

**FOXTRON VEHICLE TECHNOLOGIES CO.,
LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2023 AND 2022
(Stock code 2258)**

**Company address: 7F., No. 26, Baogao Rd., Xindian
Dist., New Taipei City, Taiwan (R.O.C.)**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Foxtron Vehicle Technologies Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Foxtron Vehicle Technologies Co., Ltd. and its subsidiary (the “Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of 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 at 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

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 Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Group's 2023 consolidated financial statements is stated as follows:

Intangible asset - impairment assessment of car model technology development costs

Description

Refer to Note 4(13) for accounting policies on intangible assets, Note 4(14) for accounting policies on impairment of non-financial assets, Note 5 for significant accounting estimates and assumptions of intangible assets, and Note 6(8) for details of intangible assets.

Car model technology development costs of Foxtron Vehicle Technology Co., Ltd. amounted to NT\$7,072,361 thousand as at December 31, 2023. An impairment assessment is performed annually when there is any indication of impairment. As the calculation of value in use involves management's judgements, such as the estimation of future cash flows of product life cycles and the determination of discount rate, etc., which are highly uncertain and have a material impact in the estimation of value in use, the impairment assessment of car model technology development costs was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding of and assessed the key control procedures performed by management, including review and approval of financial budgets and assumptions.
2. Compared the parameters used in predicting future cash flows with historical experience, economic and industrial forecasts.
3. Compared the parameters used in determining discount rate with the assumptions on capital cost of cash generating units, and with returns rate on similar assets.
4. Verified the valuation model calculation.
5. Assessed the future cash flow sensitivity analysis prepared by management based on the alternative hypothesis using different discount rates, and confirmed whether management had adequately assessed the possible impact of the estimation uncertainty on the impairment valuation.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Foxtron Vehicle Technology Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of 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 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 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.

Hsu, Chieh-Ju Hsu, Sheng-Chung

For and on Behalf of PricewaterhouseCoopers, Taiwan

February 29, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

FOXTRON VEHICLE TECHNOLOGIES CO., LTD. AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 6,553,115	31	\$ 4,553,538	32
1136	Financial assets at amortised cost - current	6(2) and 9	3,048,725	14	3,547	-
1140	Contract assets - current	6(16) and 7	246,560	1	57,666	-
1170	Accounts receivable, net	6(3) and 7	252,707	1	915	-
1200	Other receivables		26,625	-	10,370	-
1220	Income tax assets - current		2,677	-	652	-
130X	Inventories	6(4)	606,918	3	271,912	2
1410	Prepayments	6(5)	393,278	2	516,049	4
11XX	Total current assets		11,130,605	52	5,414,649	38
Non-current assets						
1600	Property, plant and equipment	6(6)	1,167,477	6	1,002,653	7
1755	Right-of-use assets	6(7) and 7	197,325	1	-	-
1780	Intangible assets	6(8)	7,213,662	34	7,048,143	50
1840	Deferred income tax assets	6(19)	1,075,457	5	476,119	3
1900	Other non-current assets	6(9)	460,168	2	237,053	2
15XX	Total non-current assets		10,114,089	48	8,763,968	62
1XXX	Total assets		\$ 21,244,694	100	\$ 14,178,617	100

(Continued)

FOXTRON VEHICLE TECHNOLOGIES CO., LTD. AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current liabilities						
2130	Contract liabilities - current	6(16) and 7	\$ 13,345	-	\$ 25,135	-
2170	Accounts payable	7	635,468	3	130,846	1
2200	Other payables	7	646,021	3	665,264	5
2250	Provisions for liabilities - current	6(10)	3,802	-	618	-
2280	Lease liabilities - current	7	81,748	1	-	-
2300	Other current liabilities	9	78,292	-	16,811	-
21XX	Total current liabilities		1,458,676	7	838,674	6
Non-current liabilities						
2527	Contract liabilities - non-current	6(16)	129,315	1	129,315	1
2550	Provisions for liabilities - non-current	6(10)	8,770	-	1,421	-
2570	Deferred income tax liabilities	6(19)	333,598	1	-	-
2580	Lease liabilities - non-current		142,664	1	-	-
2600	Other non-current liabilities	6(11)	1,470	-	1,435	-
25XX	Total non-current liabilities		615,817	3	132,171	1
2XXX	Total liabilities		2,074,493	10	970,845	7
Equity						
Equity attributable to owners of parent						
Share capital						
3110	Ordinary share	6(13)	17,413,140	82	15,576,000	110
	Capital surplus	6(14)				
3200	Capital surplus	6(14)	6,053,782	28	-	-
Retained earnings						
3350	Accumulated deficit	6(15)	(4,295,580)	(20)	(2,368,228)	(17)
Other equity						
3400	Other equity interest	6(15)	(1,141)	-	-	-
31XX	Equity attributable to owners of the parent		19,170,201	90	13,207,772	93
3XXX	Total equity		19,170,201	90	13,207,772	93
Significant contingent liabilities and unrecognised contract commitments		9				
3X2X	Total liabilities and equity		\$ 21,244,694	100	\$ 14,178,617	100

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

FOXTRON VEHICLE TECHNOLOGIES CO., LTD. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except for loss per share amount)

			Year ended December 31			
			2023		2022	
Items	Notes		Amount	%	Amount	%
4000 Operating revenue	6(16) and 7		\$ 1,043,992	100	\$ 296,033	100
5000 Operating costs	6(4)(17)(18) and 7		(886,894)	(85)	(206,475)	(70)
5900 Gross profit from operations			157,098	15	89,558	30
Operating expenses	6(17)(18) and 7					
6100 Selling expenses			(32,752)	(3)	(10,204)	(3)
6200 General and administrative expenses			(435,065)	(42)	(339,242)	(115)
6300 Research and development expenses			(2,069,840)	(198)	(1,382,358)	(467)
6000 Total operating expenses			(2,537,657)	(243)	(1,731,804)	(585)
6900 Net operating loss			(2,380,559)	(228)	(1,642,246)	(555)
Total non-operating income and expenses						
7100 Interest income			27,298	2	6,473	2
7010 Other income	7 and 9		144,339	14	55,575	19
7020 Other gains and losses			17,431	2	(167)	-
7050 Finance costs			(1,183)	-	-	-
7000 Total non-operating income and expenses			187,885	18	61,881	21
7900 Loss before income tax			(2,192,674)	(210)	(1,580,365)	(534)
7950 Income tax benefit	6(19)		265,473	25	223,323	76
8200 Loss for the year			(\$ 1,927,201)	(185)	(\$ 1,357,042)	(458)
Components of other comprehensive income that will not be reclassified to profit or loss						
8311 (Loss) gain on remeasurement of defined benefit plan	6(11)		(\$ 189)	-	\$ 969	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(19)		38	-	(194)	-
8310 Other comprehensive (loss) income that will not be reclassified to profit or loss			(151)	-	775	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361 Currency translation differences			(1,141)	-	-	-
8300 Other comprehensive (loss) income			(\$ 1,292)	-	\$ 775	-
8500 Total comprehensive loss			(\$ 1,928,493)	(185)	(\$ 1,356,267)	(458)
Loss attributable to:						
8610 Owners of parent			(\$ 1,927,201)	(185)	(\$ 1,357,042)	(458)
Comprehensive loss attributable to:						
8710 Owners of parent			(\$ 1,928,493)	(185)	(\$ 1,356,267)	(458)
Loss per share						
9750 Basic and diluted loss per share	6(20)		(\$ 1.20)		(\$ 0.87)	

