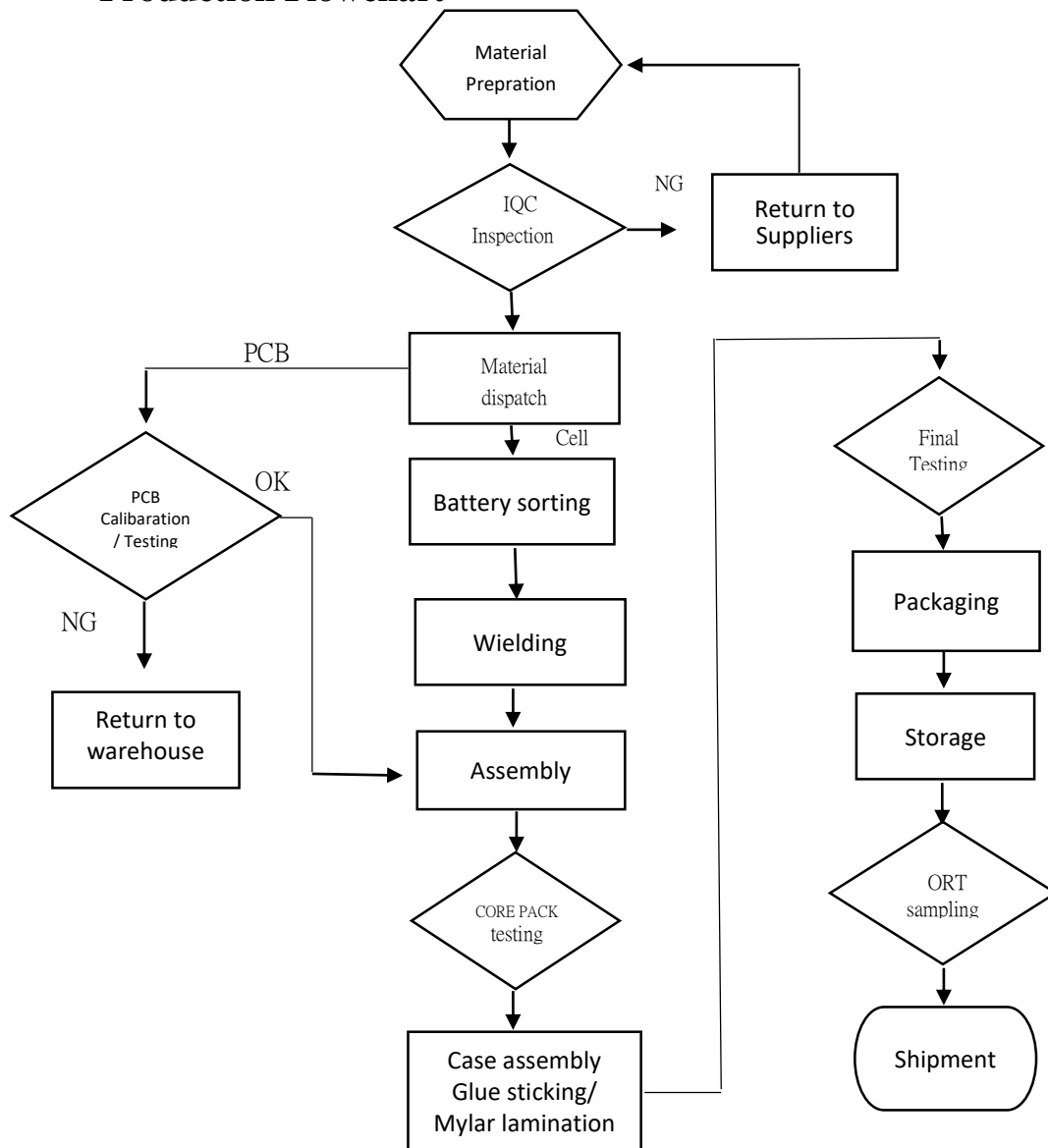
C. Laptop battery packs (ODM) and battery backup modules

D. Tablet battery packs including embedded battery packs

E. High-wattage power battery packs

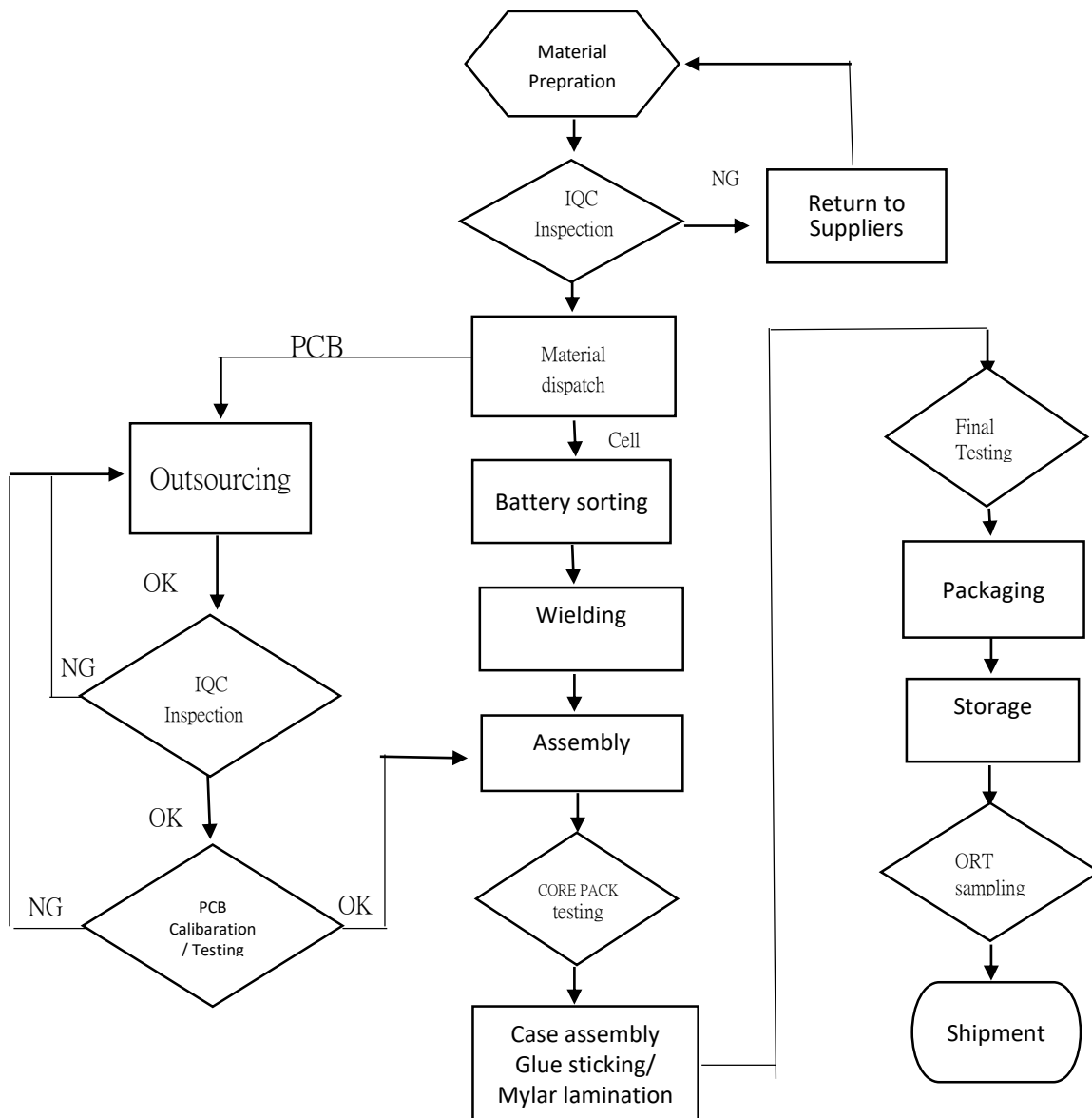
The single-cell sources used in the above battery packs include cylindrical cells, prismatic cells, and polymer cells, all of which require different manufacturing processes and technological capabilities in the factory.

**(A)(B)Laptop and Power Tool Battery Packs (OEM)
Production Flowchart**

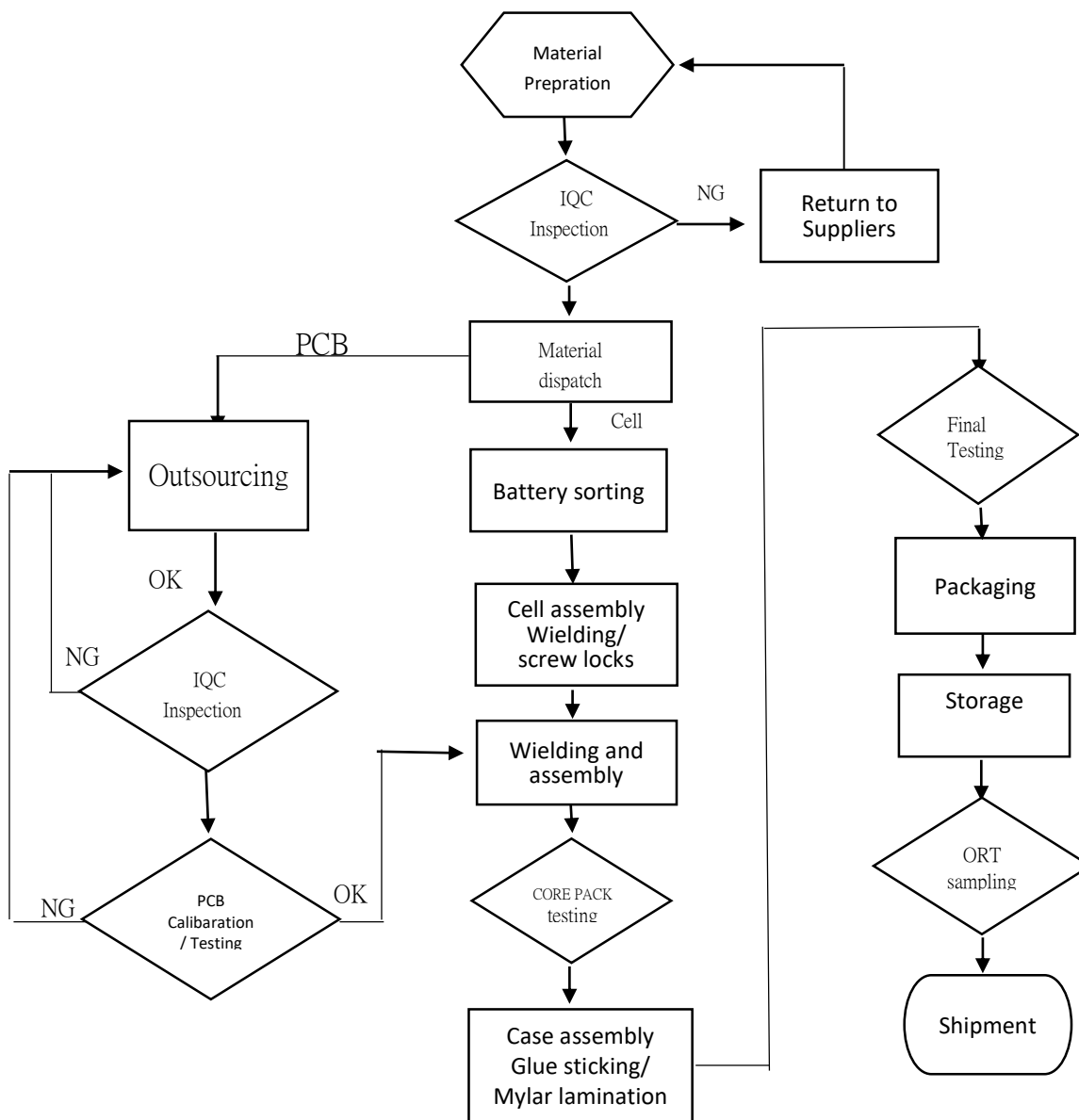


(C)(D) Laptop/Tablet battery Packs Including Embedded Battery Packs (ODM)

Production Flowchart



(E) High-Wattage Power Battery Packs Production Flowchart



3. Supply Status of Main Materials

Main materials	Market	Source of Supply	Supply Situation
Battery Cell	Consumer market	Company #10001, #10433	Supply is back to normal with 8~10 weeks of L/T
	Automotive / industrial control market	Company #10747, #10645	Supply is back to normal with 8~10 weeks of L/T
IC	Consumer market	Company #10757, #10067, #10641	Supply is back to normal with 8~10 weeks of L/T
	Automotive / industrial control market	Company #10287, #10207, #10757	The overall supply is getting stable with 12~14 weeks of L/T

In 2023, the global COVID-19 condition is expected to subside, a restructuring of demand in the consumer and automotive markets is coming to the end. The supply and demand for semiconductors are gradually becoming more balanced, and the lead time for consumer-grade battery cells and ICs is returning to pre-pandemic levels and the lead time for automotive and industrial control battery cells and ICs continues to move towards stabilization.

4. Major Suppliers and Customers in the Most Recent Two Years: Major customers/ suppliers who have accounted for at least 10% of sales/ procurement, their transaction amount and ratios, and the cause of change in either one of the most recent two years:

(1) Major Suppliers in the Most Recent Two Years

Unit: NT\$ thousands

Item	2021				2022				2023 (As of March 31)			
	Company Name	Amount	%	Relationship with Issuer	Company Name	Amount	%	Relationship with Issuer	Company Name	Amount	%	Relationship with Issuer
1	Zhuhai CosMX	2,346,753	19.70%	None	Shanghai BYD	1,296,014	23.98%	None	Shanghai BYD	279,754	26.27%	None
2	Shanghai BYD	2,229,135	18.72%	None	Zhuhai CosMX	1,135,415	21.01%	None	Zhuhai CosMX	153,035	14.37%	None
3	ATL	2,080,782	17.47%	None	ATL	493,590	9.13%	None	ATL	103,188	9.69%	None
4	Others	5,254,053	44.11%	None	Others	2,478,635	45.88%	None	Others	528,764	49.67%	None
	Net Total Supplies	11,910,723	100%		Net Total Supplies	5,403,654	100.00%		Net Total Supplies	1,064,741	100.00%	

Cause of change: The Company's purchasing is mainly based on the actual needs of customer orders. Therefore, the proportion of purchases will vary depending on the different orders.

(2) Major Customers in the Most Recent Two Years

Unit: NT\$ thousands

Item	2022				2023				2024 (As of March 31)			
	Company Name	Amount	%	Relationship with Issuer	Company Name	Amount	%	Relationship with Issuer	Company Name	Amount	%	Relationship with Issuer
1	A	7,063,260	63.64%	None	A	3,986,772	55.34%	None	A	601,287	50.33%	None
2	B	951,429	8.57%	None	C	844,656	11.73%	None	B	229,224	19.19%	None
3	C	841,300	7.58%	None	B	611,882	8.49%	None	C	112,313	9.40%	None
4	Others	2,243,601	20.21%	None	Others	1,760,234	24.44%	None	Others	251,904	21.08%	None
	Net Sales	11,099,590	100%		Net Sales	7,203,544	100.00%		Net Sales	1,194,728	100.00%	

Cause of change:

(1) Laptop battery modules: Mainly still affected by the weakening of the global economy, the sluggish NB market, the slow destocking of customer inventories, the delay in the mass production of new models, therefore the decline in revenue.

(2) Battery packs for electric power tools and gardening products: The ongoing war between Ukraine and Russia, poor economic conditions in Europe and the United States, all lead to reduced demand, and customer inventory levels are still too high, and inventory products are still being consumed.

5. Production in the Most Recent Two Years

Unit: thousand units/NT\$ thousands

Output Main Products (or by department)	Year	2021			2022		
		Capacity	Quantity	Amount	Capacity	Quantity	Amount
battery pack		38,033	20,076	9,894,896	38,033	13,107	6,390,891
Others		0	0	0	0	0	0
Total		38,033	20,076	9,894,896	38,033	13,107	6,390,891

6. Shipments and Sales in the Most Recent Two Years

Unit: thousand units/NT\$ thousands

Shipments & Sales Main Products (or by department)	Year	2022				2023			
		Domestic		Export		Domestic		Export	
		Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
battery pack		477	403,528	19,291	10,619,722	400	440,243	12,511	6,702,694
Others		24,280	17,366	630	58,974	380	45,446	255	15,161
Total		24,757	420,894	19,921	10,678,696	7780	485,689	12,766	6,717,855

5.3. Information of Employees in the Most Recent Two Years

Year		2021	2023	2024 as of 3/31
Number of Employees	No. of People			
	Direct	810	344	528
	Indirect	596	543	507
	Total	1,406	887	1,035
	Average Age	32.8	34.9	35.8
	Average Years of Service	4.1	5.1	4.5
Education	Ph.D.	0	1	1
	Masters	68	77	73
	Bachelor's Degree	302	359	374
	Senior High School	983	389	454
	Below Senior High School	53	61	133

5.4. Information on Environmental Protection Expenditure

1. According to the relevant laws and regulations, those who are required to apply for Pollution Facility Installation Permit, Pollution Discharge Permit, pay pollution prevention and control fees, or establish dedicated environmental personnel shall provide an explanation regarding their application, payment, or establishment status:

The Company has had no pollution incidents or relevant losses for the most recent two years and up to the date of printing of this annual report.

2. The Company's investment in major equipment for the prevention and control of environmental pollution, its use, and possible benefits: None.

3. The Company has improved its environmental pollution process, and if it has pollution disputes in the most recent two years and up to the date of printing of this annual report, it shall explain its handling process: None.

4. Any losses or penalties suffered by the Company due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in the environmental

inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions) in the most recent two years and up to the date of printing of this annual report. Disclosure on current and future estimates of possible damages and countermeasures. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: None.

5. The impact of the current pollution situation and its improvement on the company's earnings, competitive position or capital expenditure, and its expected major environmental protection capital expenditure in the next two years: None.

5.5. Employer-employee Relations

1. System and implementation status of various employee welfare, education, training and retirement, as well as labor-management agreements, and measures to protect the rights of the employees

(1) Employee welfare measures

The Company has established an Employee Welfare Committee to allocate welfare funds for employee welfare purposes according to the laws and regulations. The funds used in employee welfare activities include recreational leisure, marriage, funeral and other joyous occasions, festival gifts, annual traveling subsidies, employee insurance, regular health examination, various courses and training, lucky draws at the year-end party, and other activities.

(2) Education, training implementation status

The Company has established an employee education and training management system, which includes a systematic training program aimed at enhancing employees' professional skills and management abilities. The implementation status is as follows:

Item	2022	2023
Courses	Guide training for new recruits, fire drills, supervisor management training, professional functional training	
No. of classes	289	311
No. of Participants	2,417	2,792
Total hours	5,568	14,761

(3) Retirement system implementation status

The Company complies with the Labor Standards Act to set aside a retirement reserve fund at the rate of 2% of the total monthly salary, which is deposited in a special account at the Taiwan Bank (formerly the Central Trust of China). Starting from July 1, 2005, by the implementation of the Labor Retirement Pension Act (hereinafter referred to as the new system), if an employee chooses to apply the new system, the Company will set aside a retirement pension at the rate of 6% of the total monthly salary, which will be deposited into the employee's personal account of the Labor Retirement Pension Fund.

(4) Labor-management agreements, and measures to protect the rights of the employees and the implementation status

The Company has always attached great importance to the harmonious relationship between labor and management, and regularly holds labor-management meetings to establish a two-way communication channel. We hope that through our efforts, both labor and management can achieve a common understanding and make the interests of employees and the company mutually beneficial.

2. Any losses suffered by the company in the most recent two years and up to the printing of this annual report due to labor disputes (including labor inspection results found in violation of the Labor Standards Act, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions). Disclosure on current and future estimates of possible losses and countermeasures. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated:

(1) Losses suffered by the company in the most recent two years and up to the printing of this annual report due to labor disputes:

①

Disposition Date	Disposition reference number	Articles of law violated	Content of the dispositions	Penalty amount	Countermeasures
2021.10.27	Fu-Lao-Jian-Zi No. 1100271405	Article 24-1 Labor Standards Act	Overtime applications for extended working hours and review work are not completed in time	NT\$50,000	The Company has re-examined the working hours management system and strengthened communication and promotion of overtime application procedures.

② In addition, regarding a labor dispute arose between the Company and its employee regarding the payment of severance pay. On September 26, 2022, the labor dispute was filed with the Taoyuan City Labor Bureau. On November 7, 2022, the labor dispute mediation committee was held, and the labor side requested the termination of the labor contract in accordance with the relevant provisions of the Labor Standards Act, the payment of severance pay by the Company, and the issuance of a certificate of involuntary termination by the Company. Based on the principle of labor-management harmony, the Company agreed to the demands of the labor side, and the mediation was reached on the same day. Although the aforementioned labor dispute occurred, it had no significant impact on the Company's financial or business operations.

(2) Current and future estimates of possible losses and countermeasures:

The Company recognizes that labor is a vital part of its capital and continues to strengthen communication between labor and management. In the most recent year up until the date of printing this annual report, there have been no significant labor disputes resulting in losses. The Company will continue to make efforts to prevent disputes, implement various employee welfare measures, and it is estimated that there will be no situations causing losses in the future.

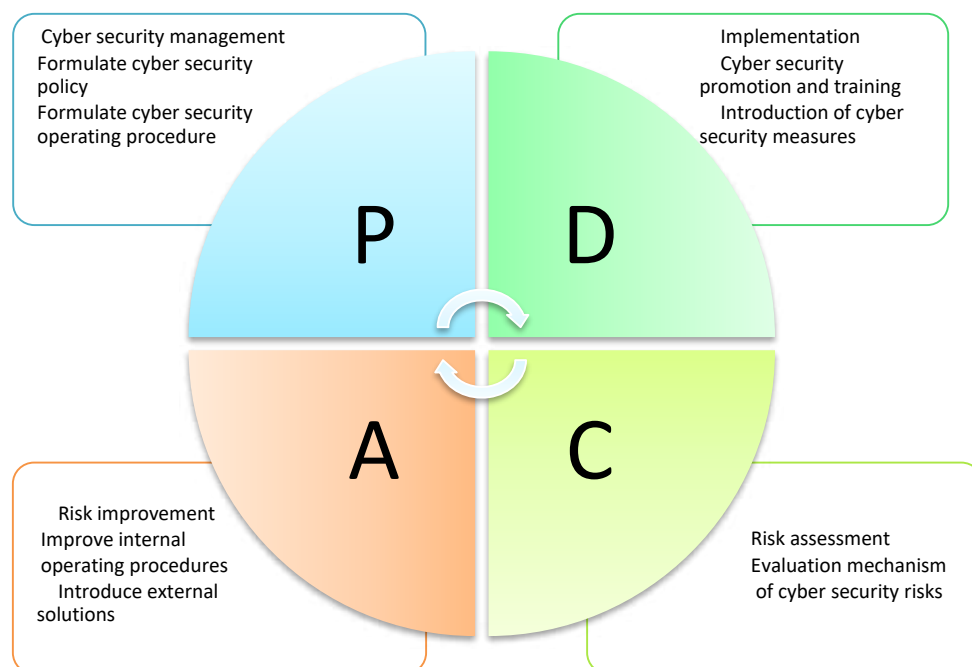
5.6. Cyber Security Management

5.6.1 Describe the information security risk management structure, information security policy, specific management plan and investment in information security Management resources, etc.

1. Cyber security management framework

The Information Technology (IT) Department is responsible for cyber security within the Company, which includes one information officer and several professional IT staff who are in charge of developing, promoting, and implementing cyber security policies. The audit office is the unit responsible for auditing and evaluating cyber security risks. This unit has one audit officer who oversees and audits the internal cyber security implementation status. By the "Regulations Governing Establishment of Internal Control Systems by Public Companies," we include "controls for cyber security inspections" in our annual audit plan and carry out audit

operations according to the designated schedule. If any deficiencies are found, we immediately require the audited unit to propose relevant improvement plans and specific measures. We also regularly monitor the effectiveness of improvements to reduce internal cyber security risks. The Company's cyber security operation model adopts a PDCA (Plan-Do-Check-Act) cycle management approach to ensure that goals are achieved and continuously improved.



2. Cyber security policy

Describe the information security risk management structure, information security policy, specific management plan and invest in information security Managed resources, etc.:

- (1)System regulation: Formulate the “Regulations for Information Operation” to regulate the information security behavior of the Company’s personnel. The relevant regulations are reviewed annually to ensure compliance with laws and regulations and adapt to changes in the operating environment as needed.
- (2)Security system construction: To prevent various external cyber security threats, in addition to adopting a multi-layered network architecture design, various information security protection systems have been established to enhance the overall security of the information environment.
- (3)Personnel security awareness training: To reduce the impact of internal human factors on cyber security, the IT Department regularly conducts cyber security education and awareness training for employees to enhance their understanding and awareness of cyber security.

3. Specific management measures: The Company’s cyber security management measures are as follows:

- (1)Terminal security management: The antivirus software for all internal servers and endpoints is deployed uniformly from a centralized console. The virus definitions and malicious behavior characteristics are updated in real-time, which enables the software to intercept viruses, Trojan horses, worms, ransomware, and malicious programs carried by email

attachments or folders promptly. This helps to effectively reduce the risk of damage caused by hacking attacks.

- (2) Network access security management: All internal systems of the company are located within a virtual network, which is isolated from the external network to prevent direct access. Additionally, multiple network security defense systems have been implemented. A firewall and an intrusion prevention system located at the network front end can defend against external network attacks, and immediately block the latest malicious software and harmful website links to mitigate potential threats.
- (3) Secure management of system access accounts: All employees of the Company are required to use their individual accounts to access computers for system operations or to use network services. Access passwords are set for all information systems and users are required to change their passwords regularly. User account privileges are set according to business scope and responsibilities, and data access must be approved through an authorization process by the relevant supervisors before being granted or changed. When an employee leaves their position, their account and privileges are immediately revoked to prevent unauthorized use.
- (4) Physical equipment and environmental security management: Computer servers and related storage and network equipment are located in a dedicated server room, which is equipped with an environmental monitoring system and a power supply system with voltage stabilization and uninterrupted power supply to prevent damage caused by unstable voltage or sudden power failure. The server room is managed by the IT Department and unauthorized access is strictly prohibited.

4. Cyber security prevention measure

System and document local backups are performed daily, weekly, and monthly, and backup media are regularly sent to off-site locations for safekeeping. Annual system data recovery tests are conducted to ensure normal operation of the information system and data preservation, reducing the risk of data loss caused by unexpected natural disasters or human errors. In the event of a security incident that affects the normal operation of the information system or the efficiency of operations, the IT Department will coordinate with relevant units to form an information security incident response team to handle the incident. Considering that cyber security insurance is still a relatively new type of insurance and the claims process and conditions may not apply to all cyber security incidents, the Company has not yet purchased cyber security insurance. Instead, an internal warning system has been established to immediately generate alerts and notify system administrators when specific cyber security incidents occur, thereby taking effective protective measures to minimize the risk of cyber security incidents caused by human errors.

5. Resources invested in information security management:

- (1) Establish a dedicated information security unit "Information Security Department", assign information security supervisors and information security personnel, and be responsible for the construction of information security structures Planning, information security maintenance and monitoring, information security incident response and investigation, information security policy review and revision.
- (2) Carry out risk assessment work at least once a year, and invest resources in improving high-risk projects until they are improved to acceptable risk.

- (3) A monthly information security report is produced to summarize the implementation status of various information security control measures and is reported at the monthly management meeting of senior managers.
- (4) Introduce vulnerability scanning tools and conduct comprehensive system vulnerability scans on key hosts every quarter to confirm system updates and settings are compliant. The vulnerability scans was performed twice in 2023.
- (5) Participate in professional information security groups at home and abroad, continuously collect and confirm external threat information, and cooperate with information departments Continuously adjust protection settings to strengthen threat protection.
- (6) Invest corresponding resources to complete the operation continuity plan and drill of key systems to avoid external attacks cause operational disruption. Including file encryption, authority control, USB lock, firewall, uninterruptible power system, remote backup, anti-virus and anti-hacking system, etc.
- (7) From time to time, publicize employees' information security awareness and cognition for colleagues throughout the company. In 2023, information security policy training was implemented every quarter, for a total of 4 times. Publish information security propaganda on the company's internal homepage website from time to time, a total of 63 times from 2023/5 to 2024/5.

5.6.2 List the losses and probable losses incurred due to major information security incidents in the last two years and up to the date of publication of the annual report If the impact and response measures cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be explained:

In the last two years and as of the publication date of the annual report, the Group has not suffered losses due to information security issues. It continues to implement information security management policy objectives, and regularly implements recovery plan drills to protect the company's important systems and data security.

5.7.Important Contracts:

Agreement	Counterparty	Period	Major Contents	Restrictions
Long term loan	Bank SinoPac	2023/12 – 2025/12	Operation purpose	No guarantee
Mid-to-long term loan	China Trust	2023/03 – 2025/03	Operation purpose	No guarantee
Short term loan	Mega Bank	2023/08 – 2024/08	Operation purpose	No guarantee
Mid-to-long term loan	Chang Hwa Bank	2023/08 – 2025/12	Operation purpose	No guarantee
Short term loan	Chang Hwa Bank	2023/12 – 2024/12	Operation purpose	No guarantee
Short term loan	Bank of Panhsin	2023/02 – 2024/02	Operation purpose	No guarantee
Broker contract	Inspire	2021/04/01-2023/07/31	Broker	None

VI. Financial Status

6.1. Condensed Balance Sheet and Statement of Comprehensive Income for the Most Recent 5 Years

(1) Condensed Consolidated Balance Sheet and Statement of Comprehensive Income

1. Condensed Balance Sheet – IFRS

Unit: NT\$ thousands

Item	Year	Financial Information for Most Recent 5 Fiscal Years (Note)					As of 2024/3/31
		2019	2020	2021	2022	2023	
Current Assets		4,948,932	6,460,676	6,982,260	5,804,202	4,556,706	4,758,750
Property, Plant and Equipment		517,405	499,481	588,749	691,224	566,747	552,393
Surface Right Assets		12,631	13,706	24,179	29,237	31,756	31,474
Intangible Assets		8,371	7,305	8,764	5,596	6,704	5,918
Other Assets		51,213	44,884	55,577	66,915	95,329	95,159
Total Assets		5,538,552	7,026,052	7,659,529	6,597,174	5,257,242	5,443,694
Current Liabilities	Before distribution	3,240,325	4,541,559	4,463,269	2,952,338	1,949,633	2,178,302
	After distribution	3,323,631	4,742,324	4,623,881	2,952,338	1,949,633	2,178,302
Non-current Liabilities		2,872	18,312	690,215	1,042,940	805,381	798,590
Total Liabilities	Before distribution	3,243,197	4,559,871	5,153,484	3,995,278	2,755,014	2,976,892
	After distribution	3,326,503	4,760,636	5,314,096	3,995,278	2,755,014	2,976,892
Equity Attributable to Owners of the Parent Company		2,292,679	2,466,180	2,506,044	2,585,475	2,484,954	2,448,905
Share Capital		833,059	803,059	803,059	803,059	883,059	883,059
Capital Surplus		663,055	640,924	640,924	640,924	860,717	860,717
Retained Earnings	Before distribution	764,015	988,866	1,041,726	1,102,621	709,112	658,413
	After distribution	680,709	788,101	881,114	1,102,621	709,112	658,413
Other Equity		32,550	33,331	20,335	38,871	32,066	46,716
Treasury Shares		—	—	—	—	—	—
Non-controlling Interests		2,676	1	1	16,421	17,274	17,897
Total Equity	Before distribution	2,295,355	2,466,181	2,506,045	2,601,896	2,502,228	2,466,802
	After distribution	2,212,049	2,265,416	2,345,433	2,601,896	2,502,228	2,466,802

Note : The above financial data have been audited or attested by the CPAs.

