Stock Code: 3323

CELXPERT ENERGY CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements With Independent Auditors' Review Report

For the First Quarters of 2024 and 2023

Address: No.128, Gong 5th Rd., Longtan Dist., Taoyuan City, Taiwan (R.O.C.)
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The independent 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 statement, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Celxpert Energy Corporation:

Foreword

We have reviewed the consolidated financial statements of Celxpert Energy Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of March 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the periods from January 1 to March 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of material accounting policies. It is the responsibility of the management to prepare and ensure fair presentation of consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the version of IAS 34 - "Interim Financial Reporting" approved and published by the Financial Supervisory Commission. Our responsibility as auditor is to form a conclusion based on our review.

Applicability

We, the auditors, have performed the review in accordance with Standards on Review Engagements No. 2410 - "Financial Statement Review." The procedures executed in our review of consolidated financial statements include inquiry (mainly with employees responsible for financial and accounting affairs), analysis and other review-related processes. The scope of financial statement review is significantly smaller than a financial statement audit, therefore we may not be able to detect all material issues through the steps we have taken, and are therefore unable to provide an audit opinion.

Conclusion

Based on the outcome of our review, none of the material disclosures of the consolidated financial statements mentioned above exhibited any misstatement that did not conform with Regulations Governing the Preparation of Financial Reports by Securities Issuers or the version of IAS 34 - "Interim Financial Reporting" approved by the Financial Supervisory Commission, or compromised the fair view of the consolidated financial position of Celxpert Energy Corporation and subsidiaries as of March 31, 2024 and 2023, and consolidated business performance and cash flow for periods from January 1 to March 31, 2024 and 2023.

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)
May 10, 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.

CELXPERT ENERGY CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

As of March 31, 2024, December 31, 2023, and March 31, 2023

(In Thousands of New Taiwan Dollars)

		31-Mar-24		31-Dec-23		31-Mar-23	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note (6)(a))	$ 1,552,550	28.5	1,600,116	30.4	766,396	12.5
1120	Current financial assets at fair value through other comprehensive income (note (6)(b))	30,703	0.6	30,321	0.6	29,342	0.5
1170	Accounts receivable, net (notes (6)(c) and (6)(p))	1,548,967	28.5	1,594,760	30.3	2,616,843	43
1200	Other receivables	530	-	2,924	-	1,922	-
1310	Inventories (note (6)(d))	916,321	16.8	845,019	16.1	1,604,710	26.3
1410	Prepayments	24,801	0.4	18,962	0.4	34,512	0.6
1470	Other current assets	6,507	0.1	8,658	0.2	29,564	0.5
1476	Other current financial assets (note (6)(a))	678,371	12.5	455,946	8.7	230,597	3.8
		4,758,750	87.4	4,556,706	86.7	5,313,886	87.2
	Non-current assets:						
1510	Non-current financial assets at fair value through profit or loss (note (6)(i))	40	-	760	-	-	-
1600	Property, plant and equipment (note (6)(e))	552,393	10.2	566,747	10.8	668,956	11
1755	Right-of-use assets (note (6)(f))	31,474	0.6	31,756	0.6	37,163	0.6
1780	Intangible assets	5,918	0.1	6,704	0.1	6,063	0.1
1840	Deferred tax assets	78,132	1.4	78,132	1.5	47,237	0.8
1975	Non-current net defined benefit assets	-	-	-	-	1,588	-
1900	Other non-current assets (note 8)	16,987	0.3	16,437	0.3	15,985	0.3
		684,944	12.6	700,536	13.3	776,992	12.8
	Total assets	**$ 5,443,694**	**100**	**5,257,242**	**100**	**6,090,878**	**100**

		31-Mar-24		31-Dec-23		31-Mar-23	
	Total liabilities and equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (note (6)(g))	$ 647,745	11.9	563,082	10.7	709,716	11.6
2130	Current contract liabilities (note (6)(p))	53,172	1	12,106	0.2	85,852	1.4
2170	Notes and accounts payable	1,146,850	21	995,965	18.9	1,424,058	23.4
2200	Other payables	194,868	3.6	259,094	4.9	285,356	4.7
2216	Dividends payable (note (6)(m))	-	-	-	-	120,459	2
2230	Current tax liabilities	58,414	1.1	55,056	1.1	125,940	2.1
2280	Current lease liabilities (note (6)(j))	9,059	0.2	8,223	0.2	8,395	0.1
2300	Other current liabilities	68,194	1.2	56,107	1.1	65,292	1.1
		2,178,302	40	1,949,633	37.1	2,825,068	46.4
	Non-current liabilities:						
2530	Bonds payable (note (6)(i))	337,429	6.2	330,871	6.3	-	-
2540	Long-term borrowings (note (6)(h))	400,000	7.4	400,000	7.6	850,000	14
2560	Non-current tax liabilities	39,415	0.7	50,267	1	15,308	0.3
2570	Deferred tax liabilities	628	-	628	-	538	-
2580	Non-current lease liabilities (note (6)(j))	15,101	0.3	17,033	0.3	21,121	0.3
2600	Other non-current liabilities (note (6)(e))	4,999	0.1	5,564	0.1	8,013	0.1
2640	Non-current net defined benefit liabilities	1,018	-	1,018	-	-	-
		798,590	14.7	805,381	15.3	894,980	14.7
	Total liabilities	2,976,892	54.7	2,755,014	52.4	3,720,048	61.1
	Equities:						
	Equity attributable to owners of parent (note 6(m)):						
3110	Ordinary share capital	883,059	16.2	883,059	16.8	803,059	13.1
3200	Capital surplus	860,717	15.8	860,717	16.4	640,924	10.5
3310	Legal reserves	378,829	7	378,829	7.2	356,678	5.9
3350	Unappropriated retained earnings	279,584	5.1	330,283	6.3	516,872	8.5
3400	Other equity interest	46,716	0.9	32,066	0.6	37,198	0.6
	Total equity attributable to owners of parent:	2,448,905	45	2,484,954	47.3	2,354,731	38.6
	Non-controlling interests:						
36XX	Non-controlling interests	17,897	0.3	17,274	0.3	16,099	0.3
	Total equity	2,466,802	45.3	2,502,228	47.6	2,370,830	38.9
	Total liabilities and equity	**$ 5,443,694**	**100**	**5,257,242**	**100**	**6,090,878**	**100**

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

Chairman: Shih-Ming Huang **General Manager: Shih-Ming Huang** **Accounting Supervisor: Chien-Yu Lin**

CELXPERT ENERGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the Periods from January 1 to March 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