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

FOXTRON VEHICLE TECHNOLOGIES CO., LTD. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent			Exchange differences on translation of foreign financial statements	Total equity
		Ordinary share	Capital surplus	Accumulated deficit		
<u>2022</u>						
Balance at January 1		\$ 15,576,000	\$ -	(\$ 1,011,961)	\$ -	\$ 14,564,039
Loss for the year		-	-	(1,357,042)	-	(1,357,042)
Other comprehensive income for the year		-	-	775	-	775
Total comprehensive loss for the year		-	-	(1,356,267)	-	(1,356,267)
Balance at December 31		<u>\$ 15,576,000</u>	<u>\$ -</u>	<u>(\$ 2,368,228)</u>	<u>\$ -</u>	<u>\$ 13,207,772</u>
<u>2023</u>						
Balance at January 1		\$ 15,576,000	\$ -	(\$ 2,368,228)	\$ -	\$ 13,207,772
Loss for the year		-	-	(1,927,201)	-	(1,927,201)
Other comprehensive loss for the year		-	-	(151)	(1,141)	(1,292)
Total comprehensive loss for the year		-	-	(1,927,352)	(1,141)	(1,928,493)
Issuance of employee restricted stocks	6(12)(13)(14)	337,140	33,148	-	-	370,288
Issuance of new shares	6(13)(14)	1,500,000	6,000,000	-	-	7,500,000
Share-based payments	6(12)(14)	-	11,875	-	-	11,875
Organisation restructuring	6(14)	-	8,759	-	-	8,759
Balance at December 31		<u>\$ 17,413,140</u>	<u>\$ 6,053,782</u>	<u>(\$ 4,295,580)</u>	<u>(\$ 1,141)</u>	<u>\$ 19,170,201</u>

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

FOXTRON VEHICLE TECHNOLOGIES CO., LTD. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax for the year		(\$ 2,192,674)	(\$ 1,580,365)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(17)	364,041	280,158
Amortisation	6(17)	852,917	510,702
Expected credit loss	12(2)	1,719	50
Finance costs		1,183	-
Interest income		(26,328)	(6,473)
Share-based payments	6(12)	45,023	-
Loss on disposal of property, plant and equipment		-	39
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		(189,059)	(57,666)
Accounts receivable		(243,465)	25,538
Other receivables		(16,255)	(5,677)
Inventories		(354,350)	(251,236)
Prepayments		122,771	(103,238)
Changes in operating liabilities			
Contract liabilities		(11,790)	154,450
Accounts payable		504,585	91,541
Other payables		376,562	205,983
Provisions for liabilities		10,533	2,039
Other current liabilities		61,481	(31,140)
Net defined benefit liability		(154)	(1,215)
Cash outflow generated from operations		(693,260)	(766,510)
Interest received		26,328	6,473
Interest paid		(120)	-
Income tax paid		(2,496)	(566)
Net cash used in operating activities		(669,548)	(760,603)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Increase) decrease in financial assets at amortised cost - current		(3,045,178)	46,106
Acquisition of property, plant and equipment	6(21)	(541,304)	(66,391)
Proceeds from disposal of property, plant and equipment		-	1,131
Acquisition of intangible assets		(1,018,436)	(709,577)
Increase in other non-current assets		(228,546)	(219,670)
Decrease in guarantee deposits		5,629	-
Net cash used in investing activities		(4,827,835)	(948,401)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Payments of lease liabilities		(2,349)	-
Proceeds from issuance of shares	6(13)	7,500,000	-
Increase in other liabilities		-	400
Net cash provided by financing activities		7,497,651	400
Net effect of changes in foreign currency exchange rates		(691)	-
Increase (decrease) in cash and cash equivalents		1,999,577	(1,708,604)
Cash and cash equivalents at beginning of year		4,553,538	6,262,142
Cash and cash equivalents at end of year		<u>\$ 6,553,115</u>	<u>\$ 4,553,538</u>

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

FOXTRON VEHICLE TECHNOLOGIES CO., LTD. AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

1. History and Organisation

Foxtron Vehicle Technologies Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the design and manufacture of vehicles and related components. As of December 31, 2023, Hon Hai Precision Ind. Co., Ltd. holds 46% equity interest in the Group, and is the Group’s ultimate parent company.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on February 29, 2024.

3. Application of New Standards, Amendments and Interpretations

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

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024
The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.	

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

- A. Except for defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation, the consolidated financial statements have been prepared under the historical cost convention.

- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the noncontrolling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. The accounting principles of all amounts previously recognised in other comprehensive income in relation to the subsidiary shall be as same as the basis of dispose of related assets or liabilities, which means any gain or loss previously recognised as other comprehensive income upon disposal of the related assets or liabilities will be reclassified to profit or loss when control of the subsidiary is lost.

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2023	December 31, 2022	
Foxtron Vehicle Technologies Co., Ltd.	Foxtron Vehicle Technologies (Hangzhou) Co., Ltd.	Research and development of vehicles parts; manufacturing and wholesale of vehicle parts and accessories	100	-	(a)

On April 20, 2023, the Company acquired 100% of the share capital of Foxtron Vehicle Technologies (Hangzhou) Co., Ltd. for RMB 10 million. The acquisition is an asset acquisition transaction.

(4) Foreign currency translation

The functional currency of the Group is determined by the primary economic environment in which the Company operates. The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary items denominated in foreign currencies are translated at the closing rate at the balance sheet date. Exchange differences arising upon translation at the balance sheet date are recognised in profit or loss.
- (c) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
- (6) Cash equivalents
- Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.
- (7) Financial assets at amortised cost
- A. Financial assets at amortised cost are those that meet all of the following criteria:
- (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- C. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.
- (8) Accounts and notes receivable
- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(10) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the moving weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(11) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives or the units of production method to allocate their cost over their estimated benefits. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Molding equipment	3 ~ 5 years
Other equipment	2 ~ 9 years

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:
- (a) Fixed payments, less any lease incentives receivable;
 - (b) Variable lease payments that depend on an index or a rate;
 - (c) Amounts expected to be payable by the lessee under residual value guarantees;
 - (d) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
 - (e) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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

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

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

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(13) Intangible assets

- A. Car model technology is stated at acquisition cost based on the technical value and amortised on a straight-line basis over the estimated useful life of 8 years.
- B. Internally generated intangible assets—research and development expenditures

- (a) Research expenditures are recognised as an expense as incurred.
- (b) Development expenditures that do not meet the following criteria are recognised as expenses as incurred, but are recognised as intangible assets when the following criteria are met:
 - i. It is technically feasible to complete the intangible asset so that it will be available for use or sale;
 - ii. An entity intends to complete the intangible asset and use or sell it;
 - iii. An entity has the ability to use or sell the intangible asset;
 - iv. It can be demonstrated how the intangible asset will generate probable future economic benefits;
 - v. Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
 - vi. The expenditure attributable to the intangible asset during its development can be reliably measured.
- (c) Upon being available for use, internally generated intangible assets are amortised using the units of production method over their estimated benefits.
- C. Patents are amortised on a straight-line basis over their estimated useful lives of 3~14 years.
- D. Computer software is stated at cost and amortised on a straight-line basis over the period of 2 to 5 years.

(14) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

(15) Accounts and notes payable

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

(16) Provisions

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

(17) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For defined contribution plan, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved

amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the fair value per share estimated using a valuation technique specified in IFRS 2, 'Share-based Payment'.

(18) Employee share-based payment

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

(19) Income tax

- A. The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(20) Share capital

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

(21) Revenue recognition

A. Sales of goods

The Group sells electric buses and electric vehicles. Sales are recognised when control of the products has transferred, being when the products are delivered to the buyer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. The amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the Group. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date.