2. Condensed Consolidated Statement of Comprehensive Income — IFRS

Unit: NT\$ thousands

Item \ Year	Financial Information for Most Recent 5 Fiscal Years (Note)					As of 2024/3/31
	2019	2020	2021	2022	2023	
Operating Revenue	9,193,737	12,167,424	13,954,161	11,099,590	7,203,544	1,194,728
Gross Profit	882,933	1,215,443	1,150,138	10,103,023	466,349	67,610
Operating Income	210,205	439,114	345,607	187,130	(198,200)	(72,305)
Non-operating Income & Expenses	2,175	9,856	19,507	102,082	(103,249)	26,046
Profit Before Income Tax	212,380	448,970	365,114	289,212	(301,449)	(46,259)
Net Income for the Period from Continuing Operations	169,600	336,554	254,076	220,545	(269,812)	(50,076)
Loss from Discontinued Operations	—	—	—	—	—	—
Net Income (Loss) for the Period	169,600	336,554	254,076	220,545	(269,812)	(50,076)
Other Comprehensive Income (Loss) for the Period (Net of Income Tax)	(8,249)	(187)	(13,447)	20,918	(9,190)	14,650
Total Comprehensive Income for the Period	161,351	336,367	240,629	241,463	(279,002)	(35,426)
Net Income Attributable to Owners of Parent	170,334	336,621	254,076	220,606	(270,647)	(50,699)
Net Income Attributable to Non-controlling Interests	(734)	(67)	—	(61)	835	623
Total Comprehensive Income attributable to owners of the parent company	161,930	336,793	240,629	241,524	(279,837)	(36,049)
Total Comprehensive Income attributable to Non-controlling Interests	(579)	(426)	—	(61)	835	623
Earnings per Share	2.02	4.14	3.16	2.75	-3.27	-0.57

Note: The above financial data have been audited or attested by the CPAs.

3. Condensed Individual Balance Sheet – IFRS

Unit: NT\$ thousands

Item	Year	Financial Information for Most Recent 5 Fiscal Years (Note)				
		2019	2020	2021	2022	2023
Current Assets		4,803,276	6,338,595	6,660,110	5,541,484	4,298,285
Property, Plant and Equipment		217,504	204,163	209,554	214,278	186,682
Surface Right Assets (Note 2)		3,305	3,590	15,708	14,290	12,404
Intangible Assets		3,635	4,510	3,699	966	1,787
Other Assets		388,733	397,519	633,928	672,629	584,274
Total Assets		5,416,453	6,948,377	7,522,999	6,443,647	5,083,432
Current Liabilities	Before distribution	3,120,902	4,464,966	4,335,857	2,830,463	1,808,922
	After distribution	3,204,208	4,665,731	4,496,469	2,830,463	1,808,922
Non-current Liabilities		2,872	17,231	681,098	1,027,709	789,556
Total Liabilities	Before distribution	3,123,774	4,482,197	5,016,955	3,858,172	2,598,478
	After distribution	3,207,080	4,682,962	5,177,567	3,858,172	2,598,478
Equity		2,292,679	2,466,180	2,506,044	2,585,475	2,484,954
Share Capital		833,059	803,059	803,059	803,059	833,059
Capital Surplus		663,055	640,924	640,924	640,924	860,717
Retained Earnings	Before distribution	764,015	988,866	1,041,726	1,102,621	709,112
	After distribution	680,709	788,101	881,114	1,102,621	588,653
Other Equity		32,550	33,331	20,335	38,871	32,066
Treasury Shares		—	—	—	—	—
Total Equity	Before distribution	2,292,679	2,466,180	2,506,044	2,585,475	2,484,954
	After distribution	2,209,373	2,265,415	2,345,432	2,585,475	2,484,954

Note: The above financial data have been audited and attested by the CPAs.

4. Condensed Individual Statement of Comprehensive Income – IFRS

Unit: NT\$ thousands

Item	Year	Financial Information for Most Recent 5 Fiscal Years (Note)				
		2019	2020	2021	2022	2023
Operating Revenue		9,192,766	12,125,812	13,932,461	11,090,325	7,087,078
Gross Profit		636,017	952,019	1,001,733	902,776	404,854
Operating Income		151,116	441,232	384,905	259,452	(91,513)
Non-operating Income & Expenses		56,150	6,880	(30,864)	29,350	(210,781)
Profit Before Income Tax		207,266	448,112	354,041	288,802	(302,294)
Net Income for the Period from Continuing Operations		170,334	336,621	254,076	220,606	(270,647)
Loss from Discontinued Operations		—	—	—	—	—
Net Income (Loss) for the Period		170,334	336,621	254,076	220,606	(270,647)
Other Comprehensive Income (Loss) for the Period (Net of Income Tax)		(8,404)	172	(13,447)	20,918	(6,805)
Total Comprehensive Income for the Period		161,930	336,793	240,629	241,524	(279,837)
Earnings per Share		2.02	4.14	3.16	2.75	(3.27)

Note: The above financial data have been audited and attested by the CPAs.

- (2) Matters of material significance which affected the comparability of the above-mentioned condensed financial statements, such as accounting changes, corporate mergers, or suspension of work in the operating departments, etc., and the impact of these events on the then current financial reports: None.

(3) Auditors' Name and Opinions for the Past Five Years

1. Auditors' Name and Opinions for the Past Five Years

Year	Name of CPAs	Accounting Firm	Audit Opinion
2019	Yen, Hsing -Fu; Kuo, Guan-Ying	KPMG Taiwan	Unqualified opinion
2020	Kuo, Guan-Ying; Yen, Hsing -Fu	KPMG Taiwan	Unqualified opinion
2021	Kuo, Guan-Ying; Yen, Hsing -Fu	KPMG Taiwan	Unqualified opinion
2022	Kuo, Guan-Ying; Wang, Yi-Wen	KPMG Taiwan	Unqualified opinion
2023	Serena Hsin, Wang, Yi-Wen	KPMG Taiwan	Unqualified opinion

2. If there was a change/replacement of the CPA within the most recent 5 fiscal years, an explanation made by the company's previous and current CPA over the causes for such change/replacement shall be set forth: The change of the CPA is due to the internal task adjustment of the accounting firm.

6.2.Five-Year Financial Analysis

(1) Consolidated Financial Analysis for the Last Five Years - IFRS

Unit: %; Times; NT\$

Item	Year	Financial Analysis for the Last Five Years (Note)					As of 2024/3/31
		2019	2020	2021	2022	2023	
Financial structure (%)	Debt Ratio	58.55	64.89	67.28	60.56	52.40	54.68
	Ratio of Long-term Capital to Property, Plant and Equipment	443.66	497.41	542.88	524.92	580.56	587.89
Solvency (%)	Current Ratio	152.72	142.25	156.43	196.59	233.72	218.46
	Quick Ratio	113.27	106.87	116.11	136.82	189.40	175.25
	Interest Earned Ratio (times)	16.30	46.10	28.22	8.49	(3.35)	(1.85)
Operating Performance	Accounts Receivable Turnover (times)	2.85	3.42	3.31	3.00	3.21	3.04
	Average Collection Days	128	107	110	122	114	120
	Inventory Turnover (times)	5.97	7.98	7.80	5.80	5.20	5.12
	Account Payable Turnover (times)	3.92	4.35	4.66	4.88	5.14	4.21
	Average Days in Sales	61	46	47	63	70	71
	Property, Plant and Equipment Turnover (times)	17.49	23.93	25.64	17.34	11.45	8.54
	Total Asset Turnover (times)	1.59	1.93	1.90	1.55	1.21	0.89
Profitability	Return on Total Assets (%)	3.12	5.48	3.60	3.52	(3.61)	(2.77)
	Return on Equity (%)	7.25	14.14	10.21	8.66	(10.64)	(2.02)
	Ratio of Income Before Tax to Paid-in Capital (%)	25.49	55.90	45.46	36.01	(34.13)	(5.24)
	Net Profit Margin (%)	1.84	2.76	1.82	1.98	(3.74)	(4.19)
	Earnings per Share (NT\$)	2.02	4.14	3.16	2.75	(3.27)	(0.57)
Cash Flow	Cash Flow Ratio (%)	9.36	11.12	(20.37)	36.74	67.79	4.94
	Cash Flow Adequacy Ratio (%)	2.01	(1.76)	(12.95)	17.32	130.57	35.67
	Cash Reinvestment Ratio (%)	4.26	12.88	(27.77)	20.58	28.66	2.53
Leverage	Operating Leverage	4.55	3.22	4.41	6.70	(3.41)	(1.78)
	Financial Leverage	1.07	1.02	1.04	1.25	0.74	0.81
Causes of changes in the financial ratios in the most recent 2 fiscal years (For changes are equal to or greater than 20%) (1) Increase in Quick Ratio: Mainly due to a decrease in the inventory. (2) Decrease in Interest Earned Ratio: Mainly due to an increase in the loss before tax and interest expenses. (3) Decrease in Property, Plant and Equipment Turnover and Total Asset Turnover: Mainly due to the economic conditions, resulting in a decrease in the revenue. (4) Decrease in Return on Total Assets and Return on Equity: Mainly due to the loss in 2023. (5) Decrease in Operating profit and loss, Ratio of Income Before Tax to Paid-in Capital: Mainly due to the economic conditions, resulting in the loss in 2023 (6) Increase in Cash Flow Ratio, Cash Flow Adequacy Ratio, and Cash Reinvestment Ratio: Mainly due to an increase in the net cash inflow from operating activities. (8) Increase in Operating Leverage, and Financial Leverage: Mainly due to the operating loss.							

Note: The above financial data have been audited and attested by the CPAs.

(2) Individual Financial Analysis for the Last Five Years - IFRS

Unit: %, Times; NT\$

Year		2019	2020	2021	2022	2023
Item						
Financial structure%	Debt Ratio	57.67	64.50	66.68	59.87	51.11
	Ratio of Long-term Capital to Property, Plant and Equipment	1,055.4	1,216.38	1,520.91	1,686.21	1,754.05
Solvency %	Current Ratio	153.90	141.96	153.60	195.78	237.61
	Quick Ratio	114.30	107.09	113.35	133.99	191.98
	Interest Earned Ratio (times)	27.54	66.35	31.94	9.51	-4.45
Operating Performance	Accounts Receivable Turnover(times)	2.85	3.41	3.30	2.99	3.12
	Average Collection Days	129	108	111	122	117
	Inventory Turnover(times)	6.17	8.15	7.87	5.85	5.22
	Account Payable Turnover (times)	3.86	4.20	4.46	4.69	4.73
	Average Days in Sales	60	45	47	62	70
	Property, Plant and Equipment Turnover (times)	43.30	57.51	67.35	52.33	35.35
	Total Asset Turnover (times)	1.63	1.96	1.92	1.58	1.22
Profitability	Return on Total Assets (%)	3.13	5.53	3.63	3.54	-3.92
	Return on Equity (%)	7.28	14.14	10.21	8.66	-10.67
	Ratio of Income Before Tax to Paid-in Capital (%)	24.88	55.80	44.08	35.96	-34.23
	Net Profit Margin (%)	1.85	2.77	1.82	1.98	-3.81
	Earnings per Share(NT\$)	2.02	4.14	3.16	2.75	28.14
Cash Flow	Cash Flow Ratio (%)	15.37	11.11	(22.72)	37.71	71.59
	Cash Flow Adequacy Ratio (%)	(10.78)	(10.96)	(25.00)	7.48	122.49
	Cash Reinvestment Ratio (%)	13.59	16.79	(40.08)	26.95	37.19
Leverage	Operating Leverage	3.10	1.82	1.99	2.56	-2.96
	Financial Leverage	1.05	1.01	1.03	1.15	0.62
Causes of changes in the financial ratios in the most recent 2 fiscal years (For changes are equal to or greater than 20%) (1) Increase in Current Ratio: Mainly due to a decrease in the short-term loan. (2) Decrease in Interest Earned Ratio: Mainly due to the loss before tax and an increase in interest expense. (3) Decrease in Property, Plant and Equipment Turnover: Mainly due to the decline in revenue. (4) Decrease in Total Asset Turnover and Return on Equity: Mainly due to the loss. (5) Decrease in Cash Flow Ratio, Cash Flow Adequacy Ratio, and Cash Reinvestment Ratio: Mainly due to an increase in the net cash inflow from operating activities and a decrease in stock. (6) Increase in Operating Leverage and Financial Leverage: Mainly due to a decrease in the operating profit. (7) Decreases in cash flow ratio, cash flow adequacy ratio and cash reinvestment ratio: mainly due to net cash inflow from operating activities due to the increase and decrease in inventory. ° (8) Increase in operating leverage and financial leverage: Mainly due to the decrease in operating profits. °						

Note 1: The following formulas for the calculation of the financial ratios shall be listed below:

1. Financial structure

- (1) Debt to assets ratio = total liabilities / total assets.
- (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.

2. Solvency

- (1) Current ratio = current assets / current liabilities.
- (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
- (3) Interest Earned Ratio = earnings before tax and interest expenses / current interest expenses.

3. Operating Performance

- (1) Accounts receivable (including accounts receivable and notes receivable arising from business activities) turnover = net sales / average accounts receivable balance (including accounts receivable and notes receivable arising from business activities).
- (2) Average collection days = 365 / accounts receivable turnover.
- (3) Inventory turnover = cost of goods sold / average inventory.
- (4) Accounts payable (including accounts payable and notes payable arising from business activities) turnover = cost of goods sold / average accounts payable balance (including accounts payable and notes payable arising from business activities).
- (5) Average days in sales = 365 / inventory turnover.
- (6) Property, plant and equipment turnover = net sales / average net property, plant and equipment.
- (7) Total asset turnover = net sales / average total assets.

4. Profitability

- (1) Return on total assets = (net income + interest expenses * (1 - effective tax rate)) / average total assets.
- (2) Return on equity = net income after tax / average total equity.
- (3) Net profit margin = net income after tax / net sales.

(4) Earnings per share = (income attributable to owners of parent - preferred stock dividends) / weighted average number of shares outstanding.

5. Cash Flow

(1) Cash flow ratio = net cash flows from operating activities / current liabilities.

(2) Net cash flow adequacy ratio = 5-year sum of net cash flow from operating activities / 5-year sum of (capital expenditures + increases in inventory + cash dividends).

(3) Cash reinvestment ratio = (cash from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other non-current assets + working capital).

6. Leverage :

(1) Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income.

(2) Financial leverage = operating income / (operating income – interest expenses).

6.3.Audit Committee's Report

Celxpert Energy Corporation Audit Committee's Report

To: The General Meeting of Shareholders as of the year 2024

The Board of Directors has prepared the Company's 2023 Financial Statements which have been audited by the CPA firm of KPMG Taiwan retained by the Board of Directors and has issued an audit report with unmodified unqualified opinion.

The Board of Directors has also prepared the 2023 Business Report, and Motion of Earnings Distribution and found the same to be true and correct by this Audit Committee. Therefore, the Audit Committee's Report is hereby issued in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

The Convenor of the Audit Committee: Wei, Hung Lin

March 15, 2024

- 6.4.Consolidated Financial Statements for the Most Recent Year: Please refer to page 100-150.
- 6.5.Individual Financial Statements for the Most Recent Year Audited and Attested by the CPAs: Please refer to page 151-209.
- 6.6.If the company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the company's financial situation: None.

Representation Letter

The entities that are required to be included in the combined financial statements of Celxpert Energy Corporation as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Celxpert Energy Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Celxpert Energy Corporation

Chairman:

Date: March 15, 2024



安侯建業聯合會計師事務所
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Independent Auditors' Report

To the Board of Directors of Celxpert Energy Corporation:

Opinion

We have audited the consolidated financial statements of Celxpert Energy Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the financial report as follows:

1. Inventory valuation

Please refer to Note (4)(h) and Note 5 of the consolidated financial statements for the accounting policy of inventory valuation as well as the accounting estimates and assumptions uncertainty of the inventory valuation, respectively. Information regarding the inventory is disclosed in Note (6)(d) of the consolidated financial statements.



Description of key audit matter:

The inventory of the Group is measured at the lower of cost or net realizable value. Due to the customized nature of the contract manufacturing business, the risk of inventory obsolescence is heightened when the anticipated orders from customer are in excess of actual purchases. Therefore, the inventory impairment assessment is identified as a key matter in our audit of the financial statements of the Group.

Audit procedures:

Our principal audit procedures included: understanding the policy of the Group on the provision of allowance for impairment loss on inventory, assessing whether the provision has been provided in accordance with the established accounting policies. In addition, assessing the amount of management's allowance for inventories, including verifying the accuracy of the inventory aging report through sampling tests, understanding the basis used by the management to determine net realizable values, and performing sampling tests, thereby verifying the accuracy of estimated inventory allowance valuation.

Other Matter

Celxpert Energy Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for 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 with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Hsin, Yu-Ting and Wang, I-Wen.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2024

Notes to Readers

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

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CELXPERT ENERGY CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022			
		Amount	%	Amount	%	Amount	%
Assets							
Current assets:							
1100	Cash and cash equivalents (note (6)(a))	\$ 1,600,116	30.4	1,131,007	17.2	2100	Short-term borrowings (note (6)(h))
1110	Current financial assets at fair value through other comprehensive income (note (6)(b))	30,321	0.6	-	-	2130	Current contract liabilities (note (6)(q))
1170	Accounts receivable, net (notes (6)(c) and (6)(q))	1,594,760	30.3	2,891,091	43.8	2170	Notes and accounts payable
1200	Other receivables, net	2,924	-	4,564	0.1	2200	Other payables (note (7))
1310	Inventories (note (6)(d))	845,019	16.1	1,742,545	26.4	2230	Current tax liabilities
1410	Prepayments	18,962	0.4	22,070	0.3	2280	Current lease liabilities (note (6)(k))
1470	Other current assets	8,658	0.2	2,238	-	2300	Other current liabilities
1476	Other current financial assets (note (6)(a))	455,946	8.7	10,687	0.2		56,107
		4,556,706	86.7	5,804,202	88.0		1,949,633
Non-current assets:							37.1
1510	Non-current financial assets at fair value through profit or loss (note (6)(j))	760	-	-	-		2,952,338
1600	Property, plant and equipment (note (6)(f))	566,747	10.8	691,224	10.5		44.8
1755	Right-of-use assets (note (6)(g))	31,756	0.6	29,237	0.4	2530	Bonds payable (note (6)(j))
1780	Intangible assets	6,704	0.1	5,596	0.1	2540	Long-term borrowings (note (6)(i))
1840	Deferred tax assets (note (6)(m))	78,132	1.5	47,237	0.7	2560	Non-current tax liabilities
1975	Non-current net defined benefit assets (note (6)(l))	-	-	1,513	-	2570	Deferred tax liabilities (note (6)(m))
1900	Other non-current assets	16,437	0.3	18,165	0.3	2580	Non-current lease liabilities (note (6)(k))
		700,536	13.3	792,972	12.0	2600	Other non-current liabilities (note (6)(f))
						2640	Non-current net defined benefit liabilities (note (6)(l))
Total liabilities							-
Equity attributable to owners of parent (note (6)(n)):							-
3110	Ordinary shares						805,381
3200	Capital surplus						1,042,940
3310	Legal reserves						15.3
3350	Unappropriated retained earnings						2,755,014
3400	Other equity interest						52.4
Total equity attributable to owners of parent:							3,995,278
Non-controlling interests:							
36XX	Non-controlling interests						883,059
Total equity							16.8
Total liabilities and equity							803,059
							16.4
							7.2
							6.3
							0.6
							47.3
							0.2
							39.4
							100.0
							100.0

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CELPERT ENERGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars , except for earnings per share)

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenues (note (6)(q))	\$ 7,203,544	100.0	11,099,590	100.0
5110	Operating costs (notes (6)(d), (6)(l) and (12))	<u>6,737,195</u>	<u>93.5</u>	<u>10,103,023</u>	<u>91.0</u>
5900	Gross profit from operations	<u>466,349</u>	<u>6.5</u>	<u>996,567</u>	<u>9.0</u>
6000	Operating expenses (notes (6)(l), (6)(r), (7) and (12)):				
6100	Selling expenses	146,412	2.0	233,017	2.1
6200	Administrative expenses	315,758	4.4	344,396	3.1
6300	Research and development expenses	205,235	2.9	232,941	2.1
6450	Gains on reversal of expected credit losses (note (6)(c))	<u>(2,856)</u>	<u>-</u>	<u>(917)</u>	<u>-</u>
		<u>664,549</u>	<u>9.3</u>	<u>809,437</u>	<u>7.3</u>
6900	Net operating (loss) income	<u>(198,200)</u>	<u>(2.8)</u>	<u>187,130</u>	<u>1.7</u>
	Non-operating income and expenses:				
7100	Interest income	20,991	0.3	3,752	-
7190	Other income	15,158	0.2	35,162	0.3
7050	Finance costs (notes (6)(j) and (6)(k))	(69,287)	(1.0)	(38,583)	(0.3)
7630	Foreign exchange (losses) gains, net (note (6)(t))	(2,960)	-	142,080	1.3
7635	Losses on financial assets at fair value through profit or loss (note (6)(j))	(3,680)	-	-	-
7590	Other expenses (note (6)(s))	<u>(63,471)</u>	<u>(0.9)</u>	<u>(40,329)</u>	<u>(0.4)</u>
		<u>(103,249)</u>	<u>(1.4)</u>	<u>102,082</u>	<u>0.9</u>
7900	(Loss) profit before tax	<u>(301,449)</u>	<u>(4.2)</u>	<u>289,212</u>	<u>2.6</u>
7950	Less: Income tax (benefits) expenses (note (6)(m))	<u>(31,637)</u>	<u>(0.4)</u>	<u>68,667</u>	<u>0.6</u>
8200	Net (loss) profit	<u>(269,812)</u>	<u>(3.8)</u>	<u>220,545</u>	<u>2.0</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss:				
8311	(Losses) gains on remeasurements of defined benefit plans (note (6)(l))	(2,981)	-	2,977	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(m))	<u>(596)</u>	<u>-</u>	<u>595</u>	<u>-</u>
		<u>(2,385)</u>	<u>-</u>	<u>2,382</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	(5,028)	(0.1)	18,536	0.2
8367	Unrealized losses from investments in debt instruments measured at fair value through other comprehensive income	(1,777)	-	-	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(6,805)</u>	<u>(0.1)</u>	<u>18,536</u>	<u>0.2</u>
8300	Other comprehensive (loss) income, net	<u>(9,190)</u>	<u>(0.1)</u>	<u>20,918</u>	<u>0.2</u>
8500	Total comprehensive (loss) income	<u>\$ (279,002)</u>	<u>(3.9)</u>	<u>241,463</u>	<u>2.2</u>
	(Loss) profit attributable to:				
8610	Owners of parent	\$ (270,647)	(3.8)	220,606	2.0
8620	Non-controlling interests	<u>835</u>	<u>-</u>	<u>(61)</u>	<u>-</u>
		<u>\$ (269,812)</u>	<u>(3.8)</u>	<u>220,545</u>	<u>2.0</u>
	Total comprehensive (loss) income attributable to:				
8710	Owners of parent	\$ (279,837)	(3.9)	241,524	2.2
8720	Non-controlling interests	<u>835</u>	<u>-</u>	<u>(61)</u>	<u>-</u>
		<u>\$ (279,002)</u>	<u>(3.9)</u>	<u>241,463</u>	<u>2.2</u>
	Earnings per share (note (6)(p))				
9750	Basic (losses) earnings per share	<u>\$ (3.27)</u>		<u>2.75</u>	
9850	Diluted (losses) earnings per share	<u>\$ (3.27)</u>		<u>2.71</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CELXPET ENERGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										Other equity interest		
	Retained earnings					Exchange differences on translation of foreign financial statements					Unrealized losses on financial assets measured at fair value through other comprehensive income		
	Ordinary shares	Capital surplus	Legal reserves	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized losses on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity		
Balance at January 1, 2022	\$ 803,059	640,924	325,092	716,634	1,041,726	20,335	-	20,335	2,506,044	1	2,506,045		
Profit (loss) for the year ended December 31, 2022	-	-	-	220,606	220,606	-	-	-	220,606	(61)	220,545		
Other comprehensive income for the year ended December 31, 2022	-	-	-	2,382	2,382	18,536	-	18,536	20,918	-	20,918		
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	222,988	222,988	18,536	-	18,536	241,524	(61)	241,463		
Appropriation and distribution of retained earnings:													
Legal reserves appropriated	-	-	31,586	(31,586)	-	-	-	-	-	-	-		
Cash dividends of ordinary shares	-	-	-	(160,612)	(160,612)	-	-	-	(160,612)	-	(160,612)		
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(1,481)	(1,481)	-	-	-	(1,481)	1,481	-		
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	15,000	15,000		
Balance at December 31, 2022	803,059	640,924	356,678	745,943	1,102,621	38,871	-	38,871	2,585,475	16,421	2,601,896		
(Loss) profit for the year ended December 31, 2023	-	-	-	(270,647)	(270,647)	-	-	-	(270,647)	835	(269,812)		
Other comprehensive loss for the year ended December 31, 2023	-	-	-	(2,385)	(2,385)	(5,028)	(1,777)	(6,805)	(9,190)	-	(9,190)		
Total comprehensive (loss) income for the year ended December 31, 2023	-	-	-	(273,032)	(273,032)	(5,028)	(1,777)	(6,805)	(279,837)	835	(279,002)		
Appropriation and distribution of retained earnings:													
Legal reserves appropriated	-	-	22,151	(22,151)	-	-	-	-	-	-	-		
Cash dividends of ordinary shares	-	-	-	(120,459)	(120,459)	-	-	-	(120,459)	-	(120,459)		
Issuance of ordinary shares	80,000	131,200	-	-	-	-	-	-	211,200	-	211,200		
Equity component of convertible bonds issued	-	84,201	-	-	-	-	-	-	84,201	-	84,201		
Changes in ownership interests in a subsidiary	-	-	-	(18)	(18)	-	-	-	(18)	18	-		
Share-based payments	-	4,392	-	-	-	-	-	-	4,392	-	4,392		
Balance at December 31, 2023	\$ 883,059	860,717	378,829	330,283	709,112	33,843	(1,777)	32,066	2,484,954	17,274	2,502,228		

Balance at January 1, 2022

Profit (loss) for the year ended December 31, 2022

Other comprehensive income for the year ended December 31, 2022

Total comprehensive income (loss) for the year ended December 31, 2022

Appropriation and distribution of retained earnings:

Legal reserves appropriated

Cash dividends of ordinary shares

Difference between consideration and carrying amount of subsidiaries acquired or disposed

Changes in non-controlling interests

Balance at December 31, 2022

(Loss) profit for the year ended December 31, 2023

Other comprehensive loss for the year ended December 31, 2023

Total comprehensive (loss) income for the year ended December 31, 2023

Appropriation and distribution of retained earnings:

Legal reserves appropriated

Cash dividends of ordinary shares

Issuance of ordinary shares

Equity component of convertible bonds issued

Changes in ownership interests in a subsidiary

Share-based payments

Balance at December 31, 2023

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CELPERT ENERGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
(Loss) profit before tax	\$ (301,449)	289,212
Adjustments:		
Adjustments to reconcile (loss) profit :		
Depreciation expense	169,084	187,117
Amortization expense	4,887	7,331
Gains on reversal of expected credit loss	(2,856)	(917)
Net losses on financial assets at fair value through profit or loss	3,680	-
Interest expense	69,287	38,583
Interest income	(20,991)	(3,752)
Share-based payments	4,392	-
Others	(1,176)	(2,113)
Total adjustments to reconcile (loss) profit	226,307	226,249
Changes in operating assets and liabilities:		
Decrease in accounts receivable	1,299,187	1,612,142
Decrease in other receivables	2,772	7,425
Decrease (increase) in inventories	897,526	(2,717)
Decrease (increase) in prepayments and other current assets	831	(25,489)
Decrease in current contract liabilities	(19,194)	(11,567)
Decrease in notes and accounts payable	(627,671)	(885,629)
Decrease in other payables and other current liabilities	(83,737)	(74,194)
Increase in net defined benefit liabilities	(450)	(470)
Total changes in operating assets and liabilities	1,469,264	619,501
Cash inflow generated from operations	1,394,122	1,134,962
Interest received	19,859	3,752
Interest paid	(54,464)	(35,931)
Income taxes paid	(37,731)	(17,923)
Net cash flows from operating activities	1,321,786	1,084,860
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(32,098)	-
Acquisition of property, plant and equipment	(47,157)	(241,159)
Proceeds from disposal of property, plant and equipment	56	19,426
Decrease (increase) in refundable deposits	3,752	4,327
Acquisition of intangible assets	(6,014)	(1,854)
Acquisition of right-of-use assets	(907)	(786)
Increase in other current financial assets	(445,259)	(10,687)
Increase in other non-current assets	(2,024)	-
Net cash flows used in investing activities	(529,651)	(230,733)
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	(202,318)	(595,923)
Proceeds from issuance of convertible bonds	395,820	-
Proceeds from long-term borrowings	200,000	450,000
Repayments of long-term borrowings	(800,000)	(100,000)
Payment of lease liabilities	(9,103)	(8,457)
Cash dividends paid	(120,459)	(160,612)
Proceeds from issuance of ordinary shares	211,200	-
Change in non-controlling interests	-	15,000
Net cash flows used in financing activities	(324,860)	(399,992)
Effect of exchange rate changes on cash and cash equivalents	1,834	12,828
Net increase in cash and cash equivalents	469,109	466,963
Cash and cash equivalents at beginning of period	1,131,007	664,044
Cash and cash equivalents at end of period	\$ 1,600,116	1,131,007

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CELPERT ENERGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Celpert Energy Corporation (the “Company”) was incorporated in November 20, 1997 and registered under the Ministry of Economic Affairs, R.O.C.. The major business activities of the Company are manufacturing, processing and trading of battery packs and power supply related products for the 3C industry. Please refer to note 4(c) for related information about the primary business activities of the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”).

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issuance by the Board of Directors on March 15, 2024.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The Group has initially adopted the new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(Continued)

CELXPRT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS 21 “Lack of Exchangeability”

(4) Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

- (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

- (b) Basis of preparation

- (i) Basis of measurement

Except for the following significant accounts, the consolidated annual financial statements have been prepared on the historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value; and
- 3) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note (4)(p).