		January to March, 2024		January to March, 2023	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenues** (note 6(p))	$ 1,194,728	100.0	1,727,412	100.0
5110	**Operating costs** (notes 6(d), 6((k)) and 12)	1,127,118	94.3	1,682,527	97.4
5900	**Gross profit from operations**	67,610	5.7	44,885	2.6
6000	**Operating expenses** (notes 6((k)), 6(q), 7 and 12)**:**				
6100	Selling expenses	26,847	2.2	38,184	2.2
6200	Administrative expenses	75,276	6.3	78,580	4.6
6300	Research and development expenses	37,741	3.2	47,475	2.7
6450	Expected credit impairment (note 6(c))	51	-	1,160	-
		139,915	11.7	165,399	9.5
6900	**Net operating loss**	(72,305)	(6.0)	(120,514)	(6.9)
	Non-operating income and expenses:				
7100	Interest income	5,421	0.4	2,137	-
7190	Other income	2,475	0.2	4,643	0.3
7050	Financial costs (notes 6(i) and 6(j))	(16,229)	(1.4)	(16,401)	(0.9)
7630	Foreign exchange (losses) gains, net (note (6)(r))	36,431	3.0	(7)	-
7635	Losses on financial assets at fair value through profit or loss (note (6)(i))	(720)	-	-	-
7590	Other expenses	(1,332)	(0.1)	(897)	(0.1)
		26,046	2.1	(10,525)	(0.7)
7900	**Loss before tax**	(46,259)	(3.9)	(131,039)	(7.6)
7950	**Less: Income tax expenses (benefits)** (note 6(l))	3,817	0.3	(22,105)	(1.3)
8200	**Current net loss**	(50,076)	(4.2)	(108,934)	(6.3)
8300	**Other comprehensive income:**				
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign financial statements	14,268	1.2	1,083	0.1
8367	Unrealized losses from investments in debt instruments measured at fair value through other comprehensive income	382	-	(2,756)	(0.2)
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	-	-	-	-
		14,650	1.2	(1,673)	(0.1)
8300	**Other comprehensive (loss) income for the current period**	14,650	1.2	(1,673)	(0.1)
8500	**Total comprehensive (loss) income for the current period**	**($ 35,426)**	**(3.0)**	**(110,607)**	**(6.4)**
	Current net (loss) profit attributable to:				
8610	Owners of parent	($ **50,699**)	(4.2)	(108,612)	(6.3)
8620	Non-controlling interests	623	-	(322)	-
		(50,076)	**(4.2)**	**(108,934)**	**(6.3)**
	Total comprehensive (loss) income attributable to:				
8710	Owners of parent	(36,049)	(3.0)	(110,285)	(6.4)
8720	Non-controlling interests	623	-	-322	-
		($ 35,426)	**(3.0)**	**(110,607)**	**(6.4)**
	Losses per share (note 6(o))				
9750	**Basic losses per share (in NT dollars)**	**($ 0.57)**		**(1.35)**	
9850	**Diluted losses per share (in NT dollars)**	**($ 0.57)**		**(1.35)**	

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

Chairman: Shih-Ming Huang **General Manager: Shih-Ming Huang** **Accounting Supervisor: Chien-Yu Lin**

CELXPERT ENERGY CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the Periods from January 1 to March 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
			Retained earnings			Other equity items					
	Ordinary share capital	Capital surplus	Legal reserves	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets at fair value through other comprehensive income (FVOCI)	Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2023	$ 803,059	640,924	356,678	745,943	1,102,621	38,871	-	38,871	2,585,475	16,421	2,601,896
Current net loss	-	-	-	(108,612)	(108,612)	-	-	-	108,612)	(322)	(108,934)
Other comprehensive (loss) income for the current period	-	-	-	-	-	1,083	(2,756)	(1,673)	(1,673)	-	(1,673)
Total comprehensive (loss) income for the current period	-	-	-	(108,612)	(108,612)	1,083	(2,756)	(1,673)	(110,285)	(322)	(110,607)
Appropriation and distribution of retained earnings:											
Cash dividends of ordinary shares	-	-	-	(120,459)	(120,459)	-	-	-	(120,459)	-	(120,459)
Balance at December 31, 2023	**$ 803,059**	**640,924**	**356,678**	**516,872**	**873,550**	**39,954**	**(2,756)**	**37,198**	**2,354,731**	**16,099**	**2,370,830**
Balance at January 1, 2024	$ 883,059	860,717	378,829	330,283	709,112	33,843	(1,777)	32,066	2,484,954	17,274	2,502,228
Current net (loss) income	-	-	-	(50,699)	(50,699)	-	-	-	(50,699)	623	(50,076)
Other comprehensive (loss) income for the current period	-	-	-	-	-	14,268	382	14,650	14,650	-	14,650
Total comprehensive (loss) income for the current period	-	-	-	(50,699)	(50,699)	14,268	382	14,650	(36,049)	623	(35,426)
Balance at March 31, 2024	**$ 883,059**	**860,717**	**378,829**	**279,584**	**658,413**	**48,111**	**(1,395)**	**46,716**	**2,448,905**	**17,897**	**2,466,802**

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

Chairman: Shih-Ming Huang **General Manager: Shih-Ming Huang** **Accounting Supervisor: Chien-Yu Lin**

CELXPERT ENERGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Periods from January 1 to March 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

	January to March, 2024	January to March, 2023
Cash flows from (used in) operating activities:		
Current net loss before tax	($ 46,259)	(131,039)
Adjustments:		
Adjustments to reconcile (loss) profit :		
Depreciation	38,654	44,830
Amortization	952	1,473
Expected credit impairment	51	1,160
Net losses on financial assets at fair value through profit or loss	720	-
Interest expense	16,229	16,401
Interest income	(5,421)	(2,137)
Others	39	625
Total adjustments to reconcile (loss) profit	51,224	62,352
Changes in operating assets and liabilities:		
Decrease in accounts receivable	45,742	273,088
Decrease in other receivables	540	3,372
Decrease (increase) in inventories	(71,302)	137,835
Increase in prepayments and other current assets	(3,516)	(13,359)
Increase in current contract liabilities	41,066	54,552
Increase (decrease) in notes and accounts payable	150,885	(199,578)
Decrease in other payables and other current liabilities	(49,495)	(56,570)
Increase in net defined benefit liabilities	-	(75)
Total changes in operating assets and liabilities	113,920	199,265
Cash inflow generated from operations	118,885	130,578
Interest received	7,275	1,407
Interest paid	(7,101)	(16,131)
Income taxes paid	(11,318)	(3,332)
Net cash flows from operating activities	107,741	112,522
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	(13,366)	(16,110)
Proceeds from disposal of property, plant and equipment	15	1,012
Decrease (increase) in refundable deposits	(516)	2,180
Acquisition of intangible assets	(76)	(2,154)
Acquisition of right-of-use assets	(859)	(864)
Increase in other current financial assets	(222,425)	(219,910)
Increase in prepaid equipment purchase	(57)	-
Net cash flows used in investing activities	(237,284)	(267,944)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	76,893	55,684)
Proceeds from long-term borrowings	-	100,000
Repayments of long-term borrowings	-	250,000)
Payment of lease liabilities	(2,286)	(2,215)
Net cash inflow (outflow) from financing activities	74,607	(207,899)
Effect of exchange rate changes on cash and cash equivalents	7,370	(1,290)
Net decrease in cash and cash equivalents	(47,566)	(364,611)
Cash and cash equivalents at beginning of period	1,600,116	1,131,007
Cash and cash equivalents at end of period	**$ 1,552,550**	**766,396**

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

Chairman: Shih-Ming Huang General Manager: Shih-Ming Huang Accounting Supervisor: Chien-Yu Lin

CELXPERT ENERGY CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the First Quarters of 2024 and 2023
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(I) 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. Please refer to note 4(b) 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").

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

These consolidated financial statements were authorized for issuance by the Board of Directors on May 10, 2024.

