VII. Review of Financial Status, Operating Results, and Risk Management

7.1 Analysis of Financial Status

~			1	Unit:	N I \$thousand
Year	2021/12/31	2020/12/31	Difference		Remark
Item	2021/12/31	2020/12/31	Amount %		Kennark
Current Assets	49,333,671	45,792,352	3,541,319	8	
Fixed Assets	15,196,458	15,912,788	(716,330)	(5)	
Intangible Assets	4,439,567	5,269,715	(830,148)	(16)	
Other Assets	67,642,754	38,704,216	28,938,538	75	Note 1
Total Assets	136,612,450	105,679,071	30,933,379	29	Note 1
Current Liabilities	23,074,011	19,618,968	3,455,043	18	
Non Current Liabilities	17,876,508	18,434,871	(558,363)	(3)	
Total Liabilities	40,950,519	38,053,839	2,896,680	8	
Equity attributable to owners of parent	89,213,763	61,828,295	27,385,468	44	Note 1
Capital stock	21,387,966	19,676,929	1,711,037	9	
Capital surplus	9,529,520	7,386,901	2,142,619	29	Note 2
Retained Earnings	27,936,917	27,936,917	0	0	
Other equity	27,568,885	6,827,548	20,741,337	304	Note 1
Non Controlling Interest	6,448,168	5,796,937	651,231	11	
Total Stockholders' Equity	95,661,931	67,625,232	28,036,699	41	
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Note 1: The increase is mainly due to the unrealized gains on valuation of investments measured at fair value through other comprehensive financial assets held by the Group, which increased both assets and equity.

Note 2: The increase is mainly due to the issuance of ordinary shares at a premium in 2021.

7.2 Analysis of Operating Results

7.2.1 Operating Results

Unit: NT\$thousand

Year	2021	2020	Differen	ce	D 1
Item	2021	2020	Amount %		Remark
Sales Revenue	52,557,027	45,823,430	6,733,597	15	
Operating Costs	(39,812,612)	(35,066,082)	(4,746,530)	14	
Gross Profit	12,744,415	10,757,348	1,987,067	18	
Realized(Unrealized) Profit from Sales	1,164	(1,255)	2,419	(193)	Note 1
Gross Profit - Net	12,745,579	10,756,093	1,989,486	18	
Operating Expenses	(7,676,221)	(7,222,036)	(454,185)	6	
Operating Profit	5,069,358	3,534,057	1,535,301	43	Note 2
Non-operating Income and Gains	1,082,520	865,691	216,829	25	Note 3
Profit before income tax	6,151,878	4,399,748	1,752,130	40	Note 4
Tax Expense	(649,687)	(588,100)	(61,587)	10	
Net Income	5,502,191	3,811,648	1,690,543	44	Note 4
Other comprehensive income	21,474,459	3,791,939	17,682,520	466	Note 5
Total comprehensive income	26,976,650	7,603,587	19,373,063	255	Note 6

Analysis and explanation for changes:

1. Mainly due to the inventory sold by the company to non-consolidated related enterprises decreased, resulting in an increase in unrealized profit.

2. Mainly due to the increase in revenue and gross profit, expense control, as well as the increase in the valuation of financial products in the net operating profit.

3. Mainly due to the increase in dividend income compared with the previous period.

4. Mainly due to the increase in operating net profit and cash dividend income compared with the previous period.

5. Mainly due to the increase in the appreciation of financial assets, resulting in an increase in comprehensive income.

6. Mainly due to the increase in net profit and other comprehensive benefits compared with the same period of last year °

7.2.2 Change in gross profit: No need of analysis since the change is less than 20%.



7.3 Analysis of Cash Flow

7.3.1 Cash Flow Analysis for the Current Year (2021)

Cash and Cash	Net Cash Flow from	Cash Outflow	Cash Surplus	Remedy for	Cash Deficit
Equivalents, Beginning	Operating Activities	(Inflow)	(Deficit)	Investment	Financing
of Year (1)	(2)	(3)	(1)+(2)-(3)	Plans	Plans
20,397,260	4,115,253	7,238,370	17,274,143	-	-

A. Analysis of change in cash flow:

a. Operating activities: The net cash inflow from operating activities is mainly due to stable profitability and proper control of the receipt and payment schedule.

b. Investing activities: Purchase of monetary assets and real estate, plant and equipment is the main reason for cash outflow from investment activities

c. Financing activities: The payment of cash dividends, payment of borrowings and lease liabilities are the main causes of cash outflows from financing activities.