- (ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operate. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(Continued)

CELXPART ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activities	Percentage of ownership	
			December 31, 2023	December 31, 2022
The Company	Celxpert Holdings Limited (BVI) (CHL)	Foreign investment holding	100 %	100 %
"	PT. Celxpert Energy Indonesia (Celxpert (Indonesia))	Manufacturing, processing and trading of battery packs and power supply related products	100 %	100 %
"	Keelgo Energy Co., Ltd. (Keelgo Energy)	Design, research and development and trading of lithium battery packs, energy storage systems and others	85.15 %	85.15 % (Note 2)
CHL	Advance Smart Industrial Limited (BVI) (ASIL)	Import and export trade	100 %	100 %
"	Celxpert Energy (H.K.) Limited (CHK)	Foreign investment holding	100 %	100 %
"	Celxpert Energy International Limited (SAMOA) (CEIL)	Foreign investment holding	100 % (Note 1)	100 % (Note 1)
"	Creative Power Enterprises Inc. (CPEI)	Foreign investment holding	100 %	100 %
CHK	Celxpert (Kunshan) Energy Co., Ltd. (Celxpert (Kunshan))	Manufacturing and trading of batteries and parts for battery packs	100 %	100 %
CPEI	Celxpert (Nantong) Energy Corporation Ltd. (Celxpert (Nantong))	Manufacturing and trading of battery parts and battery packs	100 %	100 %

Note 1: The registration procedures of the subsidiary have been completed, and there is no capital injection at the reporting date.

Note 2: Keelgo Energy Co., Ltd issued additional ordinary shares in December 2022. As the Company did not acquire additional shares in accordance with its original shareholding percentage, the percentage of shareholding decreased from 100% to 85.15%, and a decrease in retained earnings amounting to \$1,481 was adjusted.

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CELXPERT ENERGY CORPORATION AND SUBSIDIARIES
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(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to noncontrolling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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CELPERT ENERGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
 - (ii) It is held primarily for the purpose of trading;
 - (iii) It is due to be settled within twelve months after the reporting period; or
 - (iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.
- (f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The time deposits, bills and bonds sold under repurchase agreements which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

- (g) Financial instruments

Accounts receivable and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

- (i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; or fair value through other comprehensive income (FVOCI) - debt investment. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

- 1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

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CELXPERT ENERGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivables, refundable deposits and other financial assets), debt investments measured at FVOCI and contract assets.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and

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CELXPRT ENERGY CORPORATION AND SUBSIDIARIES

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- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 365 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;

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Notes to the Consolidated Financial Statements

- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

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CELPERT ENERGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

5) Financial liabilities

Financial liabilities are classified as measured at FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

6) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or canceled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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Notes to the Consolidated Financial Statements

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

7) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

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CELPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- | | | |
|----|---|--------------|
| 1) | Buildings and construction | 1 ~ 31 years |
| 2) | Machinery and equipment | 1 ~ 10 years |
| 3) | Office, transportation equipment and others | 1 ~ 10 years |
| 4) | The major components of plant and equipment included the main buildings of the plant, electromechanical equipment and elevator engineering. Those plant and equipment are depreciated according to their useful lives respectively. | |

Depreciation methods, useful lives, and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(j) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- 1) fixed payments; including in-substance fixed payments;
- 2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) amounts expected to be payable under a residual value guarantee; and
- 4) payments for purchase or termination options that are reasonably certain to be exercised.

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CELXPERT ENERGY CORPORATION AND SUBSIDIARIES
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The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) there is a change in future lease payments arising from the change in an index or rate; or
- 2) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- 4) there is a change of its assessment on whether it will exercise a extension or termination option; or
- 5) there is any lease modifications.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of video equipment that have a lease term of 12 months or less. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(k) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

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CELXPART ENERGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives of computer softwares are 1~5 years.

Amortization methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(l) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, deferred tax assets and assets arising from employee benefits) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(m) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(i) Warranties

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

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CELXPERT ENERGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(n) Recognition of revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Sale of goods

The Group is principally engaged in manufacturing and trading of battery packs and power supply related products for the 3C industry. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group offers trade discounts to its customers. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated trade discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected trade discounts payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2) Construction contracts

The Group enters into contracts to construct energy storage systems. Because its customer controls the asset as it is constructed, the Group recognizes revenue over time on the basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. The consideration promised in the contract includes fixed and variable amounts. The customer pays the fixed amount based on a payment schedule. For some variable considerations, accumulated experience is used to estimate the amount of variable consideration, using the expected value method. For other variable considerations, the Group estimates the amount of variable consideration using the most likely amount. The Group recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

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CELXPERT ENERGY CORPORATION AND SUBSIDIARIES

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If the Group cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Group shall recognize revenue only to the extent of the costs expected to be recovered.

A provision for onerous contracts is recognized when the Group expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

3) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(o) Government grants and government assistance

Government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as non-operating income on a systematic basis over the useful life of the asset. Expenses or losses arising from government grants received are systematically recognized in profit or loss during the period in which they are incurred.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

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CELXPERT ENERGY CORPORATION AND SUBSIDIARIES
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Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(q) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date which the Group confirms the number of shares subscribed by the employees.

(r) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

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CELXPRT ENERGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

The additional tax on unappropriated retained earnings is recognized as current tax expense in the following year after the earnings distribution plan is resolved by annual shareholders' meeting.

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CELXPERT ENERGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(s) Business combination

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquire, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Group recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

(t) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares, such as distribution of employee's compensation in shares yet to be approved.

(u) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

There are no significant judgments involved in the accounting policies that have significant effect on the amounts recognized in the consolidated financial statements.

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CELXPERT ENERGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The following accounting estimates and assumptions with uncertainty pose a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities within the next financial year, the related information as follows:

Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the valuation of inventories is mainly determined based on the future demand for products within a specific period. Due to the nature of industry, there may be differences in the valuation of inventories. Please refer to note (6)(d) for further details of the valuation of inventories.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Petty cash and cash on hand	\$ 905	1,437
Checking accounts and demand deposits	1,230,751	1,029,570
Time deposits	368,460	100,000
	<u>\$ 1,600,116</u>	<u>1,131,007</u>

As of December 31, 2023 and 2022, the time deposits with maturities over three months from the acquisition date amounted to \$455,769 and \$10,687, respectively. These time deposits are recorded as other current financial assets.

Please refer to note (6)(t) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

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

	December 31, 2023	December 31, 2022
Debt investments at fair value through other comprehensive income:		
Corporate bonds	<u>\$ 30,321</u>	<u>-</u>

(i) Debt investments at fair value through other comprehensive income

The Group has assessed that the following securities were held within a business model whose objective was achieved by both collecting contractual cash flows and trading securities. Therefore, they have been classified as financial assets at fair value through other comprehensive income.

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CELXPART ENERGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- 1) The Group acquired 30 year USD corporate bonds of Taiwan Semiconductor Manufacturing Co., Ltd (TSMC), with a consideration of \$32,098 in January 2023. The bonds have a coupon rate of 4.5%, with interest that is payable semi annually, and will mature in April 2052.
- (ii) For the credit risk and market risk, please refer to note (6)(t).
- (iii) As of December 31,2023, the Group did not provide any financial assets at fair value through other comprehensive as collaterals for its loans.
- (c) Accounts receivable, net

	December 31, 2023	December 31, 2022
Accounts receivable – measured at amortized cost	\$ 1,594,887	2,894,074
Less: Loss allowance	(127)	(2,983)
	<u>\$ 1,594,760</u>	<u>2,891,091</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for its receivables. In order to measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, included the experience of historical credit loss and reasonable forecast of future economic conditions. The loss allowances were determined as follows:

December 31, 2023			
Credit rating	Gross carrying amount	Weighted-average loss rate	Loss allowance
A	\$ 379,259	0.001%	4
B	1,146,685	0.005%	57
C	4,376	0.100%	4
D	64,567	0.095%	62
	<u>\$ 1,594,887</u>		<u>127</u>

December 31, 2022			
Credit rating	Gross carrying amount	Weighted-average loss rate	Loss allowance
A	\$ 405,646	0.001%	4
B	194,152	0.005%	10
C	2,097,517	0.100%	2,098
D	196,759	0.443%	871
	<u>\$ 2,894,074</u>		<u>2,983</u>

(Continued)

CELPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The aging analysis of accounts receivable was as follows:

	December 31, 2023	December 31, 2022
Current	\$ 1,594,771	2,807,918
1 to 30 days overdue	88	56,871
31 to 60 days overdue	<u>28</u>	<u>29,285</u>
	<u>\$ 1,594,887</u>	<u>2,894,074</u>

The movements in the allowance for impairment loss were as follows:

	2023	2022
Balance on January 1	\$ 2,983	3,900
Impairment loss reversed	<u>(2,856)</u>	<u>(917)</u>
Balance on December 31	<u>\$ 127</u>	<u>2,983</u>

As of December 31, 2023 and 2022, the Group did not provide any accounts receivable as collateral for its loans.

(d) Inventories

	December 31, 2023	December 31, 2022
Raw materials	\$ 358,950	840,038
Work in progress	23,875	47,924
Finished goods	<u>462,194</u>	<u>854,583</u>
	<u>\$ 845,019</u>	<u>1,742,545</u>

(i) For the years ended December 31, ended 2023 and 2022, the inventory cost recognized as operating costs and expenses amounted to \$6,678,444 and \$10,086,781, respectively.

(ii) The details of inventory related operating costs and expenses were as follows:

	2023	2022
Write down of inventories	\$ 22,265	2,015
Unallocated production overheads	27,682	14,024
Inventory obsolescence	<u>8,804</u>	<u>203</u>
	<u>\$ 58,751</u>	<u>16,242</u>

(iii) As of December 31, 2023 and 2022, the Group did not provide any inventories as collateral for its loans.

(Continued)

CELXPRT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Changes in ownership interests in a subsidiary

Keelgo Energy Co.,Ltd issued additional ordinary shares in December 2022. As the Group did not acquire additional shares in accordance with its original shareholding percentage, the percentage of shareholding decreased from 100% to 85.15%, and a decrease in retained earnings amounting to \$1,481 was adjusted.

(f) Property, plant and equipment

The movements of cost and depreciation of the property, plant and equipment of the Group for the years ended December 31, 2023 and 2022, were as follows:

		Land	Buildings and construction	Machinery and equipment	Office, transportation equipment and others	Construction in progress under test equipment	Total
Cost:							
Balance on January 1, 2023	\$	46,636	643,102	708,190	132,299	107,253	1,637,480
Additions		-	2,567	16,780	9,736	13,782	42,865
Disposals		-	(6,016)	(23,632)	(5,148)	-	(34,796)
Reclassifications		-	1,102	19,617	2,782	(24,375)	(874)
Effect of movements in exchange rates		-	(7,217)	(8,058)	(1,834)	(1,503)	(18,612)
Balance on December 31, 2023	\$	<u>46,636</u>	<u>633,538</u>	<u>712,897</u>	<u>137,835</u>	<u>95,157</u>	<u>1,626,063</u>
Balance on January 1, 2022	\$	46,636	639,820	599,546	126,518	65,557	1,478,077
Additions		-	45,354	72,570	27,451	86,070	231,445
Disposals		-	(60,232)	(55,959)	(36,103)	-	(152,294)
Reclassifications		-	11,445	88,945	13,133	(44,995)	68,528
Effect of movements in exchange rates		-	6,715	3,088	1,300	621	11,724
Balance on January 1, 2022	\$	<u>46,636</u>	<u>643,102</u>	<u>708,190</u>	<u>132,299</u>	<u>107,253</u>	<u>1,637,480</u>
Depreciation:							
Balance on January 1, 2023	\$	-	386,276	468,660	91,320	-	946,256
Depreciation for the period		-	43,286	96,949	18,375	-	158,610
Disposals		-	(6,016)	(22,885)	(4,751)	-	(33,652)
Effect of movements in exchange rates		-	(4,979)	(5,514)	(1,405)	-	(11,898)
Balance on December 31, 2023	\$	<u>-</u>	<u>418,567</u>	<u>537,210</u>	<u>103,539</u>	<u>-</u>	<u>1,059,316</u>
Balance on January 1, 2022	\$	-	399,632	396,021	93,675	-	889,328
Depreciation for the period		-	40,799	115,294	21,418	-	177,511
Disposals		-	(58,833)	(43,152)	(24,670)	-	(126,655)
Effect of movements in exchange rates		-	4,678	497	897	-	6,072
Balance on December 31, 2022	\$	<u>-</u>	<u>386,276</u>	<u>468,660</u>	<u>91,320</u>	<u>-</u>	<u>946,256</u>

(Continued)

CELPERT ENERGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Buildings and construction</u>	<u>Machinery and equipment</u>	<u>Office, transportation equipment and others</u>	<u>Construction in progress under test equipment</u>	<u>Total</u>
Carrying amount:						
Balance on December 31, 2023	\$ <u>46,636</u>	<u>214,971</u>	<u>175,687</u>	<u>34,296</u>	<u>95,157</u>	<u>566,747</u>
Balance on January 1, 2022	\$ <u>46,636</u>	<u>240,188</u>	<u>203,525</u>	<u>32,843</u>	<u>65,557</u>	<u>588,749</u>
Balance on December 31, 2022	\$ <u>46,636</u>	<u>256,826</u>	<u>239,530</u>	<u>40,979</u>	<u>107,253</u>	<u>691,224</u>

(i) The Group received a government grant of CNY 2,100 thousand for the factory renovation project in 2022, which was capitalized as deferred income (under other non current liabilities), and recognized as non-operating income on a systematic basis based on the useful life of the asset.

(ii) As of December 31, 2023 and 2022, the Group did not provide any property, plant and equipment as collaterals for its loans.

(g) Right-of-use assets

The Group leases many assets including leasehold land, buildings, and other equipment. Information about leases for which the Group is a lessee is presented below:

	<u>Leasehold land</u>	<u>Buildings</u>	<u>Other equipment</u>	<u>Total</u>
Cost:				
Balance on January 1, 2023	\$ 8,464	27,205	7,051	42,720
Additions	-	10,482	2,628	13,110
Disposals	-	(1,070)	(4,307)	(5,377)
Effect of movements in exchange rates	(141)	(829)	-	(970)
Balance on December 31, 2023	\$ <u>8,323</u>	<u>35,788</u>	<u>5,372</u>	<u>49,483</u>
Balance on January 1, 2022	\$ 8,334	19,602	4,711	32,647
Additions	-	12,207	2,340	14,547
Disposals	-	(4,604)	-	(4,604)
Effect of movements in exchange rates	130	-	-	130
Balance on December 31, 2022	\$ <u>8,464</u>	<u>27,205</u>	<u>7,051</u>	<u>42,720</u>
Depreciation:				
Balance on January 1, 2023	\$ 1,268	7,635	4,580	13,483
Depreciation for the period	316	8,236	1,922	10,474
Disposals	-	(1,070)	(4,307)	(5,377)
Effect of movements in exchange rates	(25)	(828)	-	(853)
Balance on December 31, 2023	\$ <u>1,559</u>	<u>13,973</u>	<u>2,195</u>	<u>17,727</u>
Balance on January 1, 2022	\$ 937	4,951	2,580	8,468
Depreciation for the period	318	7,288	2,000	9,606
Disposals	-	(4,604)	-	(4,604)
Effect of movements in exchange rates	13	-	-	13
Balance on December 31, 2022	\$ <u>1,268</u>	<u>7,635</u>	<u>4,580</u>	<u>13,483</u>

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CELXPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Leasehold land	Buildings	Other equipment	Total
Carrying amount:				
Balance on December 31, 2023	\$ <u>6,764</u>	<u>21,815</u>	<u>3,177</u>	<u>31,756</u>
Balance on January 1, 2022	\$ <u>7,397</u>	<u>14,651</u>	<u>2,131</u>	<u>24,179</u>
Balance on December 31, 2022	\$ <u>7,196</u>	<u>19,570</u>	<u>2,471</u>	<u>29,237</u>

On November 16, 2000, Celxpert (Kunshan) entered into a contract agreement with the Land Administration Bureau (LAB) of Kunshan City, Jiangsu Province, the People's Republic of China, for the purpose of acquiring the land use rights. The term of use of the land is 50 years, starting from February 15, 2001 to February 15, 2051. The total consideration for the land use right amounted to \$14,940 (equivalent to CNY 3,597 thousand).

(h) Short-term borrowings

The details of short-term borrowings were as follows:

	December 31, 2023	December 31, 2022
Credit loans	\$ <u>563,082</u>	<u>765,400</u>
Unused credit lines	\$ <u>3,755,563</u>	<u>3,150,378</u>
Range of interest rates	<u>1.95%~6.91%</u>	<u>0.75%~5.75%</u>

As of December 31, 2023 and 2022, the Group did not provide any assets as collaterals for its short-term borrowings.

(i) Long-term borrowings

The details of long-term borrowings were as follows:

	December 31, 2023	December 31, 2022
Unsecured bank loans	\$ 400,000	1,000,000
Less: Current portion	-	-
Total	\$ <u>400,000</u>	<u>1,000,000</u>
Unused credit lines	\$ <u>1,600,000</u>	<u>1,000,000</u>
Range of interest rates	<u>1.95%~2.28%</u>	<u>0.9%~2.0%</u>
Maturity period	<u>March 2025~ December 2025</u>	<u>March 2024~ November 2024</u>

(i) Additions or deductions of borrowings

The Group proceeded new loans amounting to \$200,000 and \$450,000 in 2023 and 2022, respectively. The repayment of long-term borrowings (including early settlement) amounted to \$800,000 and \$100,000 in 2023 and 2022, respectively.

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CELXPART ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (ii) The Group did not provide any assets as collaterals for its long-term borrowings.
 - (iii) For information on the Group's interest risk and liquidity risk, please refer to note(6)(t).
- (j) Bonds payable
- (i) The Group issued the third domestic unsecured convertible bonds at 100% of the par value, with a total amount of \$400,000 on June 2, 2023.
 - 1) The main terms of the convertible bonds were as follows:
 - a) Interest rate: 0%
 - b) Duration: Three years (June 2, 2023 to June 2, 2026)
 - c) Terms of conversion:
 - i) The bondholders may request for conversion of the convertible bonds to the Group's ordinary shares, at any time between three months after the issuance date (September 3, 2023) and the maturity date (June 2, 2026), except for the following periods: 1. The period in which transfer of ordinary shares is suspended by the laws; 2. The period starts from 15 business days before the book closure date for issuance of the bonus shares, book closure date for cash dividends, book closure date for rights issue, to the record date for distribution of entitlements; 3. The period starts from the base date of capital reduction to the day before the reissuance of shares transacted after the capital reduction; 4. The period starts from the starting date of the suspension of conversion for the change of the share's par value to the date before the trading date of the reissuance of shares.
 - ii) Conversion price: The conversion price was determined at NTD35 per share upon share issuance.
 - d) Redemption method: The Group may redeem the bonds under the following conditions:
 - i) At any time between three months after the issuance date (September 3, 2023) and forty days before the maturity date (April 23, 2026), if the closing price of the Group's ordinary shares exceeds the current conversion price by 30% (inclusive) for consecutive thirty business days, the Group may redeem the bonds at the face value within the next thirty business days.
 - ii) At any time between three months after the issuance date (September 3, 2023) and forty days before the maturity date (April 23, 2026), if the outstanding balance of the convertible bonds is less than 10% of the original issuance amount, the Group may call back the convertible bonds from the bondholders in cash at the face value of the bonds.

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CELXPRT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) The details of bonds payable were as follows:

	December 31, 2023
Total convertible bonds issued	\$ 400,000
Unamortized discounted bonds payable	<u>(69,129)</u>
Balance of bonds payable at the reporting date	<u>\$ 330,871</u>
Embedded derivative – call options, included in non-current financial assets at fair value through profit or loss	<u>\$ 760</u>
Equity component – conversion options, included in capital surplus– share options	<u>\$ 84,201</u>
	<u>2023</u>
Embedded derivative instruments – losses resulting from call option at fair value, included in losses on financial assets at fair value through profit or loss	<u>\$ 3,680</u>
Interest expense	<u>\$ 14,812</u>

(iii) The Group separates the conversion option from liabilities and recognizes them as equity and liabilities, respectively. The relevant information was as follows:

The compound interest present values of the convertible bonds' face value at issuance	\$ 316,059
The embedded derivative assets at issuance – call option	(4,440)
The equity components at issuance	<u>84,201</u>
Total amount of bonds payable at issuance	<u>\$ 395,820</u>

The effective interest rate of the third convertible bonds was 8.1676%.

The relevant costs incurred for issuance of the abovementioned convertible bonds amounted to \$4,180, of which the costs were allocated to the liabilities and equity components in proportion to the relative fair values. The transaction costs related to liabilities amounted to \$3,301, which were amortized at the effective interest rate over the duration of the convertible bonds. The transaction costs related to the equity component of \$879 will not be remeasured after the initial recognition.

(k) Lease liabilities

The details of lease liabilities were as follows:

	December 31, 2023	December 31, 2022
Current	<u>\$ 8,223</u>	<u>6,869</u>
Non-current	<u>\$ 17,033</u>	<u>15,287</u>

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CELPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the maturity analysis, please refer to note (6)(t).

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest on lease liabilities	\$ <u>458</u>	<u>202</u>
Expenses relating to short-term leases	\$ <u>901</u>	<u>881</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>1,385</u>	<u>220</u>
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>9</u>	<u>10</u>

The amounts recognized in the consolidated statements of cash flows were as follows:

	2023	2022
Total cash outflow for leases	\$ <u>11,856</u>	<u>9,770</u>

(i) Building leases

The Group leases buildings for its office space and car parks with the lease period of one to six years.

(ii) Other leases

The Group leases office equipment and transportation equipment with the lease period of three to five years.

The Group also leases office equipment and video equipment with lease period of less than one year. These leases are short term leases or leases of low-value assets. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(l) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligations at present value and plan assets at fair value were as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	\$ (9,223)	(8,287)
Fair value of plan assets	<u>8,205</u>	<u>9,800</u>
Net defined benefit (liabilities) assets	\$ <u>(1,018)</u>	<u>1,513</u>

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefit based on years of service and average monthly salary for the six months prior to retirement.

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CELPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations of Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, the minimum earnings shall not less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance amounted to \$8,205 at the end of the reporting period. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in the present value of the defined benefit obligations

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

	<u>2023</u>	<u>2022</u>
Defined benefit obligations on January 1	\$ (8,287)	(11,090)
Current service costs and interest	(107)	(77)
Remeasurements on the net defined benefit (liabilities) assets	(3,047)	2,285
Benefit paid by the plan	<u>2,218</u>	<u>595</u>
Defined benefit obligations on December 31	<u>\$ (9,223)</u>	<u>(8,287)</u>

3) Movements of fair value of plan assets

The movements in the fair value of the defined benefit plan assets were as follows:

	<u>2023</u>	<u>2022</u>
Fair value of plan assets on January 1	\$ 9,800	9,156
Expected return on plan assets	130	65
Remeasurements in net defined benefit assets (liabilities)	66	692
Contributions paid by the employer	427	482
Benefit paid by the plan	<u>(2,218)</u>	<u>(595)</u>
Fair value of plan assets on December 31	<u>\$ 8,205</u>	<u>9,800</u>

(Continued)

CELPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss were as follows:

	<u>2023</u>	<u>2022</u>
Net interest of net defined benefit assets (liabilities)		
	\$ <u>(23)</u>	<u>12</u>
Operating costs	\$ 9	3
Selling expenses	10	3
Administrative expenses	(54)	2
Research and development expenses	<u>12</u>	<u>4</u>
	\$ <u>(23)</u>	<u>12</u>

5) Remeasurements of net defined benefit plans that recognized in other comprehensive income

The remeasurements of net defined benefit plans that recognized in other comprehensive income were as follows:

	<u>2023</u>	<u>2022</u>
Balance on January 1	\$ (3,557)	(6,534)
Recognition during the period	<u>(2,981)</u>	<u>2,977</u>
Balance on December 31	\$ <u>(6,538)</u>	<u>(3,557)</u>

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate	1.28 %	1.29 %
Future salary increase rate	1.50 %	1.50 %

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date amounted to \$424.

The weighted-average lifetime of the defined benefit plan is 2 years.

(Continued)

CELPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

7) Sensitivity analysis

If the key actuarial assumptions had changed, the impact on the present value of the defined benefit obligations shall be as follows:

	Impacts to the defined benefit obligations	
	Increased 0.25%	Decreased 0.25%
December 31, 2023		
Discount rate	\$ (134)	137
Future salary increasing rate	114	(112)
December 31, 2022		
Discount rate	(133)	136
Future salary increasing rate	115	(113)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions remain constant, would have affected the defined benefit obligations by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of the net defined benefit liabilities in the consolidated balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

(ii) Defined contribution plans

The Company and the domestic Group entities allocate 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company and the domestic Group entities allocate a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The Company and the domestic Group entities recognized the pension costs incurred from the contributions to the Bureau of Labor Insurance amounted to \$14,583 and \$13,836 for the years ended December 31, 2023 and 2022, respectively.

(iii) The other subsidiaries included in the consolidated financial statements

The pension costs and basic endowment amounted to \$17,214 and \$18,703 for the years ended December 31, 2023 and 2022, respectively.

(Continued)

CELXPART ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Income taxes

(i) Income tax (benefits) expenses

- 1) The details of income tax (benefits) expenses for the years ended December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Current tax expense		
Current period	\$ -	100,003
Additional tax on unappropriated retained earnings	-	3,071
Adjustment for prior periods	<u>(1,428)</u>	<u>(1,999)</u>
	<u>(1,428)</u>	<u>101,075</u>
Deferred tax benefits		
Origination and reversal of temporary differences	<u>(30,209)</u>	<u>(32,408)</u>
Income tax (benefits) expenses	<u>\$ (31,637)</u>	<u>68,667</u>

- 2) The amounts of income tax (benefits) expenses recognized in other comprehensive income for the years ended December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Items that will not be reclassified to profit or loss:		
(Losses) gains on remeasurement of defined benefit plans	<u>\$ (596)</u>	<u>595</u>

- 3) Reconciliations of income tax (benefits) expenses and (loss) profit before tax for 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
(Loss) profit before tax	\$ (301,449)	289,212
Income tax using local tax rates of the Group entities	\$ (59,334)	58,104
Net gain or loss from domestic investments accounted equity method	(958)	(54)
Over provision in prior periods	(1,428)	(1,999)
Change in unrecognized temporary differences	23,557	15,905
Recognition of unrecognized tax loss in prior periods	(1,290)	(79)
Additional tax on unappropriated retained earnings	-	3,071
Impairment loss on domestic investments	-	(10,590)
Non-deductible expenses	3,698	-
Others	<u>4,118</u>	<u>4,309</u>
	<u>\$ (31,637)</u>	<u>68,667</u>

(Continued)

CELXPART ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets(liabilities)

Items not recognized as deferred tax assets by the Group were as follows:

- a) Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available which the Group can utilize the benefits therefrom. The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. The above deferred tax assets were not recognized because it is not probable that the Group will have any sufficient taxable profit in the future periods to benefit from the reduction in tax payments.

	December 31, 2023	December 31, 2022
Deductible temporary differences	\$ 234	69
The carry forward of unused tax losses	<u>10,348</u>	<u>11,638</u>
	<u>\$ 10,582</u>	<u>11,707</u>

As of December 31, 2023, the details of unrecognized carry forward of unused tax losses, and their expiry years thereof were as follows:

<u>Year of loss</u>	<u>Unused tax loss</u>	<u>Expiry year</u>
Keelgo Energy:		
2019 (Assessed)	\$ 7,451	2029
2020 (Assessed)	21,704	2030
2021 (Assessed)	<u>22,585</u>	2031
Total	<u>\$ 51,740</u>	

- b) The Group is able to control the timing of the reversal of the part of temporary differences associated with investments in subsidiaries as of December 31, 2023 and 2022. Also, management believed that the temporary differences will not be reversed in the foreseeable future. Hence, such temporary differences were not recognized under deferred tax assets (liabilities). Details were as follows:

	December 31, 2023	December 31, 2022
Aggregate amount of temporary differences		
related to investments in subsidiaries	<u>\$ 429,763</u>	<u>312,800</u>
Unrecognized deferred tax assets	<u>\$ 85,953</u>	<u>62,561</u>

(Continued)

CELXPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Recognized deferred tax assets and liabilities

Changes in the amounts of deferred tax assets and liabilities for the years ended December 31, 2023 and 2022 were as follows:

		Defined benefit plans	Unrealized exchange gains and others	Total	
Deferred tax liabilities:					
Balance at January 1, 2023	\$	538	-	538	
Recognized in profit or loss		90	-	90	
Balance at December 31, 2023	\$	<u>628</u>	<u>-</u>	<u>628</u>	
Balance at January 1, 2022	\$	444	17,755	18,199	
Recognized in profit or loss		94	(17,755)	(17,661)	
Balance at December 31, 2022	\$	<u>538</u>	<u>-</u>	<u>538</u>	
		Inventory obsolescence	Deductible loss	Unrealized exchange losses and others	Total
Deferred tax assets:					
Balance at January 1, 2023	\$	30,742	-	16,495	47,237
Recognized in profit or loss		4,377	28,862	(2,940)	30,299
Recognized in other comprehensive income		-	-	596	596
Balance at December 31, 2023	\$	<u>35,119</u>	<u>28,862</u>	<u>14,151</u>	<u>78,132</u>
Balance at January 1, 2022	\$	30,339	-	2,746	33,085
Recognized in profit or loss		403	-	14,344	14,747
Recognized in other comprehensive income		-	-	(595)	(595)
Balance at December 31, 2022	\$	<u>30,742</u>	<u>-</u>	<u>16,495</u>	<u>47,237</u>

- (iii) The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. As of December 31, 2023, the information of the Group's unused tax losses for which deferred tax assets were recognized was as follows:

Year of loss	Deductible amount	Expiry year
Celxpert Energy Corporation:		
2023 (Estimated)	\$ <u>144,310</u>	2033

- (iv) The income tax of the Group shall be reported separately by each Group entity according to the laws of the respective registering countries and cannot be consolidated for reporting purposes.

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CELPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (v) The tax returns of the Company and Keelgo Energy for the years through 2020 and 2021 were assessed by the Taipei National Tax Administration, respectively.
- (n) Capital and other equity

(i) Ordinary shares

As of December 31, 2023 and 2022, the Company's authorized ordinary shares consisted of 150,000 thousand shares with a par value of NTD10 per share amounted to \$1,500,000 of which 88,306 and 80,306 thousand shares were issued, respectively. All the shares issued were paid upon issuance.

On March 10, 2023, the Company resolved by the Board of Directors to issue 8,000 thousand new shares with a par value of NTD10 per share. The new shares were issued at NTD26.4 per share, and total fund raising amounted to \$211,200. 15% of the total number of shares issued was reserved for the employees' subscription, with September 12, 2023, as the base date for the capital increase, the relevant statutory registration procedures have been completed, and all issued shares were paid up upon issuance.

(ii) Capital surplus

The details of capital surplus of the Group were as follows:

	December 31, 2023	December 31, 2022
Additional paid-in capital	\$ 723,600	592,400
Issuance of shares reserved for employee subscription	4,392	-
Capital surplus from redemption of convertible bonds— treasury shares	46	46
Capital surplus from the recognition of equity items related to the buyback of convertible bonds	48,478	48,478
Issuance of convertible bonds	<u>84,201</u>	<u>-</u>
	<u>\$ 860,717</u>	<u>640,924</u>

In accordance with the R.O.C. Company Act, realized capital surplus can only be distributed as share capital or distributed as cash dividends to the shareholders in proportion to their original shareholdings after offsetting losses. The aforementioned capital surplus includes share premiums and earnings from donated assets received. In accordance with the Securities Offering and Issuance Guidelines, the amount of capital surplus to be reclassified under share capital shall not exceed 10 percent of the actual share capital amount.