B. Service revenue

Service revenue mainly arises from providing technical support services and is recognised under the percentage-of-completion method. The stage of completion is determined based on the proportion of costs invested to the estimated total costs for each individual contract. If the outcome of a contract cannot be reasonably estimated, revenue is recognised only to the extent of expenses incurred that are expected to be recovered. Any changes in construction contract consideration or estimated construction total costs are accounted for as changes in accounting estimates.

(22) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(23) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

Accounting estimates are based on the situation at the balance sheet date to estimate future events, though there could be differences between the actual events and estimation. Estimates and assumptions on the risk of possible critical adjustments to the carrying amount of assets and liabilities for the next fiscal year are as follows:

A. Impairment assessment of tangible and intangible assets (excluding goodwill)

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

B. Realisability of deferred tax assets

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Assessment of the realisability of deferred tax assets involves critical accounting judgements and estimates of the management, including the assumptions of expected future sales revenue growth rate and profit rate, available tax credits, tax planning, etc. Any variations in global economic environment, industrial environment, and laws and regulations might cause material adjustments to deferred tax assets.

As of December 31, 2023, the Group recognised deferred tax assets amounting to \$1,075,457.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	\$ 30	\$ 30
Demand deposits	6,553,085	3,925,508
Time deposits	-	628,000
	<u>\$ 6,553,115</u>	<u>\$ 4,553,538</u>

Details of the Group's restricted cash which is classified as 'other non-current assets' and 'financial assets at amortised cost – current' are provided in Notes 8 and 9.

(2) Financial assets at amortised cost

Items	December 31, 2023	December 31, 2022
Current items:		
Restricted assets	\$ 48,725	\$ 3,547
Time deposits with maturity over three months	3,000,000	-
	<u>\$ 3,048,725</u>	<u>\$ 3,547</u>

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

	Years ended December 31,	
	2023	2022
Interest income	\$ 7,778	\$ -

(3) Accounts receivable (including related parties)

	December 31, 2023	December 31, 2022
Accounts receivable	\$ 254,261	\$ 915
Less: Allowance for uncollectible accounts	(1,554)	-
	<u>\$ 252,707</u>	<u>\$ 915</u>

A. As of December 31, 2023 and 2022, accounts receivable were all from contracts with customers. As of January 1, 2022, the balance of accounts receivable from contracts with customers amounted to \$26,503.

B. The Group has no accounts receivable pledged to others as collateral.

C. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(4) Inventories

	December 31, 2023	December 31, 2022
Raw materials	\$ 210,983	\$ 173,946
Work in progress	60,867	93,090
Finished goods	3,184	7,280
Inventory in transit	<u>338,418</u>	<u>-</u>
	613,452	274,316
Less: Allowance for inventory valuation losses	(6,534)	(2,404)
	<u>\$ 606,918</u>	<u>\$ 271,912</u>

The cost recognised as expense for the year:

	Years ended December 31,	
	2023	2022
Cost of goods sold	\$ 848,188	\$ 175,637
Valuation losses	4,130	2,404
Loss on scrapping inventory	-	1,346
Warranty costs	10,568	2,039
Other service costs	<u>24,008</u>	<u>25,049</u>
	<u>\$ 886,894</u>	<u>\$ 206,475</u>

(5) Prepayments

	December 31, 2023	December 31, 2022
Excess business tax paid	\$ 372,668	\$ 362,677
Prepayments to suppliers	14,891	141,417
Other prepayments	5,719	11,955
	<u>\$ 393,278</u>	<u>\$ 516,049</u>

(6) Property, plant and equipment

	Molding equipment	Other equipment	Construction in progress and equipment under acceptance	Total
At January 1, 2023				
Cost	\$ 1,426,680	\$ 108,173	\$ 16,669	\$ 1,551,522
Accumulated depreciation	(519,661)	(29,208)	-	(548,869)
	<u>\$ 907,019</u>	<u>\$ 78,965</u>	<u>\$ 16,669</u>	<u>\$ 1,002,653</u>
Opening net book amount as at January 1, 2023	\$ 907,019	\$ 78,965	\$ 16,669	\$ 1,002,653
Additions	256,360	82,899	141,907	481,166
Transfers	12,598	19,344	(12,598)	19,344
Depreciation	(300,930)	(34,744)		(335,674)
Net exchange difference	-	(12)	-	(12)
Closing net book amount as at December 31, 2023	<u>\$ 875,047</u>	<u>\$ 146,452</u>	<u>\$ 145,978</u>	<u>\$ 1,167,477</u>
At December 31, 2023				
Cost	\$ 1,695,638	\$ 210,404	\$ 145,978	\$ 2,052,020
Accumulated depreciation	(820,591)	(63,952)	-	(884,543)
	<u>\$ 875,047</u>	<u>\$ 146,452</u>	<u>\$ 145,978</u>	<u>\$ 1,167,477</u>

	Molding equipment	Other equipment	Construction in progress and equipment under acceptance	Total
At January 1, 2022				
Cost	\$ 1,299,118	\$ 69,615	\$ 1,615	\$ 1,370,348
Accumulated depreciation	(259,824)	(8,887)	-	(268,711)
	<u>\$ 1,039,294</u>	<u>\$ 60,728</u>	<u>\$ 1,615</u>	<u>\$ 1,101,637</u>
Opening net book amount as at January 1, 2022	\$ 1,039,294	\$ 60,728	\$ 1,615	\$ 1,101,637
Additions	127,562	38,113	16,669	182,344
Disposals	-	(1,170)	-	(1,170)
Transfers	-	1,615	(1,615)	-
Depreciation	(259,837)	(20,321)	-	(280,158)
Closing net book amount as at December 31, 2022	<u>\$ 907,019</u>	<u>\$ 78,965</u>	<u>\$ 16,669</u>	<u>\$ 1,002,653</u>
At December 31, 2022				
Cost	\$ 1,426,680	\$ 108,173	\$ 16,669	\$ 1,551,522
Accumulated depreciation	(519,661)	(29,208)	-	(548,869)
	<u>\$ 907,019</u>	<u>\$ 78,965</u>	<u>\$ 16,669</u>	<u>\$ 1,002,653</u>

(7) Leasing arrangements — lessee

A. The Group leases various assets including buildings and structures. Rental contracts are made for periods of 1 to 5 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise certain dormitories and offices.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2023
	Carrying amount
Buildings and structures	\$ 195,876
Other equipment	1,449
	<u>\$ 197,325</u>
	Year ended December 31, 2023
	Depreciation
Buildings and structures	\$ 28,280
Other equipment	87
	<u>\$ 28,367</u>

D. For the year ended December 31, 2023, the additions to right-of-use assets amounted to \$225,555.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	Years ended December 31,	
Items affecting profit or loss	2023	2022
Interest expense on lease liabilities	\$ 1,183	\$ -
Expense on short-term lease contracts	<u>\$ 57,881</u>	<u>\$ 57,236</u>

For the year ended December 31, 2023, the Group's total cash outflow for leases amounted to \$60,350.