B. Remedy and liquidity analysis for insufficient cash: not applicable.

7.3.2 Cash Flow Analysis for the Coming Year

Unit: NT\$thousand

Cash and Cash	Estimated Net	Estimated Cash		Remedy for	Cash Deficit
Equivalents, Beginning of Year (1)	Cash Flow from Operating Activities (2)	Outflow (Inflow) (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Investment Plans	Financing Plans
17,274,143	4,041,111	2,822,439	18,492,815	-	-

A. Analysis of change in cash flow in the current year:

a. Operating activities: The impact of the COVID epidemic has alleviated, and the export situation in North United States has improved. Revenue is expected to grow slightly compared with 2021. It is expected that net cash inflows from operating activities this year will not be significantly different from 2020.

b. Investing activities: It is expected that the dividend income earned in 2022 is just enough to pay for the equipment purchase and the increase of investment projects under the equity method.

c. Financing activities: Although the cash dividend of this year is higher than that of last year, the net cash inflow from operating activities of the Company in Taiwan will increase significantly. It is estimated that loans won't increase this year.

B. Remedy for Cash Deficit and Liquidity Analysis: Not Applicable

Unit: NT\$thousand

7.4 Financial and Business Impact from Major Capital Expenditure Items

Project	Actual or Planned Source	Actual or Planned Date of	Total Capital	Actual or Expected Capital	
110,000	of Capital	Completion	Total Capital	2021	2022~2023
2021 Capital					
Expenditure – new					
equipment, equipment	Working Capital	2021/12/31	1,399,000	1,399,000	
renewal and capacity					
expansion					
2022 Capital					
Expenditure – new					
equipment, equipment	Working Capital	2022/12/31	3,833,000		3,833,000
renewal and capacity					
expansion					

7.4.1 Major Capital Expenditure Items and Source of Capital

7.4.2 Expected Benefits

After the above-mentioned capital expenditure and equipment replacement, in addition to increasing the output of high and low voltage motors, home appliances and air conditioners, and automation & intelligent system products, it will also help reduce production costs and improve product quality.

7.5 Investment Policy in Last Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year

7.5.1 Equity Investment Policy

In response to economic development trend and increasing competition, both on domestic and overseas fronts, investments are mainly for vertical or horizontal integration of the company's core businesses, including electric machinery, energy engineering, and home appliances & air conditioners, for materialization of the corporate vision of "energy conservation, emission reduction, intelligence and automation" and strengthen digital transformation, in line with the company's long-term development plan and carefully evaluate various investment plans

7.5.2 Major reasons for profits or loss:

The investment interest recognized by the equity method of the Group in 2021 was NT\$ 195,831 thousand, with an increase of 210,444 thousand compared with the investment loss recognized in 2010 (14,613). It was mainly due to the impact of the epidemic on related companies in 2010, which gradually recovered in 2021.

7.5.3 Investment plan for the next year

In addition to the replacement of old equipment with new ones, the investment plan for the next year will continue to focus on energy conservation, emission reduction, intelligence, automation, digitalization, development of large vertical pump CWP, 2P inverter F#630~800 series IE5 high efficiency permanent magnet motor, low-speed direct-drive permanent magnet motors, self-starting synchronous reluctance motor, offshore wind turbine technology, and high efficiency inverter air conditioning products.

7.6 Analysis of Risk Management

7.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

2	021 Unit: NT\$Thousand
Interest Income or Loss(1)	(74,314)
Sales Revenus(2)	52,557,027
Operating Income(3)	5,069,358
(1)/(2)	(0.14)%
(1)/(3)	(1.47)%

A Effects of Changes in Interest Rates on Corporate Finance, and Future Response Measures

The Company's net interest expense for the year 2021 was NT \$ 74,314 thousand, accounting for 0.14% of annual operating income and 1.47% of operating profit.

Looking forward to this year, the global economy is gradually recovering from the epidemic. In order to adjust the inflationary pressure, countries around the world have successively released news of interest rate hikes or imminent interest rate hikes. Among them, the US Federal Reserve announced on March 17 to raise interest rates by 1 yard, and announced that there will be 6 interest rate hikes this year and 3 interest rate hikes next year. The central bank of Taiwan also announced a 1-yard rate hike on the same day. Interest rates are expected to rise gradually.