The capital surplus recognized as an equity item as a result of the issuance of convertible bonds by the Company is not included in the capital surplus items stipulated in Article 241 of the Company Act and cannot be used for capital increase according to the law.

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CELXPRT ENERGY CORPORATION AND SUBSIDIARIES
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As of December 31, 2023 and 2022, in accordance with the stipulated in Article 241 of the Company Act, the realized capital surplus that the Company shall be used for share issuance or cash dividends distribution amounted to \$727,992 and \$592,400, respectively.

(iii) Retained earnings

In accordance with the Company's Articles of Incorporation, if there are earnings in the annual financial statements of the Company, the Director's remuneration and employee benefits shall be provided first, and after being approved for distribution by the Board of Directors, the income taxes and donations shall be paid, and then set aside the legal reserves at 10% of the remaining earnings. However, if the accumulated legal reserves equal to the Company's paid-in capital, this limit shall not apply. In addition, a special reserve of the same amount as the reduction in shareholders' equity items that occurred in the current year shall be allocated. When the reduction in shareholders' equity items is reversed, a portion of it may be transferred to the current year's earning distribution. If there are still earnings, along with undistributed earnings accumulated from the previous year, the Board of Directors shall prepare a proposal for profit distribution, and when issuing new shares, it shall be submitted to the shareholders' meeting for approval of distribution.

In accordance with the provisions of Paragraph 5 of Article 240 of the Company Law, the Company authorized the Board of Directors to distribute all or part of the dividends and bonuses or all or part of the legal reserves and capital surplus as stipulated in Paragraph 1 of Article 241 of the Company Law in the form of cash distribution with the presence of more than two-thirds of the directors and the resolution of more than half of the directors, and report to the shareholders' meeting.

The industry to which the Company belongs is currently in a growth stage. The dividend distribution policy should take into account factors such as the Company's current and future investment environment, capital requirements, domestic and international competition, and capital budgeting, while considering shareholders' interests, balancing dividends, and the Company's long-term financial planning. The Board of Directors shall formulate a distribution proposal each year under the law and report to the shareholders' meeting. The Company may consider factors such as financial, business, and operational performance when determining the dividend distribution. If the Company has earnings available for distribution in the current year, the general principle is to allocate an amount not less than 30% of the current year net profit after tax for dividends, and the cash dividends to be distributed are expected to account for at least 50% of the dividends payable to shareholders.

1) Legal reserves

When a company incurs no loss, it may, in pursuant to a resolution to be adopted by the shareholders' meeting as required, distribute its legal reserves by issuing new shares or by distributing cash dividends to shareholders, and only the portion of the legal reserves which exceeds 25% of the paid-in capital may be distributed.

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CELXPRT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Special reserves

In accordance with the Ruling issued by the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholder's equity. A portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

On March 10, 2023 and March 4, 2022, the earnings distribution plan on cash dividends for the years ended 2022 and 2021 were resolved by the Board of Directors' meetings, respectively. On June 15, 2023 and June 15, 2022, the distribution of other earnings for the years ended 2022 and 2021 were resolved by the shareholders' meeting, respectively. The relevant earnings distributions to shareholders were as follows:

	2022		2021	
	Amount per share(NTD)	Amount	Amount per share(NTD)	Amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 1.5	<u><u>120,459</u></u>	2.0	<u><u>160,612</u></u>

On March 15, 2024, the Company resolved by the Board of Directors' meeting that the Company had a net loss after tax in 2023 and did not intend to distribute cash dividends.

The related information of the earnings distribution for the year ended December 31, 2023, can be accessed through the Market Observation Post System website.

(o) Share-based payment

On March 10, 2023, the Company issued new shares through the resolution of the Board of Directors to increase capital in cash, reserving 15% of the new shares, amounting to 1,200 thousand shares, to be preemptively subscribed by the employees, and the actual number of shares subscribed by the employees was 1,112 thousand shares.

	Issuance of shares reserved for employee subscription
Grant date	August 10, 2023
Number of shares granted	1,112 thousand shares
Recipients	Restricted to the employees of the Company and its subsidiaries
Vesting conditions	Instantly vested

(Continued)

CELPERT ENERGY CORPORATION AND SUBSIDIARIES
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(i) Fair value at grant date

The fair value of the share-based payment at the grant date were as follows:

	<u>August 20, 2023</u>
	<u>Issuance of shares reserved for employee subscription</u>
Fair value at grant date	NTD 6.75
Share price at grant date	NTD 33.15
Exercise price	NTD 26.4
Expected life (years)	Instantly vested

- (ii) For the year ended 2023, the Group incurred expenses related to share-based payments of \$4,392.

(p) Earnings per share

(i) Basic (losses) earnings per share

The calculation of basic earnings per share was based on the net (loss) profit attributable to ordinary shareholders of the Company and the weighted-average number of outstanding ordinary shares. The relevant calculations were as follows:

- 1) (Loss) profit attributable to ordinary shareholders of the Company

	<u>2023</u>	<u>2022</u>
(Loss) profit attributable to ordinary shareholders of the Company	\$ <u>(270,647)</u>	<u>220,606</u>

- 2) Weighted-average number of outstanding ordinary shares (in thousands)

	<u>2023</u>	<u>2022</u>
Weighted-average number of outstanding ordinary shares (in thousands)	<u>82,739</u>	<u>80,306</u>

- 3) Basic (losses) earnings per share
- | | | |
|--|------------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| | \$ <u>(3.27)</u> | <u>2.75</u> |

(ii) Diluted (losses) earnings per share

The calculation of the diluted earnings per share was based on the net (loss) profit attributable to ordinary shareholders of the Company after the adjustment of potential dilutive ordinary shares and the weighted average number of outstanding ordinary shares. The relevant calculations were as follows:

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CELXPART ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1) Profit attributable to ordinary shareholders of the Company (diluted)

	<u>2023</u>	<u>2022</u>
Profit attributable to ordinary shareholders of the Company (diluted)	\$ <u>(270,647)</u>	<u>220,606</u>

2) Weighted-average number of outstanding ordinary shares(diluted) (in thousands)

	<u>2023</u>	<u>2022</u>
Weighted-average number of outstanding ordinary shares (basic) (in thousands)	82,739	80,306
Effect of employee share compensations	-	1,130
Effect of conversion of convertible bonds	-	-
Weighted-average number of outstanding ordinary shares (diluted) (in thousands)	<u>82,739</u>	<u>81,436</u>

	<u>2023</u>	<u>2022</u>
3) Diluted (losses) earnings per share	\$ <u>(3.27)</u>	<u>2.71</u>

- (i) The Company's convertible bonds in 2023 had no dilutive effect.
- (ii) The Company was in net loss after tax position for the year ended 2023,there was no ordinary shares with potential dilutive effect.

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2023</u>	<u>2022</u>
Primary geographical markets:		
Taiwan	\$ 1,607,423	1,689,343
China	4,948,272	8,559,378
Others	<u>647,849</u>	<u>850,869</u>
	<u>\$ 7,203,544</u>	<u>11,099,590</u>
Major products:		
Lithium battery packs	\$ 7,142,937	11,032,468
Construction income and others	<u>60,607</u>	<u>67,122</u>
	<u>\$ 7,203,544</u>	<u>11,099,590</u>

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CELXPERT ENERGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable	\$ 1,594,887	2,894,074	4,506,216
Less: Loss allowance	<u>(127)</u>	<u>(2,983)</u>	<u>(3,900)</u>
	<u>\$ 1,594,760</u>	<u>2,891,091</u>	<u>4,502,316</u>
Contract liabilities- Advanced receipts	<u>\$ 12,106</u>	<u>31,300</u>	<u>42,867</u>

For the details of accounts receivable and loss allowance, please refer to note (6)(c).

The amount of revenue recognized for the years ended December 31, 2023 and 2022 that were included in the contract liabilities balances at the beginning of the period were \$19,463 and \$31,774, respectively.

The movements in balances of contract assets and contract liabilities mainly arise from the timing difference between the satisfaction of performance obligations upon the transfer of goods or services and the receipt of collection.

(r) Remuneration of employees and directors

In accordance with the articles of the Company, if the Company is making profit for the year, the Company should appropriate 3%~12% as remuneration to employees and remuneration to directors not exceeding 3%. However, if the Company has accumulated deficits, the profits shall first be offset against any deficit. The aforementioned employees include those in the subsidiaries who meet specific conditions and distribution methods were formulated by the Board of Directors.

The Company had net loss before tax in 2023, there was no provisions of remunerations of employees and directors. The provisions of remuneration of employees and directors in 2022 was \$32,908 and \$7,372, respectively, which was estimated on the basis of the amount of the Company's net profit before tax excluding employees' and directors' remuneration for each period multiplied by the distribution ratio of employees' and directors' remuneration as stipulated in the Articles of Association of the Company. The provisions were recognized as operating expenses in 2023 and 2022.

The amounts, as stated in the consolidated financial statements are identical to those of the actual distributions for 2023 and 2022. The related information can be accessed through the Market observation Post System website.

(s) Other expenses

The other expenses in 2023 and 2022 were as follows:

	2023	2022
Compensation losses	\$ 61,971	35,976
Others	<u>1,500</u>	<u>4,353</u>
	<u>\$ 63,471</u>	<u>40,329</u>

(Continued)

CELXPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(t) Financial instruments

(i) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

The Group's customers are concentrated in the majority of high-tech computer industry customers. In order to reduce the credit risk of accounts receivable, the Group continuously evaluates the financial status of its customers, and will require the customers to provide guarantees or guarantees when necessary. The Group regularly assesses the likelihood of accounts receivable to be collected and provides allowances for impairment loss, and the loss allowance is always within the expectations of management. 79% of the Group's accounts receivable balances as at December 31, 2023 and 2022, respectively, were contributed by two major customers, resulting the Group exposed to a significant concentration of credit risk.

3) Credit risks of receivables and debt securities

For credit risk exposure of accounts receivables, please refer to note (6)(c).

Financial assets measured at amortized cost, including other receivables and time deposits are considered to have low risk, and thus, the provisions of allowance for impairment loss during the period was limited to 12 months expected credit losses(regarding how the financial instruments are considered to have low credit risk, please refer to note (4)(g)).

As the counter parties and the performing parties of the Group's bank deposits and fixed income investments are banks with good credits or financial institutions with investment grade and above, these are considered to have low credit risk.

The movements in the loss allowance for the years ended December 31, 2023 and 2022 were as follows:

	Other receivables	
	2023	2022
Balance on December 31 (same as balance on January 1)	\$ 2,261	2,261

(Continued)

CELPERT ENERGY CORPORATION AND SUBSIDIARIES
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(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments:

	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1 ~ 5 years</u>
December 31, 2023			
Non-derivative financial liabilities:			
Short-term borrowings	\$ (572,669)	(572,669)	-
Accounts payable	(995,965)	(995,965)	-
Other payables	(259,094)	(259,094)	-
Lease liabilities (including current portion)	(26,082)	(8,573)	(17,509)
Long-term borrowings	(414,409)	(8,501)	(405,908)
Bonds payable	(400,000)	-	(400,000)
	<u><u>\$ (2,668,219)</u></u>	<u><u>(1,844,802)</u></u>	<u><u>(823,417)</u></u>
December 31, 2022			
Non-derivative financial liabilities:			
Short-term borrowings	\$ (773,549)	(773,549)	-
Accounts payable	(1,623,636)	(1,623,636)	-
Other payables	(344,332)	(344,332)	-
Lease liabilities (including current portion)	(22,873)	(7,141)	(15,732)
Long-term borrowings	(1,034,467)	(19,056)	(1,015,411)
	<u><u>\$ (3,798,857)</u></u>	<u><u>(2,767,714)</u></u>	<u><u>(1,031,143)</u></u>

The Group does not expect that the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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CELXPRT ENERGY CORPORATION AND SUBSIDIARIES
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(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	December 31, 2023			December 31, 2022		
	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
Financial assets:						
Monetary items						
USD	\$ 73,417	USD/NTD =30.705	2,254,269	102,221	USD/NTD =30.71	3,139,207
USD	1,109	USD/CNY =7.0961	34,052	542	USD/CNY =6.9669	16,645
Financial liabilities:						
Monetary items						
USD	44,274	USD/NTD =30.705	1,359,433	79,630	USD/NTD =30.71	2,445,437
USD	6,289	USD/CNY =7.0961	193,104	4,243	USD/CNY =6.9669	130,303

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, financial assets at fair value through other comprehensive income, short-term borrowings, accounts payable, and other payables that are denominated in foreign currencies. Assuming all other variable factors remain constant, a strengthening (weakening) 5% of appreciation (depreciation) of the each major foreign currency against Group entities' functional currency as of December 31, 2023 and 2022, would have increased (decreased) the net profit before tax as follows. The analysis is performed on the same basis for both periods.

	2023	2022
USD (against the NTD)		
Strengthening 5%	\$ 44,742	34,689
Weakening 5%	(44,742)	(34,689)
USD (against the CNY)		
Strengthening 5%	(7,953)	(5,683)
Weakening 5%	7,953	5,683

(Continued)

CELXPART ENERGY CORPORATION AND SUBSIDIARIES
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3) Foreign exchange gains and losses on monetary items

The exchange gain (loss) on monetary items of the Group (including realized and unrealized) is translated into the amount in the functional currency and the exchange rate information for translating to the functional currency of the parent company, NTD (i.e. the currency expressed in the consolidated financial statements), is as follows:

(thousand of foreign currencies)

	2023		2022	
	Exchange gains and losses	Average exchange rate	Exchange gains and losses	Average exchange rate
NTD	(3,166)	-	143,840	-
CNY	47	CNY/NTD =4.3954	(398)	CNY/NTD= 4.4219
USD	-	USD/NTD =31.1548	-	USD/NTD =29.8044

(iv) Interest rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	Carrying amount	
	December 31, 2023	December 31, 2022
Variable rate instruments:		
Financial assets	\$ 1,230,484	1,029,102
Financial liabilities	(963,082)	(1,553,642)
	<u>\$ 267,402</u>	<u>(524,540)</u>

Please refer to the notes on liquidity risk management for the interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest risk on the non-derivative financial instruments at the reporting date. Regarding the assets and liabilities with variable interest rates, the analysis is based on the assumption that the amount of assets and liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Group management's assessment for the reasonably possible interest rate change.

Assuming the interest rate increases or decreases by 0.25% and all other variables remain constant, our profit before tax for the years ended 2023 and 2022 will decrease or increase by \$669 and \$1,311, respectively. This is primarily due to the Group's demand deposits and bank borrowings with variable interest rates.

(Continued)

CELXPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Fair value information

1) Types and fair value of financial instruments

The Group's financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income are measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, the disclosure of fair value information is not required :

December 31, 2023					
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss:					
Derivative financial instruments- convertible bonds- embedded derivatives	\$ 760	-	-	760	760
Financial assets at fair value through other comprehensive income:					
Domestic bonds	30,321	-	30,321	-	30,321
Financial assets at amortized cost:					
Cash and cash equivalents	\$ 1,600,116	-	-	-	-
Accounts receivables, net	1,594,760	-	-	-	-
Other receivables	2,924	-	-	-	-
Other current financial assets	455,946	-	-	-	-
Refundable deposits	14,413	-	-	-	-
	<u>3,668,159</u>				
	<u>\$ 3,699,240</u>				
Financial liabilities measured at amortized cost:					
Short-term borrowings	\$ 563,082	-	-	-	-
Accounts payable	995,965	-	-	-	-
Other payables	259,094	-	-	-	-
Bonds payable	330,871	-	-	377,640	377,640
Lease liabilities (including current portion)	25,256	-	-	-	-
Long-term borrowings	400,000	-	-	-	-
	<u>\$ 2,574,268</u>				

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CELXPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		December 31, 2022			
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:					
Cash and cash equivalents	\$ 1,131,007	-	-	-	-
Accounts receivable, net	2,891,091	-	-	-	-
Other receivables	4,564	-	-	-	-
Other current financial assets	10,687	-	-	-	-
Refundable deposits	<u>18,165</u>	-	-	-	-
	<u>\$ 4,055,514</u>				
Financial liabilities measured at amortized cost:					
Short-term borrowings	\$ 765,400	-	-	-	-
Accounts payable	1,623,636	-	-	-	-
Other payables	344,332	-	-	-	-
Lease liabilities (including current portion)	22,156	-	-	-	-
Long-term borrowings	<u>1,000,000</u>	-	-	-	-
	<u>\$ 3,755,524</u>				

2) Valuation technique for financial instruments measured at fair value

a) Valuation technique for financial instruments measured at fair value

A. Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

b) Derivative financial instruments are evaluated based on evaluation models widely accepted by market users, such as binomial options pricing models.

3) There were no transferring from each level in the fair value hierarchy for the years ended December 31, 2023 and 2022.

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CELXPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Reconciliation of Level 3 fair values

	Fair value through profit or loss
	Derivative financial assets- convertible bonds
Balance on January 1, 2023	\$ -
Issuance	4,440
Total profit or loss:	
Recognized in profit or loss	<u>(3,680)</u>
Balance on December 31, 2023	<u>\$ 760</u>

The aforementioned total losses were recognized in “ Losses on financial assets (liabilities) at fair value through profit or loss”. The details of the assets which the Group held as of December 31, 2023 were as follows:

	2023
Total losses:	
Recognized in profit or loss (recorded as losses on financial assets (liabilities) at fair value through profit or loss)	<u>\$ (3,680)</u>

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group’s financial instruments that use Level 3 inputs to measure fair value include “Financial assets at fair value through other comprehensive income - call option of convertible bonds”.

Most of the fair value measurements of the Group categorized within Level 3 used single significant unobservable input.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss – call options of convertible bonds	Binomial convertible bonds pricing models	Volatility of 22.2% on December 31, 2023	The higher the volatility is, the higher the fair value will be.

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CELXPERT ENERGY CORPORATION AND SUBSIDIARIES
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- 6) Fair value measurements in Level 3 - sensitivity analysis of reasonably possible alternative assumptions

For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

		Impacts of fair value change on profit or loss	
		Favour- able	Unfavour- able
December 31, 2023	Input value	Move up or down	
Financial assets at fair value through profit or loss - call options of convertible bonds	Volatility	5%	
			\$ <u>480</u> <u>760</u>

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(u) Financial risk management

(i) Overview

The Group has exposure to the following risks from its financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Group's finance management department provide business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations. The Group minimizes the risk exposure through natural hedges. The Board of Directors regulated the use of financial instruments in accordance with the Group's policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Group continue with the review of the amount of the risk exposure in accordance with the Group's policy and the risk management policies and procedures. The Group has no transactions in financial instruments for the purpose of speculation.

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CELXPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

1) Accounts receivable and other receivables

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and, in some cases, bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval from the president, and are reviewed periodically. Customers that fail to meet the Group's benchmarked creditworthiness may transact with the Group only on a prepayment basis.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. The Group's customers are mainly from the high-tech industry. In order to mitigate accounts receivable credit risk, the Group constantly assesses the financial status of the customers, and requests the customers to provide guarantee or security if necessary. The Group regularly accesses the collectability of accounts receivable and recognizes allowance for impairment loss. The impairment losses are always within management's expectation.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are individuals or corporate entities; whether they are dealers, retailers or end customers; geographic regions, industries, account ages, due dates, and past financial difficulties. Customers that are graded as "high risk" are placed on a restricted customer list and transact with the Group only on a prepayment basis.

The Group set the allowance for impairment loss account to reflect the estimated losses for accounts receivable and other receivables and investment. The allowance for impairment loss account consists of specific losses relating to individually significant exposure and the unrecognized losses arising from similar assets groups. The allowance for impairment loss account is based on historical collection record of similar financial assets.

2) Investments

The credit risks of the bank deposits, fixed income investments, and other financial instruments are measured and monitored by the Group's finance department. Since the Group's transaction counterparties and contractually obligated counterparties are banks, financial institutes and corporate organizations with good credits, there are no compliance issues, and therefore no significant credit risk.

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CELPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Guarantees

The Group's policy is to only provide financial guarantees only to its subsidiaries. Please refer to note (13)(a) for information of guarantees and endorsements to subsidiaries as of December 31, 2023 and 2022.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities which be settled by delivering cash or another financial asset.

The Group manages and maintains sufficient cash and cash equivalents to support its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

Loans and borrowings from the bank are essential source of liquidity for the Group. Please refer to notes (6)(h) and (6)(i) for the unused credit lines of bank borrowings as of December 31, 2023 and 2022.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities, primarily the New Taiwan Dollars (NTD), US Dollars (USD), Chinese Yuan (CNY), and Indonesia Rupiah (IDR). The currencies used in these transactions are denominated in NTD, USD, CNY, and IDR.

The Group hedges accounts receivable denominated in foreign currencies. The Group uses forward exchange contracts to hedge its currency risk, with a maturity of less than one year from the reporting date.

2) Interest rate risk

The Group borrows funds on variable interest rates, which has a risk exposure to cash flows.

3) Other price risk

The Group does not hold any equity securities and hence is not exposed to equity instrument price risk.

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CELXPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Capital management

The Group maintains the capital based on the current operating characteristics of the industry, future development, and changes in external environment, to assure there is sufficient financial resource and operating plan to support working capital, capital expenditures, research and development expense, debt redemption, dividend payment and so on. The management decides the optimized capital by using appropriate debt-to-equity ratio. To maintain a strong capital base, the Group enhances the return on equity by optimizing debt-to-equity ratio. The Group's debt-to-equity ratio at the end of the reporting date was as follows:

	December 31, 2023	December 31, 2022
Total liabilities	\$ 2,755,014	3,995,278
Total equity	2,502,228	2,601,896
Debt-to-equity ratio	110 %	154 %

The decrease in debt-to-equity ratio as of December 31, 2023 compared to the one as of December 31, 2022 was mainly due to the decrease in accounts payable and borrowings.

(w) Non-cash investing and financing activities

- (i) The Group's investing activities which did not affect the current cash flow for the years ended December 31, 2023 and 2022 were acquisition of right-of-use assets by lease, please refer to note (6)(g) and note (6)(k).
- (ii) Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2023	Cash flow	Non-cash changes Changes in lease payments and others	December 31, 2023
Short-term borrowings	\$ 765,400	(202,318)	-	563,082
Lease liabilities	22,156	(9,103)	12,203	25,256
Bonds payable	-	395,820	(64,949)	330,871
Long-term borrowings	<u>1,000,000</u>	<u>(600,000)</u>	<u>-</u>	<u>400,000</u>
	<u>\$ 1,787,556</u>	<u>(415,601)</u>	<u>(52,746)</u>	<u>1,319,209</u>

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CELXPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	January 1, 2022	Cash flow	Non-cash changes Changes in lease payments and others	December 31, 2022
Short-term borrowings	\$ 1,361,323	(595,923)	-	765,400
Lease liabilities	16,852	(8,457)	13,761	22,156
Long-term borrowings	<u>650,000</u>	<u>350,000</u>	<u>-</u>	<u>1,000,000</u>
	<u>\$ 2,028,175</u>	<u>(254,380)</u>	<u>13,761</u>	<u>1,787,556</u>

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Inspire Stars Limited (Inspire)	Substance related party before November 4, 2022
Chou Yuan-Hsian	"

(b) Significant transactions with related parties

(i) Commission expense

The Group incurred commission expenses and commission payable at the end of the period through other related parties acting as intermediaries in the introduction or handling of related sales transactions. These were recorded as operating expenses and other payables, respectively. The details are as follows:

	<u>2023</u>	<u>2022</u>
Commission expense		
Other related parties- Inspire	\$ <u>-</u>	<u>89,218</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commission payable		
Other related parties- Inspire	\$ <u>-</u>	<u>-</u>

The aforementioned related party was related to the Group before November 4, 2022, and thus only related party transactions before that date were disclosed.

(Continued)

CELXPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Service fees

The Group engaged other related parties to provide services, and the details were as follows:

	<u>2023</u>	<u>2022</u>
Service fees (recognized as operating expenses)		
Other related parties	\$ <u>-</u>	<u>854</u>

The aforementioned related party was related to the Group before November 4, 2022, and thus only related party transactions before that date were disclosed.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Service fees payable (recognized as other payables)		
Other related parties	\$ <u>-</u>	<u>-</u>

(c) Transactions with key management personnel

Key management personnel compensation comprised of:

	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 18,948	19,365
Post-employment benefits	574	541
Share-based payments	<u>498</u>	<u>-</u>
	<u>\$ 20,020</u>	<u>19,906</u>

Please refer to note 6 (o) for the details of share-based payments.

(8) Pledged assets:None

(9) Commitments and contingencies:

As of December 31, 2023 and 2022, the Group has capital commitment for construction and equipment that are contracted but not yet paid for, amounting to \$69,252 and \$77,330, respectively.

(10) Losses due to major disasters:None.

(11) Subsequent events:None.

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CELXPRT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(12) Other:

- (a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	2023			2022		
		Cost of sale	Operating expense	Total	Cost of sale	Operating expense	Total
Employee benefits							
Salary		184,651	278,076	462,727	216,129	294,406	510,535
Labor and health insurance		10,719	24,178	34,897	11,514	23,283	34,797
Pension		16,743	15,031	31,774	17,932	14,619	32,551
Remuneration of directors		-	102	102	-	7,477	7,477
Others		153,713	17,922	171,635	274,633	20,841	295,474
Depreciation		99,893	69,191	169,084	117,963	69,154	187,117
Amortization		576	4,311	4,887	1,273	6,058	7,331

(13) Other disclosures:

- (a) Information on significant transactions:

The following were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the year ended December 31, 2023:

- (i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (note 3)	Maximum limit of fund financing (note 3)
													Item	Value		
0	The Company	Keelgo Energy	Other receivables	Yes	10,000	-	-	1%	2	-	Business turnover	-	None	-	248,495	496,990

Note 1: The numbering method is as follows:

- 1) 0 represents the parent company
2) 1 represents a subsidiary company

Note 2: 1) represents a party with business transactions.
2) represents the necessity of short-term financing.

Note 3: Under the “Operation Procedure for Fund Lending to Others” of the Company, the total amount of fund lending shall not exceed 20% of the net worth as stated in the Company's most recently audited or reviewed financial statements by the accountant. For companies or banks that required short-term financing from the Company, the amount of individual loans shall not exceed 10% of the net worth of the Company.

Note 4: The above-mentioned transactions have been eliminated during the preparation of the consolidated financial statements.

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CELPERT ENERGY CORPORATION AND SUBSIDIARIES
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(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars/foreign currencies)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Celpert (Kunshan)	sub-subsidiary	993,981	312,250 (US\$10,000)	307,050 (US\$10,000)	307,050 (US\$10,000)	-	12.36 %	993,981	Y	-	Y
0	The Company	Celpert (Nantong)	Sub-subsidiary	993,981	66,675 (CNY15,000)	-	-	-	- %	993,981	Y	-	Y
0	The Company	Keelgo Energy	Subsidiary	248,495	180,600	180,600	58,349	-	7.24 %	993,981	Y	-	-

Note 1: The total amount of endorsements and guarantees provided by the Company to third parties shall not exceed 40% of the latest net worth as reported in the financial statements. The maximum limit for endorsements and guarantees provided to a single enterprise, except for subsidiaries in which the Company directly or indirectly holds more than 90% of the ordinary shares, shall not exceed 40% of the current net worth. For all other enterprises, the maximum limit shall not exceed 10% of the latest net worth as reported in the financial statements.

Note 2: The endorser mentioned above are entities included in the consolidated financial statements.

Note 3: The USD is converted to NTD using the exchange rate of 30.705 at the end of the period, while the CNY is converted to NTD using the exchange rate of 4.327 at the end of the period.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Fair value	Shares/Units (thousands)	Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)					
The Company	TSMC 30-year USD corporate bonds	-	Current financial assets at fair value through other comprehensive income	-	30,321	-	30,321	6,000	- %		

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock:None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Celpert (Kunshan)	Subsidiary	Processing fee	560,467	10 %	Based on funding needs	Under the Company's pricing policies	Adjustment based on funding needs	Accounts payable (40,133)	(4)%	Notes 1,2
Celpert (Kunshan)	The Company	Parent company	(Processing income)	(560,467)	(100)%	"	"	"	Accounts receivable 40,133	100%	Note 2
The Company	Keelgo Energy	Subsidiary	(Sale)	(148,492)	(2) %	Note 3	No significant difference	No significant difference	Accounts receivable 20,641	1%	Note 2
Keelgo Energy	The Company	Parent company	Purchase	148,492	100 %	"	"	"	Accounts payable (20,641)	(100)%	Note 2

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CELXPRT ENERGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 1: The remaining balance is the net value of processing outsourced and sales of raw material.
 Note 2: The transactions listed on the left had been eliminated in the consolidated financial statements.
 Note 3: The credit period before September 1, 2023, was 120 days, and after September 1, 2023, it was changed to 60 days.

- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (note 1)	Allowance for bad debts
					Amount	Action taken		
The Company	Keelgo Energy	Subsidiary	107,993 (Note 2)	2.27	-		41,743	-

Note 1: Information as of March 5, 2024.

Note 2: Accounts receivable from related parties include transactions such as sales, processing income and constructions income.

- (ix) Trading in derivative instruments: Please refer to notes 6(j).
 (x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No. (note 1)	Name of company	Name of counter-party	Nature of relationship (note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	ASIL	The Company	2	Accounts receivable	97,044	Under the Company's pricing policies, adjustment based on funding needs	1.85%
0	The Company	ASIL	1	Accounts payable	97,044	"	1.85%
2	Celxpert(Kunshan)	The Company	2	Processing income	560,467	"	7.78%
2	Celxpert(Kunshan)	The Company	2	Accounts receivable	40,133	"	0.76%
0	The Company	Celxpert(Kunshan)	1	Operating cost	560,467	"	7.78%
0	The Company	Celxpert(Kunshan)	1	Accounts payable	40,133	"	0.76%
0	The Company	Keelgo Energy	1	Sales	148,492	Note 3	2.06%
0	The Company	Keelgo Energy	1	Processing income	37,258	"	0.52%
0	The Company	Keelgo Energy	1	Accounts receivable	107,993	"	2.05%
3	Keelgo Energy	The Company	2	Operating cost	148,492	"	2.06%
3	Keelgo Energy	The Company	2	Processing fee	37,258	"	0.52%
3	Keelgo Energy	The Company	2	Accounts payable	107,993	"	2.05%
0	The Company	Keelgo Energy	1	Other receivable	29,389	"	0.56%
0	The Company	Keelgo Energy	1	Operating cost	1,908	"	0.03%
0	The Company	Keelgo Energy	1	Sales expense	2,848	"	0.04%
3	Keelgo Energy	The Company	2	Operating revenues	4,756	"	0.07%

Note 1: The numbers filled in as follows:

1. 0 represents the Company.