(III) New standards, amendments and interpretations adopted:

1. 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, 2024:

   - 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"

2. The impact of IFRS issued by IASB but not yet endorsed by the FSC

   Below is a list of standards and interpretations amended and announced by International Accounting Standards Board (IASB) that are yet to be approved by FSC but may be relevant to the Group:

New or revised standards	Key amendments	Effective date of IASB announcement
IFRS 18 - "Presentation and Disclosure in Financial Statements"	The new standards introduced three types of income, expense, and loss as well as two income statement subtotals and one footnote on management-defined performance measure. These three amendments and enhancements provide guidelines on how financial statement information can be classified to provide users with better and more consistent information, and will affect all companies. · More structured income statement: The existing standards allow companies to present business outcomes using different formats, which makes it difficult for investors to compare financial performance across companies. The new standards introduce a more structured income statement along with a newly defined subtotal of "operating profit" and the need to classify all income, expenses, and losses into three different categories based on the company's main business activities.	January 1, 2027

New or revised standards	Key amendments	Effective date of IASB announcement
IFRS 18 - "Presentation and Disclosure in Financial Statements"	·Management-defined performance measure (MPM): The new standards define the concept of MPM and require companies to explain in a financial statement footnote how each MPM provides useful information, how it is calculated, and how it can be reconciled with the amounts recognized according to IFRS/IAS. · More detailed classification: The new standards provide guidelines on how companies can improve the grouping of information in financial statements. These guidelines also address whether information should be included in the main statements or presented in footnotes.	January 1, 2027

The Group continues to evaluate how revisions of the above standards and interpretations affect its financial position and business performance. Outcomes of these assessments will be disclosed upon completion.

The Group does not expect other new and amended standards listed below, 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"

(IV) Summary of material accounting policies

1. 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 version of International Accounting Standards No. 34 - "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. The consolidated financial statements do not necessarily include all the information to be disclosed in full-year consolidated financial statements that are prepared in accordance with FSC-approved IFRS, IAS, and interpretations thereof (collectively referred to as "FSC-approved IFRS/IAS" below").

Except for the matters explained below, the interim consolidated financial statements were prepared using the same material accounting policies as the 2023 consolidated financial statements. Please see note 4 of the 2023 consolidated financial statements for more details.

2. Basis of consolidation

List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activities	Percentage of ownership March 31, 2024	Percentage of ownership December 31, 2023	Percentage of ownership March 31, 2023
The Company	Celxpert Holdings Limited (BVI) (CHL)	Foreign investment holding	100%	100%	100%
〃	PT. Celxpert Energy Indonesia (Celxpert (Indonesia))	Manufacturing, processing, and sales of battery packs and power supply related products	100%	100%	100%
〃	Keelgoal Energy Co., Ltd. (Keelgoal Energy)	Research and development and trading of lithium battery packs, energy storage systems and others	85.15%	85.15%	85.15%
CHL	Advance Smart Industrial Limited (BVI) (ASIL)	Import and export trade	100%	100%	100%
〃	Celxpert Energy (H.K.) Limited (CHK)	Foreign investment holding	100%	100%	100%
〃	Celxpert Energy International Limited (SAMOA) (CEIL)	Foreign investment holding	100% (Note 1)	100% (Note 1)	100% (Note 1)
〃	Creative Power Enterprises Inc. (CPEI)	Foreign investment holding	100%	100%	100%
CHK	Celxpert (Kunshan) Energy Co., Ltd. (Celxpert (Kunshan))	Manufacturing and trading of battery parts and battery packs	100%	100%	100%
CPEI	Celxpert (Nantong) Energy Corporation Ltd. (Celxpert (Nantong))	Manufacturing and trading of battery parts and battery packs	100%	100%	100%

Note 1: The registration procedures have been completed, and no capital has been injected yet.

3. Income taxes

The Group measures and discloses income tax expenses for the interim period according to section B12 of IAS 34 - "Interim Financial Reporting."

Income tax expense is measured by multiplying interim profit before tax with the management's best estimate of effective tax rate for the year. The entirety of the result is recognized as income tax expense for the current period.

Where income tax expense is recognized directly in equity or other comprehensive income, the amount is measured using the temporary differences between asset/liability figures presented for financial reporting purpose and asset/liability figures used for taxation basis and the tax rate applicable at the time when assets/liabilities are expected to be realized/settled.

4. Employee benefits

Interim pension costs in a defined benefit plan are calculated from the beginning until the end of the interim period using the actuarial pension cost rate determined as of the reporting date of the previous year, and adjusted for major market changes, plan curtailments, settlements, and other one-time events that took place after the reporting date.

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

The management is required to make certain judgments, estimates, and assumptions when preparing consolidated financial statements that comply with FSC-approved IAS 34 - "Interim Financial Reporting." These judgments, estimates, and assumptions may affect the types of accounting policies adopted and amounts of asset, liability, income, and expense reported. Actual results may differ from these estimates.

The accounting policies and major sources of uncertainty to significant judgments, estimates, and assumptions involved in the preparation of the consolidated financial statements were identical to note 5 of the 2023 consolidated financial statements.

(VI) Explanation of significant accounts

There was no significant difference in the explanation of significant accounts between the current consolidated financial statements and the 2023 consolidated financial statements, except for the matters discussed below. Please refer to note 6 of the 2023 consolidated financial statements for more details.

1. Cash and cash equivalents

		March 31, 2024	December 31, 2023	March 31, 2023
Petty cash and cash on hand	$	787	905	1,339
Checking accounts and demand deposits		1,454,803	1,230,751	695,057
Time deposits		96,960	368,460	70,000
	$	**1,552,550**	**1,600,116**	**766,396**

As of March 31, 2024, December 31, 2023, and March 31, 2023, the time deposits with maturities over three months from the acquisition date amounted to NTD678,244,000, NTD455,769,000, and NTD230,597,000, respectively. These time deposits are recorded as other current financial assets.

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

2. Fair value through other comprehensive income (FVOCI)

		March 31, 2024	December 31, 2023	March 31, 2023
Debt investments at fair value through other comprehensive income:				
Corporate bonds	**$**	**30,703**	**30,321**	**29,342**

1) 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.

The Group acquired 30-year USD corporate bonds of Taiwan Semiconductor Manufacturing Co., Ltd (TSMC), with a consideration of NTD32,098,000 in January 2023. The bonds have a coupon rate of 4.5%, with interest that is payable semiannually, and will mature in April 2052.

2) For the credit risk and market risk, please refer to note 6(r).

3) As of March 31, 2024, the Group did not provide any financial assets at fair value through other comprehensive income as collaterals for its loans.

3. Accounts receivable

	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable – measured at amortized cost	$ 1,549,145	1,594,887	2,620,986
Less: Loss allowance	(178)	(127)	(4,143)
	$ 1,548,967	**1,594,760**	**2,616,843**

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:

		March 31, 2024	
Credit rating	**Gross carrying amount**	**Weighted-average loss rate**	**Loss allowance**
A	$ 463,894	0.001%	5
B	1,001,972	0.005%	50
C	62,973	0.100%	63
D	20,306	0.295%	60
	$ 1,549,145		**178**

		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
	$ 1,594,887		**127**

		March 31, 2023	
Credit rating	**Gross carrying amount**	**Weighted-average loss rate**	**Loss allowance**
A	$ 370,885	0.001%	4
B	113,318	0.005%	6
C	1,996,697	0.100%	1,997
D	140,086	1.526%	2,136
	$ 2,620,986		**4,143**

The aging analysis of accounts receivable was as follows:

		March 31, 2024	December 31, 2023	March 31, 2023
Current	$	1,546,592	1,594,771	2,533,337
1 to 30 days overdue		2,553	88	31,945
31 to 60 days overdue		-	28	22,282
61 to 90 days overdue		-	-	33,422
	$	**1,549,145**	**1,594,887**	**2,620,986**

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

		January to March 2024	January to March 2023
Balance on January 1	$	127	2,983
Impairment loss recognized		51	1,160
Ending balance	**$**	**178**	**4,143**

As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group did not provide any notes or accounts receivable as collateral for its loans.

