

**LEADSUN GREENTECH CORPORATION AND  
SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Report  
For the Years Ended December 31, 2023 and 2022**

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

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## **Representation Letter**

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

Company name: LEADSUN GREENTECH CORPORATION

Chairman: LIN LIZHEN

Date: March 5, 2024

## **Independent Auditors' Report**

To the Board of Directors of LEADSUN GREENTECH CORPORATION:

### **Opinion**

We have audited the consolidated financial statements of LEADSUN GREENTECH CORPORATION and its subsidiaries ( "the Group" ), which comprise the consolidated balance sheet as of December 31, 2023, the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

### **Basis for Opinion**

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

### **Key Audit Matters**

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

#### **(1) The revenue and cost recognition from construction contracts**

Please refer to note 4(o) "Revenue recognition" for the accounting policy on revenue recognition, note 5 for details on related accounting assumptions and uncertainty of estimations, and note 6(u) "Revenue from contracts with customers" for relevant explanation.

#### Description of key audit matter:

The principal business of the Group comes from construction contracts entered with the customers, which generates a significant portion of the operating revenue. The construction revenue recognition involves significant estimations and judgments, such as total construction budget, stage of completion, and changes of contract consideration and costs resulted from contract modifications. The subjective judgment made by the management may result in a number of changes in accounting estimates which may impact the gain or loss and revenue recognition in the financial statements. Therefore, the revenue and cost recognition from construction contracts were identified as the key audit matters of our audit.

#### How the matter was addressed in our audit:

Our audit procedures included: testing the operating effectiveness and accuracy of the Group's internal controls for the recognition of construction revenue and costs; reviewing material contracts by sampling and interviewing management in order to understand the specific terms and risks of each contract; testing the estimating sources of construction budget made by management; recalculating the stage of completion; testing payment procedures in construction and reconciling with general ledger by sampling, and to assess if the Group's revenue and cost recognition is in compliance with the related accounting standards requirements.

#### **Other Matter**

The consolidated financial statements of the Group for the year ended December 31, 2022, was audited by other accountants, who issued an unmodified audit report on March 30, 2023.

The Group has prepared its parent company only financial statements as of and for the year ended December 31, 2023 and 2022, on which we and other accountants have issued an unmodified opinion with other matter paragraph and an unmodified opinion, respectively.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chang, Shu-Ying and Huang, Hsin-Ting.

KPMG

Taipei, Taiwan (Republic of China)  
March 5, 2024

#### **Notes to Readers**

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES****Consolidated Balance Sheets****December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

		<b>December 31, 2023</b>		<b>December 31, 2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Assets</b>					
<b>Current assets:</b>					
1100	Cash and cash equivalents (Note 6(a))	\$ 301,033	29	252,228	30
1141	Current contract assets (Notes 6(u) and 7)	5,253	-	23,966	3
1150	Notes receivable, net (Notes 6(d) and (u))	-	-	12,676	1
1170	Accounts receivable, net (Notes 6(d) and (u))	10,772	1	11,446	1
1180	Accounts receivable due from related parties, net (Notes 6(d), (u) and 7)	8	-	138	-
1200	Other receivables, net (Note 7)	1,406	-	36	-
1220	Current tax assets	223	-	22	-
130X	Inventories (Note 6(e))	168,510	17	-	-
1410	Prepayments (Notes 6(f) and 9)	50,849	5	12,899	2
1461	Non-current assets classified as held for sale (Notes 6(g), (k) and 8)	-	-	9,135	1
1479	Other current assets, others (Note 8)	917	-	-	-
		<u>538,971</u>	<u>52</u>	<u>322,546</u>	<u>38</u>
<b>Non-current assets:</b>					
1510	Non-current financial assets at fair value through profit or loss (Notes 6(b) and 7)	56,724	5	56,724	7
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(c) and 7)	57,729	5	64,128	8
1535	Non-current financial assets at amortized cost, net (Note 8)	4,167	-	32,460	4
1600	Property, plant and equipment (Notes 6(h), (i), 7, 8 and 9)	269,698	26	127,123	15
1755	Right-of-use assets (Note 6(j))	41,115	4	16,851	2
1760	Investment property, net (Notes 6(g), (k) and 8)	68,798	6	163,592	19
1780	Intangible assets (Notes 6(h) and (l))	3,018	-	6,116	1
1840	Deferred tax assets (Note 6(q))	6,450	1	6,510	1
1990	Other non-current assets, others (Note 6(i))	12,861	1	42,447	5
		<u>520,560</u>	<u>48</u>	<u>515,951</u>	<u>62</u>
<b>Total assets</b>		<b>\$ 1,059,531</b>	<b>100</b>	<b>838,497</b>	<b>100</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

**Consolidated Balance Sheets (CONT' D)**

**December 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan Dollars)

		<b>December 31, 2023</b>		<b>December 31, 2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Liabilities and Equity</b>					
<b>Current liabilities:</b>					
2100	Short-term borrowings (Note 6(m))	\$ 139,000	13	349,039	42
2130	Current contract liabilities (Notes 6(u) and 7)	192,642	18	3,542	-
2150	Notes payable	5,918	1	888	-
2171	Accounts payable	29,388	3	4,326	1
2200	Other payables (Notes 6(i) and (v))	75,214	7	12,672	1
2230	Current tax liabilities (Note 6(q))	1,172	-	14,878	2
2280	Lease liabilities-current (Note 6(o))	65,845	6	6,020	1
2320	Long-term liabilities, current portion (Note 6(n))	18,791	2	9,330	1
2399	Other current liabilities, others	1,217	-	356	-
		<u>529,187</u>	<u>50</u>	<u>401,051</u>	<u>48</u>
<b>Non-Current liabilities:</b>					
2540	Long-term borrowings (Note 6(n))	65,811	6	129,347	16
2550	Non-current provisions	872	-	-	-
2570	Deferred tax liabilities (Note 6(q))	-	-	709	-
2580	Lease liabilities-non-current (Note 6(o))	32,619	3	11,029	1
2670	Other non-current liabilities, others	760	-	760	-
		<u>100,062</u>	<u>9</u>	<u>141,845</u>	<u>17</u>
	<b>Total liabilities</b>	<u>629,249</u>	<u>59</u>	<u>542,896</u>	<u>65</u>
<b>Equity attributable to owners of parent (Notes 6(r) and (s)):</b>					
3110	Ordinary share	296,890	27	290,690	35
3200	Capital surplus	27,482	3	2,136	-
3310	Legal reserve	885	-	-	-
3320	Special reserve	6,077	1	-	-
3351	Accumulated profit and loss	123,190	12	8,852	1
3400	Other equity interest	(24,242)	(2)	(6,077)	(1)
	<b>Total equity</b>	<u>430,282</u>	<u>41</u>	<u>295,601</u>	<u>35</u>
	<b>Total liabilities and equity</b>	<u>\$ 1,059,531</u>	<u>100</u>	<u>838,497</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES****Consolidated Statements of Comprehensive Income****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		<b>2023</b>		<b>2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (Notes 6(u) and 7)</b>	\$ 203,647	100	205,787	100
5000	<b>Operating costs (Notes 6(e), (l) and 7)</b>	148,981	73	132,877	64
	<b>Gross profit from operations</b>	54,666	27	72,910	36
	<b>Operating expenses (Notes 6(d), (o), (s), (v) and 7):</b>				
6100	Selling expenses	33,759	17	9,693	5
6200	Administrative expenses	60,234	30	78,314	38
6450	Expected credit loss	220	-	44	-
	<b>Total operating expenses</b>	94,213	47	88,051	43
	<b>Net operating losses</b>	(39,547)	(20)	(15,141)	(7)
	<b>Non-operating income and expenses (Notes 6(g), (o), (w) and 7):</b>				
7100	Interest income	1,059	1	178	-
7010	Other income	5,328	3	6,819	3
7020	Other gains and losses, net	160,247	78	63,812	31
7050	Finance costs, net	(6,849)	(3)	(6,804)	(3)
		159,785	79	64,005	31
	<b>Profit from continuing operations before tax</b>	120,238	59	48,864	24
7950	Less: Income tax expenses (Note 6(q))	992	-	11,746	6
	<b>Profit</b>	119,246	59	37,118	18
8300	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans	1,715	1	3,293	2
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	4,761	2	(3,206)	(2)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6(q))	(221)	-	(659)	-
	Components of other comprehensive income that will not be reclassified to profit or loss	6,255	3	(572)	-
8300	<b>Other comprehensive income, net</b>	6,255	3	(572)	-
	<b>Total comprehensive income</b>	<b>\$ 125,501</b>	<b>62</b>	<b>36,546</b>	<b>18</b>
	<b>Profit, attributable to:</b>				
8610	Profit, attributable to owners of parent	\$ 119,246	59	37,379	18
8620	Loss attributable to non-controlling interests	-	-	(261)	-
		<b>\$ 119,246</b>	<b>59</b>	<b>37,118</b>	<b>18</b>
	<b>Comprehensive income attributable to:</b>				
8710	Comprehensive income, attributable to owners of parent	\$ 125,501	62	36,807	18
8720	Comprehensive income, attributable to non-controlling interests	-	-	(261)	-
		<b>\$ 125,501</b>	<b>62</b>	<b>36,546</b>	<b>18</b>
9750	<b>Basic earnings per share (Note 6(t))</b>	<b>\$ 4.10</b>		<b>1.29</b>	
9850	<b>Diluted earnings per share</b>	<b>\$ 4.07</b>		<b>1.29</b>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES****Consolidated Statements of Changes in Equity****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent						Total other equity interest		Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Others	Total equity attributable to owners of parent		
<b>Balance at January 1, 2022</b>	\$ 290,690	8,091	1,073	-	(39,045)	(2,871)	-	257,938	-	257,938
Profit for the year ended December 31, 2022	-	-	-	-	37,379	-	-	37,379	(261)	37,118
Other comprehensive income	-	-	-	-	2,634	(3,206)	-	(572)	-	(572)
Total comprehensive income	-	-	-	-	40,013	(3,206)	-	36,807	(261)	36,546
Legal reserve used to offset accumulated deficits	-	-	(1,073)	-	1,073	-	-	-	-	-
Capital surplus used to offset accumulated deficits	-	(8,091)	-	-	8,091	-	-	-	-	-
Did not participate in the cash capital increase of subsidiaries in proportion to the Group's shareholding	-	-	-	-	(1,280)	-	-	(1,280)	261	(1,019)
Did not subscribe to the new shares issued by subsidiary in proportion to the Group's shareholding	-	1,019	-	-	-	-	-	1,019	-	1,019
Exercise of disgorgement	-	1,117	-	-	-	-	-	1,117	-	1,117
Balance at December 31, 2022	290,690	2,136	-	-	8,852	(6,077)	-	295,601	-	295,601
Profit for the year ended December 31, 2023	-	-	-	-	119,246	-	-	119,246	-	119,246
Other comprehensive income	-	-	-	-	1,494	4,761	-	6,255	-	6,255
Total comprehensive income	-	-	-	-	120,740	4,761	-	125,501	-	125,501
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	885	-	(885)	-	-	-	-	-
Special reserve appropriated	-	-	-	6,077	(6,077)	-	-	-	-	-
Share-based payments	6,200	25,346	-	-	-	-	(22,366)	9,180	-	9,180
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	560	(560)	-	-	-	-
<b>Balance at December 31, 2023</b>	<b>\$ 296,890</b>	<b>27,482</b>	<b>885</b>	<b>6,077</b>	<b>123,190</b>	<b>(1,876)</b>	<b>(22,366)</b>	<b>430,282</b>	<b>-</b>	<b>430,282</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES****Consolidated Statements of Cash Flows****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	<b>2023</b>	<b>2022</b>
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 120,238	48,864
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation expense	13,673	10,670
Amortization expense	3,629	16,998
Expected credit loss for bad debt expense	220	44
Net gain on financial assets or liabilities at fair value through profit or loss	-	(3,815)
Interest expense	6,944	6,804
Interest income	(1,059)	(178)
Dividend income	(152)	(722)
Share-based payments	9,180	-
Loss on disposal of property, plant and equipment	-	1,420
Gain on disposal of non-current assets classified as held for sale	(161,625)	(58,216)
Gain on disposal of investments	-	(4,845)
Impairment loss on non-financial assets	-	80,644
Other expense	-	87
<b>Total adjustments to reconcile profit (loss)</b>	<b>(129,190)</b>	<b>48,891</b>
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
Financial assets at fair value through profit or loss	-	3,164
Contract assets	18,713	(23,966)
Notes receivable	12,676	(9,142)
Accounts receivable	584	16,413
Other receivable	29	(393)
Inventories	(107,194)	1,864
Prepayments	(38,026)	(4,248)
Other current assets	(917)	-
Net defined benefit assets	(73)	68
<b>Total changes in operating assets</b>	<b>(114,208)</b>	<b>(16,240)</b>
Changes in operating liabilities:		
Contract liabilities	189,100	(4,843)
Notes payable	5,030	888
Accounts payable	25,062	3,267
Other payable	18,258	8,001
Other current liabilities	834	180
<b>Total changes in operating liabilities</b>	<b>238,284</b>	<b>7,493</b>
<b>Total changes in operating assets and liabilities</b>	<b>124,076</b>	<b>(8,747)</b>
<b>Total adjustments</b>	<b>(5,114)</b>	<b>40,144</b>
Cash inflow generated from operations	115,124	89,008
Interest received	1,059	178
Dividends received	152	722
Interest paid	(7,877)	(6,804)
Income taxes paid	(15,820)	(288)
<b>Net cash flows from operating activities</b>	<b>92,638</b>	<b>82,816</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(44,388)
Proceeds from disposal of financial assets at fair value through other comprehensive income	11,160	-
Proceeds from disposal / acquisition of financial assets at amortised cost	28,293	(32,460)
Acquisition of financial assets designated at fair value through profit or loss	-	(37,800)
Increase in prepayments for business facilities and engineering contracts	-	(32,399)
Net cash flow from acquisition of subsidiaries	-	(13,557)
Proceeds from disposal of subsidiaries	-	21,680
Proceeds from disposal of non-current assets classified as held for sale	264,176	90,179
Acquisition of property, plant and equipment	(67,732)	(133,263)
Proceeds from disposal of property, plant and equipment	-	66
Acquisition of intangible assets	(531)	-
Increase in other non-current assets	(2,335)	(1,835)
<b>Net cash flows from (used in) investing activities</b>	<b>233,031</b>	<b>(183,777)</b>
<b>Cash flows from (used in) financing activities:</b>		
Decrease / increase in short-term borrowings	(210,039)	186,268
Proceeds from long-term borrowings	77,520	140,220
Repayments of long-term borrowings	(131,595)	(1,543)
Decrease in guarantee deposits	-	(619)
Repayments of lease liabilities	(12,750)	(7,014)
Execution of disgorgement right	-	1,117
<b>Net cash flows from (used in) financing activities</b>	<b>(276,864)</b>	<b>318,429</b>
<b>Net increase in cash and cash equivalents</b>	<b>48,805</b>	<b>217,468</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>252,228</b>	<b>34,760</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 301,033</b>	<b>252,228</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