In order to reduce the impact of changes in interest rates, the company will adjust the position of New Taiwan Dollar/foreign currency borrowings in due course, or reduce interest rate risk by increasing fixed-rate borrowing, etc.

B.Effects of Changes in Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

	2021	Unit: NT\$thousand
Exchange Gain or Loss(1)		(62,535)
Sales Revenus(2)		52,557,027
Operating Income(3)		5,069,358
(1)/(2)		(0.12%)
(1)/(3)		(1.23%)

The company's year 2021 exchange loss was NT\$62,535 thousand, which was mainly due to the appreciation of the New Taiwan dollar (2.95% in 2021), and the appreciation of the RMB of China companies (2.66% in 2021), but due to the reduction of foreign currency positions and hedging operations, the exchange loss has been reduced compared with 2020 (NT\$80,595 thousand).

Looking forward to this year, driven by the US Federal Reserve's announcement that there will be seven interest rate hikes this year, it is expected that funds will gradually flow into the United States, which will strengthen the US dollar exchange rate. In addition to continuously paying attention to exchange rate fluctuations, the company has implemented the following countermeasures.

- a. In addition to natural risk hedging associated with positions of assets and liabilities, the company will undertake substantial risk hedging via forward forex transactions.
- b. The financial department will maintain close contact with the forex department of corresponding financial institutions and constantly collect information on change in exchange rate, so as firmly grasp trend and change in international exchange rates and respond actively, in forward forex transactions and foreign exchange settlement, to offset the adverse influence of exchange-rate swings.
- c. The financial department regularly do internal evaluation reports for hedge on net asset and liability of foreign currency, so that the management team can determine if the company do the hedge or not.
- C. The impact on company's performance reselted from inflation and counter measures

The General Accounting Office of Taiwan announced that the CPI for 2021 will be 1.96%, a new high in 13 years. The CPI from August 2021 to February 2022 will be above 2%. The shipping costs and prices of the company's main raw materials, which include steel, copper, aluminum, etc., have risen significantly and will increase the procurement cost.

In addition, the purchase of raw materials of the Company is mostly negotiated by contract. In the situation of rising prices, prices can be negotiated with suppliers. Therefore, fluctuations in raw material prices have no significant adverse impact on the company's profit and loss. However, the company will still carefully evaluate the price trend of base metals in the future, and formulate the most suitable procurement strategy in line with operational needs

7.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

- A. The company abstains from high-risk and high leveraged investments.
- B. At the end of 2021, outstanding loans extended by the company amounted to NT\$105,872 thousands.
- C. In 2021, the outstanding amount of the endorsement and guarantee extended by the company reached NT\$1,700,473 thousand, for the company's subsidiaries, affiliates, and business partners. The company has obtained the financial statements and business profile information of the endorsement guarantee company at ordinary times, analyzes its profit situation, in order to evaluate the risk of the company's endorsement guarantee, and plans the risk reduction plan in advance
- D. In 2021, the derivative products held by the company are mainly forward foreign exchange transactions. Since the counterparties of the transactions are all creditworthy international financial institutions, and the company also trades with many financial institutions to diversify risks, the contract counterparty default risk is very low, so the credit risk of the derivative commodity transactions that the company engages in is very low. In addition, the derivative products held by the company are mainly of a hedging nature, and the resulting profit and loss will offset the profit and loss of the hedging project, so the market risk is also very low. The company calculates the fair value of individual contracts based on the mid-price of the exchange rate reported by the Taiwan Bank's exchange rate

E. The company has formulated a number of investment guidelines for cutting risk, including "Procedure for the Acquisition and Disposal of Assets," "Procedure for Lending Capital to the Others", "Procedure for the Endorsement and Guarantee," and "Procedure for the Trading and Disposal of Derivatives."

7.6.3 Future Research & Development Projects and Corresponding Budget

TECO Group's estimated R&D expenditure in 2022 is NT\$1,384,000 thousand.

In recent years, TECO has gathered the R & D strength and market experience of the company's R & D units at home and abroad, and through the cooperation of industry, education and research, has strengthened its core business and actively invested in the green energy industry. In wind power generation, solar power converters, rare earth permanent magnet motors, vehicle electric power components, robot arm transmission motors, medium voltage inverters, sensor-free feedback permanent magnet motor drives, low-torque precision servo motors, high-speed spindle motors, IE5 synchronous reluctance motor and driver, high-order algorithm, Internet of Things application, etc., launched several important R & D projects.