4. Inventories

		March 31, 2024	December 31, 2023	March 31, 2023
Raw materials	$	424,313	358,950	770,834
Work in progress		31,119	23,875	45,113
Finished goods		460,889	462,194	788,763
	$	**916,321**	**845,019**	**1,604,710**

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

		January to March 2024	January to March 2023
Write down (reversal) of inventories	($	15,264)	18,568
Unallocated production overheads		8,239	7,891
Inventory obsolescence		1	8,270
	($	**7,024)**	**34,729**

The Group wrote down inventory to the net realizable value and recognized write-down losses on the inventory. Furthermore, due to the sale of slow-moving inventory, the net asset value of inventory recovered, resulting in the recognition of gains on reversal of inventory write-down.

2) As of March 31, 2024, December 31, 2023, and March 31, 2023,the Group did not provide any inventories as collateral for its loans.

5. Property, plant and equipment

Details of change in property, plant, and equipment of the Group:

	Land	Buildings and construction	Machinery and equipment	Office, transportation equipment and others	Construction in progress and equipment pending inspection	Total
Cost:						
Balance at January 1, 2024	$ 46,636	633,538	712,897	137,835	95,157	1,626,063
Addition	-	-	2,915	295	4,942	8,152
Disposal	-	-	(11,964)	(951)	-	(12,915)
Reclassifications	-	3,294	8,316	211	(12,609)	(788)
Effect of movements in exchange rates	-	17,151	18,022	4,317	3,351	42,841
Balance at March 31, 2024	**$ 46,636**	**653,983**	**730,186**	**141,707**	**90,841**	**1,663,353**
Balance on January 1, 2023	$ 46,636	643,102	708,190	132,299	107,253	1,637,480
Addition	-	-	7,886	1,300	10,653	19,839
Disposal	-	(6,016))	(21,473)	(3,509)	-	(30,998)
Reclassifications	-	-	18,092	893	(19,398)	(413)
Effect of movements in exchange rates	-	2,102	2,508	534	467	5,611
Balance at March 31, 2023	**$ 46,636**	**639,188**	**715,203**	**131,517**	**98,975**	**1,631,519**
Depreciation:						
Balance at January 1, 2024	$ -	418,567	537,210	103,539	-	1,059,316
Depreciation for the period	-	10,249	21,416	4,388	-	36,053
Disposal	-	-	(11,957)	(951)	-	(12,908)
Effect of movements in exchange rates	-	12,226	12,798	3,475	-	28,499
Balance at March 31, 2024	**$ -**	**441,042**	**559,467**	**110,451**	**-**	**1,110,960**
Balance on January 1, 2023	$ -	386,276	468,660	91,320	-	946,256
Depreciation for the period	-	11,315	26,516	4,450	-	42,281
	-	(5,882)	(20,149)	(3,160)	-	(29,191)
Effect of movements in exchange rates	-	1,312	1,537	368	-	3,217
Balance at March 31, 2023	**$ -**	**393,021**	**476,564**	**92,978**	**-**	**962,563**
Carrying amount:						
January 1, 2024	**$ 46,636**	**214,971**	**175,687**	**34,296**	**95,157**	**566,747**
March 31, 2024	**$ 46,636**	**212,941**	**170,719**	**31,256**	**90,841**	**552,393**
January 1, 2023	**$ 46,636**	**256,826**	**239,530**	**40,979**	**107,253**	**691,224**
March 31, 2023	**$ 46,636**	**246,167**	**238,639**	**38,539**	**98,975**	**668,956**

1) The Group received a government grant of CNY 2,100 thousand for factory renovation project in 2021, which was presented 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.

2) As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group did not provide any property, plant and equipment as collaterals for its loans.

6. 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:

	Right-of-use of land	Buildings and construction	Other equipment	Total
Cost:				
Balance at January 1, 2024	$ 8,323	35,788	5,372	49,483
Addition	-	2,049	-	2,049
Reduction	-	(2,371)	-	(2,371)
Effect of movements in exchange rates	336	863)	-	(527)
Balance at March 31, 2024	**$ 8,659**	**34,603**	**5,372**	**48,634**
Balance on January 1, 2023	$ 8,464	27,205	7,051	42,720
Addition	-	10,439	-	10,439
Reduction	-	(1,070)	(632)	(1,702
Effect of movements in exchange rates	42	(786)	-	(744)
Balance at March 31, 2023	**$ 8,506**	**35,788**	**6,419**	**50,713**
Depreciation:				
Balance at January 1, 2024	$ 1,559	13,973	2,195	17,727
Depreciation for the period	79	2,093	429	2,601
Reduction	-	(2,371)	-	(2,371)
Effect of movements in exchange rates	66	(863)	-	(797)
Balance at March 31, 2024	**$ 1,704**	**12,832**	**2,624**	**17,160**
Balance on January 1, 2023	$ 1,268	7,635	4,580	13,483
Depreciation for the period	80	1,909	560	2,549
Reduction	-	(1,070)	(632)	(1,702
Effect of movements in exchange rates	6	(786)	-	(780)
Balance at March 31, 2023	**$ 1,354**	**7,688**	**4,508**	**13,550**
Carrying amount:				
January 1, 2024	**$ 6,764**	**21,815**	**3,177**	**31,756**
March 31, 2024	**$ 6,955**	**21,771**	**2,748**	**31,474**
January 1, 2023	**$ 7,196**	**19,570**	**2,471**	**29,237**
March 31, 2023	**$ 7,152**	**28,100**	**1,911**	**37,163**

7. Short-term borrowings

The details of short-term borrowings were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Credit loans	**$ 647,745**	**563,082**	**709,716**
Unused credit lines	**$ 3,760,255**	**3,755,563**	**3,103,092**
Range of interest rates	**1.65%~6.91%**	**1.95%~6.91%**	**5.65%~6.00%**

As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group did not provide any assets as collaterals for its bank borrowings and credit limits.

8. Long-term borrowings

The details of long-term borrowings were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured bank loans	$ 400,000	400,000	850,000
Less: Current portion	-	-	-
Total	**$ 400,000**	**400,000**	**850,000**
Unused credit lines	**$ 1,600,000**	**1,600,000**	**1,000,000**
Range of interest rates	**1.99%~2.28%**	**1.95%~2.28%**	**1.95%~2.15%**
Maturity period	**114.8~114.12**	**114.3~114.12**	**113.8~113.12**

1) Additions or deductions of borrowings

The Group borrowed new loans amounting to NTD0 thousand and NTD100,000,000 in the periods from January 1 to March 31, 2024 and 2023, respectively. Repayment of long-term borrowings (including early settlement) amounted to NTD0 thousand t and NTD250,000,000 for the periods from January 1 to March 31, 2024 and 2023, respectively.

2) The Group did not provide any assets as collaterals for bank borrowings and credit limits.

3) For information on the Group's interest risk and liquidity risk, please refer to note (6)(r).

9. Bonds payable

1) The Group issued the third domestic unsecured convertible bonds at 100% of the par value, with a total amount of NTD400,000,000 on June 2, 2023.

2) The details of bonds payable were as follows:

	March 31, 2024	December 31, 2023
Total convertible bonds issued	$ 400,000	400,000
Unamortized discounted bonds payable	(62,571)	(69,129)
Balance of bonds payable at the reporting date	**$ 337,429**	**330,871**
Embedded derivative – call options, presented as non-current financial assets at fair value through profit or loss	**$ 40**	**760**
Equity component – conversion options, presented as capital surplus– share options	**$ 84,201**	**84,201**

	January to March, 2024
Embedded derivative instruments – losses resulting from remeasurement of call option at fair value, presented as losses on financial assets at fair value through profit or loss	**$ 720**
Interest expense	**$ 6,558**

The Group did not issue, recall, or repay corporate bonds between January 1 and March 31, 2024. Please refer to note 6(j) of the 2023 consolidated financial statements for more information.