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

#### (1) Company history

The Group was established on August 22, 1997 under the approval of the Taipei City Government and traded over-the-counter under Taipei Exchange on February 25, 2004. The registered address is 10-1F., No. 1, Songgao Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.). The principal business activities of the Company and its subsidiaries (hereinafter referred to as the “Group”) are the operation of the renewable energy power plant development and planning consultation, the development and construction of power plants for sale, investment management consultation, etc. Since July 3, 2023, the Group’s industrial category has been changed to green energy and environmental protection.

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

These consolidated financial statements were authorized for issue by the Board of Directors on March 5, 2024.

#### (3) New standards, amendments and interpretations adopted:

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

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

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

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

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

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

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

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS21 “Lack of Exchangeability”

#### (4) Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

- (a) Statement of compliance

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

- (b) Basis of preparation

- (i) Basis of measurement

Except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, the defined benefit assets, the consolidated financial statements have been prepared on a historical cost basis.

- (ii) Functional and presentation currency

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

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

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

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

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

Name investor	Name of investee	Principal activity	Shareholding		Description
			December 31, 2023	December 31, 2022	
The Group	La Fourriere Biotech	Medical beauty products	100.00%	100.00%	
"	LeadsunFox Greenergy Investment Co., Ltd.	Investment management consultancy and wholesale of building materials	100.00%	100.00%	
"	Grateful Fortune Limited	Investment business	100.00%	100.00%	
"	Lichu Power Co., Ltd	Energy technology Service	- %	100.00%	Disposal
"	Xiangyin yongxu CO., LTD	Crop cultivation, agricultural retail, energy technology services	100.00%	100.00%	
"	Guangjing Technology CO., LTD	Energy technology Service	100.00%	- %	Reorganization
LeadsunFox Greenergy Investment Co., Ltd.	Li-Ben Asset CO., LTD	Power generation for self-usage using renewable energy	100.00%	100.00%	
"	Xiangyin Green Energy CO., LTD	Power generation for self-usage using renewable energy	100.00%	100.00%	
"	Li-Sheng si hsin CO., LTD	Power generation for self-usage using renewable energy	100.00%	100.00%	
"	Li-Sheng qigu Power CO., LTD	Power generation for self-usage using renewable energy	100.00%	100.00%	
"	Lily Energy CO., LTD	Power generation for self-usage using renewable energy	100.00%	100.00%	
"	Zhongtun Wind Power Equipment CO., LTD	Power generation for self-usage using renewable energy	100.00%	100.00%	
"	LeadsunFox Sustainable Energy CO., LTD	Power generation for self-usage using renewable energy	100.00%	- %	
"	Li-Ben fangyuan optoelectronics CO., LTD	Power generation for self-usage using renewable energy	100.00%	- %	
"	Li-Ben gao shu CO., LTD	Power generation for self-usage using renewable energy	100.00%	- %	

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Name investor	Name of investee	Principal activity	Shareholding		Description
			December 31, 2023	December 31, 2022	
LeadsunFox Greenergy Investment Co., Ltd.	Li-Sheng sih fang CO., LTD	Power generation for self-usage using renewable energy	100.00%	- %	
"	Jiafeng Wind Power Equipment Development CO., LTD	Power generation for self-usage using renewable energy	100.00%	- %	
"	Guoye Green Energy CO., LTD	Power generation for self-usage using renewable energy	100.00%	- %	
"	Jiangmei Green Energy CO., LTD	Power generation for self-usage using renewable energy	100.00%	- %	
"	Li-Sheng lioufu CO., LTD	Power generation for self-usage using renewable energy	100.00%	- %	
"	Leadtek Energy CO., LTD	Power generation for self-usage using renewable energy	100.00%	- %	
"	Nitto Green Energy CO., LTD	Power generation for self-usage using renewable energy	100.00%	- %	
	JANDO INTERNATIONAL CO., LTD	Power generation for self-usage using renewable energy	100.00%	- %	
Xiangyin Green Energy CO., LTD	Li-Shen Asset CO., LTD	Power generation for self-usage using renewable energy	100.00%	100.00%	
Lichu Power Co., Ltd	Guangjing Technology CO., LTD	Energy technology Service	- %	100.00%	Reorganization

(iii) Subsidiaries excluded from the consolidated financial statements : None

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

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

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

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

An entity shall classify a liability as current when:

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

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(e) Cash and cash equivalents

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

(f) Financial instruments

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

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### 2) Fair value through other comprehensive income (FVOCI )

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment' s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group' s right to receive payment is established.

#### 3) Fair value through profit or loss (FVTPL)

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

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

#### 4) Impairment of financial assets

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

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

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 91 days past due.

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

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

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

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

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

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

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

3) Financial liabilities

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

4) Derecognition of financial liabilities

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

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

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### 5) Offsetting of financial assets and liabilities

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

#### (g) Inventories

The cost of inventories includes all necessary expenditures and charges for bringing the inventories to their present condition and location for sale or construction. When the cost of inventories is higher than the net realizable value, it should be offset against the cost to net realizable value item by item, and the amount of inventory should be recognized as cost of goods sold in the current period. The net realizable value of construction in progress is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

#### (h) Non-current assets held for sale & Discontinued operations

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group's accounting policies. Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

#### (i) Investment property

Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

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

1) Buildings	50 years
2) Leasehold improvement	5 years
3) Machinery and Equipment	3~15 years
4) Office and other equipment	2~3 years

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

(k) Leases

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

(i) As a lessee

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

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

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

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

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

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

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

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

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

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

The Group has elected not to recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less, leases of low-value assets and leases did not meet the requirements of IFRS16. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

For operating lease, the Group recognizes rental income on a straight-line basis over the lease term.

(l) Intangible assets

(i) Recognition and measurement

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

(ii) Subsequent expenditure

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

(iii) Amortization

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

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

(m) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

#### (n) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

##### (i) Provision for decommissioning, restoration, and rehabilitation costs

Provision for decommissioning, restoration and rehabilitation costs arising from demolition, removal of property, plant and equipment and restoration of their location, is measured by the discounted value of the estimated cash flows expected to liquidate the obligation. The cost of decommissioning is recognized as part of the cost of the asset.

#### (o) Revenue from contracts with customers

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

##### 1) Revenue from power generation

Revenue from sale of electricity is recognized after the transmission of electricity through the power grid to customers and calculated at actual electric units sold and electric rate.

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### 2) Rendering of services

The Group provides renewable energy development consultation and related services. Revenue from providing consultant services are recognized as the services are rendered.

#### 3) Construction revenue

The Group undertakes construction contracts with specifications specified by the customers. The Group transfers control of a service during the construction process and recognizes revenue over time. As the cost of construction input is directly related to the stage of completion of the performance obligation, the Group measures the stage of completion on the basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. The Group recognizes contract assets during the construction process and presents unconditional rights to consideration separately as a receivable. The Group recognizes contract liabilities in the amount of the prepayment from the customers for its performance obligation to transfer.

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

#### 4) Sale of goods

Revenue is recognized when the control over a product has been transferred to the customer. When the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

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

#### (p) Employee benefits

##### (i) Defined contribution plans

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

##### (ii) Defined benefit plans

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

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

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

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

#### (iii) Short-term employee benefits

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

#### (q) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which the board of directors authorized the price and number of a new award.

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(r) Income taxes

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

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

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

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

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

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

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

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

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

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

- 1) the same taxable entity; or
- 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(s) Business combination

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

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

For each business combination, the Group measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the Group's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRS Accounting Standards endorsed by the FSC.

(t) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee compensation.

(u) Operating segments

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

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

In preparing these consolidated financial statements, management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows: None

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows.

**(a) Valuation of inventories**

Inventories are measured at the lower of cost and net realizable value. The Group estimates the net realizable value of inventories based on selling price in the ordinary course of business at the end of the reporting date, and it could result in significant changes in net realizable value. Refer to note 6(e) for further description of the valuation of inventories.

**(b) Construction contracts**

The principal business of the Group comes from construction contracts entered with the customers, which contracts specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use. Contract revenue is recognized by reference to the stage of completion of each contract. The stage of completion of a contract is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Estimated total contract costs of contracted items are assessed and determined by the management based on the nature of activities, expected sub-contracting charges, construction periods, processes, methods, etc., for each construction contract. Changes in these estimates might affect the calculation of the percentage of completion and related profits from construction contracts.

#### **Valuation procedure**

The Groups accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss. The Company's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. The valuation group periodically reviews significant unobservable inputs and adjustments. If the input data for valuation models is provided by external third parties (such as agency and pricing service institution), the valuation group would evaluate the evidence supporting such input data in order to ensure that the fair value measurement and hierarchy meet the IFRSs.

The Group uses the observable market data to evaluate its assets and liabilities. The different inputs of levels of fair value hierarchy in determination of fair value are as follows:

**(a) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.**

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

- (b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (c) Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

#### Transfers policies between levels of the fair value hierarchy

If there is any movement of financial instruments measured at fair value between Level 1, Level 2, and Level 3, the Group recognizes the movement at the reporting date.