(8) Intangible assets

	Patents	Computer software	Car model technology costs	Total
At January 1, 2023				
Cost	\$ 90,000	\$ 140,215	\$ 7,352,001	\$ 7,582,216
Accumulated amortisation and impairment	(28,973)	(40,560)	(464,540)	(534,073)
	<u>\$ 61,027</u>	<u>\$ 99,655</u>	<u>\$ 6,887,461</u>	<u>\$ 7,048,143</u>
Opening net book amount as at January 1, 2023	\$ 61,027	\$ 99,655	\$ 6,887,461	\$ 7,048,143
Additions - acquired separately	-	33,772	-	33,772
Additions - from internal development	-	-	984,664	984,664
Amortisation	(18,300)	(34,853)	(799,764)	(852,917)
Closing net book amount as at December 31, 2023	<u>\$ 42,727</u>	<u>\$ 98,574</u>	<u>\$ 7,072,361</u>	<u>\$ 7,213,662</u>
At December 31, 2023				
Cost	\$ 90,000	\$ 173,987	\$ 8,336,665	\$ 8,600,652
Accumulated amortisation and impairment	(47,273)	(75,413)	(1,264,304)	(1,386,990)
	<u>\$ 42,727</u>	<u>\$ 98,574</u>	<u>\$ 7,072,361</u>	<u>\$ 7,213,662</u>

	Patents	Computer software	Car model technology costs	Total
At January 1, 2022				
Cost	\$ 90,000	\$ 113,963	\$ 6,668,676	\$ 6,872,639
Accumulated amortisation and impairment	(10,674)	(12,697)	-	(23,371)
	<u>\$ 79,326</u>	<u>\$ 101,266</u>	<u>\$ 6,668,676</u>	<u>\$ 6,849,268</u>
Opening net book amount as at January 1, 2022	\$ 79,326	\$ 101,266	\$ 6,668,676	\$ 6,849,268
Additions - acquired separately	-	26,252	-	26,252
Additions - from internal development	-	-	683,325	683,325
Amortisation	(18,299)	(27,863)	(464,540)	(510,702)
Closing net book amount as at December 31, 2022	<u>\$ 61,027</u>	<u>\$ 99,655</u>	<u>\$ 6,887,461</u>	<u>\$ 7,048,143</u>
At December 31, 2022				
Cost	\$ 90,000	\$ 140,215	\$ 7,352,001	\$ 7,582,216
Accumulated amortisation and impairment	(28,973)	(40,560)	(464,540)	(534,073)
	<u>\$ 61,027</u>	<u>\$ 99,655</u>	<u>\$ 6,887,461</u>	<u>\$ 7,048,143</u>

- A. On November 6, 2020, Hua-Chuang Automobile Information Technical Center Co., Ltd. contributed the developing car model technology amounting to \$6,360,000 as an investment to the Group, which was mainly car model platforms and related automotive power systems, etc. and its value was assessed based on the appraisal report of the external independent expert. The developing car model technology is not ready for use and will continually be researched and developed until the development is completed. When the car model technology is available for production, it will be amortised on a straight-line basis over its estimated useful life.
- B. On May 31, 2021, Hua-Chuang Automobile Information Technical Center Co., Ltd. contributed the patents amounting to \$90,000 as an investment to the Group, which were amortised on a straight-line basis over their legal useful life.
- C. The Group assessed the impairment of recoverable amount for the car model technology costs at the end of financial reporting period and used the value-in-use as the basis for calculating the recoverable amount. These calculations for value-in use used future cash flow projections of product life cycles of the Group. The annual discount rates used as of December 31, 2023 and 2022 were 16.54% and 14.07%, respectively. No impairment loss was recognised on the Group's car model technology costs for the years ended December 31, 2023 and 2022.

D. Details of amortisation on intangible assets are as follows:

	Years ended December 31,	
	2023	2022
Operating costs	\$ 4,764	\$ 790
Operating expenses	848,153	509,912
	<u>\$ 852,917</u>	<u>\$ 510,702</u>

(9) Other non-current assets

	December 31, 2023	December 31, 2022
Prepayments for business equipments	\$ 450,175	\$ 221,431
Guarantee deposits	9,993	15,622
	<u>\$ 460,168</u>	<u>\$ 237,053</u>

(10) Provisions

	2023	2022
At January 1,	\$ 2,039	\$ -
Additions	11,231	2,039
Used during the year	(35)	-
Reversal	(663)	-
At December 31	<u>\$ 12,572</u>	<u>\$ 2,039</u>
Analysis of total provisions:		
Current	<u>\$ 3,802</u>	<u>\$ 618</u>
Non-current	<u>\$ 8,770</u>	<u>\$ 1,421</u>

Provision for warranty arising from the sales of electric buses is adjusted and calculated by considering attrition rates of parts and components in the future or other factors that affect product quality when the Group has a present legal or constructive obligation, and it is probable that an outflow of economic resources will be required to settle the obligation. The Group accrues liabilities for parts and components with warranty obligations and the amount of the obligation can be reliably estimated. Most of the warranties provided by the Group last for 3 to 8 years. The Group's provision for warranty is calculated based on purchasing costs of the new products.

(11) Pensions

A. Defined benefit plan

- (a) The Group has a defined benefit pension plan, which applies to employees who transferred on November 6, 2020. Also, the Group would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	\$ 48,851	\$ 54,598
Fair value of plan assets	(47,780)	(53,562)
Net defined benefit liability (shown as 'other non-current liabilities')	\$ 1,071	\$ 1,036

(c) Movements in net defined benefit liabilities are as follows:

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	\$ 54,598	\$ 53,562	\$ 1,036
Current service cost	9	-	9
Interest expense (income)	655	643	12
	<u>\$ 55,262</u>	<u>\$ 54,205</u>	<u>\$ 1,057</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	- (637)	637	637
Experience adjustments	(448)	-	(448)
	<u>(448)</u>	<u>(637)</u>	<u>189</u>
Pension fund contribution	-	175	(175)
Paid pension	(5,963)	(5,963)	\$ -
At December 31	<u>\$ 48,851</u>	<u>\$ 47,780</u>	<u>\$ 1,071</u>

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	\$ 74,992	\$ 71,773	\$ 3,219
Current service cost	(89)	-	(89)
Interest expense (income)	525	502	23
	<u>\$ 75,428</u>	<u>\$ 72,275</u>	<u>\$ 3,153</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(496)	496
Experience adjustments	(1,465)	-	(1,465)
	<u>(1,465)</u>	<u>(496)</u>	<u>(969)</u>
Pension fund contribution	-	1,148	(1,148)
Paid pension	(19,365)	(19,365)	\$ -
At December 31	<u>\$ 54,598</u>	<u>\$ 53,562</u>	<u>\$ 1,036</u>

(d) The Fund of the Company's defined benefit pension plan is comprised of demand deposits that were used exclusively for specific purposes.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2023	2022
Discount rate	1.2%	1.2%
Future salary increases	1.0%	1.0%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	(\$ 825)	\$ 847	\$ 871	(\$ 853)
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ 961)	\$ 989	\$ 1,003	(\$ 982)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plan of the Group for the year ending December 31, 2024 amount to \$175.

(g) As of December 31, 2023, the weighted average duration of the retirement plan is 7 years.

B. Defined contribution plan

(a) Effective July 1, 2005, the Group has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Group contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The subsidiaries in mainland China have defined contribution pension plans and contribute an amount monthly based on 21% of employees’ monthly salaries and wages to an independent fund administered by a government agency. The plan is administered by the government of mainland China. Other than the monthly contributions, the Group does not have further pension liabilities.

(c) The pension costs under the defined contribution pension plan of the Group for the years ended December 31, 2023 and 2022 were \$34,763 and \$28,529, of which \$18,375 and \$13,127 were capitalised as part of internally generated intangible assets, respectively.

(12) Share-based payment

A. For the year ended December 31, 2023, the Group’s share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Vesting conditions</u>
Employee stock options	2023.1.18	46,728,000 shares	Note

Note: Employees who were granted the employee stock options starting from the date of grant and employees who will serve until September 30, 2025 can exercise their employee stock options in batches at the ratio of 72.15% and 27.85%, respectively.