3) As of March 31, 2024 and December 31, 2023, the Group did not provide any corporate bonds payable as collateral for its loans.

4) For information on the Group’s liquidity risk, please refer to note (6)(r).

10. Lease liabilities

The details of lease liabilities were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Current	$ 9,059	8,223	8,395
Non-current	$ 15,101	17,033	21,121

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

The amounts recognized in profit or loss were as follows:

	January to March 2024	January to March 2023
Interest on lease liabilities	$ 99	113
Expenses relating to short-term leases	$ 215	236
Variable lease payments not included in the measurement of lease liabilities	$ 263	390
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 2	2

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

	January to March 2024	January to March 2023
Total cash outflow for leases	$ 2,865	2,956

1) Building leases

The Group leases buildings for its office space and car park; lease tenor ranges from one to six years.

2) Other leases

The Group leases office equipment and transportation equipment; lease tenor ranges from three to five years.

The Group also leases office equipment and video equipment with lease tenor 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.

11. Employee benefits

1) Defined benefit plans

No significant market change, plan curtailment, settlement, or other one-time event occurred after the financial reporting date of the previous year. For this reason, the Company adopted the pension cost determined through actuarial means as of December 31, 2023 and 2022, to measure and disclose pension cost for the interim period.

Related expenses recognized for the periods from January 1 to March 31, 2024 and 2023, were NTD107,000 and NTD36,000 respectively.

2) Defined contribution plans

The Company and domestic Group entities recognized pension costs incurred from contributions to the Bureau of Labor Insurance totaling NTD3,582,000 and NTD3,598,000 for the periods from January 1 to March 31, 2024 and 2023, respectively.

3) The other subsidiaries included in the consolidated financial statements

The sum of pension expenses and basic pension recognized for the periods from January 1 to March 31, 2024 and 2023, was NTD3,572,000 and NTD4,558,000, respectively.

12. Income taxes

1) Income tax expenses (benefits)

A. Details of Group income tax expense (benefit):

	January to March 2024	**January to March 2023**
Current income tax expense (benefit)		
Current period	$ 3,817	(22,105)
Income tax expenses (benefits)	**$ 3,817**	**(22,105)**

B. 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.

C. Profit-seeking enterprise income tax returns of the Company and Keelgoal Energy have been certified by the tax authority up to 2020 and 2022, respectively.

13. Capital and other equity

There was no significant change in the Group's other equity items for the periods from January 1 to March 31, 2024 and 2023, except for the matters discussed below. Please refer to note 6(n) of the 2023 consolidated financial statements for more information.

1) Ordinary share capital

On March 10, 2023, the Company's Board of Directors resolved 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 proceeds raised amounted to NTD211,200,000. 15% of the total number of shares issued were reserved for subscription by employees, with September 12, 2023 being the base date for the capital increase. The relevant statutory registration procedures have been completed, and all issued shares were paid up upon issuance.

2) Capital surplus

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

	March 31, 2024	December 31, 2023	March 31, 2023
Additional paid-in capital	$ 723,600	723,600	592,400
Cash issue reserved for employee subscription	4,392	4,392	-
Capital surplus from redemption of convertible bonds－treasury shares	46	46	46
Capital surplus from the recognition of equity items related to the buyback of convertible bonds	48,478	48,478	48,478
Issuance of convertible bonds	84,201	84,201	-
	$860,717	**860,717**	**640,924**

3) Earnings appropriation and dividend policy

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 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 Act, 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 Act 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 in a 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 total dividends for shareholders.

A. Earnings distribution

On March 10, 2023, the earnings distribution plan on cash dividends for the year ended 2022 was resolved in a Board of Directors' meeting. On June 15, 2023, the distribution of other earnings for the year ended 2022 was resolved in a shareholders' meeting. The relevant earnings distributions to shareholders were as follows:

	2022	
	Payout per share (NTD)	**Amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 1.5	**120,459**

On March 15, 2024, the Board of Directors passed a resolution to forgo distribution of cash dividends, given that the Company had incurred a net loss after tax in 2023.

Related information on owners' dividends resolved in shareholders' meeting can be accessed through the Market Observation Post System website.

14. Share-based payments

On March 10, 2023, the Company issued new shares through the resolution of the Board of Directors to increase capital in cash, while 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. For more details, please refer to note 6(o) of the 2023 consolidated financial statements.

15. Losses per share

Calculation of basic and diluted earnings (losses) per share is explained below:

	January to March 2024	January to March 2023
Basic losses per share (NTD)		
Loss attributable to ordinary shareholders of the Company	**($ 50,699)**	**(108,612)**
Weighted-average number of outstanding ordinary shares (in thousands)	**88,306**	**80,306**
	($ 0.57)	**(1.35)**
Diluted losses per share (NTD)		
Loss attributable to ordinary shareholders of the Company (diluted)	**($ 50,699)**	**(108,612)**
Weighted-average number of outstanding ordinary shares (in thousands)	88,306	80,306
Dilutive effect of potential ordinary shares		
Employees' stock remuneration	-	-
Convertible bonds	-	-
Weighted-average number of outstanding ordinary shares (after adjusting for dilutive effect of potential ordinary shares)(in thousands)	**88,306**	**80,306**
	($ 0.57)	**(1.35)**

1) The Company's convertible corporate bonds had no dilutive effect in the periods from January 1 to March 31, 2024 and 2023.

2) The Company incurred net losses after tax for the periods from January 1 to March 31, 2024 and 2023, and there were no potential ordinary shares with dilutive effect.

16. Revenue from contracts with customers

1) Disaggregation of revenue

	January to March 2024	January to March 2023
Primary geographical markets:		
Taiwan	$ 311,359	250,070
Mainland China	762,879	1,307,583
Others	120,490	169,759
	$ 1,194,728	**1,727,412**
Major products:		
Lithium battery packs	$ 1,186,824	1,718,094
Construction income and others	7,904	9,318
	$ 1,194,728	**1,727,412**

2) Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable	$ 1,549,145	1,594,887	2,620,986
Less: Loss allowance	(178)	(127)	(4,143)
	$ 1,548,967	**1,594,760**	**2,616,843**
Contract liabilities - Advanced receipts	**$ 53,172**	**12,106**	**85,852**

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

NTD8,128,000 and NTD7,826,000 of the opening balance of contract liabilities as of January 1, 2024 and 2023, were recognized as income for the periods from January 1 to March 31, 2024 and 2023, respectively.

Changes in contract liability were mainly attributed to differences between the timing at which the Company is deemed to have fulfilled its obligations by delivering merchandise or service to customers and the timing at which payment is collected from customers.

17. 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 employee remuneration may be distributed in shares or in cash to employees of subsidiaries who meet specific conditions; the method of distribution is determined by the Board of Directors.

The Company incurred losses before tax for the periods from January 1 to March 31, 2024 and 2023, and no employee or director remuneration was allocated.

The Company incurred losses before tax in 2023, and no employee or director remuneration was allocated. The Company allocated NTD32,908,000 of employee remuneration and NTD7,372,000 of director remuneration for 2022, and the actual amount paid on a later date was indifferent from the amount allocated. More information can be found on the Market Information Post System.