#### Further information on assumptions used in measuring fair value.

For the assumption used in fair value measurement, please refer to note 6(x) of the financial instruments.

#### (6) Explanation of significant accounts:

- (a) Cash and cash equivalents

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Cash on hand	\$ 343	143
Checking account deposits	11,249	1,332
Demand deposits	289,441	250,753
Cash and cash equivalents in the consolidated statement of cash flows	<b><u>\$ 301,033</u></b>	<b><u>252,228</u></b>

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

- (b) Financial assets and liabilities at fair value through profit or loss

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Non-current financial assets at fair value through profit or loss		
Unlisted common shares	<b><u>\$ 56,724</u></b>	<b><u>56,724</u></b>

The above said financial asset were not pledged as collateral for financing loan as of December 31, 2023 and 2022, (amounts expressed in New Taiwan Dollar).

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# LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

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

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Non-current equity investments at fair value through other comprehensive income		
Domestic listed stocks		
— BIG SUNSHINE CO., LTD.	\$ 12,977	15,542
Unlisted common shares		
— Jieyan Energy Saving Technology Co., Ltd	-	10,600
— SPE Technology Co.	20,592	24,388
— InSynerger Technology Co., Ltd.	24,160	13,598
total	<b><u>\$ 57,729</u></b>	<b><u>64,128</u></b>

- (i) The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes instead of trading.
- (ii) Due to change in investment strategy, the Group sold its shares held in Jieyan Energy Saving Technology Co., Ltd., which measured at fair value through other comprehensive income on July 21, 2023. The shares sold had a fair value of \$11,160 thousand and the Group realized a gain of \$560 thousand, which was recognized as other comprehensive income, and thereafter, was reclassified to retained earnings.
- (iii) Please refer to Note 6(x) for credit risk and market risk
- (iv) The above said financial asset were not pledged as collateral for its long-term borrowings as of December 31, 2023 and 2022.

(d) Notes and accounts receivables

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Notes receivables - arose from operating activities	\$ -	12,676
Accounts receivable - measured at amortized cost	11,044	11,628
Less: loss allowance	(264)	(44)
	<b><u>\$ 10,780</u></b>	<b><u>24,260</u></b>

(Continued)

# LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

- (i) The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions were determined as follows:

	<b>December 31, 2023</b>		
	<b>Gross carrying amounts</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 10,780	0%	-
1 to 90 days past due	-	0%	-
More than 91 days past due	264	100%	264
	<b>\$ 11,044</b>		<b>264</b>

  

	<b>December 31, 2022</b>		
	<b>Gross carrying amounts</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 22,152	0%	-
1 to 90 days past due	822	0%	-
More than 91 days past due	1,330	0%~100%	44
	<b>\$ 24,304</b>		<b>44</b>

- (ii) The movements in the allowance for notes and accounts receivable were as follows:

	<b>For the years ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Opening balance	\$ 44	-
Impairment losses recognized	220	44
Balance on December 31	<b>\$ 264</b>	<b>44</b>

- (iii) Please refer to Note 6(x) for other credit risk.

- (e) Inventories

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Construction in progress - land use rights	\$ 60,934	-
Construction in Progress - Development Services fees	104,157	-
Construction in progress - Capitalized borrowing costs	382	-
Construction in progress - other	162	-
	<b>\$ 165,635</b>	<b>-</b>

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

- (i) Construction in progress is the developed and constructed costs of power plants held for sell by the Group.
- (ii) The details of the cost of sales recognized in profit or loss for the Group in the years ended December 31, 2023 and 2022 were as follows:

	<b>For the years ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Contraction costs	\$ 140,522	14,242
Inventory that has been sold	-	29,229
Impairment loss due to goodwill (Note 6(l))	-	80,644
Unallocated fixed production overheads	-	3,963
Others	8,459	4,799
	<b>\$ 148,981</b>	<b>132,877</b>

- (iii) The Group's capitalized borrowing costs amounting to \$382 thousand for the construction of renewable energy sites in 2023, calculated using a capitalization rate of 2.57%.
- (iv) As of December 31, 2023, the Group did not provide any inventories as collateral for its loans.
- (f) Prepayments

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Prepayments on construction	\$ -	8,335
Prepaid development services fees	38,594	-
Others	12,255	4,564
	<b>\$ 50,849</b>	<b>12,899</b>

- (g) Non-current assets held for sale

The Group disposed of some of the investment property—land and buildings by a resolution of the board of directors in September 2021. The contract was entered into on June 21, 2023 and the related assets were reclassified to non-current assets held for sale in the second quarter of 2023. The transaction process was completed in August 2023. The disposal price was \$243,179 thousand (pretax) and gain on disposal of non-current assets classified as held for sale was recognized at \$145,145 thousand (net of related expense of \$4,618 thousand).

In order to reactivate the assets, the Group disposed of part of the investment property—land and construction by resolutions of the board of directors on November 9, 2022 and December 29, 2021, respectively, and reclassified the related assets to non-current assets held for sale. The transaction proceedings were completed in January 2023 and January 2022, respectively. The disposal price was \$25,615 thousand and \$90,179 thousand, respectively. Gain on disposal of non-current assets classified as held for sale amounting to \$16,480 thousand and \$58,216 thousand were recognized.

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(h) Business combination

(i) Acquisition of subsidiaries- Guangjing Technology Co., Ltd

- 1) The Group acquired 100% shareholdings of Guangjing Technology Co., Ltd on July 5, 2022 for cash amounted to \$17,520 thousand and gained control over it.
- 2) The following table summarizes the recognized amounts of assets acquired, liabilities assumed, goodwill at the acquisition date and the major categories of considerations transferred:

Acquisition consideration - cash	<u><u>\$ 17,520</u></u>
The following table summarized the fair value of identifiable assets acquired and liabilities assumed recognized at the acquisition date:	
Cash and cash equivalents	\$ 3,963
Prepayments	993
Intangible assets - permission	2,078
Property, plant and equipment	19,834
Other payables	<u>(9,844)</u>
Total identifiable net assets acquired	<u>17,024</u>
Goodwill	<u><u>\$ 496</u></u>

The allocation report containing acquisition price of subsidiary is based on a valuation by an independent evaluator who has certified professional qualification and related valuation experience in locations/types of the valued investment property.

Since the Group acquired Guangjing Technology Co., Ltd on July 5, 2022, Guangjing Technology Co., Ltd. has contributed nil and \$(712) thousand, respectively to its operating income and net profit before tax for the year ended December 31, 2022. If this acquisition had occurred since January 1, 2022, the management estimates that consolidated operating revenue and net profit before tax would have been \$205,787 thousand and \$48,825 thousand, respectively for the year ended December 31, 2022.

(ii) Acquisition of subsidiaries- Zhongtun Wind Power Equipment CO., LTD

- 1) The Group acquired 100% of equity interest in Zhongtun Wind Power Equipment Co., Ltd for nil cash on December 29, 2022 and has control over it.
- 2) The following table summarizes the recognized amounts of assets acquired, liabilities assumed, goodwill recognized at the acquisition date and the major categories of considerations transferred:

Acquisition consideration - cash	<u><u>\$ -</u></u>
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(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

The following table summarized the fair value of identifiable assets acquired and liabilities assumed

Other non-current liabilities	\$ (87)
Total identifiable net assets acquired	(87)
Others	<u>\$ 87</u>

Since the Group acquired Zhongtun Wind Power Equipment Co., Ltd. on December 29, 2022, Zhongtun Wind Power Equipment Co., Ltd. contributed nil operating revenue and net profit before tax for the year ended December 31, 2022. If this acquisition had occurred since January 1, 2022, the Group estimates that consolidated operating revenue and net profit before tax would have been \$205,787 thousand and \$48,677 thousand, respectively for the year ended December 31, 2022.

#### (iii) Loss control of subsidiaries

The Group had disposed 100% of its shares in Leadsun Fox Greenergy Co., Ltd., Lisheng Wufu Co., Ltd., Lixin Investment Co., Ltd. and lose control over them with a selling price of \$21,000 thousand, \$1,000 thousand and \$1,000 thousand on November 20, 2022. The Group recognized a gain on disposal of \$4,845 thousand under other gains and losses in the consolidated statement of comprehensive income.

The carrying amount of assets and liabilities of Companies stated above on November 30, 2022 was as follow:

	<b>Lisheng Wufu Co., Ltd.</b>	<b>LeadsunFox Greenergy Investment Co., Ltd.</b>	<b>Lixin Investment Co., Ltd.</b>
Cash and cash equivalents	\$ 307	280	733
Other receivables	-	500	-
Prepayments	1,852	131	171
Property, plant and equipment	28,803	-	-
Other payables	(14,366)	(128)	(128)
Carrying amount of the net assets	<u>\$ 16,596</u>	<u>783</u>	<u>776</u>

(Continued)

# LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

### (i) Property, plant and equipment

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

	Land	Buildings and Construction	Machinery and equipment	Office equipment	Leasehold improvements	Construction in progress	Total
Cost or deemed cost:							
Balance on January 1, 2023	\$ -	-	-	685	5,773	124,148	130,606
Additions	-	-	95,381	320	-	19,221	114,922
Reclassifications	-	-	80,700	-	-	(48,301)	32,399
Disposals	-	-	-	(635)	(1,612)	-	(2,247)
Balance on December 31, 2023	<u>\$ -</u>	<u>-</u>	<u>176,081</u>	<u>370</u>	<u>4,161</u>	<u>95,068</u>	<u>275,680</u>
Balance on January 1, 2022	\$ 53,399	73,640	282,583	1,463	5,678	-	416,763
Acquisition through business combination	-	-	-	-	-	19,834	19,834
Additions	-	-	-	51	95	133,117	133,263
Disposals	-	(386)	(282,583)	(829)	-	-	(283,798)
Reclassification to investment property	(53,399)	(73,254)	-	-	-	-	(126,653)
Consolidated disposal	-	-	-	-	-	(28,803)	(28,803)
Balance on December 31, 2022	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>685</u>	<u>5,773</u>	<u>124,148</u>	<u>130,606</u>
Depreciation and impairment losses:							
Balance on January 1, 2023	\$ -	-	-	638	2,845	-	3,483
Depreciation	-	-	3,858	56	832	-	4,746
Disposal	-	-	-	(635)	(1,612)	-	(2,247)
Balance on December 31, 2023	<u>\$ -</u>	<u>-</u>	<u>3,858</u>	<u>59</u>	<u>2,065</u>	<u>-</u>	<u>5,982</u>
Balance on January 1, 2022	\$ -	31,286	281,008	1,257	2,019	-	315,570
Depreciation	-	1,174	289	136	826	-	2,425
Disposals	-	(260)	(281,297)	(755)	-	-	(282,312)
Reclassification to investment property	-	(32,200)	-	-	-	-	(32,200)
Balance on December 31, 2022	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>638</u>	<u>2,845</u>	<u>-</u>	<u>3,483</u>
Book value:							
Balance on December 31, 2023	<u>\$ -</u>	<u>-</u>	<u>172,223</u>	<u>311</u>	<u>2,096</u>	<u>95,068</u>	<u>269,698</u>
Balance on January 1, 2022	<u>\$ 53,399</u>	<u>42,354</u>	<u>1,575</u>	<u>206</u>	<u>3,659</u>	<u>-</u>	<u>101,193</u>
Balance on December 31, 2022	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>47</u>	<u>2,928</u>	<u>124,148</u>	<u>127,123</u>

- (i) The amount of prepaid equipment that was not transferred to property, plant and equipment at December 31, 2022 was \$32,399 thousand and was accounted for other non-current assets- other.
- (ii) The Group obtained solar photovoltaic equipment from non-related parties in November 2023 at a total contract price of \$69,307 thousand. As of December 31, 2023, a total unpaid amount of \$43,671 thousand was accounted for other payables.

(Continued)

# LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

(iii) The depreciation expense of the right of-use assets amounting to \$1,323, and the borrowing costs amounting to \$1,307 were capitalized as part of construction costs of renewable energy plant for the year ended December 31, 2023, with capitalization rates ranging from 2.28% to 2.57%.