For the operational needs in response to mid- and long-term research and development of new technologies and products, and short-term product cost-effectiveness improvement, TECO's R & D team actively seeks external resources, and operates technical consultation, cooperation, introduction, etc.

Starting from existing core technologies such as rotating electrical machine and generator design, motor drive and design, power electronic control and design, gateway technology, etc., it integrates new market needs, industrial specifications, new material applications, sensor application technologies, wireless network technology, and In the field of green energy industry technology, coordinate overall R & D strategy and technical planning

The company formulates its future R&D plan on the following bases:

- A. Grasp and analysis of industrial development, government policy, and market trend;
- B. The establishment and rooting of key technologies;
- C. Competitiveness relative to rivals in Europe, the U.S., and Japan;
- D. Global market positioning and technological integration;
- E. Grasp of R&D progress and quality.

Therefore, TECO is expected to continue or initiate the following R & D directions in 2020 in order to comply with the new European regulations in the existing product market and develop high-value-added innovative applications for existing marketing channels, while seeking specific commercialization of emerging technologies and creating new market opportunity, while seeking the specific commercialization of emerging technologies and the creation of new markets.

- (a) Development of MW-grade 2 pole inverter duty motor
- (b) Development of low-speed high-torque permanent magnet motors direct drive system
- (c) Development of high torque permanent magnet motor & drive
- (d) Development of high-speed permanent magnet motor and driver products
- (e) Development of IE5 high efficiency permanent magnet motor
- (f) Development of digital motor products
- (g) Research and development of low energy consumption inverter refrigerator
- (h) Integration and development of vehicle power system
- (i) Developmet of motor and drive of vehicle
- (j) Development of components and drives for offshore wind turbines

ANNUAL REPORT 2021

- (k) Research and development of four-quadrant control of medium voltage inverter and industrial network and frequency conversion switching
- (1) High-end AFE and controller product technology research and development of electronic control product series
- (m) Development of KW-level four-quadrant wind power converter
- (n) Development of TECO i-Air system
- (o) Research and development of commercial full DC inverter air-cooled box-type air conditioners
- (p) Development of smart networking high sensible heat air conditioner
- (q) Development of high IPLV magnetic levitation centrifugal unit
- (r) HVAC air conditioning system group control energy saving solution development
- (s) HVAC air conditioning system cloud monitoring expert diagnosis system development
- (t) Development of smart freezing and refrigerating cabinet
- (u) Development of mid-temperature condensing unit in supermarkets
- (v) Development of low-temperature condensing unit for agriculture, fishery and aquatic products
- (w) Development of efficient and short servo motor
- (x) IE5 synchronous reluctance motor driver development
- (y) Development of image recognition technology for meal delivery robots
- (z) AGV multi-vehicle management technology development
- (aa) Matrix converter prototype development
- (bb) Development of next-generation high-performance servo drives
- (cc) Development of multi-axis servo technology
- (dd) Development of compact DC servo products
- (ee) EtherCat thin AC servo product development
- (ff) Ultra-thin and thin AC servo product development
- (gg) Development of hardware and software for the next-generation single-axis servo drive prototype
- (hh) Adjusting characteristics and selecting functional technology development
- (ii) Development of higher order adjustment function technology
- (jj) Development of speed ripple compensation function technology
- (kk) Harmonic suppression technology development
- (ll) I / O filter development
- (mm) Matrix converter system integration
- (nn) AGV multi-vehicle control technology
- (oo) Independent follow-up technology development
- (pp)Research and development of binary extremely low temperature refrigeration system
- (qq) Evaluation of the influence of extremely low temperature environment on motor characteristics
- (rr) Industrial Internet of Things:
 - 1. Application of edge computing system
 - 2. Proposal of in-factory program and implementation on single machines, work center, whole production



line, and quality-inspection application

- 3. Preparation for undertaking external projects
- (ss) Smart mobile platform
 - 1. Integration of automated guided vehicle (AGV) and production-line information flow
- (tt) Data analysis:
 - 1. Development of equipment predictive maintenance technology
- (uu) Development of AI Vision Application
 - 1. AI visual feature extraction and recognition
- (vv) Development of joint modules for collaborative robots

The company's general research institute oversees the overall R&D strategy, technology deployment and ongoing product R&D, with an eye on technological deployment and product development in short-, medium-, and long-term, including:

Term of R&D	Focus		Major R&D items
		1.	Research and development of high-performance servo motors
			and drives
		2.	Development of low-speed high-torque permanent magnet
			motors direct drive system
		3.	Development of IE5 ultra high efficiency permanent magnet motor
		4.	Development of new generation steel shell motor products
		5.	Development of smart freezing and refrigerating cabinet
		6.	Research and development of commercial full DC inverter
		7.	Development of Multi-Pressure Single System of High IPLV Magnetic Lewitetion Contribuct Unit
		8	Sinusoidal sensorless drive technology research and
		0.	development
		9.	Servo parameter automatic adjustment technology
		10.	Development of T-Power 50~130 car electric power kit
	Develop new-product application	11.	Smart battery and battery management system development
C1 ()	market, Enhance performance of	12.	Development of brake energy recharging technology
Short-term	existing products & Enhance product	13.	Research and development of vehicle verification technology
	profitability and market share		for energy-saving electric vehicles
		14.	Development of vehicle electric power battery verification technology
		15.	Single-axis high-performance servo drive
		16.	AGV product development
		17.	Development of next-generation inverter prototype
		18.	Multi-vehicle AGV system development
		19.	Thin (axial) motor design
		20.	GaN drive technology development
		21.	Joint module system integration (S1/M1)
		22.	Smart follower car development
		23.	Motor drive integrated machine development
		24.	Motor heat flow technology research and development
		25.	Development of high-speed maglev controller
		26.	Development of high efficiency inverter air conditioning technology
		27.	Development of uni/bidirectional DC power converter

Term of R&D	Focus	Major R&D items
		1. Research and development of medium and high voltage invertee
		technology
		2. High-end frequency conversion technology research and
		development
		3. High-speed permanent magnet motor and driver development
		4. Development of ultra-low-speed direct-drive permanent magnet
		motors
		5. Offshore wind turbine technology development
		6. Development of ultra-high efficiency synchronous reluctance
		7 Development of new-generation insulation system
		Application of digital-home technology in smartphones
		9 Gateway technology of electronic control product series
	Accumulation of core technological	10 Development of energy-saving solutions for HVAC
Mid-term	strength & Development of new	air-conditioning systems
Who-term	technological strength	11 HVAC air conditioning system cloud monitoring expert
		diagnosis system onened
		12 Development of smart networking high sensible heat air
		conditioner
		13 Development of mid-temperature condensing unit in
		supermarkets
		14. Development of low-temperature condensing unit for
		agriculture. fisherv and aquatic products
		15. Multi-axis servo drive technology development
		16. T-Power 250 electric bus power system development
		17. Navigation technology research and development
		18. Development of thin (axial) motor integrated machine
		19. Development of uni/bidirectional AC/DC power converter
		20. Development of DC Inverter Air Conditioner
		1. Development of intelligent motor products and technical
		services
		2. Development of traction motors for rail vehicles
		3. Machine networking system integration research and
		development
		4. Micro smart grid system integration research and development
		5. Research and development of new generation digital home
Long-term	Deployment in new business scope	appliance system
-		6. Research and development of new generation industrial servo
		system
		7. Multi-axis servo system integration research and development
		8. Development of T-Power 150~250 car electric power kit
		9. Development of energy conditioning system
		10. Development of Next Generation Inverter Air Conditioning
		Technology

7.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

None

7.6.5 Effects of and Response to Changes in Technology (including cyber security risk) and in Industry Relating to Corporate Finance and Sales

In response to technological changes, TECO set up an information security committee under the Corporate Governance and Sustainability Committee of the board of directors in Jan 2021, with the President as the chairman of the committee, responsible for coordinating the Company's information security policy and governance. In addition, TECO information security management system (ISMS) was verified by a third party on October 2021 and passed the ISO27001 international standard certification, improving the information security management policy and relevant management procedures. In the future, the deployment of cyber security defense system will strengthen endpoint detection and response, network abnormal traffic monitoring, intrusion detection and protection, complete system backup and cyber security monitoring platform, and deepen defense in management and technology to reduce cyber security risks.