18. Financial instruments

There was no significant change in the fair value of the Group's financial instruments or credit risk, liquidity risk, and market risk exposures arising from use of financial instruments, except for the matters discussed below. Please refer to note 6(t) of the 2023 consolidated financial statements for more information.

1) Credit risk

For credit risk exposure of accounts receivables, please refer to note (6)(c).

Financial assets measured at amortized cost include other receivables and time deposits; investments in debt instruments measured at fair value through other comprehensive income include debt securities issued by listed companies. The financial assets mentioned above are deemed to be of low risk, therefore allowances are made based on 12-month expected credit loss.

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.

Changes in loss allowance for the periods from January 1 to March 31, 2024 and 2023, were as follows:

	Other receivables	
	January to March 2024	**January to March 2023**
Ending balance (i.e. opening balance)	**$ 2,261**	**2,261**

2) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments:

	Contractual cash flows	**Within a year**	**1-5 years**
March 31, 2024			
Non-derivative financial liabilities:			
Short-term borrowings	($ 661,565)	(661,565)	-
Accounts payable	(1,146,850)	(1,146,850)	-
Other payables	(194,868)	(194,868)	-
Lease liabilities (including current portion)	(24,896)	(9,388)	(15,508)
Long-term borrowings	(413,428)	(8,503)	(404,925)
Bonds payable	(400,000)	-	(400,000)
	($ 2,841,607)	**(2,021,174)**	**(820,433)**
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)
	($ 2,668,219)	**(1,844,802)**	**(823,417)**
March 31, 2023			
Non-derivative financial liabilities:			
Short-term borrowings	($ 717,720)	(717,720)	-
Accounts payable	(1,424,058)	(1,424,058)	-
Other payables	(285,356)	(285,356)	-
Dividends payable	(120,459)	(120,459)	-
Lease liabilities (including current portion)	(30,624)	(8,809)	(21,815)
Long-term borrowings	(878,754)	(17,421)	(861,333)
	($ 3,456,971)	**(2,573,823)**	**(883,148)**

The Group does not expect that the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

3) Currency risk

A. Exposure to foreign currency risk

The Group’s significant exposure to foreign currency risk was as follows:

	March 31, 2024			December 31, 2023			March 31, 2023		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
USD	$62,238	USD/NTD =32.000	1,991,616	73,417	USD/NTD =30.705	2,254,269	86,807	USD/NTD =30.45	2,643,273
USD	1,362	USD/CNY =7.0950	43,584	1,109	USD/CNY =7.0961	34,052	3,172	USD/CNY =6.8717	96,587
Financial liabilities									
Monetary items									
USD	49,439	USD/NTD =32.000	1,582,048	44,274	USD/NTD =30.705	1,359,433	72,243	USD/NTD =30.45	2,199,799
USD	6,332	USD/CNY =7.0950	202,624	6,289	USD/CNY =7.0961	193,104	6,272	USD/CNY =6.8717	190,982

B. 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. If foreign currency weakened/strengthened against NTD and CNY by 5% as of March 31, 2024 and 2023, while all other factors remained unchanged, the impact on losses before tax for the periods from January 1 to March 31, 2024 and 2023, would be as follows. Figures for the two periods are analyzed using the same basis.

	January to March 2024	January to March 2023
USD (against the NTD)		
Strengthening 5%	$ 20,478	22,174
Weakening 5%	(20,478)	(22,174)
USD (against the CNY)		
Strengthening 5%	(7,952)	(4,720)
Weakening 5%	7,952	4,720

C. 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:

	January to March 2024		January to March 2023	
	Exchange gains and losses (thousands of foreign currency)	Average exchange rate	Exchange gains and losses (thousands of foreign currency)	Average exchange rate
NTD	35,765	-	(892)	-
CNY	152	CNY/NTD =4.3658	199	CNY/NTD =4.4410

D. Interest rate analysis

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.

If interest rate increased/decreased by 0.25% while all other variables remained unchanged, the Group's losses before tax for the period from January 1 to March 31, 2024 would have decreased/increased by NTD254,000, whereas losses before tax for the period from January 1 to March 31, 2023 would have increased/decreased by NTD541,000. These changes are mainly attributed to the Group's demand deposits and bank loans, which accrue and bear interests at floating rates.

E. Fair Value

a. 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:

CELXPERT ENERGY CORPORATION AND SUBSIDIARIES Notes to the Consolidated Financial Statements (Continued)

	March 31, 2024				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:					
Derivative financial instruments - convertible bonds - embedded derivatives	$ 40	-	-	40	40
Financial assets at fair value through other comprehensive income (FVOCI)					
Domestic bonds	30,703	-	30,703	-	30,703
Financial assets at amortized cost					
Cash and cash equivalents	1,552,550	-	-	-	-
Accounts receivable, net	1,548,967	-	-	-	-
Other receivables	530	-	-	-	-
Restricted asset (presented as other current asset)	2,000	-	-	-	-
Other current financial assets	678,371	-	-	-	-
Other non-current financial assets	2,000	-	-	-	-
Refundable deposits	14,929	-	-	-	-
	3,799,347				
	$ 3,830,090				
Financial liabilities measured at amortized cost:					
Short-term borrowings	$ 647,745	-	-	-	-
Accounts payable	1,146,850	-	-	-	-
Other payables	194,868	-	-	-	-
Bonds payable	337,429	-	-	380,480	380,480
Lease liabilities (including current portion)	24,160	-	-	-	-
Long-term borrowings	400,000	-	-	-	-
	$ 2,751,052				

	December 31, 2023				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:					
Derivative financial instruments - convertible bonds - embedded derivatives	$ 760	-	-	760	760
Fair value through other comprehensive income (FVOCI)					
Domestic bonds	30,321	-	30,321	-	30,321
Financial assets at amortized cost					
Cash and cash equivalents	1,600,116	-	-	-	-
Accounts receivable, net	1,594,760	-	-	-	-
Other receivables	2,924	-	-	-	-
Other current financial assets	455,946	-	-	-	-
Other non-current financial assets	2,000	-	-	-	-
Refundable deposits	14,413	-	-	-	-
	3,670,159				
	$ 3,701,240				

	December 31, 2023				
		Fair Value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
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	-	-	-	-
	$ 2,574,268				

	March 31, 2023				
		Fair Value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Fair value through other comprehensive income (FVOCI)					
Domestic bonds	$ 29,342	-	29,342	-	29,342
Financial assets at amortized cost					
Cash and cash equivalents	$ 766,396	-	-	-	-
Accounts receivable, net	2,616,843	-	-	-	-
Other receivables	1,922	-	-	-	-
Refundable deposits	15,985	-	-	-	-
Other current financial assets	230,597	-	-	-	-
	3,631,743	-	-	-	-
	$ 3,661,085				
Financial liabilities measured at amortized cost:					
Short-term borrowings	$ 709,716	-	-	-	-
Accounts payable	1,424,058	-	-	-	-
Other payables	285,356	-	-	-	-
Dividends payable	120,459	-	-	-	-
Lease liabilities (including current portion)	29,516	-	-	-	-
Long-term borrowings	850,000	-	-	-	-
	$ 3,419,105				

b. Valuation technique for financial instruments measured at fair value

(a) Non-derivative financial instruments

Financial instruments that are openly quoted in an active market will have fair value determined at the openly quoted price. Fair values of public-listed (OTC-traded) equity instruments and debt instruments openly quoted in active markets are determined using market prices quoted on major exchange and OTC center for actively traded government bonds.