(iv) Some of the above said financial assets of the Group had been pledged as collateral for its long-term and short-term borrowings. Please refer to note 8.

### (j) Right-of-use assets

The Group recognized a portion of leased land, buildings and structures, and transportation equipment as right-of-use assets, and the costs and accumulated depreciation thereof were as follows:

	<u>Land</u>	<u>Buildings and Construction</u>	<u>Transportati on equipment</u>	<u>Total</u>
Cost of right-of-use assets:				
Balance on January 1, 2023	\$ -	22,850	4,645	27,495
Additions	18,964	10,965	3,207	33,136
Disposal	-	-	(1,626)	(1,626)
Balance on December 31, 2023	<b>\$ 18,964</b>	<b>33,815</b>	<b>6,226</b>	<b>59,005</b>
Balance on January 1, 2022	\$ -	22,850	3,019	25,869
Additions	-	-	1,626	1,626
Balance on December 31, 2022	<b>\$ -</b>	<b>22,850</b>	<b>4,645</b>	<b>27,495</b>
Depreciation of right-of-use asset:				
Balance on January 1, 2023	\$ -	7,344	3,300	10,644
Depreciation	128	4,950	2,471	7,549
Capitalized depreciation is to be transferred to unfinished construction	1,323	-	-	1,323
Disposal	-	-	(1,626)	(1,626)
Balance on December 31, 2023	<b>\$ 1,451</b>	<b>12,294</b>	<b>4,145</b>	<b>17,890</b>
Balance on January 1, 2022	\$ -	2,448	1,081	3,529
Depreciation	-	4,896	2,219	7,115
Balance on December 31, 2022	<b>\$ -</b>	<b>7,344</b>	<b>3,300</b>	<b>10,644</b>
Book value:				
Balance on December 31, 2023	<b>\$ 17,513</b>	<b>21,521</b>	<b>2,081</b>	<b>41,115</b>
Balance on January 1, 2022	<b>\$ -</b>	<b>20,402</b>	<b>1,938</b>	<b>22,340</b>
Balance on December 31, 2022	<b>\$ -</b>	<b>15,506</b>	<b>1,345</b>	<b>16,851</b>

The Group leased land as the operating site for the construction of renewable energy equipment.

(Continued)

# LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

### (k) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases, including properties that are owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 1 to 3 years. Some leases provide the lessees with options to extend at the end of the term. The rent income of the leases of investment properties is fixed.

The movements in investment property of the Group were as follows:

	<u>Land</u>	<u>Buildings and Construction</u>	<u>Total</u>
Cost or deemed cost:			
Balance on January 1, 2023	\$ 100,077	108,945	209,022
Reclassified to non-current assets held for sale	(53,399)	(73,254)	(126,653)
Balance on December 31, 2023	<u>\$ 46,678</u>	<u>35,691</u>	<u>82,369</u>
Balance on January 1, 2022	\$ 53,102	40,076	93,178
Reclassified to non-current assets held for sale	(6,424)	(2,711)	(9,135)
Transferred from property, plant and equipment	53,399	71,580	124,979
Balance on December 31, 2022	<u>\$ 100,077</u>	<u>108,945</u>	<u>209,022</u>
Depreciation and impairment losses:			
Balance on January 1, 2023	\$ -	45,430	45,430
Depreciation	-	1,378	1,378
Reclassification	-	(33,237)	(33,237)
Balance on December 31, 2023	<u>\$ -</u>	<u>13,571</u>	<u>13,571</u>
Balance on January 1, 2022	\$ -	13,774	13,774
Depreciation	-	1,130	1,130
Reclassified to investment property	-	(1,674)	(1,674)
Transferred from property, plant and equipment	-	32,200	32,200
Balance on December 31, 2022	<u>\$ -</u>	<u>45,430</u>	<u>45,430</u>
Carrying amount:			
Balance on December 31, 2023	<u>\$ 46,678</u>	<u>22,120</u>	<u>68,798</u>
Balance on January 1, 2022	<u>\$ 53,102</u>	<u>26,302</u>	<u>79,404</u>
Balance on December 31, 2022	<u>\$ 100,077</u>	<u>63,515</u>	<u>163,592</u>
Fair values:			
Balance on December 31, 2023		<u>\$ 187,625</u>	
Balance on January 1, 2022		<u>\$ 204,639</u>	
Balance on December 31, 2022		<u>\$ 412,527</u>	

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

- (i) The fair value of investment properties of the Group is based on recent transaction price of similar location and areas on the website of Department of Land Administration M.O.I. and the website of real estate trading.
- (ii) Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period, with annual rents indexed to consumer prices. Subsequent renewals are negotiated with the lessee. No contingent rents are charged. Please refer to Note 6 (p) and (w) for further information.
- (iii) The investment property of the Group had been pledged as collateral for its bank borrowings and financing loan facilities. Please refer to note 8 for details.

#### (l) Intangible Assets

The cost, amortization, revaluation increments and impairment of the intangible assets of the Group for the years ended December 31, 2023 and 2022 were as follows:

	<b>Management contracts</b>	<b>Computer Software</b>	<b>permit</b>	<b>Goodwill</b>	<b>Total</b>
Cost:					
Balance on January 1, 2023	\$ 20,976	-	2,078	496	23,550
Additions	-	272	259	-	531
Balance on December 31, 2023	<b>\$ 20,976</b>	<b>272</b>	<b>2,337</b>	<b>496</b>	<b>24,081</b>
Balance on January 1, 2022	\$ 20,976	-	-	80,644	101,620
Acquisition through business combination	-	-	2,078	496	2,574
Balance on December 31, 2022	<b>\$ 20,976</b>	<b>-</b>	<b>2,078</b>	<b>81,140</b>	<b>104,194</b>
Amortization and impairment losses:					
Balance on January 1, 2023	\$ 17,434	-	-	-	17,434
Amortization	3,542	13	74	-	3,629
Balance on December 31, 2023	<b>\$ 20,976</b>	<b>13</b>	<b>74</b>	<b>-</b>	<b>21,063</b>
Balance on January 1, 2022	\$ 436	-	-	-	436
Amortization	16,998	-	-	-	16,998
Impairment loss	-	-	-	80,644	80,644
Balance on December 31, 2022	<b>\$ 17,434</b>	<b>-</b>	<b>-</b>	<b>80,644</b>	<b>98,078</b>
Book value:					
Balance on December 31, 2023	<b>\$ -</b>	<b>259</b>	<b>2,263</b>	<b>496</b>	<b>3,018</b>
Balance January 1, 2022	<b>\$ 20,540</b>	<b>-</b>	<b>-</b>	<b>80,644</b>	<b>101,184</b>
Balance on December 31, 2022	<b>\$ 3,542</b>	<b>-</b>	<b>2,078</b>	<b>496</b>	<b>6,116</b>

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

- (i) The Group acquired the equity interest in LeadsunFox Greenery Investment Co., Ltd. at a premium in August 2021, the acquisition price include the development value of the Qigu fishery and electricity symbiosis project under LeadsunFox Greenery Investment Co., Ltd.(presented as goodwill). Subsequently, the project development is executed through SPVs which are comprised of LeadsunFox Greenery Co., Ltd., Lisheng Wufu Co., Ltd., Lixin Investment Co., Ltd., 100% owned subsidiaries by the Group. The Group disposed of the equity interests of the three companies mentioned above in November 2022 and entered into an E.P.C.(Engineering, Procurement & Construction) contract with these three companies in December 2022. The Group transferred the development interests of Qigu fishery and electricity symbiosis project and recognized the construction revenue in the stage of completion. Considering the transaction substance, the goodwill arising from acquisition of equity interest at premium amounting to \$80,644 thousand was simultaneously recognized under operating costs based on the matching principle in 2022.
- (ii) The intangible financial asset were not pledged as collateral for financing loan and long term borrowings as of December 31, 2023 and 2022.

(m) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2023	December 31, 2022
Unsecured bank loans	\$ -	94,958
Secured bank loans	139,000	212,463
Other loans	-	41,618
Total	<u><u>\$ 139,000</u></u>	<u><u>349,039</u></u>
Unused credit lines	<u><u>\$ 121,000</u></u>	<u><u>137,879</u></u>
Range of Interest rate	<u><u>2.57%</u></u>	<u><u>1.91%~2.80%</u></u>

For the collateral for bank loans, please refer to note 8.

(n) Long-term borrowings

The details were as follows:

	December 31, 2023		
	Currency	Rate	Maturity year
Secured bank loans	NTD	1.55%~2.89%	2027~2028
Less: current portion			\$ 84,602
			(18,791)
Total			<u><u>\$ 65,811</u></u>
Unused credit lines			<u><u>\$ 110,000</u></u>

(Continued)

# LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

	December 31, 2022			
	Currency	Rate	Maturity year	Amount
Secured bank loans	NTD	2.019%~2.15%	2027~2037	\$ 138,677
Less: current portion				(9,330)
Total				<u>\$ 129,347</u>
Unused credit lines				<u>\$ 1,543</u>

For the collateral of the Group pledged for long-term borrowings, please refer to note 8.

### (o) Lease liabilities

The carrying amounts of the Group's lease liabilities were as follows:

	December 31, 2023	December 31, 2022
Current	<u>\$ 65,845</u>	<u>6,020</u>
Non-current	<u>\$ 32,619</u>	<u>11,029</u>

For the maturity analysis, please refer to Note 6(x).

The amounts recognized in profit or loss were as follows:

	For the years ended December 31	
	2023	2022
Interest on lease liabilities (including capitalized amounts)	<u>\$ 1,324</u>	<u>311</u>
Short-term lease expenses	<u>\$ 837</u>	<u>208</u>

The amounts recognized in the statement of cash flows for the Group was as follows:

	For the years ended December 31	
	2023	2022
Total cash outflow for leases	<u>\$ 14,670</u>	<u>7,533</u>

### (i) Real estate leases

The Group leases land and buildings as its business facilities for the establishment of power plants. The leases typically run for 20 to 25 years. The majority of leases include an option to terminate the lease. The Group's lease contracts are entered into on fixed lease payments basis. The Group recognizes a right-of-use asset and a lease liability at the lease commencement date after considering termination options. The Group leases land for the power plants developed for sale, the lease liability of land is classified as current liabilities.

### (ii) Other leases

The Group leases transportation equipment for business operation, with lease terms of 1 to 4 years.

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

The Group also leases other equipment and machinery with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(p) Operating lease

The Group leases out investment properties under operating lease which was based on the assessment of the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. Please refer to Note 6(k) for the regarding information on investment properties.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Less than one year	\$ 4,560	5,112
One to two years	-	5,755
Total undiscounted lease payments	<b>\$ 4,560</b>	<b>10,867</b>

(q) Income tax

(i) Income tax expenses

The components of income tax in the years 2023 and 2022 were as follows:

	<b>For the years ended December 31 2023</b>	<b>2022</b>
Current income tax expense		
Current period	\$ 779	14,878
Land value increment tax	1,083	266
	1,862	15,144
Deferred tax expense		
Origination and reversal of temporary differences	(870)	(3,398)
Income tax expenses	<b>\$ 992</b>	<b>11,746</b>

(ii) The amount of income tax recognized in other comprehensive income for 2023 and 2022 was as follows:

	<b>For the years ended December 31 2023</b>	<b>2022</b>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	<b>\$ (221)</b>	<b>(659)</b>

(Continued)

# LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

(iii) Reconciliation of income tax and net profit before tax for 2023 and 2022 is as follows.