2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Transactions labeled as follows:

1. represents transactions between the parent company and its subsidiaries.

2. represents transactions between the subsidiaries and the parent company.

3. represents transactions between the fellow subsidiaries.

Note 3: The credit period before September 1, 2023, was 120 days, and after September 1, 2023, it was changed to 60 days.

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CELXPART ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the year 2023 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars/foreign currencies)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest Percentage of ownership	Highest Percentage of ownership	Net income (losses) of investee	Share of profits(losses) of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value					
The Company	CHL	British Virgin Islands	Foreign investment holding	752,490	752,490	24,631	100.00 %	399,203	24,631	100.00 %	(125,649)	(112,725)	Subsidiary (Note 3)
"	Celxpert (Indonesia)	Indonesia	Manufacturing, processing, and sales of battery packs and power supply related products.	40,767	40,767	18	100.00 %	6,310	18	100.00 %	(4,238)	(4,238)	Subsidiary (Note 3)
"	Keelgo Energy	Taiwan	Research and development and trading of lithium battery packs, energy storage systems and others	158,290	158,290	8,600	85.15 %	98,926	8,600	85.15 %	5,624	4,789	Subsidiary (Note 3)
CHL	ASIL	British Virgin Islands	Import and export trade	1,535 (US\$50)	1,535 (US\$50)	50	100.00 %	97,580 (US\$3,178)	50	100.00 %	31 (US\$1)	Recognized by CHL	Subsidiary (Note 3)
"	CHK	Hong Kong	Foreign investment holding	436,625 (US\$14,220)	436,625 (US\$14,220)	14,220	100.00 %	105,287 (US\$3,429)	14,220	100.00 %	(90,411) (US\$(2,902))	-	"
"	CEIL	SAMOA	"	-	-	(note 1)	100.00 %	-	(note 1)	100.00 %	-	-	"
"	CPEI	"	"	307,050 (US\$10,000)	307,050 (US\$10,000)	10,000	100.00 %	193,104 (US\$6,289)	10,000	100.00 %	(36,015) (US\$(1,156))	-	"
Keelgo Energy	VoltaEdge Holdings Limited	British Virgin Islands	"	-	-	(note 1)	40.00 %	-	(note 1)	40.00 %	-	Recognized by Keelgo Energy	Associate

Note 1: The registration procedures have been completed, and no capital has been injected yet.

Note 2: The USD is converted to NTD using the exchange rate of 30.705 at the end of the period or the average exchange rate of 31.1548.

Note 3: The transactions listed on the left had been eliminated in the consolidated financial statements.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars/foreign currencies)

Name of investee	Main businesses and products	Total amount of surplus capital (note 2)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023 (note 2)	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023 (note 2)	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Highest Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow								
Celxpert (Kunshan)	Manufacturing and trading of battery parts and battery packs	Has been verified: 460,575 (US\$15,000)	Indirect investment through CHK	436,165 (US\$14,205)	-	-	436,165 (US\$14,205)	(90,411) (US\$(2,902))	100.00%	-%	100.00 %	(90,411) (US\$(2,902))	87,110 (US\$2,837)	-
Celxpert (Nantong)	Manufacturing and trading of battery parts and battery packs	Has been verified: 307,050 (US\$10,000)	Indirect investment through CPEI	307,050 (US\$10,000)	-	-	307,050 (US\$10,000)	(36,015) (US\$(1,156))	100.00%	-%	100.00 %	(36,015) (US\$(1,156))	193,104 (US\$6,289)	-
Celxpert (Changchun)	Business of recycling automotive batteries and electronic components	(Note 3)	Indirect investment through CEIL	-	-	-	-	-	-%	-%	-	-	-	-

(Continued)

CELXPRT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Limitation on investment in Mainland China:

Accumulated investment in Mainland China as of December 31, 2023	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment
743,215 (US\$24,205)	754,729 (US\$24,580)	1,490,972

Note 1: The investment gains or losses of the current period are recognized according to the financial statements which have been audited by the certified public accountant of Taiwan parent company.

Note 2: The USD amounts were converted into NTD using the balance sheet date exchange rate of 30.705 or the average exchange rate of 31.1548.

Note 3: The registration procedures have been completed, and no capital has been injected yet.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated during the preparation of consolidated financial statements, are disclosed in "Information on significant transactions" and "Business relationships and significant intercompany transactions".

(d) Information about major shareholders: None

(14) Segment information:

- (a) The Group has only one reportable battery packs segment, which is primarily engaged in the manufacturing, processing, and trading of battery packs and power supply related products. Therefore, the disclosure of operating segment information is not required.

(b) Product information

Please refer to note (6)(q) for the information of revenue from external customers

(c) Geographic information

The Group's geographic information where revenues are presented by customer location and non-current assets presented by location, were as follows:

- (i) Please refer to note (6)(q) for the information of revenue from external customers.

(ii) Non-current assets:

<u>Country</u>	<u>2023</u>	<u>2022</u>
Taiwan	\$ 224,061	241,728
Mainland China	397,345	502,174
Indonesia	198	280
Other	40	40
	<u>\$ 621,644</u>	<u>744,222</u>

(Continued)

CELXPERT ENERGY CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Non-current assets included property, plant and equipment, right-of-use assets, intangible assets, refundable deposits and other non-current assets; financial instruments, deferred tax assets and net defined benefit assets were not included .

(d) Information about major customers

Sales from external customers exceeded 10% of the total revenue in the consolidated statements of comprehensive income as follows:

	2023	2022
Company 1242	\$ 3,986,772	7,063,260
Company1000	844,656	841,300
Company1204	611,877	951,429
	\$ 5,443,305	8,855,989



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors of Celxpert Energy Corporation:

Opinion

We have audited the financial statements of Celxpert Energy Corporation("the Company"), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the financial report as follows:

1. Inventory valuation

Please refer to Note (4)(g) and Note 5 of the financial statements for the accounting policy of inventory valuation as well as the accounting estimates and assumptions uncertainty of the inventory valuation, respectively. Information regarding the inventory is disclosed in Note (6)(d) of the financial statements.

Description of key audit matter:

The inventory of the Company is measured at the lower of cost or net realizable value. Due to the customized nature of the contract manufacturing business, the risk of inventory obsolescence is heightened when the anticipated orders from customer are in excess of actual purchases. Therefore, the inventory impairment assessment is identified as a key matter in our audit of the financial statements of the Company.



Audit procedures:

Our principal audit procedures included: understanding the policy of the Company on the provision of allowance for impairment loss on inventory, assessing whether the provision has been provided in accordance with the established accounting policies, ng policies. In addition, assessing the amount of management's allowance for inventories, including verifying the accuracy of the inventory aging report through sampling tests, understanding the basis used by the management to determine net realizable values, and performing sampling tests, thereby verifying the accuracy of estimated inventory allowance valuation.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Hsin, Yu-Ting and Wang, I-Wen.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2024

Notes to Readers

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

The auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
CELXPERT ENERGY CORPORATION

Balance Sheets

December 31, 2023 and 2022
 (expressed in thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022			December 31, 2023		December 31, 2022		
	Amount	%	Amount	%		Amount	%	Amount	%	
Assets					Liabilities and Equity					
Current assets:					Current liabilities:					
1100 Cash and cash equivalents (note (6)(a))	\$	1,320,868	26.0	883,630	13.7	2100 Short-term borrowings (note (6)(i))	\$	378,852	7.5	
1120 Current financial assets at fair value through other comprehensive income (note (6)(b))		30,321	0.6	-	2130 Current contract liabilities (note (6)(r))		6,084	0.1		
1170 Accounts receivable, net (notes (6)(c) and (6)(r))		1,521,768	30.0	2,878,824	44.7	2170 Accounts payable		977,696	19.2	
1180 Accounts receivable due from related parties, net (notes (6)(c), (6)(r) and (7))					2180 Accounts payable to related parties (note (7))		137,177	2.7		
		107,993	2.1	22,695	0.4	2200 Other payables (note (7))		192,573	3.8	
1200 Other receivables (note (7))		58,406	1.1	5,325	0.1	2230 Current tax liabilities		55,056	1.1	
1310 Inventories (note (6)(d))		816,251	16.1	1,742,545	27.0	2280 Current lease liabilities (note (6)(l))		5,774	0.1	
1410 Prepayments		9,190	0.2	6,332	0.1	2300 Other current liabilities		55,710	1.1	
1470 Other current assets (note (8))		3,988	0.1	2,133	-		1,808,922	35.6	2,830,463	
1476 Other current financial assets (note (6)(a))		429,500	8.4	-						
		4,298,285	84.6	5,541,484	86.0	Non-current liabilities:				
Non-current assets:					2530 Bonds payable (note (6)(k))		330,871	6.5	-	
1510 Non-current financial assets at fair value through profit or loss (note (6)(k))		760	-	-	2540 Long-term borrowings (note (6)(j))		400,000	7.9	1,000,000	
1550 Investments accounted for using equity method (notes (6)(e) and (7))		504,439	9.9	621,646	9.7	2560 Non-current tax liabilities		50,267	1.0	
1600 Property, plant and equipment (note (6)(g))		186,682	3.7	214,278	3.3	2570 Deferred tax liabilities (note (6)(n))		628	-	
1755 Right-of-use assets (note (6)(h))		12,404	0.3	14,290	0.2	2580 Non-current lease liabilities (note (6)(l))		6,772	0.1	
1780 Intangible assets		1,787	-	966	-	2640 Non-current net defined benefit liabilities (note (6)(m))		1,018	-	
1840 Deferred tax assets (note (6)(n))		78,132	1.5	47,237	0.8		789,556	15.5	1,027,709	
1920 Refundable deposits		943	-	2,233	-		2,598,478	51.1	3,858,172	
1975 Non-current net defined benefit assets (note (6)(m))		-	-	1,513	-	Total liabilities				
		785,147	15.4	902,163	14.0	Equity attributable to owners of parent (notes (6)(k) and (6)(o)):				
		-	-	-	-	3110 Ordinary shares		883,059	17.4	
		-	-	-	-	3200 Capital surplus		860,717	16.9	
		-	-	-	-	3310 Legal reserves		378,829	7.5	
		-	-	-	-	3350 Unappropriated retained earnings		330,283	6.5	
		-	-	-	-	3400 Other equity interest		32,066	0.6	
		-	-	-	-	Total equity		2,484,954	48.9	
Total assets		\$	5,083,432	100.0	6,443,647	100.0	Total liabilities and equity		5,083,432	100.0

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

CELPERT ENERGY CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars , except for earnings per share)

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenues (notes (6)(r) and (7))	\$ 7,087,078	100.0	11,090,325	100.0
5110	Operating costs (notes (6)(d), (6)(m), (7) and (12))	<u>6,682,103</u>	<u>94.3</u>	<u>10,187,549</u>	<u>91.9</u>
	Gross profit from operations	404,975	5.7	902,776	8.1
5910	Less: Unrealized loss from sales	<u>121</u>	<u>-</u>	<u>-</u>	<u>-</u>
5900	Gross profit from operations, net	<u>404,854</u>	<u>5.7</u>	<u>902,776</u>	<u>8.1</u>
6000	Operating expenses (notes (6)(m), (6)(s), (7) and (12)):				
6100	Selling expenses	147,413	2.1	238,973	2.2
6200	Administrative expenses	176,622	2.5	200,481	1.8
6300	Research and development expenses	175,237	2.4	204,787	1.8
6450	Gains on reversal of expected credit losses (note (6)(c))	<u>(2,905)</u>	<u>-</u>	<u>(917)</u>	<u>-</u>
		<u>496,367</u>	<u>7.0</u>	<u>643,324</u>	<u>5.8</u>
6900	Net operating (loss) income	<u>(91,513)</u>	<u>(1.3)</u>	<u>259,452</u>	<u>2.3</u>
	Non-operating income and expenses:				
7100	Interest income	19,013	0.3	3,315	-
7190	Other income (note (6)(t))	6,635	0.1	31,611	0.3
7050	Finance costs (notes (6)(k) and (6)(l))	<u>(55,430)</u>	<u>(0.8)</u>	<u>(33,934)</u>	<u>(0.3)</u>
7630	Foreign exchange (losses) gains, net (note (6)(u))	<u>(3,150)</u>	<u>-</u>	<u>143,424</u>	<u>1.3</u>
7635	Losses on financial assets (liabilities) at fair value through profit or loss (note (6)(k))	<u>(3,680)</u>	<u>(0.1)</u>	<u>-</u>	<u>-</u>
7590	Other expenses (note (6)(l))	<u>(61,995)</u>	<u>(0.9)</u>	<u>(35,997)</u>	<u>(0.3)</u>
7070	Share of loss of subsidiaries, associates and joint ventures accounted for using equity method, net	<u>(112,174)</u>	<u>(1.6)</u>	<u>(79,069)</u>	<u>(0.7)</u>
		<u>(210,781)</u>	<u>(3.0)</u>	<u>29,350</u>	<u>0.3</u>
7900	(Loss) profit before tax	<u>(302,294)</u>	<u>(4.3)</u>	<u>288,802</u>	<u>2.6</u>
7950	Less: Income tax (benefit) expenses (note (6)(n))	<u>(31,647)</u>	<u>(0.5)</u>	<u>68,196</u>	<u>0.6</u>
8200	Net (loss) profit	<u>(270,647)</u>	<u>(3.8)</u>	<u>220,606</u>	<u>2.0</u>
8300	Other comprehensive (loss) income:				
8310	Items that will not be reclassified to profit or loss:				
8311	(Losses) gains on remeasurements of defined benefit plans (note (6)(m))	<u>(2,981)</u>	<u>-</u>	<u>2,977</u>	<u>-</u>
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(n))	<u>(596)</u>	<u>-</u>	<u>595</u>	<u>-</u>
		<u>(2,385)</u>	<u>-</u>	<u>2,382</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	<u>(5,028)</u>	<u>(0.1)</u>	<u>18,536</u>	<u>0.2</u>
8367	Unrealized losses from investments in debt instruments measured at fair value through other comprehensive income	<u>(1,777)</u>	<u>-</u>	<u>-</u>	<u>-</u>
8399	Less: Income tax related to components of other comprehensive income that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(6,805)</u>	<u>(0.1)</u>	<u>18,536</u>	<u>0.2</u>
8300	Other comprehensive (loss) income	<u>(9,190)</u>	<u>(0.1)</u>	<u>20,918</u>	<u>0.2</u>
8500	Total comprehensive (loss) income	<u>\$ (279,837)</u>	<u>(3.9)</u>	<u>241,524</u>	<u>2.2</u>
	Earnings per share (note (6)(q))				
9750	Basic (losses) earnings per share	<u>\$ (3.27)</u>		<u>2.75</u>	
9850	Diluted (losses) earnings per share	<u>\$ (3.27)</u>		<u>2.71</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
CELXPERT ENERGY CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022
(expressed in thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Legal reserves	Retained earnings		Other equity interest			
				Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized losses on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
				retained earnings	earnings				
Balance at January 1, 2022	\$ 803,059	640,924	325,092	716,634	1,041,726	20,335	-	20,335	2,506,044
Profit for the year ended December 31, 2022	-	-	-	220,606	220,606	-	-	-	220,606
Other comprehensive income for the year ended December 31, 2022	-	-	-	2,382	2,382	18,536	-	18,536	20,918
Total comprehensive income for the year ended December 31, 2022	-	-	-	222,988	222,988	18,536	-	18,536	241,524
Appropriation and distribution of retained earnings:									
Legal reserves appropriated	-	-	31,586	(31,586)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	(160,612)	(160,612)	-	-	-	(160,612)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(1,481)	(1,481)	-	-	-	(1,481)
Balance at December 31, 2022	803,059	640,924	356,678	745,943	1,102,621	38,871	-	38,871	2,585,475
Loss for the year ended December 31, 2023	-	-	-	(270,647)	(270,647)	-	-	-	(270,647)
Other comprehensive loss for the year ended December 31, 2023	-	-	-	(2,385)	(2,385)	(5,028)	(1,777)	(6,805)	(9,190)
Total comprehensive loss for the year ended December 31, 2023	-	-	-	(273,032)	(273,032)	(5,028)	(1,777)	(6,805)	(279,837)
Appropriation and distribution of retained earnings:									
Legal reserves appropriated	-	-	22,151	(22,151)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	(120,459)	(120,459)	-	-	-	(120,459)
Issuance of ordinary shares	80,000	131,200	-	-	-	-	-	-	211,200
Conversion of convertible bonds	-	84,201	-	-	-	-	-	-	84,201
Changes in ownership interests in a subsidiary	-	-	-	(18)	(18)	-	-	-	(18)
Share-based payments	-	4,392	-	-	-	-	-	-	4,392
Balance at December 31, 2023	\$ 883,059	860,717	378,829	330,283	709,112	33,843	(1,777)	32,066	2,484,954

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

CELPERT ENERGY CORPORATION

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
(Loss) profit before tax	\$ (302,294)	288,802
Adjustments:		
Adjustments to reconcile (loss) profit:		
Depreciation expense	46,649	52,367
Amortization expense	1,221	3,475
Gains on reversal of expected credit loss	(2,905)	(917)
Net loss on financial assets at fair value through profit or loss	3,680	-
Interest expense	55,430	33,934
Interest income	(19,013)	(3,315)
Share-based payments	4,274	-
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	112,174	79,069
Others	105	268
Total adjustments to reconcile (loss) profit	201,615	164,881
Changes in operating assets and liabilities:		
Decrease in accounts receivable	1,274,663	1,612,784
(Increase) decrease in other receivables	(52,000)	6,676
Decrease (increase) in inventories	926,294	(2,717)
(Increase) decrease in prepayments and other current assets	(4,713)	952
Decrease in current contract liabilities	(6,168)	(30,615)
Decrease in notes and accounts payable	(595,191)	(916,706)
Decrease in other payables and other current liabilities	(89,646)	(7,174)
Decrease in net defined benefit liabilities	(450)	(470)
Total changes in operating assets and liabilities	1,452,789	662,730
Cash inflow generated from operations	1,352,110	1,116,413
Interest received	17,932	3,315
Interest paid	(41,541)	(32,231)
Income taxes paid	(33,372)	(19,923)
Net cash flows from operating activities	1,295,129	1,067,574
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(32,098)	-
Acquisition of investments accounted for using equity method	-	(85,000)
Acquisition of property, plant and equipment	(11,490)	(58,169)
Decrease in refundable deposits	1,290	-
Acquisition of intangible assets	(2,042)	(448)
Increase in other current financial assets	(429,500)	-
Net cash flows used in investing activities	(473,840)	(143,617)
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	(263,708)	(608,043)
Proceeds from issuance of convertible corporate bonds	395,820	-
Proceeds from long-term borrowings	200,000	450,000
Repayments of long-term borrowings	(800,000)	(100,000)
Payment of lease liabilities	(6,904)	(7,150)
Cash dividends paid	(120,459)	(160,612)
Proceeds from issue of ordinary shares	211,200	-
Net cash flows used in financing activities	(384,051)	(425,805)
Net increase in cash and cash equivalents	437,238	498,152
Cash and cash equivalents at beginning of period	883,630	385,478
Cash and cash equivalents at end of period	\$ 1,320,868	883,630

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

CELXPART ENERGY CORPORATION

Notes to the Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Celxpert Energy Corporation (the “Company”), was incorporated on November 20, 1997 and registered under the Ministry of Economic Affairs, R.O.C.. The major business activities of the Company are manufacturing, processing and trading of battery packs and power supply related products for the 3C industry.

(2) Approval date and procedures of the financial statements:

These financial statements were authorized for issuance by the Board of Directors on March 15, 2024.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The Company has initially adopted the new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(Continued)

CELXPART ENERGY CORPORATION
Notes to the Financial Statements

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies:

The material accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

- (a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- (b) Basis of preparation

- (i) Basis of measurement

Except for the following significant accounts, the consolidated annual financial statements have been prepared on the historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value; and
- 3) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note (4)(o).

- (ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment. The financial statements are presented in New Taiwan Dollar (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(Continued)

CELXPRT ENERGY CORPORATION

Notes to the Financial Statements

(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currency using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currency using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to noncontrolling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(Continued)

CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The time deposits, bills and bonds sold under repurchase agreements which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Accounts receivable and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; or fair value through other comprehensive income (FVOCI) debt investment. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(Continued)

CELPERT ENERGY CORPORATION

Notes to the Financial Statements

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivables, refundable deposits and other financial assets), debt investments measured at FVOCI and contract assets.

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and

(Continued)

CELXPRT ENERGY CORPORATION

Notes to the Financial Statements

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable and contract assets are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 365 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;

(Continued)

CELXPERT ENERGY CORPORATION

Notes to the Financial Statements

- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

(Continued)

CELPERT ENERGY CORPORATION

Notes to the Financial Statements

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

5) Financial liabilities

Financial liabilities are classified as measured at FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

6) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or canceled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

(Continued)

CELXPRT ENERGY CORPORATION

Notes to the Financial Statements

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

7) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Investment in subsidiaries

When preparing the parent company only financial statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Under the equity method, the amount net income, other comprehensive income and equity attributable to shareholders of the Company in the parent company only financial statements, are equal to those in the consolidated financial statements.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(Continued)

CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- | | |
|--|--------------|
| 1) Buildings and construction | 1 ~ 31 years |
| 2) Machinery and equipment | 1 ~ 8 years |
| 3) Office and transportation equipment | 1 ~ 10 years |
| 4) The major components of plant and equipment included the main buildings of the plant, electromechanical equipment and elevator engineering. Those plant and equipment are depreciated according to their useful lives respectively. | |

Depreciation methods, useful lives, and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(j) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

(Continued)

CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

Lease payments included in the measurement of the lease liability comprise the following:

- 1) fixed payments; including in-substance fixed payments;
- 2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) amounts expected to be payable under a residual value guarantee; and
- 4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) there is a change in future lease payments arising from the change in an index or rate; or
- 2) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- 4) there is a change of its assessment on whether it will exercise a extension or termination option; or
- 5) there is any lease modifications.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of video equipment that have a lease term of 12 months or less. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(k) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

(Continued)

CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives of computer softwares are 2 years.

Amortization methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(l) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, deferred tax assets and assets arising from employee benefits) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(m) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(Continued)

CELXPERT ENERGY CORPORATION

Notes to the Financial Statements

(i) Warranties

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(n) Recognition of revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good to a customer. The accounting policies for the Company's main types of revenue are explained below.

1) Sale of goods

The Company is principally engaged in manufacturing and trading of battery packs and power supply related products for the 3C industry. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company offers trade discounts to its customers. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated trade discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected trade discounts payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

2) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(Continued)

CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

(Continued)

CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date which the Company confirms the number of shares subscribed by the employees.

(q) **Income taxes**

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

The Company has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction i) affects neither accounting nor taxable profits (losses) and ii) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

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CELXPRT ENERGY CORPORATION
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Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

The additional on unappropriated retained earnings is recognized as current tax expense in the following year after the earnings distribution plan is resolved by annual shareholders' meeting.

(r) Earnings per share

The Company discloses the basic and diluted earnings per share attributable to ordinary shareholders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares, such as distribution of employee's compensation in shares yet to be approved.

(s) Operating segments

The Company discloses the operating segments information in the consolidated financial statements. Therefore, the Company does not disclose the operating segments information in the parent company only financial statements.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

There are no significant judgments involved in the accounting policies that have significant effect on the amounts recognized in the financial statements.

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CELXPRT ENERGY CORPORATION
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The following accounting estimates and assumptions with uncertainty pose a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities within the next financial year, the related information as follows:

Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the valuation of inventories is mainly determined based on the future demand for products within a specific period. Due to the nature of industry, there may be differences in the valuation of inventories. Please refer to note (6)(d) for further details of the valuation of inventories.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Petty cash and cash on hand	\$ 359	1,155
Checking accounts and demand deposits	952,049	882,475
Time deposits	368,460	-
	\$ 1,320,868	883,630

As of December 31, 2023 and 2022, the time deposits with maturities over three months from the acquisition date amounted to \$429,500 and \$0, respectively. These time deposits are recorded as other current financial assets.

Please refer to note (6)(u) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Company.

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

	December 31, 2023	December 31, 2022
Debt investments at fair value through other comprehensive income:		
Corporate bonds	\$ 30,321	-

(i) Debt investments at fair value through other comprehensive income

The Company has assessed that the following securities were held within a business model whose objective was achieved by both collecting contractual cash flows and trading securities. Therefore, they have been classified as financial assets at fair value through other comprehensive income.

- 1) The Company acquired 30-year USD corporate bonds of Taiwan Semiconductor Manufacturing Co., Ltd (TSMC), with a consideration of \$32,098 in January 2023. The bonds have a coupon rate of 4.5%, with interest that is payable semi-annually, and will mature in April 2052.

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- (ii) For the credit risk and market risk, please refer to note (6)(u).
- (iii) As of December 31, 2023, the Company did not provide any financial assets at fair value through other comprehensive as collaterals for its loans.
- (c) Accounts receivable, net (including related parties)

	December 31, 2023	December 31, 2022
Accounts receivable (including related parties) - measured as amortized cost	\$ 1,629,839	2,904,502
Less: Loss allowance	<u>(78)</u>	<u>(2,983)</u>
	<u>\$ 1,629,761</u>	<u>2,901,519</u>

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for its receivables. In order to measure the expected credit losses, accounts receivable including related parties have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, included the experience of historical credit loss and reasonable forecast of future economic conditions. The loss allowances were determined as follows:

December 31, 2023			
Credit rating	Gross carrying amount	Weighted-average loss rate	Loss allowance
A	\$ 366,710	0.001%	4
B	1,146,431	0.005%	57
C	4,376	0.100%	4
D	<u>112,322</u>	0.012%	<u>13</u>
	<u>\$ 1,629,839</u>		<u>78</u>

December 31, 2022			
Credit rating	Gross carrying amount	Weighted-average loss rate	Loss allowance
A	\$ 405,646	0.001%	4
B	194,152	0.005%	10
C	2,097,517	0.100%	2,098
D	<u>207,187</u>	0.421%	<u>871</u>
	<u>\$ 2,904,502</u>		<u>2,983</u>

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CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

The aging analysis of accounts receivable (including related parties) was as follows:

	December 31, 2023	December 31, 2022
Current	\$ 1,629,726	2,818,364
1 to 30 days overdue	88	56,871
31 to 60 days overdue	25	29,267
	<u>\$ 1,629,839</u>	<u>2,904,502</u>

The movements in the allowance for impairment loss (including related parties) were as follows:

	2023	2022
Balance on January 1	\$ 2,983	3,900
Impairment loss reversed	(2,905)	(917)
Balance on December 31	<u>\$ 78</u>	<u>2,983</u>

As of December 31, 2023 and 2022, the Company did not provide any accounts receivable (including related parties) as collateral for its loans.

(d) Inventories

	December 31, 2023	December 31, 2022
Raw materials	\$ 336,593	840,038
Work in progress	23,875	47,924
Finished goods	455,783	854,583
	<u>\$ 816,251</u>	<u>1,742,545</u>

(i) For the years ended December 31, 2023 and 2022, the inventory cost recognized as operating costs and expenses amounted to \$6,651,560 and \$10,185,347, respectively.

(ii) For the years ended December 31, 2023 and 2022, the write-down of inventories due to inventories obsolescence and slow movings amounted to \$21,885 and \$2,015, respectively. In 2023 and 2022, the inventory related unallocated production overheads are both \$0. In 2023 and 2022, inventory obsolescence recognized amounted to \$8,658 and \$187, respectively. The aforementioned expenses had been recorded as operating costs.

(iii) As of December 31, 2023 and 2022, the Company did not provide any inventories as collateral for its loans.

(e) Investments accounted for using equity method

A summary of the Company's financial information for investments accounted for using equity method at the reporting date was as follows:

	December 31, 2023	December 31, 2022
Subsidiaries	<u>\$ 504,439</u>	<u>621,646</u>

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CELXPRT ENERGY CORPORATION
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- (i) Please refer to the consolidated financial statement for the year ended December 31, 2023.
- (ii) As of December 31, 2023 and 2022, the Company did not provide any investments accounted for using equity method as collaterals for its loans.
- (f) Changes in ownership interests in a subsidiary
- Keelgo Energy Co., Ltd issued additional ordinary shares in December 2022. As the Company did not acquire additional shares in accordance with its original shareholding percentage, the percentage of shareholding decreased from 100% to 85.15%, and a decrease in retained earnings amounting to \$1,481 was adjusted.
- (g) Property, plant and equipment

The movements of cost and depreciation of the property, plant and equipment of the Company for the years ended December 31, 2023 and 2022, were as follows:

		Land	Buildings and construction	Machinery and equipment	Office and transportation equipment	Construction in progress and equipment under test	Total
Cost:							
Balance on January 1, 2023	\$	46,636	217,387	301,489	22,096	14,547	602,155
Additions		-	-	9,512	2,492	113	12,117
Disposals		-	(6,016)	(17,507)	(910)	-	(24,433)
Reclassifications		-	-	6,401	-	(6,401)	-
Balance on December 31, 2023	\$	<u>46,636</u>	<u>211,371</u>	<u>299,895</u>	<u>23,678</u>	<u>8,259</u>	<u>589,839</u>
Balance on January 1, 2022	\$	46,636	212,416	285,203	37,401	17,937	599,593
Additions		-	4,971	32,433	5,081	8,020	50,505
Disposals		-	-	(27,263)	(20,386)	-	(47,649)
Reclassifications		-	-	11,116	-	(11,410)	(294)
Balance on January 1, 2022	\$	<u>46,636</u>	<u>217,387</u>	<u>301,489</u>	<u>22,096</u>	<u>14,547</u>	<u>602,155</u>
Depreciation:							
Balance on January 1, 2023	\$	-	116,648	257,001	14,228	-	387,877
Depreciation for the period		-	11,210	25,253	3,250	-	39,713
Disposals		-	(6,016)	(17,507)	(910)	-	(24,433)
Balance on December 31, 2023	\$	<u>-</u>	<u>121,842</u>	<u>264,747</u>	<u>16,568</u>	<u>-</u>	<u>403,157</u>
Balance on January 1, 2022	\$	-	105,987	251,930	32,122	-	390,039
Depreciation for the period		-	10,661	32,017	2,491	-	45,169
Disposals		-	-	(26,946)	(20,385)	-	(47,331)
Balance on December 31, 2022	\$	<u>-</u>	<u>116,648</u>	<u>257,001</u>	<u>14,228</u>	<u>-</u>	<u>387,877</u>
Carrying amount:							
Balance on December 31, 2023	\$	<u>46,636</u>	<u>89,529</u>	<u>35,148</u>	<u>7,110</u>	<u>8,259</u>	<u>186,682</u>
Balance on January 1, 2022	\$	<u>46,636</u>	<u>106,429</u>	<u>33,273</u>	<u>5,279</u>	<u>17,937</u>	<u>209,554</u>
Balance on December 31, 2022	\$	<u>46,636</u>	<u>100,739</u>	<u>44,488</u>	<u>7,868</u>	<u>14,547</u>	<u>214,278</u>

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As of December 31, 2023 and 2022, the property, plant and equipment of the Company had not been pledged as collateral or restricted.