Except for financial instruments traded in active markets, as described above, fair values of all other financial instruments are obtained either by applying valuation techniques or by making reference to counterparties' quotations. Fair value through valuation technique may be obtained by making reference to the prevailing fair value of financial instruments that share similar terms and characteristics or using valuation techniques such as the discounted cash flow method in conjunction with market information available as at the reporting date.

(b) Derivative financial instruments are evaluated based on valuation models that are widely accepted by market users, such as the binomial options pricing model.

c. There was no transfer of fair value hierarchy for the periods from January 1 to March 31, 2024 and 2023.

d. Reconciliation of Level 3 fair values

	Fair value through profit or loss
	Derivative financial instruments - convertible bonds
January 1, 2024	$ 760
Total profit or loss:	
Recognized in profit or loss	(720)
March 31, 2024	**$ 40**

The aforementioned total gains or losses were presented as "Losses on financial assets at fair value through profit or loss." Details of the assets that the Group had held as of March 31, 2024 were as follows:

	January to March, 2024
Total losses:	
Recognized in profit or loss (presented as "losses on financial assets at fair value through profit or loss")	(**$ 720**)

e. Quantitative 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 profit or loss - 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:

Content	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 (16.86% and 22.2% as of March 31, 2024 and December 31, 2023, respectively)	• The higher the volatility is, the higher the fair value will be.

f. Sensitivity of reasonable, possible alternative assumptions on fair value, for items that are subject to level 3 fair value input

The Group considers its fair value assessment of financial instruments to be reasonable, but uses of different valuation model or parameter may lead to different results. For financial instruments that involve the use of level 3 input, impacts on current profit or loss in the event of a change in valuation parameter are explained below:

			Impacts of fair value change on current profit or loss	
	Input value	Move up or down Variation	Favorable	Unfavorable
March 31, 2024				
Financial assets at fair value through profit or loss - call options of convertible bonds	Volatility	5%	($ 680)	(760)
December 31, 2023				
Financial assets at fair value through profit or loss - call options of convertible bonds	Volatility	5%	$ 480	(760)

The favorable and unfavorable effects represent 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.

19. Financial risk management

There was no significant change in the Group's financial risk management goals and policies from those disclosed in Note 6(u) of the 2023 consolidated financial statements.

20. Capital management

The Group's capital management goals, policies, and procedures were consistent with those disclosed in the 2023 consolidated financial statements. There was no change in the quantitative data used for capital management from that disclosed in the 2023 consolidated financial statements. Please see note 6(v) of the 2023 consolidated financial statements for more information.

21. Non-cash investing and financing activities

1) The Group's investing activities which did not affect the current cash flow for the periods from January 1 to March 31, 2024 and 2023, were acquisition of right-of-use assets through lease. Please refer to note (6)(f) and note (6)(j).

2) Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2024	**Cash flow**	**Non-cash changes** **Changes in lease payments and others**	**March 31, 2024**
Short-term borrowings	$ 563,082	84,663	-	647,745
Lease liabilities	25,256	(2,286)	1,190	24,160
Bonds payable	330,871	-	6,558	337,429
Long-term borrowings	400,000	-	-	400,000
	$ 1,319,209	**82,377**	**7,748**	**1,409,334**

	January 1, 2023	**Cash flow**	**Non-cash changes** **Changes in lease payments and others**	**March 31, 2023**
Short-term borrowings	$ 765,400	(55,684)	-	709,716
Lease liabilities	22,156	(2,215)	9,575	29,516
Long-term borrowings	1,000,000	(150,000)	-	850,000
	$ 1,787,556	**(207,899)**	**9,575**	**1,589,232**

(VII) Related-party transactions

1. Transactions with key management personnel

Key management personnel compensation comprised of:

	January to March 2024	**January to March 2023**
Short-term employee benefits	$ 4,981	4,289
Post-employment benefits	162	117
	$ 5,143	**4,406**

(VIII) Pledged assets

Carrying amount of assets that the Group had placed as collateral is explained below:

Name of asset	Pledged collateral	March 31, 2024	December 31, 2023	March 31, 2023
Time deposit (presented as other non-current financial assets)	Customs bond	$ 2,000	2,000	-

(IX) Commitments and contingencies:

As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group had capital commitment for construction and equipment that were contracted but not yet paid for, amounting to NTD72,065,000, NTD69,252,000, and NTD71,660,000, respectively.

(X) Losses due to major disasters: None.

(XI) Subsequent events: None.

(XII) Others

1. A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By function	January to March 2024			January to March 2023		
By nature	Presented as operating cost	Presented as operating expense	Total	Presented as operating cost	Presented as operating expense	Total
Employee benefits						
Salary	38,736	69,355	108,091	47,540	68,091	115,631
Labor and health insurance	2,545	6,350	8,895	2,895	6,409	9,304
Pension	3,434	3,827	7,261	4,423	3,769	8,192
Others	33,153	4,327	37,480	40,962	4,584	45,546
Depreciation	23,009	15,645	38,654	25,642	19,188	44,830
Amortization	94	858	952	231	1,242	1,473

2. Seasonality of operations:

   The Group's operations are not affected by seasonality or cyclicality.

(XIII) Other disclosures

1. 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 periods from January 1 to March 31, 2024:

   1) Loans to other parties: None.

   2) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars/foreign currencies)

Serial No.	Counter-party of guarantee and endorsement	Name of guarantor		Limitation on amount of guarantees and endorsements for a single enterprise	Highest balance of guarantees and endorsements during the period	Ending balance of guarantees and endorsements	Actual amount utilized	Amount endorsed/ guaranteed by collateral	Cumulative amount of endorsement/ guarantee as a percentage of net worth stated in the latest financial statements	Endorsement /guarantee limit	Parent company's guarantee/ endorsement to subsidiary	Subsidiary's guarantee/ endorsement to parent company	Guarantee/ endorsement to the Mainland area
		Name of entity	Relationship										
0	The Company	Celxpert (Kunshan)	2nd-tier subsidiary	979,562	320,000 (US$10,000)	320,000 (US$10,000)	320,000 (US$10,000)	-	13.07%	979,562	Y	-	Y
0	The Company	Keelgoal Energy	Subsidiary	244,890	180,000	180,000	95,951	-	7.35%	979,562	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 endorsers mentioned above are entities included in the consolidated financial statements.

Note 3: The USD is converted to NTD using the exchange rate of 32.000 at the end of the period. CNY is converted to NTD using the exchange rate of 4.408 at the end of the period.

3) Securities held at period-end (excluding investment in subsidiaries, associates and joint ventures):

Holder	Category and name of security	Relationship with company	Account	End of period				Note
				Shares	Carrying amount	Percentage of ownership (%)	Fair Value	
The Company	TSMC 30-year USD corporate bonds	-	Current financial assets at fair value through other comprehensive income	-	30,703	-	30,703	

4) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

5) Acquisition of real estate with amount exceeding the lower of NTNTD300 million or 20% of the capital stock: None.

6) Disposal of real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

7) Related-party purchases and sales with amounts exceeding the lower of NTD100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Purchaser/ Seller	Name of counterparty	Relationship	Transaction details				Transactions with terms different from others		Notes and accounts receivable (payable)		Note
			Purchase (sale)	Amount	As a percentage of total purchase (sale)	Payment terms	Unit price	Payment terms	Balance	As a percentage of total notes and accounts receivable (payable)	
The Company	Keelgoal	Subsidiary	(Sale)	(37,203)	(3)%	60 days	No significant difference	No significant difference	Accounts receivable 50,862	3%	(Note 1)
Keelgoal	The Company	Parent company	Purchase	37,203	35%	〃	〃	〃	Accounts payable (50,862)	(37)%	(Note 1)

Note 1: The transactions listed on the left had been eliminated in the consolidated financial statements.

8) Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of the capital stock:

Name of company	Counterparty	Relationship	Balance of related party receivables	Turnover rate	Ending Turnover		Amounts received in subsequent period (Note 1)	Amounts received in Allowance for bad debts
					Amount	Actions taken		
The Company	Keelgoal	Subsidiary	108,635 (Note 2)	1.37	-		70,394	-
ASIL	The Company	Parent company	101,137	-	-		-	-

Note 1: Information as of May 2, 2024.

Note 2: Related party receivables represented proceeds collectible on transactions such as sales, processing income, and construction income.

9) Trading in derivative instruments: Please refer to note 6(i).

10) Business relationships and significant intercompany transactions between the parent company and subsidiaries:

Serial No. (Note 1)	Name of company	Name of counter-party	Relationship with the transacting party (Note 2)	Account	Transactions details		Percentage of the consolidated net revenue or total assets
					Amount	Trading terms	
1	ASIL	The Company	2	Accounts receivable	101,137	According to the Company's pricing policies; payment term is granted based on capital requirement	1.86%
0	The Company	ASIL	1	Accounts payable	101,137	〃	1.86%
2	Celxpert (Kunshan)	The Company	2	Processing income	91,558	〃	7.66%
2	Celxpert (Kunshan)	The Company	2	Accounts receivable	46,240	〃	0.85%
0	The Company	Celxpert (Kunshan)	1	Operating costs	91,558	〃	7.66%
0	The Company	Celxpert (Kunshan)	1	Accounts payable	46,240	〃	0.85%
0	The Company	Keelgoal	1	Sales revenue	37,203	60 days	3.11%
0	The Company	Keelgoal	1	Processing income	2,429	〃	0.20%
0	The Company	Keelgoal	1	Accounts receivable	108,635	〃	2.00%
3	Keelgoal	The Company	2	Operating costs	37,203	〃	3.11%
3	Keelgoal	The Company	2	Processing cost	2,429	〃	0.20%
3	Keelgoal	The Company	2	Accounts payable	108,635	〃	2.00%
0	The Company	Keelgoal	1	Other receivables	11,154	〃	0.20%

Note 1: The numbers filled in as follows:
1. 0 represents the parent company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Transactions labeled as follows:
1. Parent to subsidiary.
2. Subsidiary to parent.
3. Subsidiary to subsidiary.

2. Information on investees

   The following is the information on investees for the period from January 1 to March 31, 2024 (excluding information on investees in Mainland China):

(In thousands of shares/USD thousands)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: End of current period	Original investment amount: End of previous year	End-of-period holding position: Shares	End-of-period holding position: Percentage of ownership	End-of-period holding position: Carrying amount	Current profit (loss) of the investee	Profit (loss) recognized in the current period	Note
The Company	CHL	British Virgin Islands	Foreign investment holding	752,490	752,490	24,631	100%	356,951	(53,576)	(56,857)	Subsidiary (Note 3)
〃	Celxpert (Indonesia)	Indonesia	Manufacturing, processing, and sales of battery packs and power supply related products	40,767	40,767	18	100%	5,539	(771)	(771)	Subsidiary (Note 3)
〃	Keelgoal Energy	Taiwan	Research and development and trading of lithium battery packs, energy storage systems and others	158,290	158,290	8,600	85.15%	102,618	4,194	3,308	Subsidiary (Note 3)
CHL	ASIL	British Virgin Islands	Import and export trade	1,600 (US$50)	1,600 (US$50)	50	100%	1,632 (US$51)	- (US$0)	Investment gain or loss is recognized through CHL	2nd-tier subsidiary (Note 3)
〃	CHK	Hong Kong	Foreign investment holding	455,040 (US$14,220)	455,040 (US$14,220)	14,220	100%	65,472 (US$2,046)	(42,675) (US$(1,357))	〃	〃
〃	CEIL	SAMOA	〃	US$-	US$-	(Note 1)	100%	US$-	US$-	〃	〃
〃	CPEI	"	〃	320,000 (US$10,000)	320,000 (US$10,000)	10,000	100%	189,568 (US$5,924)	(11,038) (US$(351))	〃	〃
Keelgoal Energy	VoltaEdge Holdings Limited	British Virgin Islands	〃	-	-	(Note 1)	40%	-	-	Recognized by Keelgoal 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 32.000 at balance sheet date or the average exchange rate of 31.4477.

Note 3: The transactions listed on the left had been eliminated in the consolidated financial statements.

3. Information on investment in Mainland China:

   1) Information on business investments in Mainland China:

(In thousands of shares/USD thousands)

Name of Mainland investee	Main businesses and products	Capital stock (Note 2)	Method of Investment flows	Opening cumulative balance of investment capital invested from Taiwan (Note 2)	Investment capital contributed or recovered during the current period: Outflow	Investment capital contributed or recovered during the current period: Inflow	Closing cumulative balance of investment capital invested from Taiwan (Note 2)	Current profit (loss) of the investee	The Company's direct or indirect holding percentage	Investment gains/losses recognized in the current period (Note 1)	Closing carrying amount of investment	Investment gains recovered to date
Celxpert (Kunshan)	Manufacturing and trading of battery parts and battery packs	Verified amount of capital: 480,000 (US$15,000)	Indirect investment through CHK	454,560 (US$14,205)	-	-	454,560 (US$14,205)	(42,675) (US$(1,357))	100%	(42,675) (US$(1,357))	46,528 (US$1,454)	-
Celxpert (Nantong)	Manufacturing and trading of battery parts and battery packs	Verified amount of capital: 320,000 (US$10,000)	Indirect investment through CPEI	320,000 (US$10,000)	-	-	320,000 (US$10,000)	(11,038) (US$(351))	100%	(11,038) (US$(351))	189,568 (US$5,924)	-
Celxpert (Changchun)	Business of recycling automotive batteries and electronic components	(Note 3)	Indirect investment through CEIL	-	-	-	-	-	-%	-	-	-

2) Limitation on investment in Mainland China:

(In Thousands of U.S. Dollars)

Closing cumulative balance of investment capital transferred from Taiwan into the Mainland	Investment limit authorized by the Investment Commission, Ministry of Economic Affairs	Limits authorized by the Investment Commission, Ministry of Economic Affairs, for investing into Mainland China
774,560 (US$24,205)	786,560 (US$24,580)	1,469,343

Note 1: The investment gains or losses of the current period are recognized according to the financial statements which have been reviewed by the certified public accountant of Taiwan parent company.

Note 2: The USD is converted to NTD using the exchange rate of 32.000 at balance sheet date or the average exchange rate of 31.4477.

Note 3: The registration procedures have been completed, and no capital has been injected yet.

3) Significant transactions:

Significant inter-company transactions with subsidiaries in Mainland China between January 1 and March 31, 2024, which had been eliminated during the preparation of consolidated financial statements, are disclosed in "Information on significant transactions" and "Business relationships and significant intercompany transactions."

4. Information about major shareholders: None.

(XIV) Segment information

The Group has only one reportable segment, which is the battery module segment. It is mainly involved in the manufacturing and sale of battery modules. The segment's profit, asset, and liability figures are the same as those of the consolidated financial statements. Accounting policies adopted by the operating segment are identical to the summary of significant accounting policies explained in note 4 of the 2023 consolidated financial statements.