	<b>For the years ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Profit excluding income tax	\$ 120,238	48,864
Income tax using the Company's domestic tax rate	\$ 24,049	23,062
Valuation gains on financial assets	-	(785)
Income tax on land transactions	(26,403)	(8,586)
Gains on investment - Equity method	1,614	(9,491)
Change in unrecognized temporary differences	(3,055)	(6,296)
Land value increment tax	1,083	266
Impairment loss	-	16,128
Others	3,704	(2,552)
<b>Total</b>	<b>\$ 992</b>	<b>11,746</b>

(iv) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
The carryforward of unused tax losses	<b>\$ 2,808</b>	<b>5,473</b>

2) Recognized deferred income tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

	<b>Deferred income tax assets</b>					<b>Deferred tax liabilities</b>	
	<b>Defined Benefit Plans</b>	<b>Affiliate Unrealized gains</b>	<b>The carryforward of unused tax losses</b>	<b>Others</b>	<b>Total</b>	<b>Intangible assets recognized due to combination</b>	<b>Total</b>
<b>Balance on January 1, 2023</b>	\$ 221	274	3,793	2,222	6,510	709	709
Recognized in profit or loss	-	2,383	-	(2,222)	161	(709)	(709)
Recognized in other comprehensive income	(221)	-	-	-	(221)	-	-
<b>Balance on December 31, 2023</b>	<b>\$ -</b>	<b>2,657</b>	<b>3,793</b>	<b>-</b>	<b>6,450</b>	<b>-</b>	<b>-</b>
<b>Balance on January 1, 2022</b>	\$ 880	-	4,063	2,226	7,169	4,107	4,107
Recognized in profit or loss	-	274	(270)	(4)	-	(3,398)	(3,398)
Recognized in other comprehensive income	(659)	-	-	-	(659)	-	-
<b>Balance on December 31, 2022</b>	<b>\$ 221</b>	<b>274</b>	<b>3,793</b>	<b>2,222</b>	<b>6,510</b>	<b>709</b>	<b>709</b>

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

(v) Assessment of tax

- 1) The Company's tax returns for the years through 2021 were assessed by the Taipei National Tax Administration.
  - 2) The subsidiaries of the Group's tax returns for the years through 2021 were assessed by the Taipei National Tax Administration.
- (vi) As of December 31, 2023, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unused tax losses	Expiry date
2018	\$ 4,391	2028
2019	7,143	2029
2020	4,722	2030
2021	21,795	2031
2022	200	2032
2023	523	2033
	<u>\$ 38,774</u>	

(r) Capital and other equity

As of December 31, 2023 and 2022, the number of authorized shares both were 100,000 thousand shares with par value of \$10 per share. The total value of authorized shares both amounted to \$1,000,000 thousand. The issued shares were 29,689 thousand shares and 29,069 thousand shares, respectively. All issued shares were paid up upon issuance.

(i) Ordinary shares

- 1) A resolution was passed during the Board of Directors' meeting held on November 8, 2023 for the issuance of ordinary shares for cash, with the number of shares issued to not exceed 10,000 thousand, and the filing was effective set by the Financial Supervisory Commission on December 29, 2023. Subsequently, the issuance of 9,000 thousand ordinary shares at a price of \$40 per share, with January 22, 2024 as the date of capital increase. The relevant statutory registration procedures haven't been completed.
- 2) The Company issued 620 thousand new employee restricted shares in par value, with August 11, 2023 as the date of capital increase. The relevant statutory registration procedures have since been completed.

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

- 3) For the purpose of seeking technical cooperation or strategic alliances with domestic and foreign companies, attracting valuable investors, strengthening working capital for future operation, a resolution was passed during the general shareholders' meeting held on June 2, 2023, for the private offering of ordinary shares, within the limit of 10,000 thousand shares, with par value of \$10 per share, amounting to \$100,000 thousand, which subject to the capital market conditions and the Company funding needs. The Board of Directors' is authorized to issue one or more times (not more than three times) within one year from the resolution date of the general shareholders' meeting. The private offering was not executed at the end of the period due to the filing preparation and capital market conditions.

#### (ii) Capital surplus

The components of capital surplus were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Changes in ownership interests in subsidiaries is recognized	\$ 1,019	1,019
Exercise of disgorgement	1,117	1,117
Share-based payment	25,346	-
	<b><u>\$ 27,482</u></b>	<b><u>2,136</u></b>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

As of April 8, 2022, a resolution was approved during the general meeting of the shareholders for the distribution of cash dividends to offset losses by capital surplus amounting to \$8,091 thousand.

#### (iii) Retained earnings

In accordance with the Group' s articles, if there are earnings at year end, 10 percent should be set aside as legal reserve (unless the amount in the legal reserve is already equal to or greater than the total paid-in capital) and special reserve according to the Securities and Exchange Act and the Group' s operations after the payment of income tax and offsetting accumulated losses from prior years. The remaining portion will be combined with earnings from prior years, and the Board of directors can propose distribution plan to be approved by the shareholders' meeting.

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

In addition, in accordance with the dividend policy as stated in the Company's Articles, dividends shall be distributed in an appropriate manner based on the considerations of the Company's following years' earnings growth, future capital budget, long-term financial structure and funding needs. Dividends shall be distributed in the form of cash or shares, with the percentage of cash dividends not less than 20% of the total dividends distributed.

#### 1) Legal reserve

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

As of April 8, 2022, a resolution was approved during the general meeting of the shareholders for the distribution of cash dividends to offset losses by capital surplus amounting to \$1,073 thousand.

#### 2) Special reserve

The net reduction of other shareholders' equity in current period shall be included in a portion of current-period earnings and shall be reclassified as special earnings reserve with undistributed prior—period earnings during earnings distribution, after calculating current period profit after tax and other items of current period profit after tax. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior period. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

As of June 2, 2023, a resolution was approved during the general meeting of shareholders to appropriate special reserve amounting to \$6,077 thousand.

#### 3) Earnings distribution

As of June 2, 2023, a resolution was approved during the general meeting of shareholders not to appropriate the 2022 earnings.

As of April 8, 2022, a resolution was approved during the general meeting of shareholders to offset the deficit against legal reserve and capital surplus.

#### (s) Sharebased payment

On June 2, 2023, the general shareholders meeting resolute to award 1,200 thousand new employee restricted shares to those fulltime employees who meet certain requirement of the Group. The restricted stock has been registered with and approved by the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C. On July 3, 2023, the Board of Directors approved to issue 620 thousand restricted shares with fair value of NT\$48.4 and recognized as capital reserve \$23,808 thousand each at grant date on August 7, 2023.

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Those employees with the restricted stock awards are entitled with the condition that these employees continue to provide service to the Company for at least 1 year, 2 years and 3 years (from the grant date), while 40%, 30% and 30% of the restricted shares are vested respectively depending on the completion of both the Company and their personal performance in each year. The restricted stock is kept by a trust, which is appointed by the Company, before it is vested. These shares shall not be sold, pledged, transferred, gifted, or disposed of by any other means to third parties during the custody period. The voting rights of these shareholders are executed by the custodian, and the custodian will act based on law and regulations. If the shares remain unvested after the vesting period, the Company will repurchase all the unvested shares at the issue price and cancel the shares thereafter.

Besides the employee restricted shares mentioned above, as of December 31, 2023, the Group's share-based payment transactions were as follows:

	<b>Equity settlement</b>
	<b>Employee stock options</b>
Grant date	112.6.2
Number of granted shares (in thousands of shares) (Note 1)	500
Contract term	2years
Recipients	Qualified employees of the Group
Vesting conditions	Stock option certificates can be exercised after 2 years of the granted date.

Note1: 1,000 shares may be subscribed per unit.

(i) Measurable parameter of fair value at grant date

The Group adopted the binominal valuation model to evaluate the fair value of the stock option at the grant date. The assumptions adopted in this valuation model were as follows:

	<b>For the year ended</b>
	<b>December 31, 2023</b>
	<b>Employee stock options</b>
Fair value at the grant date	10.987
Share price at the grant date (NT dollars)	35.75
Exercise price (NT dollars)	35.75
Expected volatility (%) (Note 2)	43.92%
The expected life of the option (years)	3.00
The risk-free rate (%)	1.04%

Note 2: Expected volatility is the historical annualized fluctuation rate for 3 years of the Group's retroactive stock price calculation over the past 10 years on the base date. Due to the mean regression feature of the volatility rate, the expected volatility rate of the underlying company over the next 3 years is an average of 43.92%.

(Continued)

# LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

(ii) Related information of employee stock option plans

Details of the employee stock options are as follows:

	<b>For the year ended December 31, 2023</b>	
	<b>Weighted-average exercise price (\$)</b>	<b>Number of employee stock options</b>
Outstanding on January 1	\$ -	-
Number of options granted during the year	35.75	500.00
Given up in this period	35.75	(20.00)
Implemented during the year	-	-
Expired during the year	-	-
Outstanding at December 31	<b>35.75</b>	<b>480.00</b>
Exercisable on December 31	-	-

(iii) Expenses and liabilities resulted from share-based payments

The Group incurred expenses and liabilities of share-based arrangements for the year ended December 31, 2023 as follows:

	<b>For the year ended December 31 2023</b>
Expenses attributable to sharebased payment	<b>\$ 9,180</b>

(t) Earnings per share

(i) Basic earnings per share

The basic earnings per share were calculated as the earnings attributable to the shareholders of the Company' s divided by the weighted-average number of common shares outstanding as follows:

1) Profit attributable to ordinary shareholders of the Company

	<b>For the years ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Profit of the Company for the year	<b>\$ 119,246</b>	<b>37,379</b>

(Continued)

# LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

### 2) Weighted-average number of ordinary shares

	<b>For the years ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Weighted-average number of ordinary shares	29,069	29,069
Basic earnings per share (in dollars)	<b>\$ 4.10</b>	<b>1.29</b>

### (i) Diluted earnings per share

The calculation of diluted earnings per share was based on the profit attributable to owners of parent of the Company and the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares is as follows:

#### 1) Net profit attributable to ordinary shareholders of the Company (diluted)

	<b>For the years ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Net profit attributable to ordinary shareholders of the Company (diluted)	<b>\$ 119,246</b>	<b>37,379</b>

#### 2) Weighted-average number of ordinary shares (diluted)

	<b>For the years ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Weighted-average number of ordinary shares (basic)	29,069	29,069
Effect of employee remuneration	136	11
Employee stock options	45	-
Non-vested new restricted employee shares	76	-
Weighted-average number of ordinary shares (diluted)	29,326	29,080
Diluted earnings per share (in dollars)	<b>\$ 4.07</b>	<b>1.29</b>

(Continued)

# LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

### (u) Revenue from contracts with customers

#### (i) Details of revenue

	<b>For the years ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Major product/service lines:		
Sales revenue of products	\$ -	27,266
Sales revenue of goods	-	18,113
Energy Revenues		
- Construction revenue	154,728	14,273
- Consultation service revenue	39,719	146,135
- Service income from electricity trading	8,646	-
- Revenue from selling electricity	554	-
	<b>\$ 203,647</b>	<b>205,787</b>
Timing of revenue recognition:		
Revenue transferred at a point in time	\$ 24,072	59,652
Revenue transferred over time	179,575	146,135
	<b>\$ 203,647</b>	<b>205,787</b>

#### (ii) Contract balances

	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>January 1, 2022</b>
Notes and accounts receivable	\$ 11,044	24,304	31,575
Less: allowance for impairment	(264)	(44)	-
Total	<b>\$ 10,780</b>	<b>24,260</b>	<b>31,575</b>
Contract asset-construction contribution hasn't achieved unconditional rights to consideration	<b>\$ 5,253</b>	<b>23,966</b>	-
Recoverable amounts expected to be collected after more than 12 months	<b>\$ 5,253</b>	-	-
Contract liabilities-current			
-Consideration collection exceeded the construction revenue	\$ 184,187	-	-
-Prepaid service revenue	8,455	3,542	1,250
	<b>\$ 192,642</b>	<b>3,542</b>	<b>1,250</b>
Contract liability - non-current	<b>\$ -</b>	<b>-</b>	<b>7,135</b>
Amount expected to be settled after more than 12 months	<b>\$ -</b>	<b>-</b>	<b>7,135</b>

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

For details on notes and accounts receivable and allowance for impairment, please refer to note 6(d).

The amount of revenue recognized for the years ended December 31, 2023 and 2022 included the contract liability balance at the beginning of the period were \$3,542 thousand and \$8,385 thousand, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(v) Remuneration to employees, and directors

In accordance with the articles of incorporation the Company should contribute no less than 3% of the profit as employee compensation and less than 5% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's subsidiaries who meet certain conditions.