In terms of industry, based on the social trend of declining employment population and the demand for green energy, the company is considering global development trends, responding to government industrial policies, and examining its existing technological energy and corresponding industrial growth. In addition to continuing to strengthen its technical advantages in high-efficiency power motors, environmentally friendly refrigerant applications for home appliances, and frequency conversion energy saving, it also closely studies international technology trends and market trends reports, and introduces innovative methodologies. In order to respond to the social trend of declining employment population, plan the biomedical technology forum and long-term technology development blueprint, and complete the strategy and timetable of the plan. In order to meet the demand for green energy, there are plans for electric vehicle motors, wind generators, smart grid peripheral appliances, green energy-saving appliances, and multi-connected air-conditioning systems

Since 2017, the Forward-looking Technology Advisory Committee will continue to scan the top forward-looking technologies, catch up with the technology and products of leading technology companies, strengthen and screen the applications and maintenance of effective intellectual wealth, and actively participate in the relevant disciplines of the new government's industrial policy. Join the R&D of gateway technology of the electronic control product series, strengthen the quality and taste of the remote monitoring of motors and generators, the R&D of high-end servo motor drives and the R&D of reluctance motors and drives, and the security of digital homes and mobile communications. Class commercial air-conditioning products, closely integrated with industrial compound networking and machine-connected networking applications. Re-enhance the density and depth of technical detectives, continue to strengthen the horizontal technical integration of related companies, and actively seek foreign technical cooperation to accumulate research and development capabilities in order to provide products that will be long-term demanded by the future society

7.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

The company has been pursuing sustained growth via "pluralized management" and "global deployment," and has been striving to project a quality corporate image for a globalized group by manifesting in-depth social care via TECO Technology Foundation and rigorous demand for quality and service. The company's crisis management plan covers its production bases worldwide and has helped the company respond properly to the ordeal of major incidents in recent years, thanks to the company' constant effort in fostering crisis-management capability. In the future, the company will continue simulating the outbreak of major incidents and formulate response plans, in order to safeguard the interests of shareholders.

7.6.7 Expected Benefits from Risks Relating to and Response to Merger and Acquisition Plans

None

7.6.8 Expected Benefits from Risks Relating to and Response to Factory Expansion Plans

None

7.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

None

7.6.10 Effects of Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%

In 2021 and as of the publication date of the annual report, there has been no substantial transfer or replacement of the shares of the Company's directors, supervisors or major shareholders holding more than 10% of the shares.

7.6.11 Effects of Risks Relating to and Response to Changes in Control over the Company

None

7.6.12 For litigation and non-litigation cases, specify the company and directors, supervisors, president, chief executive, and major shareholders with over 10% of shareholding, as well as affiliates. For major litigation, non-litigation, or administrative disputes with major effects on the interests of shareholders or stock prices, disclose the facts, target value, starting dates for litigation, major parties involved, and the status of the cases up to the publication of the yearbook

Unit: NT\$ thousand

Number	The cause of the case	the counterparty	the progress of the case	Amount
1	Request for payment of project payment / extension of construction period cost	TAIWAN ENVIROTECH DEVELOPMENT CORPORATION	2020.7.10 The appraisal report concluded that the counterparty should pay TECO NT\$117,149 thousand, including NT\$35,522 thousand payable for unpaid works," NT\$64,809 thousand for "additional works", and NT\$16,819 thousand "compensation for construction period extension". TECO made a motion for provisional execution. The court is proceeding and there is no significant adverse	\$171,129

Number	The cause of the case	the counterparty	the progress of the case	Amount
2	Request for change and additional engineering payment	LiJin Engineering.	The court appointed the Taiwan Construction Research Institute for appraisal. 2021.9.16 The third appraisal meetingCurrently, there is no significant adverse impact on the situation of TECO	\$166,965
3	Request payment for the new construction of Nangang Exhibition Hall	Construction and Planning Agency, Ministry of the Interior	The first-instance judged that the counterparty should pay TECO (Leader Construction, TECO, TMA Architects and Assoiciate) a total of NT\$407,657 thousand and interest from 2008.3.7 to the date of settlement. The counterparty filed an appeal on 2020.5.22. The court is proceeding and there is currently no Significantly adversely affect the situation of TECO.	\$188,068

7.6.13 Other Major Risks and Countermeasures

In order to strengthen information security management, ensure the confidentiality, integrity and availability of information, as well as the reliability of information equipment and network systems, the company has established information security policies as guidelines for information security risk management in company regulations. At the same time, under the information security risk management framework, build intrusion prevention systems / email anti-spam systems / endpoint anti-virus systems to gradually complete information security protection. Also regularly conducts data off-site backup systems and disaster recovery mechanism exercises to ensure that services are not interrupted.