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

	2023	
	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	-	\$ -
Options granted	46,728	10
Options exercised	(33,714)	10
Options expired	(328)	10
Options outstanding at December 31	12,686	\$ 10

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

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (%)	Expected option life	Risk-free interest rate	Fair value per unit
Employee stock options	January 18, 2023	\$ 10.86	\$ 10.00	32.00~34.04	0.08~2.78	0.87~1.08	\$ 0.9832~2.788

D. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31, 2023
Equity-settled	\$ 45,023

(13) Share capital

A. The Company was incorporated by Hua-Chuang Automobile Information Technical Center Co., Ltd. (“Hua-Chuang”) and Hon Hai Precision Ind. Co., Ltd. (“Hon Hai”) jointly on November 6, 2020.

B. As of December 31, 2023, the Group’s authorised capital was \$25,000,000, consisting of 2,500,000 thousand shares of ordinary stock, and the paid-in capital was \$17,413,140 with a par value of \$10 (in dollars) per share. Movements in the number of the Group’s ordinary shares outstanding are as follows:

	2023	2022
	Number of shares (in thousands)	Number of shares (in thousands)
At January 1	\$ 1,557,600	\$ 1,557,600
Capital injection	150,000	-
Employee stock options exercised	33,714	-
At December 31	\$ 1,741,314	\$ 1,557,600

- C. The Group issued 33,714 thousand ordinary shares relative to the exercise of employee share options in accordance with the employee share options plan with the subscription price of NT\$10 (in dollars) per share, totaling \$337,140. The effective date of the capital increase was on January 31, 2023. The registration of the capital increase had been completed on March 30, 2023.
- D. On July 24, 2023, the Company's Board of Directors resolved to increase capital by issuing 150,000 thousand new shares to the public underwriting before listing on the Innovation Board. The capital increase had been approved by the Financial Supervisory Commission on September 6, 2023. The issued shares amounted to 150,000 thousand with a par value of NT\$10 (in dollars) per share and the investment amount was \$7,500,000. The registration of the capital increase had been completed on December 22, 2023.

(14) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2023		
	Share premium	Employee stock options	Total
At January 1	\$ -	\$ -	\$ -
Share-based payments	-	45,023	45,023
Employee stock options exercised	33,148	(33,148)	-
Capital injection	6,000,000	-	6,000,000
Reorganisation	8,759	-	8,759
At December 31	\$ 6,041,907	\$ 11,875	\$ 6,053,782

(15) Accumulated deficit

- A. The current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve and special reserve as regulated by the competent authority. However, if the legal reserve has accumulated to an amount equal to the paid-in capital, this provision shall not apply. In addition, after the special reserve is set aside or reversed in accordance with the relevant laws and regulations, the remainder plus the beginning unappropriated earnings comprise the cumulative distributable earnings, which shall be distributed to shareholders according to the distribution plan proposed by the Board of Directors and submitted to the shareholders for approval.

Dividends and bonuses and all or part of capital surplus or legal reserve distributed in the form of cash regulated by Article 241 of the Company Act shall be authorised to be resolved by the Board of Directors with a majority vote at its meeting attended by two-thirds of the total number of directors and reported to the shareholders during their meeting and are not subject to the aforementioned regulations of resolutions from the shareholders.

When planning the Company's dividend distribution plan, the Company considers its profitability, capital requirements for future operating plan and changes in the industrial environment, taking into consideration the shareholder's long-term equity and the Company's long-term financial plan, at least 30% of the Company's distributable earnings for the year shall be appropriated as dividends in the form of cash or shares, and cash dividends shall account for at least 10% of the total dividends distributed.

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. For the information relating to employees' compensation and directors' and supervisors' remuneration, refer to Note 6(18).
- D. The shareholders resolved the deficit compensation for 2022 and 2021 at their meeting on June 30, 2023 and June 15, 2022, respectively. The Company had no earnings for distribution because of the accumulated losses for both years.

(16) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

Year ended December 31, 2023	Taiwan	Southeast Asia	China	Total
At a point in time	\$ 933,844	\$ 50	\$ -	\$ 933,894
Over time	101,211	979	7,908	110,098
	<u>\$ 1,035,055</u>	<u>\$ 1,029</u>	<u>\$ 7,908</u>	<u>\$ 1,043,992</u>
Year ended December 31, 2022	Taiwan	Southeast Asia	Other	Total
At a point in time	\$ 142,929	\$ 63,998		\$ 206,927
Over time	89,106	-	-	89,106
	<u>\$ 232,035</u>	<u>\$ 63,998</u>	<u>\$ -</u>	<u>\$ 296,033</u>

- (a) The sales of electric bus are subject to variable consideration. For the years ended December 31, 2023 and 2022, the sales revenue of the aforementioned electric bus were \$850,292 and \$203,927, of which \$250,667 and \$57,549, respectively, represents the

amount with variable consideration. Under the agreement, the aforementioned variable consideration was based on the maximum subsidy amount that can be fully obtained from the relevant units of the Ministry of Transportation and Communications and the portion that cannot be reached will be deducted from the payment. Based on the Group's assessment, it is highly probable that a significant reversal in the variable consideration will not occur. However, the payment will only be made after the customer obtains the government subsidy.

- (b) As of December 31, 2023, the customer had not obtained the aforementioned subsidy of variable consideration, the supporting documents with added value rate of more than 50% had been prepared by the Group and were still in the review process by the competent authority. In accordance with the Group's submission experience and records in previous years, it is highly possible to obtain supporting documents with added value rate of more than 50%.

B. Contract assets and liabilities

The Group has recognised the following revenue-related contract assets and liabilities:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Contract assets - current:		
Service contracts	\$ 1,115	\$ 167
Sales contracts	<u>245,445</u>	<u>57,499</u>
	<u>\$ 246,560</u>	<u>\$ 57,666</u>
Contract liabilities - current:		
Service contracts	\$ -	(\$ 25,135)
Sales contracts	(13,345)	-
Contract liabilities - non-current:		
Sales contracts	(<u>129,315</u>)	(<u>129,315</u>)
	<u>(\$ 142,660)</u>	<u>(\$ 154,450)</u>

- (a) Contract assets - service contracts pertain to services rendered but not yet billed; contract assets - sales contracts have variable consideration that is highly probable that a significant reversal will not occur; and contract liabilities represents advance sales receipts. Refer to Note 7 for the information on related parties.
- (b) Revenue recognised that was included in the contract liability balance at the beginning of the years ended December 31, 2023 and 2022 was \$25,135 and \$0, respectively.

(17) Expenses by nature

The additional disclosure information relating to operating costs and operating expenses is as follows:

	Years ended December 31,	
	2023	2022
Employee benefit expense	\$ 546,774	\$ 543,801
Depreciation	364,041	280,158
Amortisation	852,917	510,702
	<u>\$ 1,763,732</u>	<u>\$ 1,334,661</u>

(18) Employee benefit expense

	Years ended December 31,	
	2023	2022
Wages and salaries	\$ 989,095	\$ 839,603
Share-based payments	45,023	-
Labour and health insurance fees	72,001	56,091
Pension costs	34,784	28,463
Other personnel expenses	3,713	2,851
	<u>\$ 1,144,616</u>	<u>\$ 927,008</u>

The above items are grouped into the following:

Operating costs and expenses	\$ 546,774	\$ 543,801
Internally generated intangible assets	597,842	383,207
	<u>\$ 1,144,616</u>	<u>\$ 927,008</u>

- A. In accordance with the Articles of Incorporation of the Group, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation. The ratio shall be 5% to 7%.
- B. The Group did not accrue employees' compensation for the years ended December 31, 2023 and 2022 due to the accumulated deficit for both years.
- C. Information about the appropriation of employees' compensation (bonus) and directors' and supervisors' remuneration by the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(19) Income tax

A. Income tax benefit

(a) Components of income tax benefit:

		Years ended December 31,	
		2023	2022
Current tax:			
Income tax on current income	\$	229	\$ -
Deferred tax:			
Origination and reversal of temporary differences	(277,165)	(223,323)
Prior year income tax underestimation		11,463	-
Total deferred tax	(265,702)	(223,323)
Income tax benefit	\$	265,473	(\$ 223,323)

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

		Years ended December 31,	
		2023	2022
Remeasurement of defined benefit obligations	(\$	38)	\$ 194

B. Reconciliation between income tax benefit and accounting profit

		Years ended December 31,	
		2023	2022
Tax income calculated based on loss before tax and statutory tax rate	(\$	438,352)	(\$ 316,073)
Expenses disallowed by tax regulation		161,416	92,750
Prior year income tax underestimation		11,463	-
Income tax benefit	(\$	265,473)	(\$ 223,323)

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

2023				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Employee benefits/welfare	\$ 19,579	(\$ 6,526)	\$ -	\$ 13,053
Tax losses	454,468	590,793	-	1,045,261
Others	2,072	15,033	38	17,143
	<u>\$ 476,119</u>	<u>\$ 599,300</u>	<u>\$ 38</u>	<u>\$ 1,075,457</u>
Deferred tax liabilities:				
Temporary differences:				
Capitalisation of research and development expense	\$ -	(\$ 333,598)	\$ -	(\$ 333,598)
	<u>\$ 476,119</u>	<u>\$ 265,702</u>	<u>\$ 38</u>	<u>\$ 741,859</u>
2022				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Employee benefits/welfare	\$ 26,105	(\$ 6,526)	\$ -	\$ 19,579
Tax losses	216,311	238,157	-	454,468
Others	10,574	(8,308)	(194)	2,072
	<u>\$ 252,990</u>	<u>\$ 223,323</u>	<u>(\$ 194)</u>	<u>\$ 476,119</u>

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

December 31, 2023				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2023	\$ 2,364,299	\$ 2,364,299	\$ -	2033
2022	1,780,454	1,780,454	-	2032
2021	1,034,296	1,034,296	-	2031
2020	47,255	47,255	-	2030

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2022	\$ 1,780,454	\$ 1,780,454	\$ -	2032
2021	1,034,296	1,034,296	-	2031
2020	47,255	47,255	-	2030

E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(20) Loss per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic and diluted loss per share</u>			
Loss for the year	(\$ 1,927,201)	1,607,079	(\$ 1.20)
	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic and diluted loss per share</u>			
Loss for the year	(\$ 1,357,042)	1,557,600	(\$ 0.87)

The employee share options was not included in the calculation of diluted loss per share as it will have an anti-dilutive effect because of loss incurred for the year ended December 31, 2023.

(21) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Years ended December 31,	
	2023	2022
Purchase of property, plant and equipment	\$ 481,166	\$ 182,344
Add: Opening balance of payable on equipment	120,161	4,208
Less: Ending balance of payable on equipment	(60,023)	(120,161)
Cash paid during the year	\$ 541,304	\$ 66,391

B. Financing activities with no cash flow effects:

As described in Note 6(13), the shares issued amounting to \$337,140 arose from the exercise

of employee share options in 2023.

7. Related Party Transactions

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Hon Hai Precision Ind. Co., Ltd. and its subsidiaries (Hon Hai Group)	Group that has control over the Company
Hon Hai Precision Ind. Co., Ltd. (Hon Hai)	Parent company of the Company
Jusda International Logistics (Taiwan) Co., Ltd. (Jusda)	Subsidiary of the group that has control over the Company
Scienbizip Consulting (Far East) Co., Ltd.	"
Foxconn Global Network Corporation	"
Nanjing Futeng New Energy Automobile Technology Co., Ltd.	"
Futaihua Industrial (Shenzhen) Co., Ltd.	"
Cloud Network Technology Singapore Pte. Ltd.	"
FORTUNE BAY TECHNOLOGY PTE LTD.	"
Yulon Motor Co., Ltd. and its subsidiaries (Yulon Group)	Group that has significant influence over the Company
Yulon Motor Co., Ltd. (Yulon Motor)	Entity that has significant influence over the Company
Hua-Chuang Automobile Information Technical Center Co., Ltd. (Hua-Chuang)	"
Luxgen Motor Co., Ltd. (Luxgen)	Subsidiary of the group that has significant influence over the Company
Yueki Industrial Co., Ltd. (Yueki Industrial)	"
Y-Teks Co., Ltd. (Y-Teks)	"
Uni Auto Parts Manufacture Co., Ltd.	"
Yue Sheng Industrial Co., Ltd. (Yue Sheng Industrial)	"
Yufong Property Management Co., Ltd.	"
Luxgen Taipei Motor Co., Ltd.	"
Chuang Jie New Energy Vehicle (HZ) Limited	"
Luxgen (Hangzhou) Motor Sales Co., Ltd. (Luxgen Hangzhou)	"
HsiangShou Enterprises Co., Ltd.	"
Yes-Energy Service Co., Ltd.	"
Mobile Drive Technology Co., Ltd. (Mobile Drive)	Associate of Hon Hai Group
Pan-International Industrial Corp. (Pan-International)	"
Maxnerva Technology Service Inc. (Maxnerva)	"
GENERAL INTERFACE SOLUTION LIMITED (GIS)	"
PT FOXCONN INDIKA MOTOR	"
Yonglin Foundation (Yonglin)	"
Linker Vision Co., Ltd.	"
PT. ENERGI MAK MUR BUANA	Note

Note: The Company's sales to PT FOXCONN INDIKA MOTOR (associate of Hon Hai Group) were

made through PT. ENERGI MAKMUR BUANA.

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2023	2022
Sales of goods:		
Luxgen	\$ 72,516	\$ -
PT. ENERGI MAKMUR BUANA	-	53,331
Yulon Group	71	-
Associates of Hon Hai Group	29,970	-
Others	-	19,800
Sales of services:		
Luxgen	98,894	83,715
Hon Hai Group	7,945	-
Associates of Hon Hai Group	1,400	-
	<u>\$ 210,796</u>	<u>\$ 156,846</u>

- (a) Services are sold based on the price lists in force and terms that would be available to third parties.
- (b) Except for those circumstances wherein there are no similar transactions for reference and the prices and credit periods are negotiated by both parties, other prices for the Group's sales and provision of services to the abovementioned related parties are similar to the prices for sales and provision of services to third parties.
- (c) The abovementioned revenue from the services contracted but unfulfilled was \$7,232 and \$71,192 for the years ended December 31, 2023 and 2022, respectively.
- (d) The abovementioned other sales of goods for the year ended December 31, 2022 pertains to the tripartite contract signed between Hon Hai Precision Ind. Co., Ltd., the Employee Welfare Committee of Hon Hai Precision Ind. Co., Ltd. and the Company to purchase the electric bus of the Company. In accordance with relevant laws and regulations, the vehicle license was registered under Hon Hai Precision Ind. Co., Ltd. and the payment was made by the Employee Welfare Committee of Hon Hai Precision Ind. Co., Ltd..

B. Purchases

	Years ended December 31,	
	2023	2022
Purchases of goods:		
Yulon Group	\$ 53,609	\$ 3,724
Hon Hai Group	36,398	2,870
Associates of Hon Hai Group	16,364	6,106
	<u>\$ 106,371</u>	<u>\$ 12,700</u>

Except for those circumstances wherein there are no similar transactions for reference and the prices and credit periods are negotiated by both parties, the Group purchases other goods from the abovementioned related parties based on the current price and associates on normal commercial terms and conditions.

C. Receivables from related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable:		
Luxgen	\$ 90,570	\$ 868
Hon Hai Group	-	22
Yonglin	34,865	-
Less: Allowance for uncollectible accounts	(64)	-
	<u>\$ 125,371</u>	<u>\$ 890</u>

The receivables are due 30 to 60 days after monthly billings. The receivables are unsecured in nature and bear no interest.