(h) Right-of-use assets

The Company leases many assets including buildings and other equipment. Information about leases for which the Company as a lessee is presented below:

	<u>Buildings</u>	<u>Other equipment</u>	<u>Total</u>
Cost:			
Balance on January 1, 2023	\$ 18,439	7,051	25,490
Additions	2,422	2,628	5,050
Disposal	<u>(1,070)</u>	<u>(4,307)</u>	<u>(5,377)</u>
Balance on December 31, 2023	<u>\$ 19,791</u>	<u>5,372</u>	<u>25,163</u>
Balance on January 1, 2022	\$ 17,022	4,711	21,733
Additions	3,440	2,340	5,780
Disposal	<u>(2,023)</u>	<u>-</u>	<u>(2,023)</u>
Balance on December 31, 2022	<u>\$ 18,439</u>	<u>7,051</u>	<u>25,490</u>
Depreciation :			
Balance on January 1, 2023	\$ 6,619	4,581	11,200
Depreciation for the period	5,014	1,922	6,936
Disposal	<u>(1,070)</u>	<u>(4,307)</u>	<u>(5,377)</u>
Balance on December 31, 2023	<u>\$ 10,563</u>	<u>2,196</u>	<u>12,759</u>
Balance on January 1, 2022	\$ 3,445	2,580	6,025
Depreciation for the period	5,197	2,001	7,198
Disposal	<u>(2,023)</u>	<u>-</u>	<u>(2,023)</u>
Balance on December 31, 2022	<u>\$ 6,619</u>	<u>4,581</u>	<u>11,200</u>
Carrying amount:			
Balance on December 31, 2023	<u>\$ 9,228</u>	<u>3,176</u>	<u>12,404</u>
Balance on January 1, 2022	<u>\$ 13,577</u>	<u>2,131</u>	<u>15,708</u>
Balance on December 31, 2022	<u>\$ 11,820</u>	<u>2,470</u>	<u>14,290</u>

(i) Short-term borrowings

The details of short-term borrowings were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Credit loans	<u>\$ 378,852</u>	<u>642,560</u>
Unused credit lines	<u>\$ 3,694,153</u>	<u>3,088,958</u>
Range of interest rates	<u>1.95%~6.364%</u>	<u>0.75%~5.71%</u>

As of December 31, 2023 and 2022, the Company did not provide any assets as collaterals for its short-term borrowings.

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CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

(j) Long-term borrowings

The details of long-term borrowings were as follows:

	December 31, 2023	December 31, 2022
Unsecured bank loans	\$ 400,000	1,000,000
Less: Current portion	-	-
Total	<u>\$ 400,000</u>	<u>1,000,000</u>
Unused credit lines	<u>\$ 1,600,000</u>	<u>1,000,000</u>
Range of interest rates	<u>1.95%~2.28%</u>	<u>0.90%~2.0%</u>
Maturity period	<u>March 2025~ December 2025</u>	<u>March 2024~ November 2024</u>

(i) Additions or deductions of borrowings

The Company proceeded new loans amounting to \$200,000 and \$450,000 in 2023 and 2022, respectively. The repayment of long-term borrowings (including early settlement) amounted to \$800,000 and \$100,000 in 2023 and 2022, respectively.

(ii) The Company did not provide any assets as collaterals for its long-term borrowings.

(iii) For information on the Company's interest risk and liquidity risk, please refer to note (6)(u).

(k) Bonds payable

(i) The Company issued the third domestic unsecured convertible bonds at 100% of the par value, with a total amount of \$400,000 on June 2, 2023.

1) The main terms of the convertible bonds were as follows:

a) Interest rate : 0%

b) Duration : Three years (June 2, 2023 to June 2, 2026)

c) Terms of conversion:

i) The bondholders may request for conversion of the convertible bonds to the Company's ordinary shares, at any time between three months after the issuance date (September 3, 2023) and the maturity date (June 2, 2026), except for the following periods: 1. The period in which transfer of ordinary shares is suspended by the laws; 2. The period starts from 15 business days before the book closure date for issuance of the bonus shares, book closure date for cash dividends, book closure date for rights issue, to the record date for distribution of entitlements; 3. The period starts from the base date of capital reduction to the day before the reissuance of shares transacted after the capital reduction; 4. The period starts from the starting date of the suspension of conversion for the change of the share's par value to the date before the trading date of the reissuance of shares.

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CELPERT ENERGY CORPORATION

Notes to the Financial Statements

- ii) Conversion price: The conversion price was determined at NTD35 per share upon share issuance.
- d) Redemption method: The Company may redeem the bonds under the following conditions:
 - i) At any time between three months after the issuance date (September 3, 2023) and forty days before the maturity date (April 23, 2026), if the closing price of the Company's ordinary shares exceeds the current conversion price by 30% (inclusive) for consecutive thirty business days, the Company may redeem the bonds at the face value within the next thirty business days.
 - i) At any time between three months after the issuance date (September 3, 2023) and forty days before the maturity date (April 23, 2026), if the outstanding balance of the convertible bonds is less than 10% of the original issuance amount, the Company may call back the convertible bonds from the bondholders in cash at the face value of the bonds.
- (ii) The details of bonds payable were as follows:

	December 31, 2023
Total convertible bonds issued	\$ 400,000
Unamortized discounted bonds payable	<u>(69,129)</u>
Balance of bonds payable at the reporting date	<u>\$ 330,871</u>
Embedded derivative – call options, included in non-current financial assets at fair value through profit or loss	<u>\$ 760</u>
Equity component – conversion options, included in capital surplus– share options	<u>\$ 84,201</u>
	<u>2023</u>
Embedded derivative instruments – losses resulting from call option at fair value, included in losses on financial assets at fair value through profit or loss	<u>\$ 3,680</u>
Interest expense	<u>\$ 14,812</u>

- (iii) The Company separates the conversion option from liabilities and recognizes them as equity and liabilities, respectively. The relevant information was as follows:

The compound interest present values of the convertible bonds' face value at issuance	\$ 316,059
The embedded derivative assets at issuance – call option	(4,440)
The equity components at issuance	<u>84,201</u>
Total amount of bonds payable at issuance	<u>\$ 395,820</u>

(Continued)

CELPERT ENERGY CORPORATION
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The effective interest rate of the third convertible bonds was 8.1676%.

The relevant costs incurred for issuance of the abovementioned convertible bonds amounted to \$4,180, of which the costs were allocated to the liabilities and equity components in proportion to the relative fair values. The transaction costs related to liabilities amounted to \$3,301, which were amortized at the effective interest rate over the duration of the convertible bonds. The transaction costs related to the equity component of \$879 will not be remeasured after the initial recognition.

(l) Lease liabilities

The details of lease liabilities were as follows:

	December 31, 2023	December 31, 2022
Current	\$ <u>5,774</u>	<u>5,598</u>
Non-current	\$ <u>6,772</u>	<u>8,802</u>

For the maturity analysis, please refer to note (6)(u).

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest on lease liabilities	\$ <u>193</u>	<u>187</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>1,385</u>	<u>220</u>
Expenses relating to short-term leases	\$ <u>901</u>	<u>881</u>

The amounts recognized in the statements of cash flows for the Company were as follows:

	2023	2022
Total cash outflow for leases	\$ <u>9,383</u>	<u>8,438</u>

(i) Building leases

The Company leases buildings for its office space and car parks with the lease period of one to five years.

(ii) Other leases

The Company leases office equipment and transportation equipment with lease period of three to five years.

The Company also leases office equipment and video equipment with lease period of less than one year. These leases are short term leases or leases of low-value assets. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

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CELPERT ENERGY CORPORATION
Notes to the Financial Statements

(m) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligations at present value and plan assets at fair value were as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	\$ (9,223)	(8,287)
Fair value of plan assets	<u>8,205</u>	<u>9,800</u>
Net defined benefit (liabilities) assets	<u><u>\$ (1,018)</u></u>	<u><u>1,513</u></u>

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefit based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations of Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, the minimum earnings shall not less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$8,205 at the end of the reporting period. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in the present value of the defined benefit obligations

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

	2023	2022
Defined benefit obligations on January 1	\$ (8,287)	(11,090)
Current service costs and interest	(107)	(77)
Remeasurements on the net defined benefit (liabilities) assets	(3,047)	2,285
Benefits paid by the plan	<u>2,218</u>	<u>595</u>
Defined benefit obligations on December 31	<u><u>\$ (9,223)</u></u>	<u><u>(8,287)</u></u>

(Continued)

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3) Movements of fair value of plan assets

The movements in the fair value of the defined benefit plan assets were as follows:

	<u>2023</u>	<u>2022</u>
Fair value of plan assets on January 1	\$ 9,800	9,156
Expected return on plan assets	130	65
Remeasurements in netdefined benefit assets (liabilities)	66	692
Contributions paid by the employer	427	482
Benefit paid by the plan	<u>(2,218)</u>	<u>(595)</u>
Fair value of plan assets on December 31	<u><u>\$ 8,205</u></u>	<u><u>9,800</u></u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss were as follows:

	<u>2023</u>	<u>2022</u>
Net interest of net defined benefit assets (liabilities)	\$ <u>(23)</u>	<u>12</u>
Operating costs	\$ 9	3
Selling expenses	10	3
Administrative expenses	(54)	2
Research and development expenses	<u>12</u>	<u>4</u>
	<u><u>\$ (23)</u></u>	<u><u>12</u></u>

5) Remeasurements of net defined benefit plans that recognized in other comprehensive income

The remeasurements of net defined benefit plans that recognized in other comprehensive income were as follows:

	<u>2023</u>	<u>2022</u>
Balance on January 1	\$ (3,557)	(6,534)
Recognized during the period	<u>(2,981)</u>	<u>2,977</u>
Balance on December 31	<u><u>\$ (6,538)</u></u>	<u><u>(3,557)</u></u>

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate	1.28 %	1.29 %
Future salary increase rate	1.50 %	1.50 %

(Continued)

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The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date amounted to \$424.

The weighted-average lifetime of the defined benefit plan is 2 years.

7) Sensitivity analysis

If the key actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of the defined benefit obligation	
	Increased 0.25%	Decreased 0.25%
December 31, 2023		
Discount rate	\$ (134)	137
Future salary increasing rate	114	(112)
December 31, 2022		
Discount rate	(133)	136
Future salary increasing rate	115	(113)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions remain constant, would have affected the defined benefit obligations by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of the net defined benefit liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

(ii) Defined contribution plans

The Company allocate 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company allocate a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The Company recognized the pension costs incurred from the contributions to the Bureau of Labor Insurance amounted to \$13,252 and \$13,029 for the years ended December 31, 2023 and 2022, respectively.

(Continued)

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(n) Income taxes

(i) Income tax expenses

- 1) The details of income tax (benefits) expenses for the years ended December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Current tax expense		
Current period	\$ -	99,700
Additional tax on unappropriated retained earnings	-	3,071
Adjustment for prior periods	<u>(1,438)</u>	<u>(2,167)</u>
	<u>(1,438)</u>	<u>100,604</u>
Deferred tax benefits		
Origination and reversal of temporary differences	<u>(30,209)</u>	<u>(32,408)</u>
Income tax (benefits) expenses	<u>\$ (31,647)</u>	<u>68,196</u>

- 2) The amounts of income tax (benefits) expenses recognized in other comprehensive income for the years ended December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Items that will not be reclassified to profit or loss:		
(Losses) gains on remeasurement of defined benefit plans	<u>\$ (596)</u>	<u>595</u>

- 3) Reconciliations of income tax (benefits) expenses and (loss) profit before tax for 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
(Loss) profit before tax	\$ (302,294)	288,802
Income tax using local tax rate of the Company	\$ (60,459)	57,760
Over provision in prior periods	(1,438)	(2,167)
Change in unrecognized temporary differences	23,392	15,868
Impairment loss on investments in domestic companies	-	(10,590)
Net gains or losses from domestic investments accounted using the equity method	(958)	(54)
Additional tax on unappropriated retained earnings	-	3,071
Non-deductible expenses	3,698	-
Others	<u>4,118</u>	<u>4,308</u>
	<u>\$ (31,647)</u>	<u>68,196</u>

(Continued)

CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets(liabilities)

The Company is able to control the timing of the reversal of the part of temporary differences associated with investments in subsidiaries as at December 31, 2023 and 2022. Also, management believed that the temporary differences will not be reversed in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax assets (liabilities). Details were as follows:

	December 31, 2023	December 31, 2022
Aggregate amount of temporary differences related to		
investments in subsidiaries	\$ <u>429,763</u>	<u>312,800</u>
Unrecognized deferred tax assets	\$ <u>85,953</u>	<u>62,561</u>

2) Recognized deferred tax assets and liabilities

Changes in the amounts of deferred tax assets and liabilities for the years ended December 31, 2023 and 2022 were as follows:

	Defined benefit plans	Unrealized exchange gains and others	Total
Deferred tax liabilities:			
Balance at January 1, 2023	\$ 538	-	538
Recognized in profit or loss	<u>90</u>	<u>-</u>	<u>90</u>
Balance at December 31, 2023	\$ <u>628</u>	<u>-</u>	<u>628</u>
Balance at January 1, 2022	\$ 444	17,755	18,199
Recognized in profit or loss	<u>94</u>	<u>(17,755)</u>	<u>(17,661)</u>
Balance at December 31, 2022	\$ <u>538</u>	<u>-</u>	<u>538</u>

(Continued)

CELXPRT ENERGY CORPORATION
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	<u>Inventory obsolescence</u>	<u>Losses deductible</u>	<u>Unrealized exchange losses and others</u>	<u>Total</u>
Deferred tax assets:				
Balance at January 1, 2023	\$ 30,742	-	16,495	47,237
Recognized in profit or loss	4,377	28,862	(2,940)	30,299
Recognized in other comprehensive income	-	-	596	596
Balance at December 31, 2023	<u>\$ 35,119</u>	<u>28,862</u>	<u>14,151</u>	<u>78,132</u>
Balance at January 1, 2022	\$ 30,339	-	2,746	33,085
Recognized in profit or loss	403	-	14,344	14,747
Recognized in other comprehensive income	-	-	(595)	(595)
Balance at December 31, 2022	<u>\$ 30,742</u>	<u>-</u>	<u>16,495</u>	<u>47,237</u>

- (iii) The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. As of December 31, 2023, the information of the Company's unused tax losses for which deferred tax assets were recognized was as follows:

<u>Year of loss</u>	<u>Deductible amount</u>	<u>Expiry year</u>
2023 (Estimated)	\$ <u>144,310</u>	2033

- (iv) The Company's tax returns for the years through 2020 was assessed by the Taipei National Tax Administration.
- (o) Capital and other equity
- (i) Ordinary shares

As of December 31, 2023 and 2022, the Company's authorized ordinary shares consisted of 150,000 thousand shares with a par value of NTD10 per share amounted to \$1,500,000 of which 88,306 thousand and 80,306 thousand shares were issued, respectively. All the shares issued were paid upon issuance.

On March 10, 2023, the Company resolved by the Board of Directors to issue 8,000 thousand new shares with a par value of NTD10 per share. The new shares were issued at NTD26.4 per share, and total fund raising amounted to \$211,200. 15% of the total number of shares issued was reserved for the employees' subscription, with September 12, 2023, as the base date for the capital increase, the relevant statutory registration procedures have been completed, and all issued shares were paid up upon issuance.

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CELXPRT ENERGY CORPORATION
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(ii) Capital surplus

The details of capital surplus of the Company were as follows:

	December 31, 2023	December 31, 2022
Additional paid-in capital	\$ 723,600	592,400
Issuance of shares reserved for employee subscription	4,392	-
Capital surplus from redemption of convertible bonds- treasury shares	46	46
Capital surplus from the recognition of equity items related to the buyback of convertible bonds	48,478	48,478
Issuance of convertible bonds	<u>84,201</u>	<u>-</u>
	<u>\$ 860,717</u>	<u>640,924</u>

In accordance with the R.O.C. Company Act, realized capital surplus can only be distributed as share capital or distributed as cash dividends to the shareholders in proportion to their original shareholdings after offsetting losses. The aforementioned capital surplus includes share premiums and earnings from donated assets received. In accordance with the Securities Offering and Issuance Guidelines, the amount of capital surplus to be reclassified under share capital shall not exceed 10 percent of the actual share capital amount.

The capital surplus recognized as an equity item as a result of the issuance of convertible bonds by the Company is not included in the capital surplus items stipulated in Article 241 of the Company Act and cannot be used for capital increase according to the law.

As of December 31, 2023 and 2022, in accordance with the stipulated in Article 241 of the Company Act, the realized capital surplus that the Company shall be used for share issuance or cash dividends distribution amounted to \$727,992 and \$592,400, respectively.

(iii) Retained earnings

In accordance with the Company's Articles of Incorporation, if there are earnings in the annual financial statements of the Company, the Director's remuneration and employee benefits shall be provided first, and after being approved for distribution by the Board of Directors, the income taxes and donations shall be paid, and then set aside the legal reserves at 10% of the remaining earnings. However, if the accumulated legal reserves equal to the Company's paidin capital, this limit shall not apply. In addition, a special reserve of the same amount as the reduction in shareholders' equity items that occurred in the current year shall be allocated. When the reduction in shareholders' equity items is reversed, a portion of it may be transferred to the current year's earning distribution. If there are still earnings, along with undistributed earnings accumulated from the previous year, the Board of Directors shall prepare a proposal for profit distribution, and when issuing new shares, it shall be submitted to the shareholders' meeting for approval of distribution.

(Continued)

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In accordance with the provisions of Paragraph 5 of Article 240 of the Company Law, the Company authorized the Board of Directors to distribute all or part of the dividends and bonuses or all or part of the legal reserves and capital surplus as stipulated in Paragraph 1 of Article 241 of the Company Law in the form of cash distribution with the presence of more than two-thirds of the directors and the resolution of more than half of the directors, and report to the shareholders' meeting.

The industry to which the Company belongs is currently in a growth stage. The dividend distribution policy should take into account factors such as the Company's current and future investment environment, capital requirements, domestic and international competition, and capital budgeting, while considering shareholders' interests, balancing dividends, and the Company's long-term financial planning. The Board of Directors shall formulate a distribution proposal each year under the law and report to the shareholders' meeting. The Company may consider factors such as financial, business, and operational performance when determining the dividend distribution. If the Company has earnings available for distribution in the current year, the general principle is to allocate an amount not less than 30% of the current year net profit after tax for dividends, and the cash dividends to be distributed are expected to account for at least 50% of the dividends payable to shareholders.

1) Legal reserves

When a company incurs no loss, it may, in pursuant to a resolution to be adopted by the shareholders' meeting as required, distribute its legal reserves by issuing new shares or by distributing cash dividends to shareholders, and only the portion of the legal reserves which exceeds 25% of the paid-in capital may be distributed.

2) Special reserves

In accordance with the Ruling issued by the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the currentperiod total net reduction of other shareholder's equity. A portion of undistributed priorperiod earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

On March 10, 2023 and March 4, 2022, the earnings distribution plan on cash dividends for the years ended 2022 and 2021 were resolved by the Board of Directors' meetings, respectively. On June 15, 2023 and June 15, 2022, the distribution of other earnings for the years ended 2022 and 2021 were resolved by the shareholders' meeting, respectively.

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CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

The relevant earnings distributions to shareholders were as follows:

	2022		2021	
	Amount per share (NTD)	Total amount	Amount per share (NTD)	Total amount
Dividends distributed to ordinary shareholders				
Cash	\$ 1.5	<u>120,459</u>	2.0	<u>160,612</u>

On March 15, 2024, the Company resolved by the Board of Directors' that the Company had a net loss after tax in 2023 and did not intend to distribute cash dividends.

The related information of the earnings distribution for the year ended December 31, 2023, can be accessed through the Market Observation Post System website.

(p) Share-based payment

On March 10, 2023, the Company issued new shares through the resolution of the Board of Directors to increase capital in cash, reserving 15% of the new shares, amounting to 1,200 thousand shares, to be preemptively subscribed by the employees, and the actual number of shares subscribed by the employees was 1,112 thousand shares.

	2023.12.31
	Issuance of shares reserved for employee subscription
Grant date	August 10, 2023
Number of shares granted	1,112 thousand shares
Recipients	Restricted to the employees of the Company and its subsidiaries
Vesting conditions	Instantly vested

(i) Fair value at grant date

The fair value of the share-based payment at the grant date were as follows:

	August 20, 2023
	Issuance of shares reserved for employee subscription
Fair value at grant date	NTD 6.75
Share price at grant date	NTD 33.15
Exercise price	NTD 26.4
Expected life (years)	Instantly vested

- (ii) In 2023, the expenses incurred by the Company due to the payment of shares were \$4,274 for share-based payment, the capital reserve was \$4,392, and the total amount of equity method investment and capital reserve adjustment arising from the subscription by employees of subsidiaries was \$118.

(Continued)

CELXPRT ENERGY CORPORATION
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(q) Earnings per share

(i) Basic (losses) earnings per share

The calculation of basic earnings per share was based on the net (loss) profit attributable to ordinary shareholders of the Company and the weighted-average number of outstanding ordinary shares . The relevant calculations were as follows:

1) (Loss) profit attributable to ordinary shareholders of the Company

	<u>2023</u>	<u>2022</u>
(Loss) profit attributable to ordinary shareholders of the Company	\$ <u>(270,647)</u>	<u>220,606</u>

2) Weighted-average number of outstanding ordinary shares (in thousands)

	<u>2023</u>	<u>2022</u>
Weighted-average number of outstanding ordinary shares (in thousands)	<u>82,739</u>	<u>80,306</u>

	<u>2023</u>	<u>2022</u>
3) Basic (losses) earnings per share	\$ <u>(3.27)</u>	<u>2.75</u>

(ii) Diluted (losses) earnings per share

The calculation of the diluted earnings per share was based on the net (loss) profit attributable to ordinary shareholders of the Company after the adjustment of potential dilutive ordinary shares and the weighted average number of outstanding ordinary shares. The relevant calculations were as follows:

1) Profit attributable to ordinary shareholders of the Company (diluted)

	<u>2023</u>	<u>2022</u>
Profit attributable to ordinary shareholders of the Company (diluted)	\$ <u>(270,647)</u>	<u>220,606</u>

2) Weighted-average number of outstanding ordinary shares(diluted) (in thousands)

	<u>2023</u>	<u>2022</u>
Weighted-average number of outstanding ordinary shares (basic) (in thousands)	82,739	80,306
Effect of employee share compensations	-	1,130
Effect of conversion of convertible bonds	-	-
Weighted-average number of outstanding ordinary shares (diluted) (in thousands)	<u>82,739</u>	<u>81,436</u>

(Continued)

CELPERT ENERGY CORPORATION
Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
3) Diluted (losses) earnings per share	\$ <u>(3.27)</u>	<u>2.71</u>

The Company was in net loss after tax position for the year ended 2023, there was no ordinary shares with potential dilutive effect.

(r) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2023</u>	<u>2022</u>
Primary geographical markets:		
Taiwan	\$ 1,491,223	1,680,655
China	4,948,038	8,558,801
Others	<u>647,817</u>	<u>850,869</u>
	<u>\$ 7,087,078</u>	<u>11,090,325</u>
Major products:		
Lithium battery packs	\$ 7,062,304	11,023,249
Others	<u>24,774</u>	<u>67,076</u>
	<u>\$ 7,087,078</u>	<u>11,090,325</u>

(ii) Contract balances

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Accounts receivable (including related parties)	\$ 1,629,839	2,904,502	4,517,286
Less: Loss allowance	<u>(78)</u>	<u>(2,983)</u>	<u>(3,900)</u>
	<u>\$ 1,629,761</u>	<u>2,901,519</u>	<u>4,513,386</u>
Contract liabilities-Advance receipts	<u>\$ 6,084</u>	<u>12,252</u>	<u>42,867</u>

For the details of accounts receivable and loss allowance, please refer to note (6)(c).

The amount of revenue recognized for the years ended December 31, 2023 and 2022 that were included in the contract liabilities balances at the beginning of the period were \$6,421 and \$31,774, respectively.

The movements in balances of contract assets and contract liabilities mainly arise from the timing difference between the satisfaction of performance obligations upon the transfer of goods or services and the receipt of collection.

(Continued)

CELXPRT ENERGY CORPORATION
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(s) Remuneration of employees and directors

In accordance with the articles of the Company, if the Company is making profit for the year, the Company should appropriate 3%~12% as remuneration to employees and remuneration to directors not exceeding 3%. However, if the Company has accumulated deficits, the profits shall first be offset against any deficit. The aforementioned employees include those in the subsidiaries who meet specific conditions and distribution methods were formulated by the Board of Directors.

The Company had net loss before tax in 2023, there was no provisions of remunerations of employees and directors. The provisions of remuneration of employees and directors in 2022 was \$32,908 and \$7,372, respectively, which was estimated on the basis of the amount of the Company's net profit before tax excluding employees' and directors' remuneration for each period multiplied by the distribution ratio of employees' and directors' remuneration as stipulated in the Articles of Association of the Company. The provisions were recognized as operating expenses in 2023 and 2022.

The amounts, as stated in the financial statements are identical to those of the actual distributions for 2023 and 2022. The related information can be accessed through the Market observation Post System website.

(t) Other income or expenses

(i) The other income in 2023 and 2022 were as follows:

	2023	2022
Disposal of slow moving materials	\$ 2,966	19,673
Gain on write-off of overdue payables benefit	-	9,010
Others	3,669	2,928
	\$ 6,635	31,611

(ii) The other expenses in 2023 and 2022 were as follows:

	2023	2022
Compensation losses	\$ 61,971	35,976
Others	24	21
	\$ 61,995	35,997

(u) Financial instruments

(i) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(Continued)

CELXPRT ENERGY CORPORATION
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2) Concentration of credit risk

The Company's customers are concentrated in the majority of high-tech computer industry customers. In order to reduce the credit risk of accounts receivable, the Company continuously evaluates the financial status of customers, and will require the customers to provide guarantees or guarantees when necessary. The Company regularly assesses the likelihood of accounts receivable to be collected and provides allowances for

impairment loss, and loss allowance is always within the expectations of management. 76% and 79% of the Company's accounts receivable balances as at December 31, 2023 and 2022, respectively, were contributed by two major customers, resulting the Company exposed to a significant concentration of credit risk.

3) Credit risks of receivables and debt securities

For credit risk exposure of accounts receivable, please refer to note (6)(c).

Financial assets measured at amortized cost, including other receivables and time deposits are considered to have low risk, and thus, the provisions of allowance for impairment loss during the period was limited to 12 months expected credit losses (regarding how the financial instruments are considered to have low credit risk, please refer to note (4)(g)).

As the counter parties and the performing parties of the Group's bank deposits and fixed income investments are banks with good credits or financial institutions with investment grade and above, these are considered to have low credit risk.

The movements in the loss allowance for the years ended December 31, 2023 and 2022 were as follows:

	Other receivables	
	2023	2022
Balance on December 31 (same as balance on January 1)	\$ 2,261	2,261

(Continued)

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Notes to the Financial Statements

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments:

	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 ~ 5 years</u>
December 31, 2023			
Non-derivative financial liabilities:			
Short-term borrowings	\$ (383,859)	(383,859)	-
Accounts payable (including related parties)	(1,114,873)	(1,114,873)	-
Other payables	(192,573)	(192,573)	-
Lease liabilities (including current portion)	(12,735)	(5,899)	(6,836)
Long-term borrowings	(414,409)	(8,501)	(405,908)
Bonds payable	<u>(400,000)</u>	<u>-</u>	<u>(400,000)</u>
	<u>\$ (2,518,449)</u>	<u>(1,705,705)</u>	<u>(812,744)</u>
December 31, 2022			
Non-derivative financial liabilities:			
Short-term borrowings	\$ (647,275)	(647,275)	-
Accounts payable (including related parties)	(1,710,064)	(1,710,064)	-
Other payables	(279,409)	(279,409)	-
Lease liabilities (including current portion)	(14,646)	(5,731)	(8,915)
Long-term borrowings	<u>(1,034,467)</u>	<u>(19,056)</u>	<u>(1,015,411)</u>
	<u>\$ (3,685,861)</u>	<u>(2,661,535)</u>	<u>(1,024,326)</u>

The Company does not expect that the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

(iii) Currency risk

1) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk was as follows:

		December 31, 2023			December 31, 2022		
		Foreign currency (in thousands)	Exchange rate	TWD	Foreign currency (in thousands)	Exchange rate	TWD
Financial assets:							
Monetary items							
USD	\$	72,159	USD/NTD =30.705	2,215,642	102,106	USD/NTD =30.71	3,135,675
Financial liabilities:							
Monetary items							
USD		43,596	USD/NTD =30.705	1,338,615	79,613	USD/NTD =30.71	2,444,915

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, financial assets at fair value through other comprehensive income, short-term borrowings, accounts payable, and other payables that are denominated in foreign currencies. Assuming all other variable factors remain constant, a strengthening (weakening) 5% of appreciation (depreciation) of the each major foreign currency against the Company's functional currency as of December 31, 2023 and 2022, would have increased (decreased) the net profit before tax as follows. The analysis is performed on the same basis for both periods.

	2023	2022
USD (against the NTD)		
Strengthening 5%	\$ 43,851	34,538
Weakening 5%	(43,851)	(34,538)

3) Foreign exchange gains and losses on monetary items

For the years ended December 31, 2023 and 2022, the net foreign exchange gains (losses), including both realized and unrealized, amounted to \$(3,150) and \$143,424, respectively.

(Continued)

CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

(iv) Interest rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	<u>Carrying amount</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Variable rate instruments:		
Financial assets	\$ 951,603	882,008
Financial liabilities	<u>(778,852)</u>	<u>(1,430,802)</u>
	<u><u>\$ 172,751</u></u>	<u><u>(548,794)</u></u>

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest risk on the nonderivative financial instruments at the reporting date. Regarding the assets and liabilities with variable interest rates, the analysis is based on the assumption that the amount of assets and liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Company management's assessment for the reasonably possible interest rate change.

Assuming the interest rate increases or decreases by 0.25% and all other variables remain constant, our profit before tax for the year 2023 and 2022 will decrease or increase by \$432 and \$1,372, respectively. This is primarily due to the Company's demand deposits and bank borrowings with variable interest rates.