For the years ended December 31, 2023 and 2022, the Company estimated its employee remuneration amounting to \$6,469 thousand and \$282 thousand, and directors' remuneration amounting to \$2,588 thousand and \$0 thousand respectively. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the percentage which is stated under the Company's Article of Association. These remunerations were expensed under operating expenses for each period. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. However, if the Board of Directors resolved that the employee remuneration to be distributed through stock dividends, the closing price of the ordinary share on the day before the Board of Directors' meeting is used in the calculation for stock remuneration.

The Company estimated its employee remuneration amounting to \$282 thousand and \$0, respectively, and directors' remuneration amounting to nil for the years ended December 31, 2022 and 2021. The amounts, as stated in the financial statements, are identical to those of the actual distributions for 2022 and 2021. Related information would be available at the Market Observation Post System website.

(Continued)

# LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

(w) Net other income (expenses)

(i) Other income

The details of revenue for the years ended December 31, 2023 and 2022 were as follows:

	<b>For the years ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Rent income	\$ 5,176	6,097
Dividend income	152	722
	<b>\$ 5,328</b>	<b>6,819</b>

(ii) Other gains and losses

The details of revenue for the years ended December 31, 2023 and 2022 were as follows:

	<b>For the years ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Losses on disposals of property, plant and equipment	\$ -	(1,420)
Gain on disposal of non-current assets held for sale	161,625	58,216
Gains on financial assets at fair value through profit or loss	-	3,815
Gain on disposal of subsidiary	-	4,845
Others	(1,378)	(1,644)
	<b>\$ 160,247</b>	<b>63,812</b>

(iii) Finance costs

The details of revenue for the years ended December 31, 2023 and 2022 were as follows:

	<b>For the years ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Interest of loans and notes	\$ 7,214	6,493
Interest on lease liabilities	1,324	311
Less: Capitalization of interest	(1,689)	-
Finance costs, net	<b>\$ 6,849</b>	<b>6,804</b>

(x) Financial instruments

(i) Credit risk

1) The maximum exposure to credit risk

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### 2) Concentration of credit risk

The renewables division of the Group mainly operates the business of renewables engineering and renewables factory development. About 91% and 71% of the Group's revenue for the years ended December 31, 2023 and 2022 were derived from customers of a single group. To mitigate credit risk, the Group continuously assess the financial position of their customers and generally require advance payment.

#### 3) Credit risk of receivables and contract assets

For credit risk exposure of notes and accounts receivable, please refer to note 6(d).

Other financial assets carried at amortized costs included other receivables and other financial assets.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12-month expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(f). For the years ended December 31, 2023 and 2022, there were no losses allowance recognized.

#### (ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<b>Carrying amount</b>	<b>Contractual cash flow</b>	<b>Within 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>
<b>December 31, 2023</b>						
Non-interest bearing liabilities	\$ 111,280	111,280	110,520	-	-	760
Floating rate instruments	223,602	226,530	158,531	18,936	49,063	-
Lease liabilities	98,464	116,633	13,137	13,945	34,232	55,319
	<b>\$ 433,346</b>	<b>454,443</b>	<b>282,188</b>	<b>32,881</b>	<b>83,295</b>	<b>56,079</b>
<b>December 31, 2022</b>						
Non-interest bearing liabilities	\$ 18,646	18,646	17,886	-	-	760
Fixed rate instrument	41,618	42,043	42,043	-	-	-
Floating rate instruments	446,098	467,932	341,727	12,004	34,592	79,609
Lease liabilities	17,049	17,444	6,232	10,367	845	-
	<b>\$ 523,411</b>	<b>546,065</b>	<b>407,888</b>	<b>22,371</b>	<b>35,437</b>	<b>80,369</b>

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

#### (iii) Exposure to currency risk: The Group has zero exposure to significant foreign currency risk.

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group' s financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year at the reporting date. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate increases or decreases by 1%, the Group' s net income will decrease /increase by \$(700) thousand and \$4,877 thousand for the years ended December 31, 2023 and 2022, respectively, assuming all other variable factors remain constant. This is mainly due to the Group' s variable rate bank deposit and loans.

(v) Other market price risk

For the years ended December 31, 2023 and 2022, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the years ended December 31			
	2023		2022	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Prices of securities at the reporting date				
Increasing 1%	\$ 577	567	641	567
Decreasing 1%	\$ (577)	(567)	(641)	(567)

(Continued)

# LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

### (vi) Fair value of financial instruments

#### 1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required :

December 31, 2023					
Book Value	Fair Value			Total	
	Level 1	Level 2	Level 3		
Financial assets at fair value through profit or loss					
Non-public offer equity instrument measured at fair	\$ 56,724	-	-	56,724	56,724
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	\$ 12,977	-	-	12,977	12,977
Non-public offer equity instrument measured at fair value	44,752	-	-	44,752	44,752
	\$ 57,729	-	-	57,729	57,729
December 31, 2022					
Book Value	Fair Value			Total	
	Level 1	Level 2	Level 3		
Financial assets at fair value through profit or loss					
Non-public offer equity instrument measured at fair value	\$ 56,724	-	-	56,724	56,724
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	\$ 15,542	-	-	15,542	15,542
Non-public offer equity instrument measured at fair value	48,586	-	-	48,586	48,586
	\$ 64,128	-	-	64,128	64,128

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### 2) Valuation techniques for financial instruments measured at fair value

##### a) Non-derivative financial instruments

Fair value measurement of financial instruments was based on quoted market prices if these prices were available in an active market. The quoted price of a financial instrument obtained from main exchanges and on the run bonds from Taipei Exchange was the basis of determining the fair value of the listed companies' and emerging stock equity instrument, and debt instrument that has the quoted price in an active market.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

If the Group's financial instruments do not have an observable prices or without an active market, their fair values are estimated by comparing with competitors whose market prices are available. The main assumption used in this estimation is to calculate the profit of the investee and the price to earnings ratio of comparable and listed companies on the stock market. The estimate of the fair value of equity instruments has been adjusted due to the effect of the discount arising from the lack of market liquidity of the equity security.

#### 3) Transfers between Level 1 and Level 2: None

#### 4) Reconciliation of Level 3 fair values

	<b>At fair value through profit or loss</b>	<b>Fair value through other comprehensive income</b>
	<b>Unquoted equity instruments</b>	<b>Unquoted equity instruments</b>
Balance at January 1, 2023	\$ 56,724	64,128
Total gains and losses		
Recognized in other comprehensive income	-	4,761
Disposal	-	(11,160)
Balance at December 31, 2023	<b>\$ 56,724</b>	<b>57,729</b>
Balance at January 1, 2022	\$ 15,000	22,946
Total gains and losses		
Recognized in profit or loss	3,924	-
Recognized in other comprehensive income	-	(3,206)
Purchased	37,800	44,388
Balance at December 31, 2022	<b>\$ 56,724</b>	<b>64,128</b>

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022, total gains and losses that were included in “other gains and losses” and “unrealized gains and losses on financial assets at fair value through other comprehensive income” were as follows:

	<b>For the years ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Total gains and losses recognized:		
In profit or loss, and including “other gains and losses”	<b>\$ -</b>	<b>3,924</b>
In other comprehensive income, and presented in “unrealized gains and losses on financial assets at fair value through other comprehensive income”	<b>\$ 4,201</b>	<b>(3,206)</b>

- 5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group’s financial instruments that use Level 3 inputs to measure fair value include financial assets measured at fair value through profit or loss – equity investments, and financial assets measured at fair value through other comprehensive income – equity investments.

Most of the fair value measurements categorized within Level 3 use the single and significant unobservable input. Equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable inputs of the equity investments without an active market are independent, therefore, there is no correlation between them.

Quantified information on significant unobservable inputs was as follows:

<b>Item</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Interrelationship between significant unobservable inputs and fair value measurement</b>
Financial assets at fair value through profit or loss – equity investments without an active market	Net asset value method	N/A	N/A
Financial assets at fair value through other comprehensive income – equity investments without an active market	Comparable listed companies approach	<ul style="list-style-type: none"> <li>Market liquidity discount rate (as of December 31, 2023 and December 31, 2022 were 9.9%~28% and 20%, respectively)</li> </ul>	<ul style="list-style-type: none"> <li>The higher the market liquidity discount rate, the lower the fair value</li> </ul>

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

- 6) Fair value measurements in Level3—sensitivity analysis of reasonably possible alternative assumptions

The Group's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

					Other comprehensive income arising from changes in fair value
	Inputs	Upward or downward movement		Favorable	Unfavorable
<b>December 31, 2023</b>					
Financial assets at fair value through other comprehensive income					
Equity investments without an active market	Discount for marketabilit y	1%	\$	568	(568)
<b>December 31, 2022</b>					
Financial assets at fair value through other comprehensive income					
Equity investments without an active market	Discount for marketabilit y	1%	\$	155	(155)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

- (y) Financial risk management

- (i) Overview

The Group have exposures to the following risks from its financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

The following likewise discusses the Group' s exposure information, objectives, policies and processes for measuring and managing the above mentioned risks For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying non-consolidated financial statements.

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## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### (ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Financial management department is responsible for developing and monitoring the Group' s risk management policies and reports regularly to the Board of Directors on its activities.

The Group' s risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group' s activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligation.

The Group' s Audit Committee oversees how management monitors compliance with the Group' s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group' s Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

#### (iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group' s receivables from customers and investments in debt securities.

##### 1) Trade and other receivables

The principal income of the Group is divided into income from electricity sales of renewable energy and labor services, construction revenue. The transactions are carried out by the finance department of the Group in accordance with policies approved by the management. The finance department is responsible for identification by working closely with the operating units of the Group to assess and mitigate credit risk. Also, the Group mitigates its exposure by evaluating the customer' s situation regularly.

##### 2) Investments

The exposure to credit risk for the bank deposits, and other financial instruments is measured and monitored by the Group' s finance department. The Group only deals with banks, other external parties, corporate organizations and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

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## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(iv) liquidity risk

The Group manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

Bank borrowing is an essential liquidity source for the Group. Loans and borrowings from the bank form an important source of liquidity for the Group. As of December 31, 2023 and 2022, for the Group's unused credit line, please refer to note 6(m) and (n).

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Foreign currency risk: none

2) Interest rate risk

It is the policy of the Group to manage the risk of interest rate fluctuations in the financial interest rate of the Group by having management review and control over the optimal interest rate group of financial liabilities.

3) Other market price risk

The Group is exposed to equity price risk due to the investments in equity securities of listed companies. This is a strategic investment and is not held for trading. The Group does not actively trade in these investments as the management of the Group minimizes the risk by holding different investment portfolios.

(z) Capital management

The Group sets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to a return to stockholders, to safeguard the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital provide. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment and reduce the capital for redistribution to its shareholders. The Group also issues new shares or sell assets to settle any liabilities. The Group uses the debt ratio, which is calculated as net debt divided by total capital, to monitor its capital.

The strategic capital management remain the same for the December 31, 2023 and 2022 for the Group. Please refer to the balance sheet for the Group's debt-to-equity ratios for the years ended December 31, 2023 and 2022.

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## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(aa) Investing and financing activities not affecting cash flows

The Group' s investing and financing activities which did not affect the current cash flow for the December 31, 2023 and 2022 , were acquisition of right of use assets by leasing. These assets are lands leased by the Group to construct renewable energy equipment for personal and commercial purposes. Please refer to note 6(e) (i) and (j) for details.