D. Contract assets - service contracts

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Luxgen	<u>\$ 1,116</u>	<u>\$ 167</u>

E. Contract liabilities - service contracts

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Luxgen	<u>\$ -</u>	<u>\$ 25,135</u>

F. Payables to related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Yulon Group	\$ 56,174	\$ 2,039
Hon Hai Group	22,856	-
Associates of Hon Hai Group	5,364	1,142
	<u>\$ 84,394</u>	<u>\$ 3,181</u>

The payables are due 30 to 90 days after the date of purchase or the date the service has been provided. The payables bear no interest.

G. Prepayments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Yueki Industrial	\$ 33,954	\$ 32,370
Y-Teks	24,382	24,382
Yulon Group	36,133	-
Associates of Hon Hai Group	57	-
	<u>\$ 94,526</u>	<u>\$ 56,752</u>

H. Other payables

	December 31, 2023	December 31, 2022
Hua-Chuang	\$ -	\$ 113,468
Hon Hai Group	18,817	18,643
Yulon Group	52,548	5,768
Associates of Hon Hai Group	1,339	1,470
	<u>\$ 72,704</u>	<u>\$ 139,349</u>

Other payables mainly refer to payment on behalf of others, administration service fee, design and development fee and payable on equipment.

I. Lease transactions - lessee

- (a) The Group leases offices from Hon Hai. Rental contracts are typically made for periods of 2 years. Rents are paid quarterly or annually.
- (b) The acquisition of right-of-use assets from related parties for the year ended December 31, 2023 amounted to \$207,159.
- (c) The Group leased offices from Yulon Group for the years ended December 31, 2023 and 2022. Rental contracts were made for periods of 12 months or less.
- (d) Rent expense

	Years ended December 31,	
	2023	2022
Yulon Motor	\$ 45,229	\$ 45,585
Yulon Group	1,373	1,290
	<u>\$ 46,602</u>	<u>\$ 46,875</u>

- (e) Lease liabilities

	December 31, 2023
Hon Hai	<u>\$ 208,223</u>

The Group's interest expense arising from lease liabilities for the year ended December 31, 2023 amounted to \$1,064.

J. Other costs and expenses

	Years ended December 31,	
	2023	2022
Professional service fees		
- Yulon Motor	\$ 74,251	\$ 380
- Hua-Chuang	-	36,987
- Hon Hai Group	7,689	13,961
Other costs and expenses		
- Yulon Group	21,380	3,276
- Hon Hai Group	16,595	13,792
- Associates of Hon Hai Group	1,204	276
	<u>\$ 121,119</u>	<u>\$ 68,672</u>

K. Non-operating income

	Years ended December 31,	
	2023	2022
Yulon Group	<u>\$ 8,496</u>	<u>\$ 59</u>

Non-operating income refers to the relocation subsidy that the Taoyuan City Government paid to Hua-Chuang because of the expropriation of aerotropolis. Hua-Chuang transferred the corresponding subsidy from the received relocation subsidy to the Group for the ownership of the equipment belonging to the Group.

L. Property transactions

(a) Acquisition of property and equipment

	Years ended December 31,	
	2023	2022
Hua-Chuang	\$ -	\$ 70,336
Luxgen	116,710	-
Luxgen (Hangzhou)	116,582	-
Hon Hai Group	-	3,225
Yulon Group	49,124	5,846
Associates of Hon Hai Group	-	2,000
	<u>\$ 282,416</u>	<u>\$ 81,407</u>

(b) Acquisition of intangible assets

	Years ended December 31,	
	2023	2022
Yulon Group	\$ 17,283	\$ 388
Hon Hai Group	-	168
Associates of Hon Hai Group	135	-
	<u>\$ 17,418</u>	<u>\$ 556</u>

(c) Acquisition of financial assets

	Year ended December 31, 2023		
	Accounts	Objects	Consideration
-Futaihua Industrial (Shenzhen)		Foxtron Vehicle Technologies (Hangzhou) Co., Ltd.	
	Note		\$ 44,361

Note: On April 20, 2023, the Company acquired 100% of the share capital of Foxtron Vehicle Technologies (Hangzhou) Co., Ltd. for RMB 10 million. The Company obtained control over the company and the company was included in the consolidated financial statements since the business combination date. Refer to Note 4(3) for more details.

(3) Key management compensation

	Years ended December 31,	
	2023	2022
Short-term employee benefits	\$ 69,772	\$ 39,940
Post-employment benefits	1,055	254
Share-based payments	11,875	-
	<u>\$ 82,702</u>	<u>\$ 40,194</u>

8. Pledged Assets

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

Pledged asset	Book value		Purpose
	December 31, 2023	December 31, 2022	
Time deposits (shown as 'other non-current assets')	\$ -	\$ 7,000	Guarantee for customs duties

Refer to Note 9 for the details of performance guarantee of government grants.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contract Commitments

A. The Company participated in the subsidy plan of the Science and Technology Research and Development Project of the Ministry of Economic Affairs. The period of the plan was from December 1, 2020 to November 30, 2022. The Company shall pay a performance guarantee of \$128,000 based on the contract as of December 31, 2022. The guarantee had been pledged by the joint performance guarantee letter issued by the bank. As of December 31, 2023 and 2022, the Company had applied for and received subsidy totaling \$128,000. As of December 31, 2023, the Company completed the project and recognised the portion of the grant not exceeding actual expenditures of \$3,551 as restricted deposits (shown as 'current financial assets at amortised cost').

B. The Company participated in the Industrial Upgrading Innovation Platform Guidance Program of the Ministry of Economic Affairs. The period of the program is from January 1, 2023 to June 30, 2025. The program was approved on May 18, 2023. The signing of the subsidy contract had been completed on September 22, 2023. The Company will receive subsidy of \$269,474 based on the progress of execution.

As of December 31, 2023, the Company had applied for and received a subsidy of \$180,000 and recognised gain on deferred government grants in the amount of \$45,174 (shown as ‘other current liabilities’) and gain on government grants in the amount of \$134,826 (shown as ‘other income’).

(2) Commitments

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

	December 31, 2023	December 31, 2022
Property, plant and equipment	\$ 1,124,459	\$ 466,196

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide maximum returns for shareholders and to reduce the gearing ratio and cost of capital positively.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
<u>Financial assets</u>		
Financial assets at amortised cost		
Cash and cash equivalents	\$ 6,553,115	\$ 4,553,538
Financial assets at amortised cost	3,048,725	3,547
Contract assets	246,560	57,666
Accounts receivable (including related parties)	252,707	915
Other receivables	26,625	10,370
Guarantee deposits	9,993	15,622
	<u>\$ 10,137,725</u>	<u>\$ 4,641,658</u>

	December 31, 2023	December 31, 2022
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Contract liabilities	\$ 142,660	\$ 154,450
Accounts payable (including related parties)	635,468	130,846
Other payables	646,021	665,264
Guarantee deposits received	400	400
	<u>\$ 1,424,549</u>	<u>\$ 950,960</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.
- (b) Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

The Group's businesses involve some non-functional currency operations (the Group's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023					
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis		
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	382	30.71	\$ 11,731	1%	\$ 117	-
RMB:NTD	2,014	4.327	8,715	1%	87	-
Foreign operations						
RMB:NTD	9,221	4.327	39,898	1%	-	399
Financial liabilities						
Monetary items						
USD:NTD	4,309	30.71	\$ 132,329	1%	\$ 1,323	-
RMB:NTD	111,783	4.327	483,685	1%	4,837	-
	December 31, 2022					
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis		
				Degree of variation	Effect on profit or loss	
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	4,106	30.71	\$ 126,095	1%	\$ 1,261	
RMB:NTD	7,037	4.408	31,019	1%	310	
Financial liabilities						
Monetary items						
USD:NTD	198	30.71	\$ 6,081	1%	\$ 61	
RMB:NTD	14,142	4.408	62,338	1%	623	

The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended

December 31, 2023 and 2022, amounted to \$17,470 and (\$128), respectively.