(v) Fair value information

1) Types and fair value of financial instruments

The Company's financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income are measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, the disclosure of fair value information is not required :

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December 31, 2023					
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss:					
Derivative financial instruments- convertible bonds- embedded derivatives	\$ 760	-	-	760	760
Financial assets at fair value through other comprehensive income:					
Domestic bonds	30,321	-	30,321	-	30,321
Financial assets at amortized cost:					
Cash and cash equivalents	\$ 1,320,868	-	-	-	-
Accounts receivables, net (including related parties)	1,629,761	-	-	-	-
Other receivables	58,406	-	-	-	-
Refundable deposits	943	-	-	-	-
Other current financial assets	429,500	-	-	-	-
	<u>\$ 3,470,559</u>				
Financial liabilities measured at amortized cost:					
Short-term borrowings	\$ 378,852	-	-	-	-
Accounts payable (including related parties)	1,114,873	-	-	-	-
Other payables	192,573	-	-	-	-
Bonds payable	330,871	-	-	377,640	377,640
Lease liabilities (including current portion)	12,546	-	-	-	-
Long-term borrowings	400,000	-	-	-	-
	<u>\$ 2,429,715</u>				

(Continued)

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Notes to the Financial Statements

		December 31, 2022				
		Book value	Fair Value			Total
			Level 1	Level 2	Level 3	
Financial assets at amortized cost:						
Cash and cash equivalents	\$	883,630	-	-	-	-
Accounts receivable (including related parties)		2,901,519	-	-	-	-
Other receivables		5,325	-	-	-	-
Refundable deposits		<u>2,233</u>	-	-	-	-
	\$	<u><u>3,792,707</u></u>				
Financial liabilities measured at amortized cost:						
Short-term borrowings	\$	642,560	-	-	-	-
Accounts payable (including related parties)		1,710,064	-	-	-	-
Other payables		279,409	-	-	-	-
Lease liabilities (including current portion)		14,400	-	-	-	-
Long-term borrowings		<u>1,000,000</u>	-	-	-	-
	\$	<u><u>3,646,433</u></u>				

2) Valuation technique for financial instruments measured at fair value

a) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

b) Derivative financial instruments are evaluated based on evaluation models widely accepted by market users, such as binomial options pricing models.

3) There were no transferring from each level in the fair value hierarchy for the years ended December 31, 2023 and 2022.

(Continued)

CELXPRT ENERGY CORPORATION
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4) Reconciliation of Level 3 fair value

	Fair value through profit or loss <u>Derivative financial assets- convertible bonds</u>
Balance on January 1, 2023	\$ -
Issuance	4,440
Total profit or loss	
Recognized in profit or loss	<u>(3,680)</u>
Balance on December 31, 2023	<u>\$ 760</u>

The aforementioned total losses were recognized in “ losses on financial assets (liabilities) at fair value through profit or loss”. The details of the assets which the Company held as of December 31, 2023 were as follows:

	<u>2023</u>
Total gains or losses	
Recognized in profit or loss (recorded as losses on financial assets (liabilities) at fair value through profit or loss)	<u>\$ (3,680)</u>

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company’s financial instruments that use Level 3 inputs to measure fair value include “ Financial assets at fair value through other comprehensive income - call option of convertible bonds”.

Most of the fair value measurements of the Company categorized within Level 3 used single significant unobservable input.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fairvalue through profit or loss – call options of convertible bonds	Binomial convertible bonds pricing models	Volatility of 22.2% on December 31, 2023	The higher the volatility is, the higher the fair value will be.

(Continued)

CELXPRT ENERGY CORPORATION

Notes to the Financial Statements

- 6) Fair value measurements in Level 3 - sensitivity analysis of reasonably possible alternative assumptions For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

	<u>Input value</u>	<u>Increase or decrease</u>	<u>Impacts of fair value change on profit or loss</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
December 31, 2023				
Financial assets at fair value through profit or loss-	Volatility	5%		
call options of convertible bonds			\$ <u>480</u>	<u>760</u>

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(v) Financial risk management

(i) Overview

The Company has exposure to the following risks from its financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statements.

(ii) Structure of risk management

The Company's finance management department provide business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations. The Company minimizes the risk exposure through natural hedges. The Board of Directors regulated the use of financial instruments in accordance with the Company's policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Company continue with the review of the amount of the risk exposure in accordance with the Company's policy and the risk management policies and procedures. The Company has no transactions in financial instruments for the purpose of speculation.

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CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

1) Accounts receivable and other receivables

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and, in some cases bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval from the president, and are reviewed periodically. Customers that fail to meet the Company's benchmarked creditworthiness may transact with the Company only on a prepayment basis.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. The Company's customers are mainly from the high-tech industry. In order to mitigate accounts receivable credit risk, the Company constantly assesses the financial status of the customers, and requests the customers to provide guarantee or security if necessary. The Company regularly accesses the collectability of accounts receivable and recognizes allowance for impairment loss. The impairment losses are always within management's expectation.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are individuals or corporate entities; whether they are dealers, retailers or end customers; geographic regions, industries, account ages, due dates, and past financial difficulties. Customers that are graded as "high risk" are placed on a restricted customer list and transact with the Company only on a prepayment basis.

The Company set the allowance for impairment loss account to reflect the estimated losses for accounts receivable and other receivables and investment. The allowance for impairment loss account consists of specific losses relating to individually significant exposure and the unrecognized losses arising from similar assets groups. The allowance for impairment loss account is based on historical collection record of similar financial assets.

2) Investments

The credit risks of the bank deposits, fixed income investments, and other financial instruments are measured and monitored by the Company's finance department. Since the Company's transaction counterparties and contractually obligated counterparties are banks, financial institutes and corporate organizations with good credits, there are no compliance issues, and therefore no significant credit risk.

(Continued)

CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

3) Guarantees

The Company's policy is to only provide financial guarantees only to its subsidiaries. Please refer to note (7) and (13)(a) for information of guarantees and endorsements to subsidiaries as of December 31, 2023 and 2022.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities which be settled by delivering cash or another financial asset.

The Company manages and maintains sufficient cash and cash equivalents to support its operations and mitigate the effects of fluctuations in cash flows. The Company's management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

Loans and borrowings from the bank are essential source of liquidity for the Company. Please refer to notes (6)(i) and (6)(j) ffor the unused credit lines of bank borrowings as of December 31, 2023 and 2022.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of the Company, primarily the New Taiwan Dollars (NTD). The currencies used in these transactions are denominated in New Taiwan Dollars (NTD), US Dollars (USD) and Chinese Yuan (CNY).

The Company hedges accounts receivable and accounts payable denominated in a foreign currency. The Company uses forward exchange contracts to hedge its currency risk, with a maturity of less than one year from the reporting date.

2) Interest rate risk

The Company borrows funds on variable interest rates, which has a risk exposure to changes in cash flows.

3) Other price risk

The Company does not hold any equity securities and hence is not exposed to equity instrument price risk.

(Continued)

CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

(w) Capital management

The Company maintains the capital based on the current operating characteristics of the industry, future development, and changes in external environment, to assure there is sufficient financial resource and operating plan to support working capital, capital expenditures, research and development expense, debt redemption, dividend payment and so on. The management decides the optimized capital by using appropriate debt-to-equity ratio. To maintain a strong capital base, the Company enhances the return on equity by optimizing debt-to-equity ratio. The Company's debt to-equity ratio at the end of the reporting date was as follows:

	December 31, 2023	December 31, 2022
Total liabilities	\$ 2,598,478	3,858,172
Total equity	2,484,954	2,585,475
Debt-to-equity ratio	105 %	149 %

The decrease in debt-to-equity ratio as of December 31, 2023 compared to the one as of December 31, 2022 was mainly due to the decrease in accounts payable and borrowings.

(x) Non-cash investing and financing activities

- (i) The Company's investing activities which did not affect the current cash flow for the years ended December 31, 2023 and 2022 were acquisition of right-of-use assets by lease, please refer to note (6)(h).
- (ii) Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2023	Cash flow	Non-cash changes Changes in lease payments and others	December 31, 2023
Short-term borrowings	\$ 642,560	(263,708)	-	378,852
Lease liabilities	14,400	(6,904)	5,050	12,546
Bonds payable	-	395,820	(64,949)	330,871
Long-term borrowings	1,000,000	(600,000)	-	400,000
	<u>\$ 1,656,960</u>	<u>(474,792)</u>	<u>(59,899)</u>	<u>1,122,269</u>

	January 1, 2022	Cash flow	Non-cash changes Changes in lease payments	December 31, 2022
Short-term borrowings	\$ 1,250,603	(608,043)	-	642,560
Lease liabilities	15,770	(7,150)	5,780	14,400
Long-term borrowings	650,000	350,000	-	1,000,000
	<u>\$ 1,916,373</u>	<u>(265,193)</u>	<u>5,780</u>	<u>1,656,960</u>

(Continued)

CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are related parties that have had transactions with the Company and its subsidiaries during the periods covered in the financial statements.

Name of related party	Relationship with the Company
Advance Smart Industrial Limited (ASIL)	The Company's subsidiary
Celxpert (Kunshan) Electron Company (Celxpert Kunshan)	The Company's subsidiary
PT. Celxpert Energy Indonesia (Celxpert Indonesia)	The Company's subsidiary
Keelgo Energy co., ltd. (Keelgo Energy)	The Company's subsidiary
Inspire Stars Limited (Inspire)	Substance related party before November 4, 2022
Chou, Yuan-Hsian	Substance related party before November 4, 2022

(b) Significant transactions with related parties

(i) Operating revenues

1) Sales

The amounts of significant sales by the Company to related parties were as follows:

	2023	2022
Subsidiary-Keelgo Energy	\$ <u>148,492</u>	<u>52,844</u>

For the Company's sales to related parties, there is no standard market price available for comparison. The credit terms for sales to related parties were 60-120 days, and the credit terms for general customers were 30-90 days for payment collection.

2) Processing income

The amounts of processing income collected by the Company for outsourced processing performed for the related parties were as follows:

	2023	2022
Subsidiary- Keelgo Energy	\$ <u>37,258</u>	<u>-</u>

KEELGO ENERGY has directly supplied materials and entrusted our company to process and produce them since 2023. There is no general transaction price for comparison between the Company and its related parties. The credit period for sales to related parties is 60 120 days.

(Continued)

CELXPRT ENERGY CORPORATION

Notes to the Financial Statements

3) Constructions income

The Company was entrusted by KEELGO ENERGY with the energy storage system engineering contract in 2023. The Company then awarded the contract to a non related party. It was determined that the Company was the agent and the relevant project costs were recorded as a deduction from the project income. In 2023, The amount of relevant transactions during the year was \$311.

(ii) Outsourced processing fee

The outsourced processing fee incurred by the Company to the related parties were as follows:

	<u>2023</u>	<u>2022</u>
Subsidiary- ASIL	\$ -	320,652
Subsidiary- Celxpert (Kunshan)	<u>560,467</u>	<u>570,439</u>
	<u><u>\$ 560,467</u></u>	<u><u>891,091</u></u>

The Company supplied materials through ASIL and entrusted Celxpert(Kunshan) to process and produce the products before May 2022. Starting from June 2022, the Company directly supplied materials and entrusted Celxpert (Kunshan) to process and produce the products. The price of finished products purchased by the Company through triangular trade includes the amount of raw materials sold. The above transactions have been written off in the financial statements, and are not regarded as purchase processing. The amounts listed in the table are processing fees.

(iii) Receivables due from related parties

The details of the Company's receivables due from related parties were as follows:

<u>Account</u>	<u>Category of related party</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable	Subsidiaries	\$ 107,993	22,695
Other receivables	Subsidiaries	<u>55,541</u>	<u>796</u>
		<u><u>\$ 163,534</u></u>	<u><u>23,491</u></u>

The Company's purchase of raw materials on behalf of KEELGO ENERGY amounted to \$63,168 in 2023. As of December 31, 2023, the unpaid amount was \$53,249, which was recorded under other receivables.

(iv) Property transactions

- 1) The Company sold machinery and equipment to ASIL in previous years, and the unrealized benefits arising from the transaction are listed as a deduction from long-term equity investments, and the sales benefits are recognized annually according to the benefit years. As of December 31, 2023 and 2022, the unrealized benefits arising from the above transactions are \$338 and \$354 respectively. See note 9.

(Continued)

CELXPRT ENERGY CORPORATION

Notes to the Financial Statements

- 2) In December 2022, the Company acquired additional shares in Keelgo Energy upon share issuance, the percentage of shareholding decreased from 100% to 85.5%. Please refer to note (6)(f) for details.

(v) Royalty fees

The Company entered into a technology licensing agreement with Keelgo Energy, and the related royalty fees were recorded as operating cost. The details were as follows:

	<u>2023</u>	<u>2022</u>
Subsidiaries- Keelgo Energy	\$ <u>1,908</u>	<u>13,434</u>

(vi) Technical service fees

The related party of the Company provided after-sales service support to customers of the Company who are related parties, and the related fees were recorded as selling expenses. The details were as follows:

	<u>2023</u>	<u>2022</u>
Subsidiary- Keelgo Energy	\$ <u>2,848</u>	<u>7,038</u>

(vii) Payables to related parties

The Company incurred commission expenses and accounts commission payable through other related parties acting as intermediaries in related sales transactions. These were recorded as operating expenses and other payables, respectively. The details are as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Accounts payable	Subsidiary- ASIL	\$ 97,044	97,060
Accounts payable	Subsidiary- Celxpert (Kunshan)	40,133	18,576
Other payables	Subsidiary- Keelgo Energy	<u>1,663</u>	<u>21,495</u>
		\$ <u>138,840</u>	<u>137,131</u>

(viii) Commission expense

The Company incurred commission expenses and commission payable at the end of the period through other related parties acting as intermediaries in the introduction or handling of related sales transactions. These were recorded as operating expenses and other payables, respectively. The details are as follows:

	<u>2023</u>	<u>2022</u>
Commission expense:		
Other related party-Inspire	\$ <u>-</u>	<u>89,218</u>

(Continued)

CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commission payable:		
Other related party-Inspire	\$ <u>-</u>	<u>-</u>

The aforementioned related party was related to the Company before November 4, 2022, and thus only transactions before that date were disclosed.

(ix) Professional service fee

Since August 2021, the Company engaged other related parties to provide professional service. The details were as follows:

	<u>Professional service fee (recognized as operating expenses)</u>		<u>Professional service fee payable (recognized as other payable)</u>	
	<u>2023</u>	<u>2022</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other related parties	\$ <u>-</u>	<u>854</u>	<u>-</u>	<u>-</u>

The aforementioned related party was related to the Company before November 4, 2022, and thus only transactions before that date were disclosed.

(x) Guarantees and endorsements

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiary- Celxpert (Kunshan)	\$ 307,050 (USD 10,000 thousand)	245,680 (USD 8,000 thousand)
Subsidiary- Celxpert (Nantong)	-	66,120 (CNY 15,000 thousand)
Subsidiary- Keelgo Energy	<u>180,000</u>	<u>120,000</u>
	<u>\$ 487,050</u>	<u>431,800</u>

(xi) Loans to related parties

On May 6, 2022, the Board of Directors approved a loan of \$10,000 to Keelgo Energy to meet its short-term funding needs, with an annual interest rate of 1%. As of December 31, 2023, the loan has not been used.

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CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

(c) Transactions with key management personnel

Key management personnel compensation comprised of:

	2023	2022
Short-term employee benefits	\$ 16,907	17,499
Post-employment benefits	520	541
Share-based payments	498	-
	<u>\$ 17,925</u>	<u>18,040</u>

Please refer to note (6)(p) for details on share-based payments.

(8) Pledged assets: None.

(9) Commitments and contingencies: None.

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	2023			2022		
		Cost of sale	Operating expense	Total	Cost of sale	Operating expense	Total
Employee benefits							
Salary		44,395	216,906	261,301	43,560	242,640	286,200
Labor and health insurance		5,101	20,626	25,727	4,850	20,405	25,255
Pension		2,331	10,898	13,229	2,244	10,797	13,041
Remuneration of directors		-	102	102	-	7,477	7,477
Others		3,988	10,955	14,943	4,678	12,553	17,231
Depreciation		9,223	37,426	46,649	8,353	44,014	52,367
Amortization		-	1,221	1,221	-	3,475	3,475

Additional information on the numbers of employee and employee benefits were as follows:

	2023	2022
Number of employees	<u>325</u>	<u>360</u>
Non-employee directors	<u>8</u>	<u>7</u>
Average employee benefits	<u>\$ 994</u>	<u>968</u>
Average employee salary	<u>\$ 824</u>	<u>811</u>
Percentage change in average salary	<u>1.6 %</u>	
Remuneration of supervisors	<u>\$ -</u>	<u>-</u>

(Continued)

CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

For the information of the Company's remuneration policy (which includes directors, managers and employees), please refer to below statement :

(i) Directors remuneration

According to the Article 28 of the Company's Articles of Incorporation, if the Company is making profit for the year, a maximum 3% of the profit before tax shall be allocated as remuneration to directors for that year. The remuneration will be accounted for in accordance with the "Director Remuneration Payment Procedures" of the Company and will be submitted for review and approval by the Remuneration Committee and the Board of Directors.

(ii) Executives' remuneration

According to "Salary Management Regulations" and "Welfare Benefits Operations Regulations" of the Company, relevant performance evaluations and compensation standards are reviewed and approved by the remuneration Committee and the Board of Directors prior to distribution.

(iii) Employees' remuneration

According to "Salary Management Measures", "Benefit Granting Operation Measures", "Performance Appraisal Management Measures" and "Rewards and Punishment Management Measures" of the Company and other relevant salary and remuneration regulations.

In addition to the basic salary, the employee's primary remuneration includes:

- 1) Employee profit-sharing bonuses: According to Article 28 of the Company's Articles of Incorporation, if the Company is making profit for the year, a 3% to 12% of the profit before tax shall be allocated to employee remuneration and will be distributed based on individual performance and contribution to the Company.
- 2) Year-end bonus: Issued based on the Company's operational performance and individual performance evaluations of the employees.
- 3) Annual promotion and salary adjustment: Promotions and salary adjustments are made annually based on the individual performance of the employees and the Company's operational performance.

(Continued)

CELXPART ENERGY CORPORATION **Notes to the Financial Statements**

(13) Other disclosures:

(a) Information on significant transactions:

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company for the year ended December 31, 2023:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of the loan (note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance for bad debt	Collateral		Individual funding loan limits (note 3)	Maximum limit of fund financing (note 3)
													Item	Value		
0	The Company	Keelgo Energy	Other receivables	Yes	10,000	-	-	1%	2	-	Working capital	-	None	-	248,495	496,990

Note 1: The numbering method is as follows:

- 1) 0 represents the parent company
- 2) 1 represents a subsidiary company

Note 2: 1) represents a party with business transactions.
2) represents the necessity of short-term financing.

Note 3: Under the “Operation Procedure for Fund Lending to Others” of the Company, the total amount of fund lending shall not exceed 20% of the net worth as stated in the Company's most recently audited or reviewed financial statements by the accountant. For companies or banks that require short-term financing from the Company, the amount of individual loans shall not exceed 10% of the net worth of the Company.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars/ US Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Celxpert (Kunshan)	Sub-subsidiary	993,981	312,550 (USD10,000)	307,050 (USD10,000)	307,050 (USD10,000)	-	12.36 %	993,981	Y	-	Y
0	The Company	Celxpert (Nantong)	Sub-subsidiary	993,981	66,675 (CNY15,000)	-	-	-	- %	993,981	Y	-	Y
0	The Company	Keelgo Energy	Subsidiary	248,495	180,000	180,000	58,349	-	7.24 %	993,981	Y	-	-

Note 1: The total amount of the guarantee provided by the Company to third parties shall not exceed 40% of the latest net worth as reported in the financial statements. The maximum limit for guarantees provided to a single enterprise, except for subsidiaries in which the Company directly or indirectly holds more than 90% of the ordinary shares, shall not exceed 40% of the current net worth. For all other enterprises, the maximum limit shall not exceed 10% of the latest net worth as reported in the financial statements.

Note 2: The US dollar is converted to New Taiwan dollars using the exchange rate of 30.705 at the end of the period, while the Chinese yuan is converted to New Taiwan dollars using the exchange rate of 4.327 at the end of the period.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	TSMC 30-year USD corporate bonds	-	Current financial assets at fair value through other comprehensive income	-	30,321	-	30,321	

(Continued)

CELXPRT ENERGY CORPORATION

Notes to the Financial Statements

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock:None
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/(sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Celxpert (Kunshan)	Subsidiary	Processing fee	560,467	10 %	Depending on the funding needs	Under the Company's pricing policies	Adjustment based on funding needs	Accounts payable (40,133)	(4)%	(note 1)
Celxpert (Kunshan)	The Company	Parent company	(Processing income)	560,467	(100)%	"	-		Accounts receivable 40,133	100%	
The Company	Keelgo Energy	Subsidiary	(Sale)	148,492	(2) %	note 2	No significant difference	No significant difference	Accounts receivable 20,641	1%	
Keelgo Energy	The Company	Parent company	Purchase	148,492	100 %	"	-		Accounts payable (20,641)	(100)%	

Note 1 : The balance represents the net amount of outsourced processing and the sale of raw materials.

Note 2 : The credit term before September 1, 2023 was 120 days, and after September 1, 2023, it was changed to 60 days.

- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (note 1)	Loss allowance for bad debts
					Amount	Action taken		
The Company	Keelgo Energy	Subsidiary	107,993 (note 2)	2.27	-		41,743	-

Note 1 : Information as of March 5, 2023.

Note 2 : Accounts receivable due from related parties include transactions such as sales, processing income and constructions income.

- (ix) Trading in derivative instruments:Please refer to notes (6)(k)

(Continued)

CELXPART ENERGY CORPORATION
Notes to the Financial Statements

(b) Information on investees:

The following is the information on investees for the year ended 2023 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars/ US Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023		Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership			
The Company	CHL	British Virgin Islands	Foreign investment holding	752,490	752,490	24,631	100.00 %	399,203	(125,649)	(112,725) Subsidiary
"	Celpert Indonesia	Indonesia	Manufacturing, processing, and sales of battery packs and power supply related products.	40,767	40,767	18	100.00 %	6,310	(4,238)	(4,238) Subsidiary
"	Keelgo Energy	Taiwan	Research and development and trading of lithium battery packs, energy storage systems and others	158,290	158,290	8,600	85.15 %	98,926	5,624	4,789 Subsidiary
CHL	ASIL	British Virgin Islands	Import and export trade	1,535 (USD50)	1,535 (USD50)	50	100.00 %	97,580 (USD3,178)	31 (USD1)	Recognized by CHL Sub subsidiary
"	CHK	Hong Kong	Foreign investment holding	436,625 (USD14,220)	436,625 (USD14,220)	14,220	100.00 %	105,287 (USD3,429)	(90,411) (USD(2,902))	" "
"	CEIL	SAMOA	"	-	-	(note 1)	100.00 %	-	-	" "
"	CPEI	"	"	307,050 (USD10,000)	307,050 (USD10,000)	10,000	100.00 %	193,104 (USD6,289)	(36,015) (USD(1,156))	" "
Keelgo Energy	VoltaEdge Holdings Limited	British Virgin Islands	"	-	-	(note 1)	40.00 %	-	-	Recognized by Keelgo Energy Associate

Note 1: The registration procedures have been completed, and the capital has not been injected yet.

Note 2: The USD amounts were converted into NTD using the balance sheet date exchange rate of 30.705 or the average exchange rate of 31.1548.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars/ US Dollars)

Name of investee	Main businesses and products	Total amount of capital surplus	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023 (note 2)	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023 (note 2)	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Celpert (Kunshan)	Manufacturing and trading of battery parts and battery packs	Has been verified: 460,575 (USD15,000)	Indirect investment through CHK	436,165 (USD14,205)	-	-	436,165 (USD14,205)	(90,411) (USD(2,902))	100.00%	(90,411) (USD(2,902))	87,110 (USD2,837)	-
Celpert (Nantong)	Manufacturing and trading of battery parts and battery packs	Has been verified: 307,050 (USD10,000)	Indirect investment through CPEI	307,050 (USD10,000)	-	-	307,050 (USD10,000)	(36,015) (USD(1,156))	100.00%	(36,015) (USD(1,156))	193,104 (USD6,289)	-
Celpert (Changchun)	Operating car battery and electronic component recycling	-	Indirect investment through CEIL	-	-	-	-	-	-%	-	-	-

(Continued)

CELXPRT ENERGY CORPORATION
Notes to the Financial Statements

(ii) Limitation on investment in Mainland China:

(In Thousands of New Taiwan Dollars/ US Dollars)

Accumulated investment in mainland China as of December 31, 2023	Investment amounts authorized by Investment Commission, MOEA	Upper Limit on Investment
743,215 (USD24,205)	754,729 (USD24,580)	1,490,972

Note 1: The investment gains or losses of the current period are recognized according to the financial statements which have been audited by the certified public accountant of Taiwan parent company.

Note 2 : The USD amounts were converted into NTD using the balance sheet date exchange rate of 30.705 or the average exchange rate of 31.1548.

Note 3: The registration procedures have been completed, and the capital has not been injected yet.

(iii) Significant transactions:

The significant inter-company transactions with the investees in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(d) Information about major shareholders: None.

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2023.

Celxpert Energy Corporation
Statement of Cash and Cash Equivalents
December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Description</u>	<u>Amount</u>
Petty cash and cash on hand	NTD and foreign currencies	\$ <u>359</u>
Checking accounts	NTD	446
Demand deposits	NTD	611,919
	Foreign currencies (USD11,051 and RMB\$84)	339,684
Time deposits	Foreign currency (USD12,000)	<u>368,460</u>
		<u>1,320,509</u>
		<u><u>\$ 1,320,868</u></u>

Note: The exchange rate: USD1=NTD30.705 ; CNY1=NTD4.327.

Celxpert Energy Corporation
Statement of Accounts Receivables
December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

<u>Customers</u>	<u>Description</u>	<u>Amount</u>
Accounts receivable:		
Company 1242	Extrenal operating revenues	\$ 1,018,173
Company 1000	"	238,698
Others (Note)	"	<u>264,975</u>
		1,521,846
Less: Loss allowance		<u>(78)</u>
		<u><u>\$ 1,521,768</u></u>

Note: The amount of individual customer included in others does not exceed 5% of the account balance.

Celxpert Energy Corporation

Statement of Inventories

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Cost</u>	<u>Market price</u>
Raw materials	\$ 336,593	342,000
Work in progress	23,875	28,276
Finished goods	455,783	500,815
	<u>\$ 816,251</u>	<u>871,091</u>

Note: Market price based on net realizable value.

Celpert Energy Corporation

Statement of Changes in Investments Accounted for using the Equity Method

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Name	Beginning Balance		Increase		Decrease		Share of profit (loss) of investments accounted for using equity method	Exchange differences on translation of foreign financial statements	Unrealized gains	Ending balance		Collaterals or pledged assets	
	Shares	Amount	Shares	Amount	Shares	Amount				Shares	Percentage of ownership		Amount
Celpert Holdings Limited (BVI)	24,631	\$ 517,496	-	-	-	-	(112,725)	(5,230)	-	24,631	100 %	399,541	390,473
PT. Celpere Energy Indonesia	18	10,346	-	-	-	-	(4,238)	202	-	18	99.99 %	6,310	6,310
Keelgo Energy Co., Ltd.	8,600	94,158	-	100 (Note 1)	-	-	4,789	-	(121)	8,600	85.15 %	98,926	99,047
Unrealized gains	-	(354)	-	-	-	-	-	-	16	-	-	(338)	-
		\$ 621,646		100		-	(112,174)	(5,028)	(105)			504,439	

Note 1: Represents the adjustment of share-based payments resulting from the employees of subsidiary subscribing for the company's cash capital increase.

Celxpert Energy Corporation
Statement of Changes in Property, Plant and
Equipment
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

Please refer to note (6)(g).

Celxpert Energy Corporation
Statement of Short-term Borrowings
December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

<u>Creditor</u>	<u>Description</u>	<u>Contract period</u>	<u>Interest rate</u>	<u>Loan commitments</u>	<u>Collaterals or pledged assets</u>	<u>Ending balance</u>
Mega International Commercial Bank Co., Ltd.	Credit loans	August 2023 ~ August 2024	6.004%~6.364%	307,050	None	\$ 147,526
Chang Hwa Commercial Bank, Ltd.	Credit loans	December 2023 ~ December 2024	1.95%	214,935	None	141,381
Bank of Panhsin	Credit loans	February 2023 ~ February 2024	2.34%	<u>200,000</u>	None	<u>89,945</u>
				<u>\$ 721,985</u>		<u>\$ 378,852</u>

Celxpert Energy Corporation
Statement of Accounts Payables
December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

<u>Suppliers</u>	<u>Description</u>	<u>Amount</u>
Accounts payable:		
Zhuhai Cosmx Battery Co., Ltd.	Purchase from third party	\$ 206,314
Shanghai BYD Co., Ltd.	"	224,990
Others (Note)	"	<u>546,392</u>
		<u><u>\$ 977,696</u></u>

Note: The amount of individual supplier included in others does not exceed 5% of the account balance.

Celxpert Energy Corporation

Statement of Other Payables

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Items	Description	Amount
Other accrued expenses	Accrued employee benefits, import and export expenses, warranty expenses, mold and, etc.	\$ 92,891
Salaries and bounds payables	Salaries and estimated year-end bonuses for 2023	54,668
Remuneration of employee and director payables		18,239
Commission payables		13,362
Others (Note)		<u>13,413</u>
		<u>\$ 192,573</u>

Note: The amount of each item included in others does not exceed 5% of the account balance.

Celxpert Energy Corporation
Statement of Long-term Borrowings

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

<u>Creditor</u>	<u>Type</u>	<u>Loan Amount</u>	<u>Contract Period</u>	<u>Rate</u>	<u>Collaterals or Pledged Assets</u>
Bank SinoPac Co., Ltd.	Working capital	\$ 100,000	December 2023 ~ December 2025	1.99 %	-
CTBC Financial Holding Co., Ltd	"	100,000	March 2023 ~ March 2025	2.28 %	-
Chang Hwa Commercial Bank, Ltd.	"	200,000	August 2023 ~ December 2025	2.11 %	-
		<u>400,000</u>			
Less: Long-term borrowings due within one year		<u>-</u>			
		<u><u>\$ 400,000</u></u>			

Celxpert Energy Corporation
Statement of Operating Revenues
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Quantity (thousand units)</u>	<u>Amount</u>
Lithium battery parks	12,911	\$ 7,062,304
Others	635	<u>24,774</u>
		<u><u>\$ 7,087,078</u></u>

Celxpert Energy Corporation
Statement of Operating Costs
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Amount</u>
Raw materials, beginning of the year	\$ 954,870
Add : Raw materials purchased	5,059,242
Less : Raw materials, end of the year	(438,677)
Materials used in outsourced processing	(5,148,999)
Cost of raw material sold	(28,043)
Raw materials used and other adjustments	<u>(17,710)</u>
Raw materials used in the current period	380,683
Direct labor costs	41,986
Manufacturing expenses	<u>735,367</u>
Manufacturing costs for the year	1,158,036
Add : Work in progress, beginning of the year	53,174
Semi-finished goods	1,708,150
Less : Work in process, end of the year	(32,015)
Materials used in outsourced processing	(1,690,155)
Cost of work in progress sold	(1,527)
Work in process used and other adjustments	(963)
Cost variances and other adjustments	<u>392</u>
Cost of finished goods	1,195,092
Add : Finished goods, beginning of the year	888,209
Cost of goods received from outsourcing	6,078,182
Less : Finished goods, end of the year	(521,153)
Materials used in outsourced processing	(184,440)
Outsourced processing fees transferred to manufacturing expenses	(695,296)
Cost variances and other adjustments	(143,143)
Other departmental usage reclassified as expenses and other adjustments	<u>(30,260)</u>
Cost of finished goods sold	6,587,191
Cost of raw materials and work in progress sold and others	29,570
Loss of inventory valuation	21,885
Loss of inventory scrap	8,658
Royalty and others	<u>34,799</u>
	<u><u>\$ 6,682,103</u></u>

Celxpert Energy Corporation
Statement of Operating Expenses
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Selling expenses</u>	<u>Administrative expenses</u>	<u>Research and development expenses</u>
Salaries and wages	\$ 41,464	85,857	100,483
Import and export expenses	22,045	-	-
Commission expenses	55,198	-	-
Entertainment expenses	1,626	8,930	-
Professional service fees	-	11,875	645
Depreciation	3	21,248	16,175
Certification expenses	-	-	23,313
Consumables	252	528	8,165
Others (Note)	<u>26,825</u>	<u>48,184</u>	<u>26,456</u>
	<u><u>\$ 147,413</u></u>	<u><u>176,622</u></u>	<u><u>175,237</u></u>

Note: The amount of each item included in others does not exceed 5% of the account balance.