#### (7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
LeadSun International Development Co., Ltd.	Same director with the Group
LeadSun Investment & Asset Management Limited	Same director with the Group
Zhitai Investment Co., Ltd.	Same director with the Group
Lexis Connect Limited Partnership	Same director with the Group
Huijie Consulting Co., Ltd (hereafter referred to as Huijie Consulting)	Same director with the Group (Note 1)
Leadsun wind &solar (hereafter referred to as Leadsun wind &solar)	Same director with the Group
Xingwei Power Co., Ltd. (hereafter referred to as Xingwei Power)	Same director with the Group
Lisheng Wufu Co., Ltd.,(hereafter referred to as Lisheng Wufu)	Chairman of the parent company of the company is the same as the Group
LeadsunFox Greenergy Investment Co., Ltd.	Chairman of the parent company of the company is the same as the Group
Lixin Investment Corporation	Chairman of the parent company of the company is the same as the Group
Opsis MCube Capital Co., Ltd.	Substantive related party
LCH Transasia Law Offices	The head of the firm is a director of the Group (Note 2)
Huati Investment (hereafter referred to as Huati Investment)	The chairman of the company is the director of the Group' s first degree family
Jie yan jieneng technology (hereinafter referred to as the Jie yan jieneng technology)	The Company is the subsidiary of the Group' s director
Taiwan Germagic Co., Ltd. (hereafter referred to as Germagic Taiwan)	The Company is the subsidiary of the Group' s director

(Continued)

# LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

<u>Name of related party</u>	<u>Relationship with the Group</u>
LaserTek Taiwan Co.,Ltd. ( LaserTek Taiwan )	The Company is Group' s director
Lidian Energy Co., Ltd.	Same director with the Group

Note1: The responsible person has changed since December 2023 and the company is no longer a related person of the Group.

Note2: The responsible person has changed since August 2023 and the firm is no longer a related person of the Group.

### (b) Significant transactions with related parties

#### (i) Sale revenue

- The amounts of significant sales transactions between the Group and related parties were as follows:

	<u>Contract amount</u>		<u>Amount recognized for the current period</u>		<u>Accumulated price</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>2023</u>	<u>2022</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Lisheng Wufu	\$ 1,039,837	977,410	342,094	-	342,094	-
Huijie Consulting	-	14,273	-	14,273	-	14,273
	<b>\$ 1,039,837</b>	<b>991,683</b>	<b>342,094</b>	<b>14,273</b>	<b>342,094</b>	<b>14,273</b>

The contract prices of construction projects undertaken by related parties by the Group were calculated based on project budget, plus reasonable management fees and profits, and were finalized by the supervisors concerned. The payment terms are outlined in the contract. As of December 31, 2023 and 2022, the Group' s construction revenue amounted to \$154,728 thousand and \$14,273 thousand, respectively were recognized by the percentage of completion method. As of December 31, 2023 and 2022, the accumulated liabilities (assets) arising from the undertaking contract above are amounted to \$184,187 thousand, and \$23,966 thousand, respectively.

- Revenue recognized in the material project development, technical consultancy, accounting and asset management contracts entered into between the Group and the related parties is as follows:

	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Labor Contract- Lisheng Wufu	\$ 16,133	135,091
Labor Contract- Xingwei Power	5,426	-
Labor Contract- Leadsun wind &solar	8,160	11,044
	<b>\$ 29,719</b>	<b>146,135</b>

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of December 31, 2023 and 2022, the accumulated liabilities (assets) arising from the undertaking labour contracts above are amounted to \$5,253 thousand, \$(8,455), \$23,966 and \$(3,542) thousand, respectively. The Group entered into a contract for the maintenance of the renewable energy power generation system with the other related party, Lisheng Wufu Co., Ltd., for 20 years from the date of paralleling equipment, and the revenue is calculated from the maintenance of the electricity sales at 10% of the revenue.

(ii) Operating cost

- 1) The amounts of significant sales transactions between the Group and related parties were as follows:

	<b>Total contract price December 31, 2023</b>	<b>Amount recognized for the current period 2023</b>	<b>Accumulated price December 31, 2023</b>
Engineering Management- Jie yan jieneng technology	<u>\$ 12,250</u>	<u>6,125</u>	<u>6,125</u>

The consolidated company recognized operating costs for the above works in the year 2023 as a result of which was \$6,617 thousand.

- 2) The Group has entered into an appointment contract of the Green Energy Financial Adviser with other related parties, Opsis MCube Capital, to assist the Group in the development of the renewable energy project. The cost of services recognized for the years ended December 31, 2023 and 2022 were \$720 thousand and \$552 thousand respectively.

(iii) Receivables from related parties

The receivables from related parties were as follows:

<b>Account</b>	<b>Relationship with the Group</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Accounts receivable	Other related party—other	\$ 8	138
Other receivables	Other related parties	-	36
		<u>\$ 8</u>	<u>174</u>

(Continued)

# LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

### (iv) Property transactions

#### 1) Proceeds from disposal of property, plant and equipment

The disposals of property, plant and equipment to related parties are summarized as follows:

	<b>For the year ended December 31, 2022</b>	
	<b>Disposal price</b>	<b>Gains on disposals</b>
Other related parties— Huati Investment	\$ 43,448	28,250
Other related parties— Mr. Hsieh (Key management personnel)	46,731	29,966
	<u>\$ 90,179</u>	<u>58,216</u>

#### 2) Acquisition of Financial Assets

			<b>For the year ended December 31, 2022</b>	
<b>Name of counter-party</b>	<b>Acquisition of assets</b>	<b>Account</b>	<b>Number of shares</b>	<b>Acquisition price</b>
Leadsun wind & solar	Leadsun wind & solar	Non-current financial assets at fair value through profit or loss	3,780,000	\$ 37,800
Opsis MCube Capital	Ordinary shares of Xiang Yin Yongxu	Investments accounted for using equity method	160,000	320
				<u>\$ 38,120</u>

#### 3) Disposal of securities

The disposals of securities to related parties are summarized as follows:

			<b>For the year ended December 31, 2023</b>		
<b>Name of counter-party</b>	<b>Proceeds from disposal of assets</b>	<b>Account</b>	<b>Number of shares</b>	<b>Disposal price</b>	<b>Gains on disposals</b>
LaserTek Taiwan Co., Ltd.	Ordinary shares of Jieyan Jieneng technology	Financial assets at fair value through other comprehensive income	1,000,000	\$ 11,160	560

(Continued)

# LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

Name of counter-party	Proceeds from disposal of assets	Account	For the year ended December 31, 2023		
			Number of shares	Disposal price	Gains on disposals
Leadsun wind & solar	Ordinary shares of LeadsunFox Greenergy Investment Co., Ltd.	Investments accounted for using equity method	100,000	\$ 1,000	217
Leadsun wind & solar	Ordinary shares of Lisheng Wufu Co., Ltd.	Investments accounted for using equity method	2,100,000	21,000	4,404
Leadsun wind & solar	Ordinary shares of Lixin Investment Corporation	Investments accounted for using equity method	100,000	1,000	224
				<u>\$ 23,000</u>	<u>4,845</u>

The price of the disposal of ownership by the Group to related parties are agreed upon by both parties.

(v) Other

- 1) For the years ended December 31, 2023 and 2022, the rent income arising from leasing office spaces to other related parties by the Group was recognized as \$616 thousand and \$582 thousand, respectively.
- 2) For the years ended December 31, 2023 and 2022, the legal consultation service expenses paid to other related parties were amounted to \$166 thousand and \$532 thousand, respectively, and are recognized under operating expenses.
- 3) The Group entered into power plant development contracts with other related party, Germagic Taiwan, with a total contract price of \$44,725 thousand. The prepayments were both amounted to \$2,875 thousand December 31, 2023 and 2022.

(a) Key management personnel compensation

Key management personnel compensation comprised:

	For the years ended December 31	
	2023	2022
Short-term employee benefits	\$ 9,050	9,580
Post-employment benefits	369	258
Share-based payments	2,989	-
	<u>\$ 12,408</u>	<u>9,838</u>

(Continued)

# LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

### (8) Pledged assets:

The carrying values of pledged assets were as follows:

<b>Pledged assets</b>	<b>Object</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Other non-current assets	Credit card guarantee	\$ 200	-
Financial assets at amortized cost - non-current	Bank loan	4,167	32,460
Non-current assets held for sale	Bank loan	-	9,135
Property, plant and equipment	Bank loan	103,300	39,636
Investment property	Bank loan	68,798	163,592
		<b>\$ 176,465</b>	<b>244,823</b>

### (9) Commitments and contingencies:

(i) Major commitments were as follows:

1) The Group's unrecognized contractual commitments were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Construction contracts	\$ 697,743	1,006,285
Labour services contracts	8,455	2,818
General contractor agreements for the construction	1,911,882	83,563
Labor contract	331,323	83,624

(i) As of December 31, 2023 and 2022, the Group had guarantee notes for bank loans limits act as the guarantee amounting to \$447,520 thousand and \$627,138 thousand, respectively.

**(10) Losses Due to Major Disasters: None**

**(11) Subsequent Events :None**

(Continued)

**LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(12) Other:**

- (a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	For the year ended December 31					
	2023			2022		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	2,429	49,719	52,148	11,436	21,911	33,347
Labor and health insurance	110	2,016	2,126	802	1,704	2,506
Pension	57	1,259	1,316	469	1,028	1,497
Remuneration of directors	-	4,370	4,370	-	2,116	2,116
Others	29	620	649	360	507	867
Depreciation	4,040	9,633	13,673	996	9,674	10,670
Amortization	-	3,629	3,629	-	16,998	16,998

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### (13) Other disclosures:

##### (a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

##### (i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	Lichu Power Co., Ltd	Other receivables	Yes	50,000	-	-	-	2	-	Working capital requirement	-	None	-	86,056 (Note 1)	172,113 (Note 1)
1	Lichu Power Co., Ltd	Guangjing Technology CO., LTD	Other receivables	Yes	25,000	-	-	-	2	-	Working capital requirement	-	None	-	3,136 (Note 2)	3,136 (Note 2)
2	LeadsunFox Greenergy Investment Co., Ltd.	Li-Ben Asset CO., LTD	Other receivables	Yes	30,000	30,000	30,000	2.0%	2	-	Working capital requirement	-	None	-	388,902 (Note 2)	388,902 (Note 2)
2	LeadsunFox Greenergy Investment Co., Ltd.	Li-Ben fangyuan optoelectronics CO., LTD	Other receivables	Yes	12,000	12,000	12,000	2.0%	2	-	Working capital requirement	-	None	-	388,90 (Note 2)	388,90 (Note 2)
2	LeadsunFox Greenergy Investment Co., Ltd.	Zhongtun Wind Power Equipment CO., LTD	Other receivables	Yes	1,000	1,000	1,000	2.0%	2	-	Working capital requirement	-	None	-	388,90 (Note 2)	388,90 (Note 2)
2	LeadsunFox Greenergy Investment Co., Ltd	Guangjing Technology CO., LTD	Other receivables	Yes	4,000	4,000	4,000	2.0%	2	-	Working capital requirement	-	None	-	388,90 (Note 2)	388,90 (Note 2)

Note1: The Group's limit on total loans to others shall not exceed 40% of the net value of the latest financial statements audited or reviewed by accountants; the limit on loans to a single party shall not exceed 20% of net value of the latest financial statements audited or reviewed by accountants.

Note2: The subsidiaries' limit on total loans to others shall not exceed 200% of the net value of the latest financial statements audited or reviewed by accountants; the limit on loans to a single party shall not exceed 200% of net value of the latest financial statements audited or reviewed by accountants.

Note3: Financing purposes:

- 1) Trading counterparty
- 2) Entity with short term financing needs

Note4: All inter-company transactions regarding loans have been eliminated in the consolidated financial statement

Note5: Lichu Power Co., Ltd has not been included in the Group on December 25, 2023.

##### (ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	LeadsunFox Greenergy Investment Co., Ltd.	2 (Note 4)	2,581,692 (Note 2)	250,000	220,000	139,000	68,798	51.13%	2,581,692 (Note 2)	Y	N	N
0	The Company	Guangjing Technology CO., LTD	2 (Note 4)	2,581,692 (Note 2)	80,000	80,000	77,520	-	18.59%	2,581,692 (Note 2)	Y	N	N

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Li-Ben Asset CO., LTD	2 (Note 4)	2,581,692 (Note 2)	130,000	-	-	-	- %	2,581,692 (Note 2)	Y	N	N
1	LeadsunFox Greenergy Investment Co., Ltd.	Li-Ben Asset CO., LTD	2 (Note 4)	777,804 (Note 3)	140,800	82,500	-	-	42.43%	777,804 (Note 3)	Y	N	N

Note1: The numbers denote the following:

- (1) The Group is represented by 0.
- (2) The investee is coded consecutively beginning from "1" in the order presented in the table above.