Price risk

There was no significant market risk of variation in price as the Group did not engage in investment target with price risk.

Cash flow and fair value interest rate risk

There was no cash flow risk of change in interest rate as the Group did not invest in interest rate products and had no borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations.

According to the Group's credit policy, the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to other financial instruments. The Group had no significant credit risk as its counterparties and performing parties were all banks with good credit quality and had no significant compliance concern.

- ii. If the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. The default occurs when the contract payments are past due over 360 days.
- iii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) Default or delinquency in interest or principal repayments;
 - (iii) Adverse changes in national or regional economic conditions that are expected to cause a default.
- iv. The ageing analysis of accounts receivable (including related parties) that were past due but not impaired is as follows:

	December 31, 2023	December 31, 2022
Not past due	\$ 251,295	\$ 915
0 to 90 days	2,966	-
	<u>\$ 254,261</u>	<u>\$ 915</u>

The above ageing analysis was based on past due date.

- v. The Group applies the following approaches to assess the expected credit losses (ECLs) of accounts receivable and contract assets:
- (i) Assess the ECLs on an individual basis if a significant default has occurred to certain customers;
 - (ii) Classify the other customers' accounts receivable based on the Group's credit rating standards and estimates the ECLs using loss rate methodology or provision matrix;
 - (iii) Adjust the loss rates constructed from historical and recent information by taking into account the business cycle indicators of the National Development Council and forecasts of the Basel Committee on Banking Supervision.
 - (iv) The loss allowance for accounts receivable (including related parties) and contract assets using loss rate methodology or provision matrix on December 31, 2023 is as follows:

	Group 1	Group 2	Groups 3 and 4	Total
<u>December 31, 2023</u>				
Expected loss rate	0.0375%	0.0875%	10.92%~24.66%	
Total book value	\$ 91,686	\$ 402,780	\$ 6,570	\$ 501,036
Loss allowance	\$ 34	\$ 353	\$ 1,382	\$ 1,769

	Group 1	Group 2	Groups 3 and 4	Total
<u>December 31, 2022</u>				
Expected loss rate	0.0375%	0.0875%	0%~35.83%	
Total book value	\$ 1,082	\$ 57,549	\$ -	\$ 58,631
Loss allowance	\$ -	\$ 50	\$ -	\$ 50

Group 1: Standard Poor's, Fitch's, or Moody's rating of A-level, or rated as A-level in accordance with the Group's credit policies for those that have no external credit ratings.

Group 2: Standard Poor's or Fitch's rating of BBB, Moody's rating of Baa, or rated as B or C in accordance with the Group's credit policies for those that have no external credit ratings.

Group 3: Standard Poor's or Fitch's rating of BB + and below, or Moody's rating of Ba1 and below.

Group 4: Rated as other than A, B, or C in accordance with the Group's credit policies for those that have no external credit ratings.

- vi. Movements in loss allowance for accounts receivable (including related parties) and contract assets are as follows:

	2023	2022
At January 1	\$ 50	\$ -
Impairment loss	1,719	50
At December 31	\$ 1,769	\$ 50

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.
- ii. All of the Group's non-derivative financial liabilities will mature within 1 year. In addition, the Group had no derivative financial liabilities. All the Company's non-current lease liabilities are expiring within the next five years.

(3) Fair value information

- A. The Group had no financial and non-financial instruments measured at fair value on December 31, 2023 and 2022.
- B. The carrying amounts of the Group's financial instruments not measured at fair value (cash and cash equivalents, financial assets at amortised cost, contract assets, accounts receivable, other current assets, other non-current assets, contract liabilities, accounts payable, other payables and other current liabilities) are approximate to their fair values.

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 1.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: None.

(2) Information on investees

None.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 2.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Refer to table 3.

14. Segment Information

(1) General information

The Group operates business only in a single industry. The Board of Directors, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Information about segment profit or loss, assets and liabilities

The Group operates business only in a single industry. The Group's information about segment profit or loss, assets and liabilities is in agreement with those shown in the financial statements. Refer to the balance sheets and statements of comprehensive income.

(3) Information on products and geographical information

Refer to Note 6(16) and the statement of operating revenue.

(4) Major customer information

Major customer information of the Company for the years ended December 31, 2023 and 2022 is as follows:

	Years ended December 31,	
	2023	2022
Company E	\$ 264,284	\$ -
Company F	180,096	-
Company C	21,024	120,129
Company A	171,410	83,715
Company D	-	63,998
	<u>\$ 636,814</u>	<u>\$ 267,842</u>

Foxtron vehicle technology Co., Ltd. and Subsidiaries
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 1

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
The Company	Luxgen Motor Co., Ltd.	Subsidiaries of the group with significant influence to the Company	Sales of goods and services	\$ 171,410	16	30 days after monthly billings	Note 1	Note 1	\$ 90,570	36	

Note 1: Except for the fact that there is no similar transaction to be complied with and the terms of the transaction were determined by mutual agreement, the other terms of the transaction are approximately the same as the transaction terms made with the third party.

Foxtron vehicle technology Co., Ltd. and Subsidiaries
Information on investments in Mainland China
Year ended December 31, 2023

Table 2

Table 2													Expressed in thousands of NTD (Except as otherwise indicated)
Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by (loss) recognised by the Company (direct or indirect)	Investment income for the year ended December 31, 2023 (Note 3)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	
					Remitted to Mainland China	Remitted back to Taiwan							
Foxtron Vehicle Technologies(Hangzho u) Co., Ltd.	Research and development of vehicles parts; manufacturing and wholesale of vehicles parts and accessories	\$ 43,270	(1)	\$ -	\$ 44,361	\$ -	\$ 44,361	(\$ 7,551)	100	(\$ 12,081)	\$ 39,898	\$ -	Note 2 and 3
Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023 (Note 5)		Investment amount approved Commission of the Ministry of Economic Affairs (MOEA) (Note 5)	Ceiling on investments in Mainland China imposed by the investment Commission of MOEA									
Foxtron vehicle technology Co., Ltd.	\$ 44,361		\$ 43,270	\$ 11,502,121									

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to :

- (1) Directly invest in a company in Mainland China..
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: Foxtron Vehicle Technologies(Hangzhou) Co., Ltd. investment amount of RMB10,000,000 was approved by the Investment Commission of the Ministry of Economic Affairs (MOEA). The capital injection was completed on April 20

Note 3: The 'Investment income (loss) recognised by the Company for the year ended December 31, 2023' column was recognised based on the financial statements that are audited and attested by CPA.

Note 4: Limit on the Company's investment in Mainland China is 60% of the Company's net assets.

Note 5: The investment amount approved by the Investment Commission of Ministry of Economic Affairs (MOEA) and the investment amount transmitted from Taiwan to mainland China at the end of the year both amounted to RMB10,000,000, and the difference was due to the exchange rate.

Foxtron vehicle technology Co., Ltd. and Subsidiaries

Major shareholders information

December 31, 2023

Table 3

Major shareholders information	Shares	
	Number of shares held	Ownership (%)
Hon Hai Precision Ind. Co., Ltd.	794,400,000	45.62%
Hua-Chuang Automobile Information Technical Center Co., Ltd	763,200,000	43.83%