VII. Review of Financial Conditions, Financial Performance, and Risk Management

7.1. Financial Status: The main causes and impacts of major changes in assets, liabilities, and equity in the most recent two years. If the impact is significant, disclose the future countermeasures.

Item	Year	2023	2022	Difference	
				Amount	%
Current Assets		4,556,706	5,804,202	(1,247,496)	-21.49%
Property, Plant and Equipment		566,747	691,224	(124,477)	-18.01%
Surface Right Assets		31,756	29,237	2,519	8.62%
Intangible Assets		6,704	5,596	1,108	19.80%
Other Assets		94,569	66,915	27,654	41.33%
Total Assets		5,257,242	6,597,174	(1,339,932)	-20.31%
Current Liabilities		1,949,633	2,952,338	(1,002,705)	-33.96%
Non-current Liabilities		805,381	1,042,940	(237,559)	-22.78%
Total Liabilities		2,755,014	3,995,278	(1,240,264)	-31.04%
Share Capital		883,059	803,059	80,000	9.96%
Capital Surplus		860,717	640,924	219,793	34.29%
Retained Earnings		709,112	1,102,621	(393,509)	-35.69%
Other Equity		32,066	38,871	(6,805)	-17.51%
Equity Attributable to Owners of the Parent Company		2,484,954	2,585,475	(100,521)	-3.89%
Non-controlling Interests		17,274	16,421	853	5.19%
Total Equity		2,502,228	2,601,896	(99,668)	-3.83%

1. Cause of changes in the difference: (for changes are greater than 20% and the difference amount is over NT\$10 million)

- (1) Decrease in Current Assets: Due to a decrease in stock and account receivables
- (2) Decrease in Property, Plant and Equipment: Due to depreciation, resulting in a decrease in book values.
- (3) Increase in Other Assets: Due to an increase in the deferred income tax asset.
- (4) Decrease in Current Liabilities: Due to decreases in the short-term loan and account payables.
- (5) Decrease in Non-current Liabilities: Due to the repayment of medium and long-term loans.
- (6) Increase in Share Capital: Due to cash capital increase.
- (7) Increase in Share Capital: Caused by cash capital increase.
- (8) Decrease in Retained Earnings: Caused by losses in 2023.

2. Disclose future countermeasures for major impacts: None.

7.2. Financial Performance

1. The main causes and impacts of major changes in operating revenue, operating income, and net income before tax in the most recent two years, and sales forecast and its reason. Disclose the possible impact on the company's finance and business and future countermeasures.

Unit: NT\$ thousands

Item	Year	2023	2022	Difference	
				Amount	%
Gross Operating Revenue		7,203,544	11,099,590	(3,896,046)	-35.10%
Cost of Sales		6,737,195	10,103,023	(3,365,828)	-33.32%
Gross Profit		466,349	996,567	(530,218)	-53.20%
Operating Expenses		664,549	809,437	(144,888)	-17.90%
Operating Income (Loss)		(198,200)	187,130	(385,330)	-205.92%
Non-operating Income and Expense		(103,249)	102,082	(205,331)	-201.14%
Income Before Tax		(301,449)	289,212	(590,661)	-204.23%
Income Tax Expense		(31,637)	68,667	(100,304)	-146.07%
Net Profit for the Period		(269,812)	220,545	(490,357)	-222.34%

1. Cause of changes in the difference: (for changes are greater than 20% and the difference amount is over NT\$10 million)

- (1) Decrease in operating revenue and cost of sales: Mainly due to the impact of the economic downturns, as there was a decline in customer end-demand, leading to a decrease in inventory turnover of customers, and the revenue and cost were reduced compared to last year.
- (2) Decrease in operating income: Mainly due to the impact of the economic downturns, as there was a decline in the terminal demand, leading to a decrease in inventory turnover of customers and the revenue and cost were reduced compared to last year. The Operating expenses were reduced but the fixed costs were still high, resulting in a decrease in the operating income.
- (3) Increase in non-operating income and expense:
 - 1 Decrease in other income: Mainly due to a decrease in the sale of sluggish materials this year.
 - 2 Increase in interest income: Mainly due to an increase in cash and cash equivalents which were placed in the term deposits, resulting in higher interest income from the bank.
 - 3 Increase in interest expenses: In 2012, interest expenses increased due to the issuance of corporate bonds. In addition, for bank borrowings, interest expenses on the account increased compared with the same period last year due to interest rate increases..
 - 4 Decrease in foreign exchange benefit: Mainly due to the transaction was mainly calculated in USD which stayed strong in 2022 because of the rising interest rate. The Company's currency asset position is greater than its liability, therefore a net foreign exchange benefit was generated.
 - 5 Increase in Losses on financial assets at fair value through profit or loss : Financial asset evaluation of corporate bond redemption rights
 - 6 Increase in miscellaneous expenditures: Mainly due to the estimated compensation cost for abnormal product quality.
- (4) Income Before Tax: Mainly due to the impact of the economic downturns, as there was a decline in customer end-demand, leading to a decrease in inventory turnover of customers, and the revenue and cost were reduced compared to last year, resulting in a decrease in the income before tax.
- (5) Income Tax Expense: Mainly due to the loss in 2023, and the income tax benefit is recognized.
- (6) Net Profit for the Period: Mainly due to the impact of the economic downturns, as there was a decline in customer end-demand, leading to a decrease in inventory turnover of customers, and the revenue and cost were reduced compared to last year, resulting in a decrease in the operating income and the net profit after tax.

2. Sales forecast and its reason. Disclose the possible impact on the company's finance and business and future countermeasures.

As the Company has not prepared or disclosed any financial forecasts, the sales forecast and its reason do not apply to the Company. Furthermore, there have been no significant abnormalities in the overall performance of the Company, so it is not necessary to develop any countermeasure plans at this time.

7.3. Cash Flow: Analysis of cash flow changes in the most recent year, improvement plans for insufficient liquidity, and analysis of cash liquidity for the coming year.

(1) Analysis of cash flow changes in the most recent two years

Unit: NT\$ thousands

Item	2023	2022	Difference	
			Amount	%
Net cash flow from operating activities	1,321,786	1,084,860	236,926	21.84%
Net cash flow from investing activities	(529,651)	(230,733)	(298,918)	129.55%
Net cash flow from financing activities	(324,860)	(399,992)	75,132	-18.78%
1. An increase in the net cash inflow from operating activities is mainly due to a decrease in the inventory. 2. An increase in the net cash outflow from investing activities is mainly due to an increase in the term deposits in this period. 3. A decrease in the net cash outflow from financing activities is mainly due to the cash capital increase and issuance of the company bond, both of which were used to repay short/long-term loan.				

(2) Leveraging measures of cash deficit : No shortage of cash liquidity.

(3) Analysis of cash liquidity for the coming year : None

7.4. Impact of major capital expenditure in the most recent year to the finance and business of the Company: None.

7.5. Investment policy in the most recent year, main causes for its profit or loss, improvement plan, and investment plan for the next year

1. Investment policy of the Company

In order to respond to market competition and strengthen our core capabilities, the Company has engaged in investment projects within our industry. These investment initiatives aim to expand our marketing network and enhance strategic alliances, with the goal of achieving the overall operational performance target for the company.

2. 2023 Investment profit or loss and its improvement plan

Unit: NT\$ thousands / US\$ thousands

Investee Companies	Shareholding by the End of Period	2023 P/L of the Investee	Main Cause for Profit or Loss	Improvement Plan	Investment Plan for the Next Year
Celxpert Holdings Limited (BVI)	100%	(125,649)	The Company recognized the 2023 investment losses of Creative Power Enterprises Inc. and Celxpert Energy(H.K)Limited for \$36,015 thousand, and NT\$ 90,411 thousand, respectively, by the equity method.	—	Depends on the market situation.
Celxpert Energy (H.K.) Limited	100%	(90,411) (US\$(2,902))	Mainly due to recognizing the 2023 investment loss of Celxpert (Kunshan) Energy Co.,Ltd for \$90,411 thousand by the equity method.	—	Depends on the market situation.
Advance Smart Industrial Limited (BVI)	100%	31 (US\$1)	It is an overseas holding company.	—	Depends on the market situation.
Celxpert Energy International Limited (SAMOA)	100%	—	It is just completed the establishment procedure, and the capital is not yet inputted in.	—	Depends on the market situation.
Creative Power Enterprises Inc (SAMOA)	100%	(36,015) (US\$(1,156))	Mainly due to recognizing the 2023 investment loss of Celxpert (Nantong) Energy Corporation LTD for \$36,015 thousand by the equity method.	—	Depends on the market situation.
Celxpert(Kunshan)Energy Co.,Ltd	100%	(90,411) (US\$(2,902))	It is positioned as the production center within the group. The Company shall take orders and prepare materials before outsourcing to Celxpert(Kunshan)Energy Co.,Ltd to make processing income.	Continue to promote automated production processes to improve efficiency and reduce costs.	Depends on the market situation.
Celxpert (Nantong) Energy Corporation LTD	100%	(36,015) (US\$(1,156))	The factory in 2023 was still under construction. It has tried some small batches of production in the leased factory, and the production volume has not yet reached an economic scale.	During the initial period, the production line has not yet been mass-produced.	Depends on the market situation.
P.T. Celxpert Energy Indonesia	100%	(4,238)	It has not yet reached an economic scale.	Develop customer sources to obtain orders, and increase revenue and profit.	Depends on the market situation.
KEELGOAL ENERGY CO., LTD	85.15%	5,624	It is positioned as the R&D team in the group. The orders received are produced by the Company.	Actively develop new products, open up new orders, and increase revenue and profit.	Depends on the market situation.

7.6. Analysis of risk management in the most recent year and as of the date of printing of this annual report

(1) Effects of Changes in Interest Rates, Foreign Exchange Rates, and Inflation on Corporate Finance, and Future Response Measures

1. Impact to the corporate finance

Unit: NT\$ thousands

Item	2022	2023
Net interest income (expense)	(11,861)	(48,296)
Net foreign exchange income (expense)	30,606	(2,960)
Net interest income/expense as a percentage of net income	-0.08%	-0.67%
Net interest income/expense as a percentage of Income Before Tax	-3.25%	16.02%
Net foreign exchange P/L as a percentage of net income	0.22%	-0.04%
Net foreign exchange P/L as a percentage of Income Before Tax	8.38%	0.98%

2. Effects of changes in interest rates on corporate finance and future response measures

The main factors contributing to the interest rate risk for the Company and its subsidiaries in 2022 and 2023 are the variable interest rate from borrowings, as well as the variable interest rate from current and term deposits. In 2022 and 2023, the interest expenses amounted to NT\$38,583 thousand and NT\$69,287 thousand, respectively, while interest income was NT\$3,752 thousand and NT\$20,991 thousand, respectively. The Company and its subsidiaries conduct regular evaluations of the currency market interest rates and monitor financial market information. We implement appropriate measures to mitigate the impact on the Company and its subsidiaries caused by interest rate fluctuations.

3. Effects of changes in foreign exchange rates on corporate finance, and future response measures

The Company and its subsidiaries primarily engage in export sales, with a significant portion of our purchases and sales denominated in foreign currencies. As a result, most of the foreign currency positions can be offset through the mutual settlement of trade receipts and payments, achieving a natural hedging effect. For the remaining net positions, we adopt a conservative foreign exchange strategy. Based on the Company's funding requirements and the prevailing foreign exchange market conditions, we execute foreign currency conversions to New Taiwan dollars to minimize our exposure to foreign currency risks. This approach aims to reduce the net foreign currency positions of our company and its subsidiaries and minimize exchange rate risks.

4. Effects of changes in inflation on corporate finance, and future response measures

The Company and its subsidiaries strictly control costs and, depending on the inflationary conditions, appropriately reflect them in product prices. We also adjust inventory levels in response to inflationary conditions, ensuring that we are prepared to address any potential impact.

(2) Policies, main causes of gain or loss, and future response measures with respect to high-risk, high-leveraged investments, lending or endorsement guarantees, and derivatives transactions

1、The Company did not engage in high-risk, high-leveraged investment, and any lending or endorsement guarantees in the most recent year and as of the printing date of this annual report.

2、Endorsement Guarantees

The Company provided endorsement guarantees to our subsidiary, Celxpert (Kunshan) Energy Co.,Ltd, with a guaranteed amount of US\$ 10,000 thousand for 2022 and 2023. The company provided endorsement guarantees for its subsidiary Keelgoal Energy Co.,Ltd in 2011 and 2012, with guarantee amounts of NT\$120,000 thousand and NT\$180,000 thousand respectively. The endorsement guarantees provided by the Company undergo a careful evaluation process and are managed in accordance with the "Procedures for Making of Endorsements/Guarantees" established by the competent authorities, the Company, and its subsidiaries. Regular audits are conducted, and announcements are made in compliance with relevant laws and regulations.

3、The Company and its subsidiaries adopt a natural hedging approach through direct sales and purchases of foreign currencies to manage foreign currency net positions. Apart from this method, the Company and its subsidiaries do not engage in transactions involving other derivative financial instruments. If there is a need to conduct transactions involving other derivative instruments in the future due to business development, they will be carried out in accordance with the "Procedures for Acquisition and Disposal of Assets" established by the Company and its subsidiaries. Additionally, all relevant transaction information will be announced in a timely and accurate manner in compliance with laws and regulations.

(3) Future Research & Development Projects and Corresponding Budget

The future allocation of R&D expenses by the Company will be prudently determined based on the company's operating condition. The allocation of R&D expenses will be reviewed and adjusted annually based on the company's operational status.

(4) Effects of and Response to Changes in Domestic and Foreign Policies and Regulations Relating to

Corporate Finance

In the recent fiscal year, there have been no significant impacts on the Company's financial operations resulting from important domestic or international policy and legal changes. However, we remain vigilant in monitoring any changes in the business environment. Whenever necessary, we will seek advice from professional entities such as accountants and lawyers to adjust our operational strategies accordingly.

(5) Effects of and Response to Changes in Technology (Including Cyber Security) and the Industry Relating to Corporate Finance

The Company remains vigilant in monitoring relevant technological changes, (including cyber security risks), to assess their impact on our operations. We continue to allocate resources to R&D efforts, particularly in the area of battery safety and other technological advancements. As of now, there have been no significant technological changes, including cyber security risks, that have had a major impact on our financial operations.

(6) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

The Company focuses on its core business operations, and there is no such thing as a change in corporate image that has resulted in corporate risk management.

(7) Expected Benefits from, Risks Relating to, and Response to Merger and Acquisition Plans: None.

(8) Expected Benefits from, Risks Relating to, and Response to Factory Expansion Plans: The Board of Directors of the Company resolved at the meeting on March 12, 2021 to purchase a property and as of the printing date of this annual report, there is no other determined target.

(9) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

(1) Evaluation and response measures of excessive concentration of purchasing sources

The Company's main procurement items consist of components required for battery modules, such as cells and ICs. Therefore, our suppliers primarily focus on providing these aforementioned components. As our customers mainly include manufacturers of laptop computers, power tools, and networking products, their requirements for product quality, functionality, cost, and delivery time are extremely strict. Therefore, we prioritize the procurement of components from suppliers who have undergone evaluation and are deemed qualified. For our major materials procurement, the Company adheres to the principle of maintaining relationships with at least two or more suppliers. We also review the product quality and financial status of our suppliers on an ad-hoc basis to ensure a consistent supply of high-quality materials and prevent any potential shortages.

(2) Evaluation and response measures of excessive customer concentration

The Company's main source of revenue comes from the sales of laptop computer battery modules and power tool battery modules. Our primary customers are well-known domestic and international manufacturers of laptop computers and power tools. We have always placed great emphasis on product quality and have established a strong reputation among our customers. As a result, we have maintained a certain market share. Currently, our main customers are still prominent manufacturers of laptop computers and power tools, both domestically and internationally. However, in the future, we will actively develop energy storage applications and expand our customer base to reduce dependency on concentrated sales.

(10) Effects, and Response Measures of Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: There was no large share transfer in the most recent year and as of the printing date of this annual report.

(11) Effects, and Response Measures of Risks Relating to and Response to the Changes in Management Rights

The directors, supervisors, or shareholders with shareholdings of over 10% of the Company and its subsidiaries have actively participated in the management of the company in the most recent year. Moving forward, we will continue to adhere to a prudent management philosophy and strive to gain the support and recognition of all shareholders for our management team. Therefore, we do not foresee any significant risks of changes in management rights in the Company.

(12) Litigation or Non-litigation Matters. If there has been any material impact upon shareholders' equity or prices for the company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving a company director, supervisor, general manager, de facto responsible person, a major shareholder with a stake of more than 10 percent, or its subsidiaries and the matter was finalized or remained pending. Disclose the facts in dispute, the amount in dispute, commencement date, main parties involved, and case status as of the current fiscal year up to the prospectus publication date. The Company was subject to an investigation by the Northern Region Mobile Task Force of the Ministry of Justice Investigation Bureau regarding an alleged violation of the Securities and Exchange Act on March 25, 2021. The Company has actively cooperated with the investigative authorities, providing relevant evidence to clarify the situation. On June 29, 2022, the Taoyuan District Prosecutors Office resolved a non-prosecution disposition conclusion, indicating that there was no evidence of wrongdoing by our Chairman Shih-Ming Huang, in relation to the violation of the Securities and Exchange Act.

Pursuant to Article 256, Paragraph 3 of the Code of Criminal Procedure, the case has been submitted for reconsideration. As of now, neither the Company nor the Chairman has been summoned for further proceedings.

Furthermore, the Taoyuan District Prosecutor's Office has filed charges against Chairman Shih-Ming Huang on the grounds of violating the Business Entity Accounting Act. The Chairman has appealed in accordance with the law. The financial statements of the Company have been prepared in accordance with the Financial Reporting Guidelines for Securities Issuers, internationally recognized financial reporting standards endorsed by the Financial Supervisory Commission, and International Financial Reporting Standards, providing a fair presentation and have been subject to audit and attest by the auditing firm KPMG Taiwan. There is no evidence of falsification or concealment.

The Company believes that the charges are a result of a difference in understanding between the internal accounting practices and the investigating authorities. Subsequently, the Company will provide further evidence and present its case to the court in order to clarify the situation. The case is currently in the investigation stage, and as of now, there is no active evidence indicating any improper or illegal actions by the Company. The financial and operational aspects of the Company have not been affected by the aforementioned incident, and there have been no significant impacts on shareholders' equity or securities prices.

On October 11, 2023, the Company received a letter from the Commercial Division of the Intellectual Property and Commercial Court, purporting that the Chairman of Celxpert Energy Corporation is involved in the violation of the Business Entity Accounting Act and therefore requesting to dismiss him from his position as director. The Company filed a commercial lawsuit in accordance with the law and this case has been handed over to an appointed lawyer for processing.

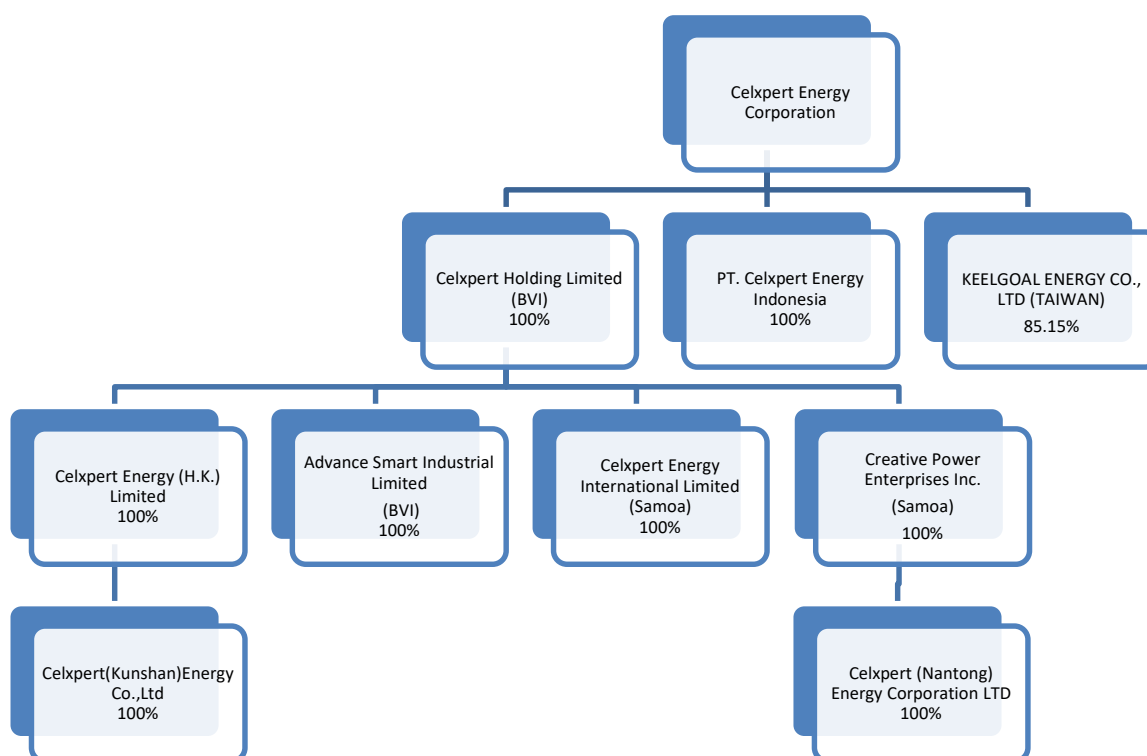
(13) Other Major Risks: None.

7.7. Other Important Matters: None.

VIII. Special Notes

8.1. Affiliates Information

(1) Affiliated Companies Structure



(2) Basic Information of Affiliated Enterprises

December 31, 2023 Unit: thousands

Company Name	Date of establishment	address	Paid-in capital	Main business or production items
Celxpert Holdings Limited(BVI)	2000.07.18	P.O.Box3152,Road Town,Tortola,British Virgin Islands	USD24,631	Overseas holding company
PT.CELXPRT ENERGY INDONESIA	2016.01.13	JL.Raya Purwakarta-Subang,Kampung Cijoged RT/RW 04/01,Desa Lengkong,Kecamatan Cipeundeuy,Kabupaten Subang,Jawa Barat41272 Indonesia	USD1,350	Manufacturing, processing and trading of battery packs and power supply related products
KEELGOAL ENERGY CO., LTD	2017.01.11	5F-10, No. 18, Taiyuan Street, Zhubei City, Hsinchu County,R.O.C	TWD101,000	Research and development of energy technology and information software
Advance Smart Industrial Limited(BVI)	2002.09.12	P.O.Box957,Offshore Incorporations Centre,Road Town,Tortola,British Virgin Islands	USD50	import and export trade
Celxpert Energy(H.K.) Limited	2008.07.14	Room 804, Sino Center, 582-592 Nathan Road, Mongkok, Kowloon, Hong Kong	USD14,220	Overseas holding company
Celxpert Energy International Limited	2011.08.24	Le Sanslele Complex,Ground Floor Vaea Street,Saleufi PO Box 1868,Apia Samoa	-	Overseas holding company
Creative Power Enterprises Inc	2018.11.21	Level 2,Lotemau Centre Building,Vaea Street,Apia,Samoa	USD10,000	Overseas holding company
Celxpert(Kunshan)Energy Co.,Ltd	2000.09.19	No. 1111, Hanpu Road, Hi-Tech Park, Kunshan City, Jiangsu Province, China	USD15,000	Manufacture and sale of parts for primary batteries and primary battery packs

Celxpert (Nantong) Energy Corporation LTD	2021.01.22	Group 13, Zushimiao Village, Haian City, Nantong City, Jiangsu Province, China	USD10,000	Manufacture and sale of parts for primary batteries and primary battery packs
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(3) The relationship between the Company and its affiliated enterprises, cross-shareholding ratios, numbers of shares held, and actual investment amounts

December 31, 2023 ; Unit: thousand shares ; % ; NT\$ thousands ; US\$ thousands

Company	Relation with the Company	Affiliates Shareholding by the Company			Shares held by the affiliates
		Number of shares held	Shareholding ratio (%)	Investment Amount (Book value)	—
Celxpert Holdings Limited (BVI)	Subsidiary	24,631	100.00	752,490	—
PT Celxpert Energy Indonesia	Subsidiary	18	100.00	40,767	—
KEELGOAL ENERGY CO., LTD	Subsidiary	8,600	85.15	158,290	—
Advance Smart Industrial Limited (BVI)	2nd Tier Subsidiary	50	100.00	1,536 (US\$50)	—
Celxpert Energy (H.K.) Limited	2nd Tier Subsidiary	14,220	100.00	436,696 (US\$14,220)	—
Celxpert Energy International Limited (SAMOA)	2nd Tier Subsidiary	Note 1	100.00	Note 1	—
Creative Power Enterprises Inc (SAMOA)	2nd Tier Subsidiary	10,000	100.00	307,100 (US\$10,000)	—
Celxpert(Kunshan)Energy Co.,Ltd	3rd Tier Subsidiary	Note 2	100.00	436,236 (US\$14,205)	—
Celxpert (Nantong) Energy Corporation LTD	3rd Tier Subsidiary	Note 2	100.00	307,100 (US\$10,000)	—

Note 1: Only the registration is completed, the capital is not yet invested in.

Note 2 : It is a limited company.

(4) Common Shareholders among Controlling and Controlled Entities: None.

(5) Business Scope of the Company's Affiliates and Disclose the collaboration status

1. Business Scope of the Company's Affiliates: Business of manufacturing and distributing components for primary batteries and battery packs.
2. The collaboration status between the Company's affiliates: The Company has established a subsidiary in Kunshan, China to meet the delivery requirements of our customers in mainland China. The subsidiary is responsible for production, manufacturing, and sales operations in the Chinese market.

(6) Backgrounds of Directors, Supervisors, and Presidents of Affiliated Enterprises

December 31, 2023; Unit: thousand shares

Name of Company	Title	Name or Representative	Shareholding	
			Shares	Shares
Celxpert Holdings Limited (BVI)	Director	Representative of Celxpert Energy Corporation: Shih-Ming Huang	24,631	100%
Celxpert Energy (H.K.) Limited	Director	Representative of Celxpert Holdings Limited: Shih-Ming Huang	14,220	100%
Advance Smart Industrial Limited (BVI)	Director	Representative of Celxpert Holdings Limited: Shih-Ming Huang	50	100%
Celxpert Energy International Limited (SAMOA)	Director	Representative of Celxpert Holdings Limited: Shih-Ming Huang	(Note 2)	100%
Creative Power Enterprises Inc (SAMOA)	Director	Representative of Celxpert Holdings Limited: Shih-Ming Huang	10,000	100%
Celxpert(Kunshan)Energy Co.,Ltd	Chairman	Shih-Ming Huang	(Note 1)	100%
	Director	Xin-Xheng Hu, Chien-Yu Lin, Chin-Te Chen, Jia-Xin Huang		
Celxpert (Nantong) Energy Corporation LTD	Supervisor	Xong-Ying Yang	(Note 1)	100%
	Chairman	Shih-Ming Huang		
	Director	Xong-Ying Yang, Jia-Xin Huang		
	Supervisor	Chien-Yu Lin		

PT Celxpert Energy Indonesia	Director	Shih-Ming Huang	18	100%
KEELGOAL ENERGY CO., LTD	Chairman Director Director Supervisor	Shih-Ming Huang Ching-Jung Huang Cheng-Yang Tsai Chien-Yu Lin	8,600	85.15%

(Note 1) It is a limited company.

(Note 2) Only the registration is completed, the capital is not yet invested in.

(7) Performance of Affiliated Enterprises (As of December 31, 2023)

Unit: NT\$ thousands

Name of Company	Paid-in Capital	Total assets	Total Liabilities	Net Worth	Operating revenues	Operating income	Net income (loss) (After tax)	Earnings (losses) per share (NTD)(After tax)
Celxpert Holdings Limited (BVI)	752,490	407,262	16,788	390,474	0	0	(125,649)	(5.10)
Celxpert Energy (H.K.) Limited	436,625	105,288	0.00	105,288	0	0	(90,402)	(6.36)
Advance Smart Industrial Limited (BVI)	1,535	98,729	1,154	97,575	0	0	17	0.34
Celxpert Energy International Limited (SAMOA) (Note 1)	—	—	—	—	—	—	—	—
Celxpert(Kunshan)Energy Co.,Ltd	460,575	351,652	264,549	87,103	557,148	(80,161)	(90,408)	N/A(Note 2)
Creative Power Enterprises Inc. (SAMOA)	307,050	193,109	0	193,109	0	0	(36,013)	(3.60)
Celxpert (Nantong) Energy Corporation LTD	307,050	215,544	22,434	193,110	62,099	(40,085)	(36,013)	N/A(Note 2)
PT Celxpert Energy Indonesia	40,767	6,647	337	6,310	0	(2,037)	(2,018)	(112. 11)
KEELGOAL ENERGY CO., LTD	101,000	309,719	193,398	116,321	179,647	4,898	5,624	0. 56

Note 1: Not yet invested.

Note 2 : It is a limited company.

(8) Consolidated Financial Statements Covering Affiliated Enterprises

Representation Letter

The entities that are required to be included in the consolidated financial statements of the Company as of and for the year ended December 31, 2022, under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Report and Consolidated Financial Statements of Affiliated Enterprises” are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10 recognized by the Financial Supervisory Commission, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Celxpert Energy Corporation and its Subsidiaries do not prepare a separate set of consolidated financial statements.

Celxpert Energy Corporation
Chairman: Shih-Ming Huang
March 10, 2023

(9) Relationship report: N/A.

8.2. Private Placement of Securities in the Most Recent Year and the Current Year Up to the Printing Date of this Annual Report. Disclosure of the Date of the Approvals by the Shareholders' Meeting or the Board Meeting, the Quantity Approved, the Basis and Reasonableness of the Price, the Method for Selecting the Specific Persons, the Reasons For The Necessity of Conducting the Private Placement: None.

8.3. Holding or Disposal of the Company's Shares by Its Subsidiaries in the Most Recent Year and the Current Year Up to the Printing Date of this Annual Report: None.

8.4. Other Matters Requiring Supplementary Information
Unfulfilled OTC commitments: None.

IX. Disclosure of Events Listed in Article 36-3-2 of the Securities and Exchange Act Which May Have a Significant Influence on Stockholders' Equity or Share Price in the Most Recent Year and the Current Year Up to the Printing Date of this Annual Report: None.

Celxpert Energy Corporation

Chairman : Shih-Ming Huang