Note2: The amount of the guarantee to a company provided by the Group, or the Group and its subsidiaries shall not exceed 600% of the Group' s net worth in the latest financial statements. The total amount of the guarantee to a single company shall not exceed 600% of the Group' s net worth in the latest financial statements.

Note3: In accordance with the Group' s or its subsidiaries' procedures of endorsements and guarantees, limit on the Group' s total guarantee amount is 400% of the Group' s net assets, the limit on endorsement/guarantee to a single party is 400% of the aforementioned total amount.

Note4: There are 7 relationships between the providers of endorsement/guarantees and the counterparties thereof:

- 1) Trading counterparty
  - 2) The Group holds more than 50% of the voting shares in the entity, directly and indirectly.
  - 3) The entity holds more than 50% of voting shares in the Group, directly and indirectly.
  - 4) The Group holds more than 90% of voting shares in the entity, directly and indirectly.
  - 5) An entity in the construction industry mutually guaranteed pursuant to a project contract.
  - 6) The stockholders of the Group provide guarantees or endorsements for the entity in proportion to percentage of ownership for joint investment.
  - 7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for preconstruction homes pursuant to the Consumer Protection Act for each other.
- (iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
LeadsunFox Greenergy Investment Co., Ltd.	Leadsun wind & solar (domestic and unlisted ordinary shares)	Same chairman with the Group	Financial assets at fair value through profit or loss - non-current	5,629,092 (Note 2)	56,724	3.00%	56,724	3.00%	
The Company	BIG SUNSHINE CO., LTD. (domestic listed ordinary shares)	-	Financial assets at fair value through other comprehensive income -noncurrent	304,983 (Note 2)	12,977	0.46%	12,977	0.46%	
"	Netamin Communication Corp. (preference shares)	-	Financial assets at fair value through other comprehensive income -noncurrent	250,000	-	3.96%	-	3.96%	
"	SPE Technology Co. (domestic unlisted stocks)	-	Financial assets at fair value through other comprehensive income- noncurrent	834,342	20,592	3.11%	20,592	3.11%	

(Continued)

## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The Company	InSynerger Technology Co., Ltd. (domestic unlisted stocks)	-	Non-current financial assets at fair value through other comprehensive income	500,000	24,160	4.40%	24,160	4.40%	

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Type of property	Transaction date	Acquisition date	Book value	Transaction amount	Amount actually receivable	Gain from disposal	Counter-party	Nature of relationship	Purpose of disposal	Price reference	Other terms
The Company	Land and improvements	2023.6.21	2000.5.25	93,416	243,179		145,145	AC Power Corp.	Non-related party	Activated assets	Appraisal report	

- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Lisheng Wufu Co., Lt	Related party	Sales	170,861	83.90%	Note	-	Note	-	-%	

Note : The sales conditions of the products above are based on the product type, market price competition and other trading conditions, and the selling price are agreed by both parties. The payment period is also in accordance with the contract.

- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- (ix) Trading in derivative instruments: None
- (x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions				Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms		
0	LEADSUN GREENTECH CORPORATION	Li-Ben Asset CO., LTD	1	Contract assets	44,432	Agreed by both		4.20%
0	LEADSUN GREENTECH CORPORATION	Li-Ben Asset CO., LTD	1	Construc revenue	13,283	Agreed by both		6.52%
1	LeadsunFox Greenergy Investment Co., Ltd.	Li-Ben Asset CO., LTD	3	Other receivables	30,046	Short term financing		2.84%
1	LeadsunFox Greenergy Investment Co., Ltd.	Li-Ben fangyuan optoelectronics CO., LTD	3	Other receivables	12,018	"		1.14%
1	LeadsunFox Greenergy Investment Co., Ltd	Zhongtun Wind Power Equipment CO., LTD	3	Other receivables	1,002	"		0.09%
1	LeadsunFox Greenergy Investment Co., Ltd	Guangjing Technology CO., LTD	3	Other receivables	4,006	"		0.38%

Note 1:Numbers are filled in as follows:

1 "0" represents the Company

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## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

2.The subsidiaries start with number 1.

Note 2: Relationship with the listed companies:

- 1.Parent and subsidiary.
- 2.Transactions from subsidiary to parent company
- 3.Transactions between subsidiaries

Note 3: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2023 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value				
The Company	La Fourriere Biotech	Taiwan	Medical beauty products	9,000	9,000	900	100.00%	2,272	100.00%	6	6	
"	LeadsunFox Greenergy Investment Co., Ltd.	Taiwan	Investment management consultancy and wholesale of building materials	227,000	227,000	18,749	100.00%	181,167	100.00%	(465)	(3,298)	Note 1
"	Grateful Fortune Limited	Samoa	Investment business	-	-	-	100.00%	-	- %	-	-	
"	Lichu Power Co., Ltd	Taiwan	Energy technology Service	-	48,000	-	- %	-	100.00%	376	376	
"	Xiangyin yongxu CO., LTD	Taiwan	Crop cultivation, agricultural retail, energy technology services	8,000	8,000	800	100.00%	1,810	100.00%	(6,485)	(6,485)	
"	Guangjing Technology CO., LTD	Taiwan	Energy technology Service	37,327	-	3,500	100.00%	38,661	100.00%	1,927	1,334	Note 1
LeadsunFox Greenergy Investment Co., Ltd.	Li-Ben Asset CO., LTD	Taiwan	Power generation for self-usage using renewable energy	43,000	43,000	4,300	100.00%	42,277	100.00%	(523)	Be exempted from disclosure	
"	Xiangyin Green Energy CO., LTD	Taiwan	Power generation for self-usage using renewable energy	6,000	6,000	600	100.00%	5,575	100.00%	(223)	"	
"	Li-Sheng si hsin CO., LTD	Taiwan	Power generation for self-usage using renewable energy	8,500	8,500	850	100.00%	8,129	100.00%	(311)	"	
"	Li-Sheng qigu Power CO., LTD	Taiwan	Power generation for self-usage using renewable energy	7,000	1,000	700	100.00%	6,857	100.00%	(101)	"	
"	Lisheng Qigu Power Co., Ltd	Taiwan	Power generation for self-usage using renewable energy	1,000	1,000	100	100.00%	990	100.00%	32	"	
"	Zhongtun Wind Power Equipment CO., LTD	Taiwan	Power generation for self-usage using renewable energy	-	-	10	100.00%	(109)	100.00%	(22)	"	
"	LeadsunFox Sustainable Energy CO., LTD	Taiwan	Power generation for self-usage using renewable energy	1,000	-	100	100.00%	340	100.00%	(660)	"	
"	Li-Ben fangyuan optoelectronics CO., LTD	Taiwan	Power generation for self-usage using renewable energy	10,000	-	1,000	100.00%	9,836	100.00%	(164)	"	
"	Li-Ben gao shu CO., LTD	Taiwan	Power generation for self-usage using renewable energy	10,000	-	1,000	100.00%	10,023	100.00%	23	"	
"	Li-Sheng sih fang CO., LTD	Taiwan	Power generation for self-usage using renewable energy	5,000	-	500	100.00%	4,799	100.00%	(201)	"	
"	Jiafeng Wind Power Equipment Development CO., LTD	Taiwan	Power generation for self-usage using renewable energy	-	-	100	100.00%	(60)	100.00%	(998)	"	
"	Guoye Green Energy CO., LTD	Taiwan	Power generation for self-usage using renewable energy	-	-	10	100.00%	(2)	100.00%	(41)	"	
"	Jiangmei Green Energy CO., LTD	Taiwan	Power generation for self-usage using renewable energy	-	-	10	100.00%	(125)	100.00%	(111)	"	
"	Li-Sheng lioufu CO., LTD	Taiwan	Power generation for self-usage using renewable energy	5,000	-	500	100.00%	4,994	100.00%	(6)	"	
"	Leadtek Energy Co., Ltd.	Taiwan	Power generation for self-usage using renewable energy	5,000	-	500	100.00%	4,992	100.00%	(8)	"	

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## LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (thousands)	Percentage of ownership	Carrying value				
LeadsunFox Greenergy Investment Co., Ltd.	Nitto Green Energy CO., LTD	Taiwan	Power generation for self-usage using renewable energy	-	-	200	100.00%	(60)	100.00%	(1,885)	Be exempted from disclosure	
"	JANDO INTERNATIONAL CO., LTD	Taiwan	Power generation for self-usage using renewable energy	857	-	1,100	100.00%	855	100.00%	(10,908)	"	
Xiangyin Green Energy CO., LTD	Li-Shen Asset CO., LTD	Taiwan	Power generation for self-usage using renewable energy	1,000	1,000	100	100.00%	619	100.00%	(246)	"	
Lichu Power Co., Ltd	Guangjing Technology CO., LTD	Taiwan	Energy technology Service	-	37,520	-	- %	-	100.00%	1,927	"	

Note 1: The difference between recognized profit or loss from investment and investee is difference of impairment recognized at fair value.

Note 2: The above transactions were eliminated when compiling the consolidated financial statements.

(c) Information on investment in mainland China: None

(d) Major shareholders:

Shareholder' s Name	Shareholding	Shares	Percentage
Yang Qing Tang		3,389,791	11.41%

Note: Information about the substantial shareholders of this form is provided by the General Insurance Company on the last business day of each quarter. The total number of ordinary shares and special shares in which the calculation of shareholders' holding company has completed the unincorporated delivery (including treasury shares) is more than 5%. As to the number of shares recorded in The Company' s financial reports that are not physically registered as delivered by The Company, the basis of the calculation may varies or be different.

#### (14) Segment information:

(a) General Information

For the year ended December 31, 2022, the Group had two reporting departments: The CD-ROM and Renewable Energy Divisions; the CD-ROM Division was mainly engaged in the sale of CD-ROM products; and the Renewable Energy division was responsible for the development of renewable energy plants, plant development management, and electricity sales.

For the year ended December 31, 2023, renewable energy sector is the single operating department, the profit(loss), assets, and liabilities of the Group' s segments were consistent with the consolidated financial statements; please refer to the consolidated balance sheet and the consolidated statement of comprehensive income.

(b) Reportable segment' s profit or loss, segment assets, segment liabilities, and their measurement and reconciliations

There were no material differences between the accounting policies adopted for the Group' s operating segments and those described in Note 4. The operating decision makers of the Group assess the performance of the operating units in terms of pre-tax (loss) benefits.

The Group reports departmental profit and loss to the key operating decision maker and income expense in the consolidated income statement on a consistent basis. The Group do not provide the total assets and total liabilities of the key operating decision makers for their operational decisions and are measured in a manner consistent with the assets and liabilities in the Group' financial statements. The consolidated companies should report that the departmental (loss) benefits as pre-tax (loss) benefits without adjustment.

The Group' s operating segment information and reconciliation are as follows:

	For the year ended December 31, 2022		
	CD-Rom Division	Renewable Energy Division	Total
Revenue:			
Revenue from external customers	\$ 27,266	178,521	205,787
Profit (loss) of reportable segments	\$ (21,919)	70,783	48,864

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# LEADSUN GREENTECH CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

(c) Product and service information

Revenue from the external customer of the Group, please refer to 6(u).

(d) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

<u>Geographical information</u>	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Revenue from external customers:		
Taiwan	\$ 203,647	201,721
Others	-	4,066
	<u>\$ 203,647</u>	<u>205,787</u>
Non-current assets:		
Taiwan	<u>\$ 385,504</u>	<u>346,081</u>

Non-current assets include property, plant and equipment, investment property, intangible assets, and other assets, not including financial instruments, deferred tax assets, pension fund assets, and rights arising from an insurance contract (non-current).

(e) Main customer information (customers who contributed more than 10% of consolidated operating income)

	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Customer A from the renewable energy division	<u>\$ 170,861</u>	<u>135,091</u>